

*In the opinion of Jones Hall LLP, as Bond Counsel, subject, however to certain qualifications described herein, under existing law, the interest on the 2025 Bonds is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax. Interest on the 2025 Bonds may be subject to the corporate alternative minimum tax. In the further opinion of Bond Counsel, such interest is exempt from California personal income taxes. See "TAX MATTERS" herein.*

**\$9,120,000**  
**CITY OF ROSEVILLE**  
**AMORUSO RANCH COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES)**  
**IMPROVEMENT AREA NO. 2**  
**SPECIAL TAX BONDS**  
**SERIES 2025**

**Dated: Date of Delivery**

**Due: September 1, as shown on inside cover**

The bonds captioned above (the "2025 Bonds"), are being issued by the City of Roseville (the "City") by and through Improvement Area No. 2 ("Improvement Area No. 2") of the City of Roseville Amoruso Ranch Community Facilities District No. 1 (Public Facilities) (the "District"). The 2025 Bonds are special tax obligations of the City, authorized pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, being California Government Code Section 53311, et seq. (the "Act"), and are issued pursuant to the Resolution of Issuance (as defined herein) and a Fiscal Agent Agreement dated as of November 1, 2025 (the "Fiscal Agent Agreement") by and between the City and U.S. Bank Trust Company, National Association, as fiscal agent (the "Fiscal Agent"). The 2025 Bonds are being issued to (i) construct and/or acquire certain authorized public facilities, (ii) provide for a deposit to a debt service reserve account for the 2025 Bonds, and (iii) pay costs of issuance of the 2025 Bonds. Interest on the 2025 Bonds is payable semiannually on March 1 and September 1 of each year, commencing March 1, 2026. See "THE BONDS – Authority for Issuance."

The 2025 Bonds are being issued as fully registered bonds, registered in the name of Cede & Co. as nominee of The Depository Trust Company ("DTC"), and will be available to ultimate purchasers in the denomination of \$5,000 or any integral multiple thereof, under the book-entry system maintained by DTC. See "APPENDIX G – DTC AND THE BOOK-ENTRY ONLY SYSTEM."

The 2025 Bonds are secured by and payable from a pledge of Special Tax Revenues (as defined herein) derived from Special Taxes (derived from the levy of "Facilities Special Taxes," both as defined herein) to be levied by the City on real property within Improvement Area No. 2, 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 Improvement Area No. 2. 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 2025 Bonds and the interest thereon as a result of any delinquent Special Taxes, the City will establish a debt service reserve account for the 2025 Bonds from proceeds of the 2025 Bonds, as described herein. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS."

Property currently in Improvement Area No. 2 and subject to the Special Tax is developing into 156 single-family homes, as "phase 2" of the "Amoruso Ranch" development ongoing within the Amoruso Ranch Specific Plan, located in the northwest portion of the City. Brookfield Sunset LLC is the master developer of the project, and its affiliated home building entity, Brookfield Sacramento HB LLC, is building the homes, as described herein. See "THE AMORUSO RANCH DEVELOPMENT," "THE MASTER DEVELOPER," and "MERCHANT BUILDER INFORMATION."

**The 2025 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 2025 BONDS, EXCEPT WITH RESPECT TO THE SPECIAL TAXES AS EXPRESSLY DESCRIBED HEREIN. THE 2025 BONDS DO NOT CONSTITUTE A DEBT OF THE CITY WITHIN THE MEANING OF ANY STATUTORY OR CONSTITUTIONAL DEBT LIMITATION.

*This cover page contains certain information for general reference only. It is not a summary of all of the provisions of the 2025 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 2025 Bonds.*

*The 2025 Bonds are offered when, as and if issued, subject to approval as to their legality by Jones Hall LLP, as Bond Counsel. Certain legal matters will also be passed on by Jones Hall LLP, as Disclosure Counsel, Stradling, Yocca, Carlson & Rauth LLP, as counsel to the Underwriter, and Holland & Knight LLP, San Francisco, California, as counsel to the Master Developer. Certain legal matters will be passed upon for the City by the City Attorney. It is anticipated that the 2025 Bonds will be available for delivery to DTC on or about November 13, 2025.*

**PIPER | SANDLER**

**CITY OF ROSEVILLE  
AMORUSO RANCH COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES)  
IMPROVEMENT AREA NO. 2  
SPECIAL TAX BONDS  
SERIES 2025**

**MATURITY SCHEDULE**

\$175,000 – 4.000% Term Bond Due September 1, 2030; Yield 3.860%; Price: 100.603%  
CUSIP†: 77786A AA3

\$515,000 – 5.000% Term Bond Due September 1, 2035; Yield 4.100%; Price: 107.197%  
CUSIP†: 77786A AB1

\$980,000 – 5.000% Term Bond Due September 1, 2040; Yield 4.500%; Price: 103.920%<sup>C</sup>  
CUSIP†: 77786A AC9

\$1,580,000 – 5.000% Term Bond Due September 1, 2045; Yield 4.730%; Price: 102.091%<sup>C</sup>  
CUSIP†: 77786A AD7

\$2,390,000 – 5.000% Term Bond Due September 1, 2050; Yield 4.850%; Price: 101.151%<sup>C</sup>  
CUSIP†: 77786A AE5

\$3,480,000 – 5.000% Term Bond Due September 1, 2055; Yield 4.920%; Price: 100.608%<sup>C</sup>  
CUSIP†: 77786A AF2

<sup>C</sup> - Priced to September 1, 2035 optional par call date.

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## **CITY OF ROSEVILLE, CALIFORNIA**

### **City Council**

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

### **City Staff**

Dominick Casey, *City Manager*  
Dennis Kauffman, *Assistant City Manager/Chief Financial Officer*  
Scott Pettingell, *Finance Director*  
Michelle Sheidenberger, *City Attorney*  
Carmen Avalos, *City Clerk*

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## **SPECIAL SERVICES**

### **Bond Counsel and Disclosure Counsel**

Jones Hall LLP  
*San Mateo, California*

### **Municipal Advisor**

Fieldman, Rolapp & Associates, Inc.  
*Irvine, California*

### **Special Tax Consultant**

Economic & Planning Systems  
*Sacramento, California*

### **Special Tax Administrator**

Willdan Financial Services  
*Temecula, California*

### **Appraiser**

Integra Realty Resources  
*Sacramento, California*

### **Fiscal Agent**

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

## GENERAL INFORMATION ABOUT THIS OFFICIAL STATEMENT

**Use of Official Statement.** This Official Statement is submitted in connection with the sale of the 2025 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 2025 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 2025 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 2025 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 2025 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 2025 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 2025 BONDS HAVE NOT BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES LAWS OF ANY STATE.



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## OFFICIAL STATEMENT

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**\$9,120,000**  
**CITY OF ROSEVILLE**  
**AMORUSO RANCH COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES)**  
**IMPROVEMENT AREA NO. 2**  
**SPECIAL TAX BONDS**  
**SERIES 2025**

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 Improvement Area No. 2 (“**Improvement Area No. 2**”) of the City of Roseville Amoruso Ranch Community Facilities District No. 1 (Public Facilities) (the “**District**”) of the bonds captioned above (the “**2025 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 – SUMMARY OF CERTAIN PROVISIONS OF FISCAL AGENT AGREEMENT.”*

### 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 2025 Bonds to potential investors is made only by means of the entire Official Statement.*

**Authority for Issuance of the 2025 Bonds.** The 2025 Bonds are issued pursuant to the Act, a resolution adopted by the City Council on October 15, 2025 (the “**Resolution of Issuance**”) and a Fiscal Agent Agreement, dated as of November 1, 2025 (the “**Fiscal Agent Agreement**”), between the City and U.S. Bank Trust Company, National Association, as fiscal agent (the “**Fiscal Agent**”).

**Bond Terms.** The 2025 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 2025 Bonds is payable on March 1 and September 1 of each year (each an “**Interest Payment Date**”), commencing March 1, 2026. The 2025 Bonds will be issued without coupons in denominations of \$5,000 or any integral multiple thereof.

**Registration of Ownership of 2025 Bonds.** The 2025 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 2025 Bonds will not receive physical

certificates representing their interest in the 2025 Bonds. So long as the 2025 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 2025 Bonds. Payments of the principal, premium, if any, and interest on the 2025 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 2025 Bonds. Disbursements of such payments to DTC's Participants is the responsibility of DTC and disbursements of such payments to the Beneficial Owners is the responsibility of DTC's Participants and Indirect Participants, as more fully described herein. See "APPENDIX G – DTC AND THE BOOK-ENTRY ONLY SYSTEM."

***The City.*** The City 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. With an estimated population as of January 1, 2025 of approximately 158,494, the City is the largest city in Placer County (the "**County**"). For economic and demographic information regarding the area in and around the City, see "APPENDIX C – The City of Roseville and Placer County."

***Formation of District, Future Annexation Area and Improvement Areas.*** On April 5, 2023, the City Council of the City (the "**City Council**"), as legislative body of the District, adopted a Resolution of Intention to form the District, and designate Improvement Area No. 1 as the sole initial improvement area therein, under the Mello-Roos Community Facilities Act of 1982, as amended (the "**Act**"), to levy a special tax (the "**Facilities Special Tax**," also referred to herein as the "**Special Tax**") and to incur bonded indebtedness for the purpose of financing certain authorized facilities. After conducting a noticed public hearing which was continued from May 17, 2023 to June 21, 2023, the City Council adopted a Resolution of Formation (the "**Resolution of Formation**"), which established the District, designated Improvement Area No. 1 as an improvement area therein, and formed a future annexation area for the District (the "**Future Annexation Area**").

In March 2025, land designated as Improvement Area No. 2 of the District ("**Improvement Area No. 2**") was annexed to the District from the Future Annexation Area, and an initial bond authorization was established for Improvement Area No. 2 in the amount of \$30,000,000. The Bonds represent the first series of special tax bonds authorized and issued by the City for Improvement Area No. 2 and are secured solely by the Special Taxes (defined herein) levied in Improvement Area No. 2 and no other improvement areas of the District.

***The Master Developer, the Merchant Builder and the Development.*** Land in Improvement Area No. 2 represents "phase 2" of the larger "Amoruso Ranch" development underway within the Amoruso Ranch Specific Plan, located in the northwest portion of the City. Amoruso Ranch is entitled for 2,827 residential units (a mix of low-, medium-, and high-density residential), as well as other related uses. In September 2024, bonds were issued in the amount of \$30,430,000 for Improvement Area No. 1 of the District, which encompassed 481 lots under development by merchant builders Richmond American Homes and D.R. Horton as the initial phase of the overall project. *Land in Improvement Area No. 1 does not constitute security for the 2025 Bonds.*

Brookfield Sunset LLC, a California limited liability company (the "**Master Developer**"), is the master developer of the project, and its affiliated home building entity, Brookfield Sacramento HB LLC, a Delaware limited liability company ("**Brookfield HB**") is building the homes, as described herein.

The lots in Improvement Area No. 2 are being developed by Brookfield HB into 156 single-family detached homes in two neighborhoods: “Allora at Amoruso Ranch” (83 lots) and “Tesoro at Amoruso Ranch” (73 lots). Development within Improvement Area No. 2 as of September 10, 2025 is summarized as follows. For additional details, see “THE AMORUSO RANCH DEVELOPMENT,” “THE MASTER DEVELOPER,” and “MERCHANT BUILDER INFORMATION.”

**Summary of Development within Improvement Area No. 2  
(As of September 10, 2025)**

| Neighborhood   | Total Lots | Building Permits | Units Completed, Sold, and Closed | Units Completed But Not Closed | Units Under Construction <sup>(1)</sup> |
|----------------|------------|------------------|-----------------------------------|--------------------------------|-----------------------------------------|
| Allora         | 83         | 27               | 1                                 | 10                             | 16                                      |
| Tesoro         | 73         | 27               | 3                                 | 11                             | 13                                      |
| <b>Totals:</b> | <b>156</b> | <b>54</b>        | <b>4</b>                          | <b>21</b>                      | <b>29</b>                               |

(1) Brookfield HB has completed construction of three (3) model homes in each neighborhood, although they remain owned by the Master Developer. Brookfield HB is currently under construction on 29 production homes as of September 10, 2025.

Source: Master Developer.

**Use of Proceeds.** Proceeds of the 2025 Bonds will primarily be used to finance a portion of the costs of acquiring and constructing certain authorized infrastructure improvements (the “**Improvements**,” as described herein) as part of the development being undertaken by the Master Developer. The Improvements consist generally of roadway, water, wastewater, drainage, and other infrastructure improvements necessary for development of property within the District, as well as park and open space improvements. Proceeds of the 2025 Bonds will also be deposited to a debt service reserve account for the 2025 Bonds and pay costs of issuance.

**Security and Source of Payment of the 2025 Bonds.** As security for the payment of the 2025 Bonds, a facilities special tax applicable to each taxable parcel in Improvement Area No. 2 will be levied and collected according to the facilities tax liability determined by the City Council through the application of the Amended and Restated Rate, Method of Apportionment, and Manner of Collection of Special Tax for Improvement Area No. 2 (the “**Rate and Method**”). The Rate and Method is set forth in its entirety in APPENDIX A hereto. The Rate and Method includes a services special tax component which is not security for the 2025 Bonds. Pursuant to the Rate and Method, a “Facilities Special Tax” will be levied and collected until the earlier of (i) the “Transition Year” (defined herein) or (ii) Fiscal Year 2089-90, and a “Maintenance Special Tax” will be levied and collected in perpetuity beginning in the Transition Year. *Only the “Facilities Special Tax” is pledged to the payment of the 2025 Bonds, and the definition of “**Special Taxes**” used in the Fiscal Agent Agreement and this Official Statement refers only to the “Facilities Special Tax” levied in accordance with the Rate and Method.* See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Special Tax Methodology.”

The 2025 Bonds and any Additional Bonds that may be issued in the future pursuant to the terms of the Fiscal Agent Agreement are payable from the “**Special Tax Revenues**,” consisting of the proceeds of the Special Taxes received by the City, including all scheduled payments and delinquent payments thereof, interest thereon and proceeds of the redemption or sale of property sold as a result of foreclosure of the lien of the Special Taxes, net of the administration charge of the County (currently at 1%), but do not include any interest in excess of the interest due on the Bonds or any penalties collected in connection with any such foreclosure. The 2025 Bonds are also payable from amounts held in certain funds and accounts pursuant to

the Fiscal Agent Agreement, including a debt service reserve account, all as more fully described herein.

The Special Tax represents a lien on each parcel of land subject to the Special Tax, and failure to pay the Special Taxes could result in proceedings to foreclose the delinquent parcel. The Special Taxes do not constitute the personal indebtedness of the owners of taxed parcels. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS.”

**Additional Parity Bonds.** The maximum authorized indebtedness for Improvement Area No. 2 is \$30,000,000, and the 2025 Bonds represent the first series of special tax bonds issued under this authorization. Additional bonds are expected as development progresses. Additionally, in the future, the City may utilize a portion of the available authorized bond amount for the funding of certain deferred impact fees owed to the City, as described below under “– Use of Bond Authorization for Development Impact Fee Deferral Bonds.”

The District may issue additional bonds secured by Special Tax Revenues on parity with the 2025 Bonds (the “**Additional Bonds**,” and collectively, the “**Bonds**”), upon the satisfaction of certain conditions set forth in the Fiscal Agent Agreement. So long as the 2025 Bonds are outstanding, issuance of any Additional Bonds must comply with certain conditions set forth in the Fiscal Agent Agreement, and no bonds having a lien senior to the lien of the 2025 Bonds are allowed. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Future Parity Bonds.”

**Use of Bond Authorization for Development Impact Fee Deferral Bonds.** In connection with the approval of development in the District (including Improvement Area No. 2), the City agreed that payment of certain impact fees owed by the Master Developer and merchant builders will be deferred (referred to as the “Development Impact Fee Deferral” in the Rate and Method) to allow payment of the deferred fees after the 2025 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 2025 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.

**2025 Reserve Account of the Reserve Fund.** A debt service reserve fund has been established under the Fiscal Agent Agreement (the “**Reserve Fund**”), and within the Reserve Fund, separate reserve accounts will be established for each series of Bonds. Accordingly, at the time of issuance of the 2025 Bonds, a reserve account will be established within the Reserve Fund for the benefit of the holders of the 2025 Bonds (the “**2025 Reserve Account**”). The 2025 Reserve Account is available solely for the payment of debt service on the 2025 Bonds and no other parity obligations. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – 2025 Reserve Account of Reserve Fund.”

**Appraised Value of Property.** Property in Improvement Area No. 2 is security for the Special Tax that secures the Bonds. The City authorized the preparation of an appraisal report (the “**Appraisal**”) for certain real property within Improvement Area No. 2, which sets forth an aggregate value of appraised taxable property currently in Improvement Area No. 2 of \$43,738,000, as of the date of value of September 10, 2025. The valuation accounts for the impact of the lien of the Special Tax on the value of the property. 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. See “VALUE OF PROPERTY WITHIN IMPROVEMENT AREA NO. 2 – The Appraisal” and APPENDIX B.

The following table summarizes appraised values for parcels in Improvement Area No. 2.

|                                                                    | No. of<br>Lots | Appraised Value     |
|--------------------------------------------------------------------|----------------|---------------------|
| <b>Individual Homeowners</b>                                       | <b>4</b>       | <b>\$2,610,000</b>  |
| <b>Brookfield HB</b>                                               |                |                     |
| Completed Homes                                                    | 15             | \$9,560,000         |
| Homes Under Construction                                           | <u>29</u>      | <u>8,402,000</u>    |
| <b>Total</b>                                                       | <b>44</b>      | <b>\$17,962,000</b> |
| <b>Master Developer</b>                                            |                |                     |
| Completed Homes                                                    | 6              | 3,810,000           |
| Finished Lots                                                      | <u>102</u>     | <u>\$19,356,000</u> |
| <b>Total</b>                                                       | <b>108</b>     | <b>\$23,166,000</b> |
| <b>Aggregate, or Cumulative, Value<br/>of Appraised Properties</b> | <b>156</b>     | <b>\$43,738,000</b> |

*Source: Appraisal.*

The appraised value of property in Improvement Area No. 2 is 4.8 times the \$9,146,787 aggregate principal amount of the 2025 Bonds (\$9,120,000) plus overlapping general obligation bonds and assessment debt (\$26,787). This is based on the entirety of Improvement Area No. 2, the value to lien ratio for individual parcels will vary from the average. See "VALUE OF PROPERTY WITHIN IMPROVEMENT AREA NO. 2 – 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 2025 Bonds. In particular, no assurance can be given that the timing of construction of homes and/or sale of homes projected by Brookfield HB in this Official Statement will be accomplished. See "SPECIAL RISK FACTORS."

**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 2025 Bonds. The 2025 Bonds are not secured by a legal or equitable pledge of or charge, lien or encumbrance upon any property of the City or any of its income or receipts, except the money in the funds established and pledged to the 2025 Bonds under the Fiscal Agent Agreement, and neither the payment of the interest on nor principal of or redemption premiums, if any, on the 2025 Bonds is a general debt, liability or obligation of the City. The 2025 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 2025 Bonds other than from the proceeds of the Special Taxes and the money in the funds established and pledged to the 2025 Bonds, as provided in the Fiscal Agent Agreement.

**Summary of Information.** Brief descriptions of certain provisions of the Fiscal Agent Agreement, the Bonds and certain other documents are included herein. The descriptions and summaries of documents herein do not purport to be comprehensive or definitive, and reference is made to each such document for the complete details of all its respective terms and conditions, copies of which are available for inspection at the office of the Chief Financial Officer of the City.

All statements herein with respect to certain rights and remedies are qualified by reference to laws and principles of equity relating to or affecting creditors' rights generally. Capitalized terms used in this Official Statement and not otherwise defined herein have the meanings ascribed to such terms in the Fiscal Agent Agreement. The information and expressions of opinion herein speak only as of the date of this Official Statement and are subject to change without notice. Neither delivery of this Official Statement, any sale made hereunder, nor any future use of this Official Statement shall, under any circumstances, create any implication that there have been no changes to the City or the land in Improvement Area No. 2 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.*



## SOURCES AND USES OF FUNDS

A summary of the estimated sources and uses of funds associated with the sale of the 2025 Bonds follows:

### Estimated Sources of Funds:

|                                  |                       |
|----------------------------------|-----------------------|
| Principal Amount of 2025 Bonds   | \$9,120,000.00        |
| Plus: Net Original Issue Premium | 158,240.90            |
| Total                            | <u>\$9,278,240.90</u> |

### Estimated Uses of Funds:

|                                                                    |                       |
|--------------------------------------------------------------------|-----------------------|
| Deposit to Improvement Fund                                        | \$7,950,352.25        |
| Deposit to 2025 Reserve Account of the Reserve Fund <sup>(1)</sup> | 797,711.83            |
| Costs of Issuance <sup>(2)</sup>                                   | 530,176.82            |
| Total                                                              | <u>\$9,278,240.90</u> |

(1) Equal to the initial Reserve Requirement for the 2025 Bonds.

(2) Includes fees of bond and disclosure counsel, fees, expenses and charges of the Fiscal Agent and its counsel, printing costs, fees of the special tax consultant and administrator, Appraiser, and Municipal Advisor, Underwriter's discount, and other costs of issuance.

## THE BONDS

### Authority for Issuance

The 2025 Bonds are issued pursuant to the Fiscal Agent Agreement, the Resolution of Issuance and the Act.

### Description of the Bonds

**Bond Terms.** The 2025 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 2025 Bonds are being issued in the denomination of \$5,000 or any integral multiple thereof.

Interest on the 2025 Bonds will be payable semiannually on March 1 and September 1 of each year (each an “**Interest Payment Date**”), commencing March 1, 2026. The principal of the 2025 Bonds and premiums due upon the redemption thereof, if any, will be payable in lawful money of the United States of America at the designated 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 2025 Bonds; provided that so long as any 2025 Bonds are in book-entry form, payments with respect to such 2025 Bonds will be made by wire transfer, or such other method acceptable to the Fiscal Agent, to DTC.

**Book-Entry Only System.** The 2025 Bonds are being issued as fully registered bonds, registered in the name of Cede & Co., as nominee of The Depository Trust Company (“**DTC**”), and will be available to ultimate purchasers under the book-entry system maintained by DTC. Ultimate purchasers of 2025 Bonds will not receive physical certificates representing their interest in the 2025 Bonds. So long as the 2025 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 2025 Bonds. The Fiscal Agent will make payments of the principal, premium, if any, and interest on the 2025 Bonds directly to DTC, or its nominee, Cede & Co., so long as DTC or Cede & Co. is the registered owner of the 2025 Bonds. Disbursements of such payments to DTC’s Participants are the responsibility of DTC and disbursements of such payments to the Beneficial Owners are the responsibility of DTC’s Participants and Indirect Participants, as more fully described herein. See “APPENDIX G – DTC AND THE BOOK-ENTRY ONLY SYSTEM.”

**Calculation and Payment of Interest.** Interest on the 2025 Bonds will be computed on the basis of a 360-day year consisting of twelve 30-day months. Interest on the 2025 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 2025 Bonds; provided that so long as any 2025 Bonds are in book-entry form, payments with respect to such 2025 Bonds will be made by wire transfer, or such other method acceptable to the Fiscal Agent, to DTC. See “APPENDIX G – DTC AND THE BOOK-ENTRY ONLY SYSTEM.”

Each 2025 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 2025 Bond, interest is in default thereon, such 2025 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 2025 Bonds are registered in the name of Cede & Co., as nominee of DTC, payments of the principal, premium, if any, and interest on the 2025 Bonds will be made directly to DTC, or its nominee, Cede & Co. Disbursements of such payments to DTC's Participants are the responsibility of DTC and disbursements of such payments to the Beneficial Owners are the responsibility of DTC's Participants and Indirect Participants, as more fully described herein. See "APPENDIX G – DTC AND THE BOOK-ENTRY ONLY SYSTEM."

## Redemption

**Optional Redemption.** The 2025 Bonds are subject to optional redemption from any source of available funds (other than Prepayments of the Special Tax by property owners), in whole or in part among maturities as specified by the City and by lot within a maturity, on any date on and after September 1, 2032 at the following respective redemption prices (expressed as percentages of the principal amount of the 2025 Bonds to be redeemed), plus accrued interest thereon to the date of redemption:

| <u>Redemption Dates</u>                   | <u>Redemption Price</u> |
|-------------------------------------------|-------------------------|
| September 1, 2032 through August 31, 2033 | 103%                    |
| September 1, 2033 through August 31, 2034 | 102                     |
| September 1, 2034 through August 31, 2035 | 101                     |
| September 1, 2035 and any date thereafter | 100                     |

**Mandatory Redemption From Prepayments.** The 2025 Bonds are subject to mandatory redemption from Prepayments of the Special Tax by property owners, in whole or in part among maturities of the 2025 Bonds and any Additional Bonds, 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 2025 Bonds to be redeemed), plus accrued interest thereon to the date of redemption:

| <u>Redemption Dates</u>                                    | <u>Redemption Price</u> |
|------------------------------------------------------------|-------------------------|
| Interest Payment Dates through and including March 1, 2033 | 103%                    |
| September 1, 2033 and March 1, 2034                        | 102                     |
| September 1, 2034 and March 1, 2035                        | 101                     |
| September 1, 2035 and any Interest Payment Date thereafter | 100                     |

Prepayments and amounts released from the 2025 Reserve Account in connection with Prepayments will be allocated to the redemption of the 2025 Bonds as nearly as practicable on a proportionate basis based on the outstanding principal amount of the 2025 Bonds and shall be applied to redeem 2025 Bonds as nearly as practicable on a pro rata basis among maturities in

increments of \$5,000; provided, however, that, for Prepayments of less than \$50,000, the City may specify that Prepayments be applied to one or more maturities of the 2025 Bonds or Additional Bonds so long as there is delivered to the Fiscal Agent a certification of a Special Tax consultant or administrator that, following such redemption from Prepayments, the maximum Special Taxes that may be levied in each Fiscal Year on Developed Property in Improvement Area No. 2 is not less than 110% of Annual Debt Service.

See “SPECIAL RISK FACTORS – Potential Early Redemption of Bonds from Prepayments” for a discussion of the potential for the 2025 Bonds to be priced with original issue premium and then be redeemed from Special Tax prepayments prior to maturity.

***Mandatory Sinking Fund Redemption.*** The Term 2025 Bonds maturing September 1, 2030, September 1, 2035, September 1, 2040, September 1, 2045, September 1, 2050 and September 1, 2055 (collectively, the “**Term 2025 Bonds**”) are subject to mandatory sinking payment redemption in part on September 1, 2027, September 1, 2031, September 1, 2036, September 1, 2041, September 1, 2046 and September 1, 2051, 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 2025 Bonds Maturing September 1, 2030**

| Mandatory<br>Redemption Date<br>(Sept. 1) | Sinking Fund<br>Payment |
|-------------------------------------------|-------------------------|
| 2027                                      | \$25,000                |
| 2028                                      | 40,000                  |
| 2029                                      | 50,000                  |
| 2030 (maturity)                           | 60,000                  |

**Term 2025 Bonds Maturing September 1, 2035**

| Mandatory<br>Redemption Date<br>(Sept. 1) | Sinking Fund<br>Payment |
|-------------------------------------------|-------------------------|
| 2031                                      | \$75,000                |
| 2032                                      | 85,000                  |
| 2033                                      | 100,000                 |
| 2034                                      | 120,000                 |
| 2035 (maturity)                           | 135,000                 |

**Term 2025 Bonds Maturing September 1, 2040**

| Mandatory<br>Redemption Date<br>(Sept. 1) | Sinking Fund<br>Payment |
|-------------------------------------------|-------------------------|
| 2036                                      | \$155,000               |
| 2037                                      | 175,000                 |
| 2038                                      | 195,000                 |
| 2039                                      | 215,000                 |
| 2040 (maturity)                           | 240,000                 |

**Term 2025 Bonds Maturing September 1, 2045**

| Mandatory<br>Redemption Date<br>(Sept. 1) | Sinking Fund<br>Payment |
|-------------------------------------------|-------------------------|
| 2041                                      | \$260,000               |
| 2042                                      | 285,000                 |
| 2043                                      | 315,000                 |
| 2044                                      | 345,000                 |
| 2045 (maturity)                           | 375,000                 |

**Term 2025 Bonds Maturing September 1, 2050**

| Mandatory<br>Redemption Date<br>(Sept. 1) | Sinking Fund<br>Payment |
|-------------------------------------------|-------------------------|
| 2046                                      | \$405,000               |
| 2047                                      | 440,000                 |
| 2048                                      | 475,000                 |
| 2049                                      | 515,000                 |
| 2050 (maturity)                           | 555,000                 |

**Term 2025 Bonds Maturing September 1, 2055**

| Mandatory<br>Redemption Date<br>(Sept. 1) | Sinking Fund<br>Payment |
|-------------------------------------------|-------------------------|
| 2051                                      | \$600,000               |
| 2052                                      | 645,000                 |
| 2053                                      | 695,000                 |
| 2054                                      | 745,000                 |
| 2055 (maturity)                           | 795,000                 |

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 Term 2025 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 2025 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 2025 Bonds be purchased at a price in excess of the principal amount thereof, plus interest accrued to the date of purchase.

***Redemption Procedure by Fiscal Agent.*** The Fiscal Agent will cause notice of any redemption to be mailed by first class mail, postage prepaid, at least 20 days but not more than 60 days prior to the date fixed for redemption, to the Securities Depositories and to one or more Information Services, and to the respective registered Owners of any 2025 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 2025 Bonds.

Such notice will state the redemption date and the redemption price and, if less than all of the then Outstanding 2025 Bonds are to be called for redemption, will designate the CUSIP numbers and bond numbers of the 2025 Bonds to be redeemed by giving the individual CUSIP number and bond number of each 2025 Bond to be redeemed or will state that all 2025 Bonds between two stated bond numbers, both inclusive, are to be redeemed or that all of the 2025 Bonds of one or more maturities have been called for redemption, will state as to any 2025 Bond called in part the principal amount thereof to be redeemed, and will require that such 2025 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 2025 Bonds will not accrue from and after the redemption date.

The City has the right to rescind any notice of the optional redemption of 2025 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 2025 Bonds then called for redemption.

Whenever provision is made in the Fiscal Agent Agreement for the redemption of less than all of the 2025 Bonds of any maturity, the City will select the 2025 Bonds to be redeemed, from all 2025 Bonds or such given portion thereof of such maturity by lot in any manner which the City in its sole discretion deems appropriate. Upon surrender of 2025 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 2025 Bond or 2025 Bonds, of the same series and maturity, of authorized denominations in aggregate principal amount equal to the unredeemed portion of the 2025 Bond or 2025 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 2025 Bonds so called for redemption are deposited in the Bond Fund, such 2025 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 2025 Bonds are registered in the name of Cede & Co., as nominee of DTC, transfers and exchanges of 2025 Bonds will be made in accordance with DTC procedures. See "APPENDIX G – DTC AND THE BOOK-ENTRY ONLY SYSTEM." Any 2025 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 2025 Bond for cancellation, accompanied by delivery of a duly written instrument of transfer in a form approved by the Fiscal Agent. Whenever any 2025 Bond or 2025 Bonds are surrendered for transfer or exchange, the City will execute and the Fiscal Agent will authenticate and deliver a new 2025 Bond or 2025 Bonds, for a like aggregate principal amount of 2025 Bonds of authorized denominations and of the same maturity. The cost for any services rendered or any fees or expenses incurred by the Fiscal Agent in connection with any such transfer or exchange will be paid by the City. The Fiscal Agent will collect from the Owner requesting such transfer any tax or other governmental charge required to be paid with respect to such transfer or exchange. No transfers or exchanges of 2025 Bonds will be required to be made (i) within 15 days prior to the date established by the Fiscal Agent for selection of 2025 Bonds for redemption or (ii) with respect to a 2025 Bond after such 2025 Bond has been selected for redemption.

## SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

### Special Taxes

The Bonds (consisting of the 2025 Bonds and any Additional Bonds that may be issued in the future) are payable from and secured by proceeds of the Special Taxes received by the City, including all scheduled payments and delinquent payments thereof, interest and proceeds of the redemption or sale of property sold as a result of foreclosure of the lien of the Special Taxes (but excluding any interest in excess of the interest due on the Bonds or any penalties collected in connection with any such foreclosure), and net of a 1% administration charge of the County (the “**Special Tax Revenues**”). All of the Special Tax Revenues and all moneys deposited in the Bond Fund and, until disbursed as provided herein, in the Special Tax Fund are pledged to secure the repayment of the Bonds. In addition, with respect to each Series of Bonds, all moneys in the applicable Reserve Account within the Reserve Fund for such Series are pledged to secure the repayment of the applicable Series, such that amounts in the 2025 Reserve Account are pledged to the 2025 Bonds. 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 Improvement Area No. 2 will be levied and collected according to the tax amount determined by application of the Rate and Method administered by Willdan Financial Services, Temecula, California (the “**Special Tax Administrator**”) and set forth in APPENDIX A hereto for all taxable properties in Improvement Area No. 2. 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 Improvement Area No. 2, from amounts held in certain funds and accounts established under the Fiscal Agent Agreement and from the proceeds, if any, from the sale of such property for delinquency of such Special Taxes.

The Special Taxes are exempt from the property tax limitation of Article XIII A of the California Constitution, pursuant to Section 4 thereof as a “special tax” authorized by a two-thirds vote of the qualified electors. The levy of the Special Taxes was authorized by the City Council, as legislative body of the District, pursuant to the Act in an amount determined according to the Rate and Method. See “– Special Tax Methodology” below and APPENDIX A.

The amount of Special Taxes that the City 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 Improvement Area No. 2, which is set forth in the Rate and Method. Under the Rate and Method, Special Taxes for the purpose of making payments on the Bonds will be levied annually in an amount not in excess of the maximum approved amount. The Special Taxes and any interest earned on the Special Taxes constitute a trust fund for the principal of and interest on the Bonds pursuant to the Fiscal Agent Agreement and, so long as the principal of and interest on these obligations remains unpaid, the Special Taxes and investment earnings thereon will not be used for any other purpose, except as permitted by the Fiscal Agent Agreement, and will be held in trust for the benefit of the owners thereof and will be applied pursuant to the Fiscal Agent Agreement. The Rate and Method apportions the Annual Facilities Costs (as defined in the Rate and Method and described below) among the taxable parcels of real property within Improvement Area No. 2 according to the rate and methodology set forth in the Rate and Method.

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

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

### **Special Tax Methodology**

Pursuant to the Rate and Method, a “Facilities Special Tax” will be levied and collected until the earlier of (i) the Transition Year (defined herein) or (ii) Fiscal Year 2089-90, and a “Maintenance Special Tax” will be levied and collected in perpetuity beginning in the Transition Year. *Only the “Facilities Special Tax” is pledged to the payment of the Bonds, and the definition of “Special Taxes” used in the Fiscal Agent Agreement and this Official Statement refers only to the “Facilities Special Tax” levied in accordance with the Rate and Method. Capitalized terms set forth in this section and not otherwise defined have the meanings set forth in the Rate and Method.*

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

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



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

The Annual Facilities Costs is the basis for the amount of Special Tax to be levied within Improvement Area No. 2. In no event may the City levy a Special Tax in any year above the Maximum Annual Facilities Special Tax identified for each parcel in the Rate and Method.

***Parcels Subject to the Facilities Special Tax.*** The Rate and Method identifies various large-lot taxable parcels planned for residential uses within the boundary of Improvement Area No. 2, which large-lot parcels have been final map subdivided into the 156 single-family residential lots in Improvement Area No. 2. Each fiscal year, the City will prepare a list of the then-current parcels subject to the Special Tax using the records of the City and the County Assessor, and will tax such parcels in accordance with the Rate and Method. Taxable parcels that are acquired by a public agency in the future will remain subject to the Facilities Special Tax unless a “trade” resulting in no loss of Facilities Special Tax revenue can be made, as described in the Rate and Method.

***Limitation on Increases in Levy of Facilities Special Tax.*** If owners are delinquent in the payment of Facilities Special Taxes, the City may not increase Facilities Special Tax levies to make up for delinquencies for prior Fiscal Years above the Maximum Facilities Special Tax rates specified for each category of property within Improvement Area No. 2. In addition, Section 53321(d) of the Act provides that the special tax levied against any parcel for which an occupancy permit for private residential use has been issued may not be increased as a consequence of delinquency or default by the owner of any other parcel within a community facilities district by more than 10% above the amount that would have been levied in such Fiscal Year had there never been any such delinquencies or defaults. In cases of significant delinquency, these factors may result in defaults in the payment of principal of and interest on the Bonds. See “SPECIAL RISK FACTORS.”

***Duration of the Facilities Special Tax; Transition Year.*** The Facilities Special Tax will be levied and collected (up to maximum allowable amount) until the earlier of (i) the Transition Year or (ii) Fiscal Year 2089-90. For purposes of Improvement Area No. 2, “Transition Year” means the first Fiscal Year following the Fiscal Year in which the Transition Event occurred, and “Transition Event” means the earlier of (i) after the Initial Bonding Period, the Fiscal Year in which the Administrator determines the Development Impact Fee Deferral and any eligible Pay-As-You-Go Costs have been repaid in full to the City and the City determines funding is no longer needed for Annual Facilities Costs, or (ii) Fiscal Year 2089-90. “Initial Bonding Period” means the period after the first series of Bonds (being the 2025 Bonds), including any Bonds used to refund the first series of Bonds, are no longer outstanding, whether issued in a single or multiple series, which financed Authorized Facilities costs or refunded prior Bonds, other than the Development Impact Fee Deferral.

***Prepayment of the Facilities Special Tax.*** The Rate and Method provides that residential parcels may prepay up to 50% of the Facilities Special Tax by a cash settlement with the City. The amount of the prepayment required is to be calculated according to a formula set forth in the Rate and Method, which is generally based on the net present value of the remaining years in which the Facilities Special Tax will be collected, including the effect of a 2% per year escalation factor applicable for the time Bonds remain outstanding using a discount rate equal to the most current yield for the 30-year Treasury Constant Maturity as the discount factor, plus an amount representing the Development Impact Fee Deferral Amount (which amount is not available for prepayment of the Bonds), all as described in Section 8 of the Rate and Method set

forth in APPENDIX A. Prepayment is only allowed if the City determines that the prepayment does not jeopardize its ability to make timely payments of debt service on outstanding Bonds, and the City maintains at least 110% debt service coverage on the outstanding Bonds.

### **Levy of Annual Special Tax; Maximum Special Tax**

**General.** The annual Special Tax will be calculated by the City and levied to provide money for debt service on the Bonds, replenishment of Reserve Accounts established within the Reserve Fund for each Series of Bonds, certain delinquencies, administration of the District (including Improvement Area No. 2), and for payment of pay-as-you-go expenditures (to the extent permitted by the City) of the authorized public capital facilities not funded from Bond proceeds. In no event may the City levy a Special Tax in any year above the maximum identified for each taxable parcel in the Rate and Method.

**Annual Special Tax Levy.** The Special Tax will be levied each year by calculating the amount needed to be generated by all Taxable Parcels in Improvement Area No. 2; the Special Tax (up to the maximum allowable amount) will be levied against each Taxable Parcel until the Special Tax revenue equals such amount; however, the Rate and Method establishes a priority for which properties will be levied a Special Tax. First, all “Developed Parcels” in Improvement Area No. 2 receive a levy. “**Developed Parcel**” for single-family parcels is defined in the Rate and Method as a parcel for which a Final Small Lot Subdivision Map was recorded before May 1 of the preceding Fiscal Year. If additional amounts are needed, a levy is made against each “Small Lot Tentative Map Parcel” in Improvement Area No. 2, then each “Large Lot Parcel” in Improvement Area No. 2, then each “Undeveloped Parcel” in Improvement Area No. 2, however presently, all 156 lots comprising Improvement Area No. 2 are Developed Parcels. The Special Tax rates for Developed Parcels are set forth in the attachments to the Rate and Method attached hereto as “APPENDIX A – RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX.”

The City covenants in the Fiscal Agent Agreement to fix and levy the amount of Special Taxes within Improvement Area No. 2 required for the payment of principal of and interest on any outstanding Bonds of Improvement Area No. 2 becoming due and payable during the ensuing year, including any necessary replenishment or expenditure of the Reserve Fund for the Bonds and an amount estimated to be sufficient to pay the Administrative Expenses during such year, all in accordance with the Rate and Method. The Special Tax is authorized to be levied in an amount not to exceed the Maximum Special Tax levy as described in the Rate and Method notwithstanding that a lower amount is sufficient to pay debt service on the Bonds. The Rate and Method provides a mechanism whereby the City may utilize the pay-as-you-go component to pay for and/or reimburse developers for a portion of the cost of Improvements not funded by proceeds of the bonds issued for Improvement Area No. 2. Proceeds of the annual Special Tax levy will first be used to pay the “Annual Facilities Costs” (which include debt service payments on the Bonds) other than pay-as-you-go expenditures, and the City contemplates that the levy will also include a pay-as-you-go component in an amount equal to the excess of the Maximum Annual Facilities Special Tax on Developed Parcels less debt service, administration costs and a modest delinquency allowance, for deposit into the Improvement Fund for authorized costs not funded from Bond proceeds. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Special Tax Methodology” above. See “APPENDIX A – RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX” for a copy of the Rate and Method.

**Annual Escalation of Facilities Special Tax.** The Facilities Special Tax escalates by 2% per fiscal year until the Fiscal Year following the Transition Event. Thereafter, the City may, but is not required to, escalate the tax. See “APPENDIX A – RATE AND METHOD OF

APPORTIONMENT OF SPECIAL TAX” and for a table showing the expected land uses and assigned Maximum Special Taxes, see “Attachment 2” in such Appendix.

### **Special Tax Fund**

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

All Special Tax Revenue will be deposited in the Special Tax Fund upon receipt. Prior to each Interest Payment Date, the City will withdraw from the Special Tax Fund and transfer (i) to the Fiscal Agent for deposit in the reserve accounts of the Reserve Fund, an amount which when added to the amount then on deposit therein is equal to the Reserve Requirement with respect to each series of Bonds, and (ii) to the Fiscal Agent for deposit in the Bond Fund an amount, taking into account any amounts then on deposit in the Bond Fund, such that the amount in the Bond Fund equals the principal, premium, if any, and interest due on the Bonds on the next Interest Payment Date; provided, however, that as soon as practicable after the receipt by the City of any prepayments of Special Taxes, but no later than 10 Business Days after such receipt, the City shall transfer such prepayments to the Fiscal Agent for deposit into the Prepayment Account of the Bond Fund to be used for the redemption of bonds.

At such time as deposits to the Special Tax Fund equal the principal, premium if any, and interest becoming due on the Bonds for the current Bond Year and the amount needed to restore the reserve accounts of the Reserve Fund balance to the Reserve Requirement with respect to each series of Bonds, the amount in the Special Tax Fund in excess of such amount may, at the discretion of the City, be transferred to the Surplus Account, which will occur on or after September 2nd of each year. From time to time, the City may withdraw from the Surplus Account of the Special Tax Fund amounts needed to pay the City’s administrative expenses and County fees; provided that such transfers will not be in excess of the portion of the Special Tax Revenues collected by the City that represent levies for administrative expenses. Moneys in the Surplus Account may then 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 Improvement Area No. 2) or authorized facility contributions, to pay the principal of, premium, if any, and interest on the Bonds or to replenish amounts in the Reserve Fund.

### **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

(a) the amount so collected is deficient by more than 5% of the total amount of the Special Tax levied in Improvement Area No. 2 in such Fiscal Year, then the City will institute, prosecute and pursue such foreclosure proceedings in the time and manner provided herein against each such property owner in the time and manner provided below; or

(b) the amount so collected is deficient by less than 5% of the total amount of the Special Tax levied in Improvement Area No. 2 in such Fiscal Year, but property owned by any single property owner in Improvement Area No. 2 is delinquent cumulatively by an amount equal to four installment payments with respect to the current and past Special Tax due, then the City will institute, prosecute and pursue such foreclosure proceedings in the time and manner provided herein against each such property owner in the time and manner provided below.

The City shall within 30 days thereafter send a written demand letter to the delinquent parcel(s) and lender of record, if any, as the first step in instituting foreclosure proceedings as authorized by the Mello-Roos Act in order to enforce the lien of the delinquent installment of the Special Tax on each such parcel, and shall thereafter diligently prosecute and pursue such foreclosure proceedings to judgment and sale in such manner and upon such timing as advised by legal counsel, taking into account the amounts delinquent, the estimate cost of legal proceedings, the status of Special Tax collections and available debt service reserves.

Additionally notwithstanding any of the foregoing, in certain instances the amount of a Special Tax delinquency on a particular parcel in relation to the cost of appropriate foreclosure proceedings may be such that the costs do not warrant the foreclosure proceedings costs. In such cases, foreclosure proceedings may be delayed by the City until there are sufficient Special Tax delinquencies accruing to such parcel (including interest and penalties thereon) to warrant the cost of such foreclosure proceedings.

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 Facilities Special Tax rates set forth in the Rate and Method, the City may adjust the Special Taxes levied on all property within Improvement Area No. 2 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 Facilities Special Tax and to the limitation described under the caption “– Special Tax Methodology” above.

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

Foreclosure by court action is subject to normal litigation delays, the nature and extent of which are largely dependent upon the nature of the defense, if any, put forth by the debtor and the condition of the calendar of the superior court of the county. Such foreclosure actions can be stayed by the superior court on generally accepted equitable grounds or as the result of the debtor's filing for relief under the Federal bankruptcy laws. The Act provides that, upon foreclosure, the Special Tax lien will have the same lien priority as is provided for *ad valorem* taxes and special assessments. See "VALUE OF PROPERTY WITHIN IMPROVEMENT AREA NO. 2 – Overlapping Liens and 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 City 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 at least 75% of the outstanding Bonds is obtained. However, under Section 53356.6 of the Act, the City, as judgment creditor, is entitled to purchase any property sold at foreclosure using a "credit bid," where the City 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 City becomes the purchaser under a credit bid, the City 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.

## **2025 Reserve Account of Reserve Fund**

A debt service reserve fund has been established under the Fiscal Agent Agreement (the "**Reserve Fund**"), and within the Reserve Fund, separate reserve accounts are being established for each series of Bonds. Accordingly, at the time of issuance of the 2025 Bonds, a reserve account will be established within the Reserve Fund for the benefit of the holders of the 2025 Bonds (the "**2025 Reserve Account**"). The 2025 Reserve Account is available solely for the payment of debt service on the 2025 Bonds and no other parity obligations.

Upon delivery of the 2025 Bonds, the Fiscal Agent will deposit an amount of the proceeds into the 2025 Reserve Account of the Reserve Fund so that the amount therein equals the "**Reserve Requirement**," which means, with respect to any series of Bonds, the least of (i) 125% of the average Annual Debt Service with respect to the applicable series of Bonds; (ii) Maximum Annual Debt Service with respect to the applicable series of Bonds; and (iii) 10% of the original principal amount of the applicable series of Bonds (or, if the applicable series of Bonds has more than a de minimis amount of original issue discount or premium, 10% of the issue price of such series of Bonds); provided, that—

- (a) the Reserve Requirement for the 2025 Bonds shall not increase after the date of issuance of the 2025 Bonds;
- (b) in no event shall the City be obligated to deposit an amount in any reserve account in excess of the amount permitted by the applicable provisions of the Code to be so deposited from the proceeds of tax-exempt bonds without having to restrict the yield of any investment purchased with any portion of such deposit and, if the amount of any such deposit is so limited, the Reserve Requirement shall be only the amount of such deposit as permitted by the Code; and
- (c) the City may meet all or a portion of the Reserve Requirement with respect to any series of Bonds by depositing a Qualified Reserve Fund Credit Instrument.

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

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

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

Whenever, on the Business Day prior to any Interest Payment Date, the amount in any reserve account within the Reserve Fund exceeds the Reserve Requirement for the applicable series of Bonds covered by such reserve account, the Fiscal Agent shall provide written notice to the Chief Financial Officer of the amount of the excess. The Chief Financial Officer shall advise

the Fiscal Agent in writing of the amount, if any, of any transfer required pursuant to the Fiscal Agent Agreement, and otherwise direct the Fiscal Agent to transfer an amount equal to the excess to the Improvement Fund, if the project has not been completed as of the date of such transfer, or if the Project has been completed, to the Bond Fund to be used for the payment of the principal of and interest on the Outstanding Bonds covered by the applicable reserve account in accordance with the Fiscal Agent Agreement; provided, that to the extent that such excess results from the prepayment of Special Taxes and redemption of Bonds, such amount shall be transferred to the Prepayment Account and applied to the corresponding redemption of Bonds.

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

### **Improvement Fund**

Under the Fiscal Agent Agreement, there is established an Improvement Fund, 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 Master 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.

### **Future Parity Bonds**

The proceedings conducted under the Act for the District and Improvement Area No. 2 authorize the issuance of up to \$30,000,000 of special tax bonds for Improvement Area No. 2, of which the 2025 Bonds represent the first series. Additional Bonds may be issued upon compliance by the City with the conditions set forth in the Fiscal Agent Agreement, which include the following:

- (i) There shall be deposited into a reserve account of the Reserve Fund, an amount at least equal to the Reserve Requirement with respect to such Additional Bonds.
- (ii) After giving effect to the issuance of the Additional Bonds, for each Bond Year the Additional Bonds are Outstanding, projected Special Tax Revenues, if levied at the maximum annual Special Tax rates per the Rate and Method, in each Fiscal Year are at least equal to 110% of Debt Service due in the Bond Year that begins in the corresponding Fiscal Year, as calculated by the special tax consultant to the City.

(iii) After giving effect to the issuance of the Additional Bonds, the aggregate value of all parcels in Improvement Area No. 2 subject to the Special Tax, including then existing improvements and any facilities to be constructed or acquired with the proceeds of the Additional Bonds, as determined by an MAI appraisal, assessed valuations shown on the then current County tax roll, or by a combination of both methods, is at least 3.00 times the sum of (1) the aggregate principal amount of all Bonds then Outstanding, plus (2) the aggregate principal amount of the Additional Bonds proposed to be issued, plus (3) the proportionate principal amount of any bonds then outstanding and payable from assessments which are a lien against property in Improvement Area No. 2, plus (4) a portion of the aggregate principal amount of all bonds issued under the Act, other than 2025 Bonds then Outstanding and the Additional Bonds, payable at least partially from special taxes to be levied on parcels of land subject to the Special Tax within Improvement Area No. 2 (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 Improvement Area No. 2 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 against which 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 the Additional Bonds are issued, as determined by the City), based upon information from the most recent available Fiscal Year.

Additional Bonds may be issued to finance additional improvements, Deferred Impact Fees, and/or to refund outstanding Bonds. Additional Bonds may be issued for the purpose of refunding any outstanding Bonds without meeting the foregoing conditions so long as debt service on the refunding Bonds in each Bond Year is less than debt service on the Bonds refunded.

Nothing in the Fiscal Agent Agreement shall be interpreted to prohibit issuance of bonds secured on a subordinate basis to the 2025 Bonds.

In connection with the approval of development in Improvement Area No. 2, the City has agreed that payment of certain impact fees owed by the Master Developer and merchant builders in Improvement Area No. 2 will be deferred (referred to as the “Development Impact Fee Deferral” in the Rate and Method) to allow payment of the deferred fees after the 2025 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 2025 Bonds have matured. If the City chooses to issue bonds to pay deferred impact fees, the remaining authorization will be available to be utilized by the City as a means therefor.



## DEBT SERVICE SCHEDULE

The annual debt service on the 2025 Bonds, assuming no early redemptions other than mandatory sinking fund payments, is set forth below.

**City of Roseville**  
**Amoruso Ranch Community Facilities District No. 1 (Public Facilities)**  
**Improvement Area No. 2**  
**2025 Bonds – Annual Debt Service**

| <b>Year<br/>Ending<br/>(Sept. 1)</b> | <b>2025 Bonds<br/>Principal</b> | <b>2025 Bonds<br/>Interest</b> | <b>2025 Bonds<br/>Total</b> |
|--------------------------------------|---------------------------------|--------------------------------|-----------------------------|
| 2026                                 | --                              | \$363,400                      | \$363,400                   |
| 2027                                 | \$25,000                        | 454,250                        | 479,250                     |
| 2028                                 | 40,000                          | 453,250                        | 493,250                     |
| 2029                                 | 50,000                          | 451,650                        | 501,650                     |
| 2030                                 | 60,000                          | 449,650                        | 509,650                     |
| 2031                                 | 75,000                          | 447,250                        | 522,250                     |
| 2032                                 | 85,000                          | 443,500                        | 528,500                     |
| 2033                                 | 100,000                         | 439,250                        | 539,250                     |
| 2034                                 | 120,000                         | 434,250                        | 554,250                     |
| 2035                                 | 135,000                         | 428,250                        | 563,250                     |
| 2036                                 | 155,000                         | 421,500                        | 576,500                     |
| 2037                                 | 175,000                         | 413,750                        | 588,750                     |
| 2038                                 | 195,000                         | 405,000                        | 600,000                     |
| 2039                                 | 215,000                         | 395,250                        | 610,250                     |
| 2040                                 | 240,000                         | 384,500                        | 624,500                     |
| 2041                                 | 260,000                         | 372,500                        | 632,500                     |
| 2042                                 | 285,000                         | 359,500                        | 644,500                     |
| 2043                                 | 315,000                         | 345,250                        | 660,250                     |
| 2044                                 | 345,000                         | 329,500                        | 674,500                     |
| 2045                                 | 375,000                         | 312,250                        | 687,250                     |
| 2046                                 | 405,000                         | 293,500                        | 698,500                     |
| 2047                                 | 440,000                         | 273,250                        | 713,250                     |
| 2048                                 | 475,000                         | 251,250                        | 726,250                     |
| 2049                                 | 515,000                         | 227,500                        | 742,500                     |
| 2050                                 | 555,000                         | 201,750                        | 756,750                     |
| 2051                                 | 600,000                         | 174,000                        | 774,000                     |
| 2052                                 | 645,000                         | 144,000                        | 789,000                     |
| 2053                                 | 695,000                         | 111,750                        | 806,750                     |
| 2054                                 | 745,000                         | 77,000                         | 822,000                     |
| 2055                                 | 795,000                         | 39,750                         | 834,750                     |
| <b>Totals</b>                        | <b>\$9,120,000</b>              | <b>\$9,897,450</b>             | <b>\$19,017,450</b>         |

*Source: Underwriter.*

**City of Roseville**  
**Amoruso Ranch Community Facilities District No. 1 (Public Facilities)**  
**Improvement Area No. 2**  
**2025 Bonds – Estimated Debt Service Coverage**  
**Fiscal Year 2026-27**

| <b>Fiscal Year<br/>Levy</b> | <b>Maximum<br/>Special Tax<br/>Revenue –<br/>Building<br/>Permit</b> | <b>Maximum<br/>Special Tax<br/>Revenue –<br/>Small Lot<br/>Final Map</b> | <b>Total<br/>Maximum<br/>Special Tax<br/>Revenue</b> | <b>Less: 1%<br/>Priority Admin<br/>(County)</b> | <b>Net Annual<br/>Special<br/>Tax<br/>Revenues</b> | <b>Series 2025<br/>Bond Debt<br/>Service</b> | <b>Coverage</b> |
|-----------------------------|----------------------------------------------------------------------|--------------------------------------------------------------------------|------------------------------------------------------|-------------------------------------------------|----------------------------------------------------|----------------------------------------------|-----------------|
| 2026-27                     | \$244,390                                                            | \$456,944                                                                | \$701,334                                            | (\$7,013)                                       | \$694,320                                          | \$479,250                                    | 144.88%         |

*Sources: EPS for special tax data; Underwriter for debt service and coverage.*

## THE AMORUSO RANCH SPECIFIC PLAN

*Certain information contained in this section describes the larger Amoruso Ranch Development, which includes land outside Improvement Area No. 2. Only land in Improvement Area No. 2 constitutes security for the 2025 Bonds.*

The Amoruso Ranch Specific Plan (“**Amoruso Ranch Specific Plan**”) is the primary land use, policy and regulatory document used to guide development of land in Improvement Area No. 2 and the surrounding area. The Amoruso Ranch Specific Plan was adopted on June 15, 2016, and then amended on March 18, 2020 and April 20, 2022. The Amoruso Ranch Specific Plan establishes a development framework for land use, affordable housing, resource protection, circulation, utilities and services, implementation and design for approximately 694 acres in the northwest portion of the City projected to develop into approximately 2,827 single and multi-family residential units. The land use plan also includes three commercial parcels totaling 51 acres, a 9.6-acre elementary school site, 7 neighborhood parks, and a 3-acre fire station/public facilities site. Approximately 135 acres will be set aside as open space preserve.

The intent of the Amoruso Ranch Specific Plan is to promote the systematic and orderly development of the plan area. All subsequent development projects and related activities in the Amoruso Ranch Specific Plan area are required to be consistent with the Amoruso Ranch Specific Plan. The Amoruso Ranch Specific Plan 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 City’s General Plan serves as the long-term policy guide for the physical, economic and environmental growth of the City. The property within the District was included within, and is a component of, the Amoruso Ranch Specific Plan. The full text of the Amoruso Ranch Specific Plan is available on the City’s website.

The land in Improvement Area No. 1 within the Amoruso Ranch Specific Plan area consists of approximately 106 acres of land on which home development is underway for 481 taxable residential units as well as non-taxable residential and public/quasi-public uses. The land in Improvement Area No. 2 within the Amoruso Ranch Specific Plan area consists of approximately 25 acres of land on which home development is underway for 156 taxable residential units.

## THE AMORUSO RANCH DEVELOPMENT

*The information regarding development of the property contained under this caption has been provided by representatives of the Master Developer, and has not been independently confirmed or verified by the Underwriter or the City. Neither the Underwriter nor the City makes any representation as to the accuracy or adequacy of the information contained under this caption. There may be material adverse changes in this information after the date of this Official Statement. See “SPECIAL RISK FACTORS” herein.*

### Development Agreement

**General.** The City entered into a Development Agreement in 2016, which has been amended several times (as amended to date, the “**Development Agreement**”), with certain prior landowner entities to which the Master Developer has subsequently succeeded with respect to the land being developed by the Master Developer in Improvement Area No. 2 and the surrounding area. The Development Agreement’s purpose is to vest development rights, set forth infrastructure improvements and dedication requirements, secure the timing and methods for financing improvements, and specify other performance obligations as related to development in the Amoruso Ranch Specific Plan area. All of the property in Improvement Area No. 2 is subject to the requirements of the Development Agreement, as well as the Amoruso Ranch Specific Plan. 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. 3014.

The Development Agreement is the primary implementation tool for the Amoruso Ranch Specific Plan and creates a binding contract between the City and the parties thereto, 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 Master Developer and its successors, including obligations related to development of the property in the District, with the terms, conditions, rules, regulations, entitlements, vested rights, and other provisions relating to the development of the property in the District according to the Amoruso Ranch Specific Plan entitlements. Included are provisions relating to infrastructure improvements, public dedication requirements, landscaping amenities, and other obligations of the parties.

The Development Agreement expires in 2049. The Development Agreement runs with the property and may be modified only by mutual consent of the parties, and in a manner consistent with the Amoruso Ranch Specific Plan. 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 includes an obligation to provide for recycled water, which is triggered at the 1,000th permit for the Amoruso development (for which currently less than 500 permits have been issued). The obligation inflates each year and in 2026 is approximately \$3.14 million. The required infrastructure is eligible to be financed through the District.

**Tract Maps.** The large lot specific plan map for the entirety of Amoruso Ranch was recorded with the Placer County Recorder’s Office on December 23, 2002 in Book GG at Page 49 (Document Number 2022-0093073). On June 5, 2024, the Phase 1, Sub-Phase A2 Final Map was recorded with the Placer County Recorder’s Office in Book GG at page 81 (Document

Number 2024-0029258) (the “**IA No. 2 Final Map**”). The IA No. 2 Final Map created 156 single-family residential lots.

**Backbone Infrastructure and Other Development Conditions.** The Development Agreement requires satisfaction of various items as conditions of development of the Amoruso Ranch Development. All of the work required for the development of Improvement Area No. 2 and the delivery of lots to Brookfield HB in final lot condition has been completed.

Certain conditions of development will be triggered by later phases of the Amoruso Ranch Development (outside Improvement Area No. 2). For example, the Development Agreement requires that at or prior to the occupancy of the 1,000th residential unit in the project, (1) a groundwater production well be in operation and (2) a pro-rata share of the cost of expansion of the West Roseville Specific Plan recycled water tank and pump station, estimated at \$2.287 million, shall be paid through community facilities district (CFD) financing.

## **Environmental Matters**

**Flood Hazard Map Information.** According to the Federal Emergency Management Agency’s flood insurance rate maps (Flood Area Panel Number 06061C0910H, with an effective date of November 2, 2018), the property in Improvement Area No. 2 is located within Flood Zone X, described as areas of minimal flooding (outside of the 100- and 500-year floodplains). The project is not required to meet the requirement of SB5.

**Wetland Conditions.** Land in Improvement Area No. 2 is located outside of a protected wetland or such wetland impact has been mitigated. No additional environmental permits are required to be obtained.

**Seismic Conditions.** None of the property expected to be developed as part of the Project (including land in Improvement Area No. 2) is located within a seismic special studies zone, designated by the California State Division of Mines and Geology, in accordance with the Alquist-Priolo Special Study Zone Act of 1972.

**Wildfire Zone.** None of the property in Improvement Area No. 2 is within a high or very high fire hazard severity zone, as defined by CAL-FIRE.

**Utilities.** It is expected that utility service for the property in Improvement Area No. 2 will be provided by the following entities:

| <b><u>Utility</u></b> | <b><u>Provider</u></b> |
|-----------------------|------------------------|
| Water/Sewer           | City of Roseville      |
| Electricity           | City of Roseville      |
| Natural Gas           | Pacific Gas & Electric |
| Data/Phone            | Comcast/AT&T           |

**Maps.** An aerial overview outlining Improvement Area No. 2 is shown on the following page. Improvement Area No. 2 was annexed into the District from the designated Future Annexation Area.





## THE MASTER DEVELOPER

*The information regarding the ownership and development of the property contained under this caption has been provided by the Master Developer, and has not been independently confirmed or verified by the Underwriter or the City. Neither the Underwriter nor the City makes any representation as to the accuracy or adequacy of the information contained under this caption. There may be material adverse changes in this information after the date of this Official Statement. Neither the Bonds nor the Special Taxes securing the Bonds are personal obligations of the Master Developer, any affiliate of the Master Developer, Brookfield HB, or any other subsequent property owners within Improvement Area No. 2, and, in the event that any property owner defaults in the payment of its Special Taxes, the City may proceed with judicial foreclosure of the delinquent land within Improvement Area No. 2 securing the Bonds, but has no direct recourse to any other assets of any property owner or any affiliate thereof. See "SPECIAL RISK FACTORS" herein.*

### General

Land in Improvement Area No. 2 represents a portion of the larger "Amoruso Ranch" development entitled for 2,827 residential units (a mix of low-, medium-, and high-density residential), as well as other related uses. In September 2024, bonds were issued in the amount of \$30,430,000 for Improvement Area No. 1 of the District, which encompasses 481 lots under development by merchant builders Richmond American Homes and D.R. Horton as the initial phase of the overall project. As of September 10, 2025 196 homes in Improvement Area No. 1 are owned by individual homeowners.

Home building and sales in Improvement Area No. 2 represent "phase 2" of the project comprising 156 single family residential lots on land subdivided into 4,275 and 5,500 square foot lots. As of September 10, 2025, Improvement Area No. 2 development includes four homes completed and sold to individual homeowners, six completed model homes and 15 completed production homes (7 of which are under contract with homeowners), and 29 additional homes in various stages of construction.

*Only the land in Improvement Area No. 2 is and will be security for the 2025 Bonds.*

**Ownership Structure of Master Developer.** The property in Improvement Area No. 2 was originally owned by Brookfield Sacramento Holdings LLC, a Delaware limited liability company ("**Brookfield Sacramento Holdings**"). On January 8, 2025, Brookfield Sacramento Holdings and subsidiaries of Sekisui House, Ltd., a Japanese kabushiki kaisha ("**Sekisui House**"), entered into an arrangement whereby the property in Improvement Area No. 2 (and other property) was conveyed to Brookfield Sunset LLC, a California limited liability company (previously defined as the Master Developer). The Master Developer is owned by NASH Brookfield Amoruso LLC, a Delaware limited liability company ("**NASH Brookfield**"). Nash Brookfield is owned (i) 80% by NASH Amoruso Holdings, LLC, which is a wholly-owned subsidiary of Sekisui House and (ii) 20% by Brookfield Communities Amoruso LLC, a wholly-owned subsidiary of Brookfield Corporation (ON).

Sekisui House is a real estate development company headquartered in Osaka, Japan and has been in business since 1960. It has over 15,000 employees and has constructed or participated in the construction of over 2.6 million houses. Recently, Sekisui House acquired M.D.C Holdings, Inc. (also known as Richmond American Homes).

In connection with the investment by Sekisui House, the Master Developer entered into a Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing, dated January 8, 2025 (the “**Deed of Trust**”), which encumbers all of the land in Improvement Area No. 2 that is owned by the Master Developer and secures the repayment of a loan made by NASH Financing, LLC (an entity related to Sekisui House) (the “**Lender**”) to the Master Developer and the Master Developer’s parent company NASH Brookfield. The loan was in the amount of \$92 million, and the proceeds were used in connection with the Amoruso Ranch development and other joint projects with Sekisui House. Further, as lots are acquired by Brookfield HB, the Master Developer will pay a release price to the Lender so that Brookfield HB acquires the lots free of the lien of the Deed of Trust. As of September 10, 2025, the loan with the Lender is in good standing.

### **Master Developer Financing Plan**

The Master Developer has expended over \$90 million on improvements for the Amoruso Ranch Development. All of the work required for the development of Improvement Area No. 2 and the delivery of lots to Brookfield HB in final lot condition has been completed.

In connection with the formation of the District, the City and Brookfield Sacramento Holdings entered into a Funding, Construction and Acquisition Agreement (the “**Acquisition Agreement**”). On January 7, 2025, Brookfield Sacramento Holdings assigned the Acquisition Agreement to the Master Developer. The Acquisition Agreement provides that the Master Developer will construct (or cause to be constructed or funded) various improvements, and the City, upon completion of construction and acceptance (or through progress payments prior to completion of the entire improvement), will purchase the improvements or reimburse the Master Developer for expended amounts from the proceeds of the Bonds and/or Special Taxes on a pay-as-you-go basis. The Master Developer will be responsible for the portion of the cost of construction of the improvements not paid with Bond proceeds and Special Taxes.

The Rate and Method 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 contemplates utilizing this funding mechanism during the time the Bonds are outstanding. Additionally, 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) which levy may secure future bonds issued after payment in full of the Bonds and any Additional Bonds.

*Notwithstanding the belief of the Master Developer that it will have sufficient funds to complete its planned development, no assurance can be given that sources of financing available to the Master Developer will be sufficient to complete such development as currently anticipated. While the Master Developer has made internal financing available in the past for similar activities, there can be no assurance whatsoever of its willingness or ability to do so in the future. Neither the Master Developer nor any of its affiliates has any legal obligation of any kind to make any such funds available or to obtain loans or lines of credit. If and to the extent that internal financing, loan proceeds, lines of credit, or bond proceeds are inadequate to pay the costs to complete the Master Developer’s planned development, there could be a shortfall in the funds required to complete such proposed development and portions of such development might not be completed.*



## MERCHANT BUILDER INFORMATION

*The information regarding the ownership of the property contained under this caption has been provided by the Master Developer, and has not been independently confirmed or verified by the Underwriter or the City. Neither the Underwriter nor the City makes any representation as to the accuracy or adequacy of the information contained under this caption. There may be material adverse changes in this information after the date of this Official Statement. Neither the Bonds nor the Special Taxes securing the Bonds are a personal obligation of the Master Developer, Brookfield HB, or any other subsequent property owners within Improvement Area No. 2. In the event that any property owner defaults in the payment of its Special Taxes, the District may proceed with judicial foreclosure of the delinquent land within Improvement Area No. 2 securing the Bonds, but has no direct recourse to any other assets of any property owner or any affiliate thereof. As a result, other than as provided in this Official Statement, no financial statements or information is, or will be provided about the Master Developer, Brookfield HB, or any other current or subsequent property owner. See “SPECIAL RISK FACTORS” herein.*

### Brookfield HB

In late 2024, Brookfield Sacramento HB LLC, a Delaware limited liability company (“**Brookfield HB**”), entered into a purchase and sale agreement to acquire 156 finished lots in Improvement Area No. 2 from Brookfield Sacramento Holdings (as amended, the “**IA No. 2 PSA**”). On January 7, 2025, in connection with the investment by Sekisui House and the transfer of the property in Improvement Area No. 2 to the Master Developer, Brookfield Sacramento Holdings and the Master Developer entered into the Assignment and Assumption of Agreements, Permits, Licenses and Approvals (the “**Assignment Agreement**”), whereby, among other things, the IA No. 2 PSA was assigned to the Master Developer.

Brookfield HB is a wholly-owned subsidiary of Brookfield Bay Area Holdings LLC, a Delaware limited liability company (“**Brookfield BAH**”). Brookfield BAH is an indirect subsidiary of Brookfield Residential. Brookfield Residential is a North American land developer and homebuilder with operations in Canada and the United States, which entitles and develops land to create master-planned communities and builds and sells lots to third-party builders, as well as to its own homebuilding divisions. Brookfield Residential also participates in select strategic real estate opportunities, including infill projects, mixed-use developments, infrastructure projects and joint ventures. Brookfield Residential currently focuses on the following operating segments: Canada, California, and Central and Eastern United States. Its Canadian operations are primarily in the Alberta and Ontario markets. Brookfield Residential has homebuilding operations in Austin, Calgary, Denver, Edmonton, Hawaii, Los Angeles, Phoenix, San Diego, San Francisco, Toronto, and Washington D.C. Brookfield Residential has been active in the Northern California market since 1997. Information regarding Brookfield Residential's operations in Northern California is available at [www.brookfieldnorcal.com](http://www.brookfieldnorcal.com). Copies of Brookfield Residential's financial statements and other information are currently available from Brookfield Residential's website at [www.brookfieldresidential.com](http://www.brookfieldresidential.com). *These internet addresses are included for reference only, and the information on these internet sites 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.*

**Brookfield HB Development Plan.** The lots in Improvement Area No. 2 are planned for development into 156 single-family detached homes in two neighborhoods: “Allora at Amoruso Ranch” (83 lots) and “Tesoro at Amoruso Ranch” (73 lots). The terms of the IA No. 2 PSA, as amended, include phased takedowns for each neighborhood as set forth in the following tables:

**City of Roseville**  
**Amoruso Ranch Community Facilities District No. 1 (Public Facilities)**  
**Improvement Area No. 2 – Special Tax Bonds Series 2025**  
**Allora Take-Down Schedule (83 LDR Lots)**  
**(as of September 10, 2025)**

| <b>Actual/Scheduled<br/>Acquisition Date</b> | <b>Lots<br/>Scheduled<br/>to be Acquired</b> | <b>Cumulative<br/>Number of Lots<br/>to be Acquired</b> |
|----------------------------------------------|----------------------------------------------|---------------------------------------------------------|
| 4/28/2025                                    | 13*                                          | 13*                                                     |
| 5/29/2025                                    | 11*                                          | 24*                                                     |
| 12/22/2025**                                 | 12                                           | 36                                                      |
| 3/19/2026                                    | 12                                           | 48                                                      |
| 6/22/2026                                    | 12                                           | 60                                                      |
| 9/21/2026                                    | 14                                           | 74                                                      |
| 12/21/2026                                   | 9                                            | 83                                                      |
| <b>Total:</b>                                | <b>83</b>                                    |                                                         |

\* Acquired

\*\* The lot takedown to occur on September 22, 2025 has been reset to December 22, 2025 to allow the builder to catch up on construction and sales due to various delays on acquiring the initial lots and model opening. Consequently, all of the takedowns that followed the September 22, 2025 takedown were similarly extended as shown above.

**City of Roseville**  
**Amoruso Ranch Community Facilities District No. 1 (Public Facilities)**  
**Improvement Area No. 2 – Special Tax Bonds Series 2025**  
**Tesoro Take-Down Schedule (73 LDR Lots)**  
**(as of September 10, 2025)**

| <b>Actual/Scheduled<br/>Acquisition Date</b> | <b>Lots<br/>Scheduled<br/>to be Acquired</b> | <b>Cumulative<br/>Number of Lots<br/>to be Acquired</b> |
|----------------------------------------------|----------------------------------------------|---------------------------------------------------------|
| 4/28/2025                                    | 11*                                          | 11*                                                     |
| 5/29/2025                                    | 13*                                          | 24*                                                     |
| 12/22/2025**                                 | 12                                           | 36                                                      |
| 3/19/2026                                    | 13                                           | 49                                                      |
| 6/22/2026                                    | 14                                           | 63                                                      |
| 9/21/2026                                    | 10                                           | 73                                                      |
| <b>Total:</b>                                | <b>73</b>                                    |                                                         |

\* Acquired

\*\* The lot takedown to occur on September 22, 2025 has been reset to December 22, 2025 to allow the builder to catch up on construction and sales due to various delays on acquiring the initial lots and model opening. Consequently, all of the takedowns that followed the September 22, 2025 takedown were similarly extended as shown above.

The original take-down schedule has been amended three times through amendments to the IA No. 2 PSA, with the latest described in the tables above. Consequently, the take-down schedules above are subject to further change by the Master Developer and Brookfield HB.

When Brookfield HB acquires the lots from the Master Developer in finished lot condition, Brookfield HB will construct, market, and sell the homes thereon. The Master Developer has a profit participation in the sales of the homes.

There are 3 model homes that have been constructed in each of Allora and Tesoro. The 6 model homes were constructed by Brookfield HB under a license agreement with the Master Developer, whereby the Master Developer granted Brookfield HB the right to construct the model homes on the land that the Master Developer owns. Currently, it is anticipated that the 6 model homes will be transferred to Brookfield HB in the final takedown in each product line for Brookfield HB to sell to the homebuying public. However, the parties reserve the right to defer the sale of these model homes so as to use them to market future phases of the Amoruso Ranch development.

Assuming that Brookfield HB acquires the lots from the Master Developer pursuant to the IA No. 2 PSA, the proposed product mix for the homes constructed and planned to be constructed by Brookfield HB within these neighborhoods is set forth in the following tables.

**City of Roseville**  
**Amoruso Ranch Community Facilities District No. 1 (Public Facilities)**  
**Improvement Area No. 2 – Special Tax Bonds Series 2025**  
**“Allora at Amoruso Ranch” (83 Lots)**  
**(As of September 10, 2025)**

| <b>Floor Plans</b> | <b>Approx. Square Footage</b> | <b>Total No. Planned Units</b> | <b>Units Completed, Sold, and Closed</b> | <b>Units Completed But Not Closed</b> | <b>Units Under Construction<sup>(1)</sup></b> | <b>Est. Base Price<sup>(2)</sup></b> |
|--------------------|-------------------------------|--------------------------------|------------------------------------------|---------------------------------------|-----------------------------------------------|--------------------------------------|
| Plan 1             | 1,840                         | 21                             | 0                                        | 3                                     | 4                                             | \$619,990                            |
| Plan 2             | 2,184                         | 21                             | 0                                        | 2                                     | 4                                             | 629,990                              |
| Plan 3             | 2,309                         | 21                             | 0                                        | 3                                     | 4                                             | 639,990                              |
| Plan 4             | 2,674                         | 20                             | 1                                        | 2                                     | 4                                             | 689,990                              |
| <b>Totals</b>      |                               | <b>83</b>                      | <b>1</b>                                 | <b>10</b>                             | <b>16</b>                                     |                                      |

(1) Brookfield HB has completed construction of three (3) model homes, although they remain owned by the Master Developer. Brookfield HB is currently under construction on 16 production homes as of September 10, 2025. A total of 27 building permits have been received for the Allora lots as of September 10, 2025.

(2) Base sale prices are estimated as of September 10, 2025. Actual base sales prices may be lower than estimated. Base sales prices are subject to change and exclude any lot premiums, options, upgrades, incentives and any selling concessions or price reductions which may be offered.

Source: Master Developer.

**City of Roseville**  
**Amoruso Ranch Community Facilities District No. 1 (Public Facilities)**  
**Improvement Area No. 2 – Special Tax Bonds Series 2025**  
**“Tesoro at Amoruso Ranch” (73 Lots)**  
**(As of September 10, 2025)**

| <b>Floor Plans</b> | <b>Approx. Square Footage</b> | <b>Total No. Planned Units</b> | <b>Units Completed, Sold, and Closed</b> | <b>Units Completed But Not Closed</b> | <b>Units Under Construction<sup>(1)</sup></b> | <b>Est. Initial Base Price<sup>(2)</sup></b> |
|--------------------|-------------------------------|--------------------------------|------------------------------------------|---------------------------------------|-----------------------------------------------|----------------------------------------------|
| Plan 1             | 2,339                         | 18                             | 1                                        | 2                                     | 3                                             | \$730,550                                    |
| Plan 2             | 2,925                         | 19                             | 0                                        | 1                                     | 4                                             | 759,650                                      |
| Plan 3             | 3,606                         | 18                             | 0                                        | 5                                     | 3                                             | 837,250                                      |
| Plan 4             | 4,066                         | 18                             | 2                                        | 3                                     | 3                                             | 905,750                                      |
| <b>Totals</b>      |                               | <b>73</b>                      | <b>3</b>                                 | <b>11</b>                             | <b>13</b>                                     |                                              |

(1) Brookfield has completed construction of three (3) model homes, although they remain owned by the Master Developer. Brookfield HB is currently under construction on 13 production homes as of September 10, 2025. A total of 27 building permits have been received for the Tesoro lots as of September 10, 2025.

(2) Base sale prices are estimated as of September 10, 2025. Actual base sales prices may be lower than estimated. Base sales prices are subject to change and exclude any lot premiums, options, upgrades, incentives and any selling concessions or price reductions which may be offered.

Source: Master Developer.

Brookfield HB has closed 4 homes to homebuyers as of September 10, 2025. Brookfield HB anticipates reaching build-out and closing on the final homes in Improvement Area No. 2 to individual homebuyers by March 2027.

*No assurance can be given that the lots will be acquired by Brookfield HB on the schedule set forth above or that home construction and sales will be carried out on the anticipated timeline and according to the plans outlined herein, or that the home construction and sale plans or base prices set forth above will not change after the date of this Official Statement. Brookfield HB reserves the right to change its development at any time without notice.*

**Brookfield HB Financing Plan.** To date, Brookfield HB has funded its land acquisition, site development and home construction costs related to its property in Improvement Area No. 2 through internally generated funds, including funding from its parent company (as defined herein). Brookfield HB expects to use internal funding (which may include home sales revenues from its project in Improvement Area No. 2) to complete its home construction, and marketing and sales of its homes in Improvement Area No. 2. However, home sales revenues from Brookfield HB's activities in Improvement Area No. 2 are not segregated and set aside for completing its development activities in Improvement Area No. 2. None of the lots within Improvement Area No. 2 owned by Brookfield HB are encumbered by a mortgage or deed of trust.

*Although Brookfield HB expects to have sufficient funds available to undertake and complete its development activities in Improvement Area No. 2, there can be no assurance, however, that amounts necessary to finance the remaining development and home construction costs will be available to Brookfield HB when needed. Neither Brookfield HB nor any other entity or person is under any legal obligation of any kind to expend funds for the development of and construction of homes on Brookfield HB's property in Improvement Area No. 2. Brookfield HB has no legal obligation to Bond holders to make any such funds available for construction or development, or the payment of ad valorem property taxes or the Special Taxes. Any contributions Brookfield HB or any other entity or person to fund the costs of such development are entirely voluntary.*

*If and to the extent that the aforementioned sources are inadequate to pay the costs to complete the planned development by Brookfield HB within Improvement Area No. 2 and other financing is not put into place, there could be a shortfall in the funds required to complete the proposed development by Brookfield HB or to pay ad valorem property taxes or Special Taxes related to Brookfield HB's property in Improvement Area No. 2, and the remaining portions of such development may not be completed. Many factors beyond Brookfield HB's control, or a decision by Brookfield HB to alter its current plans, may cause the actual sources and uses to differ from the projections. See "SPECIAL RISK FACTORS" herein for a discussion of risk factors.*

## VALUE OF PROPERTY WITHIN IMPROVEMENT AREA NO. 2

### The Appraisal

**General.** Integra Realty Resources, Sacramento, California (the “**Appraiser**”) prepared an appraisal report with a date of value of September 10, 2025 (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. The appraised properties consist of all of the taxable property within Improvement Area No. 2, which consists of 156 taxable lots.

**Value Estimates.** The Appraisal provides a market value of the appraised property as of the date of value (based on the hypothetical condition the improvements to be financed by the 2025 Bonds were in place as of the date of valuation). The valuation accounts for the impact of the lien of the Special Tax and represents the hypothetical market value (based on the hypothetical condition) of all the land in Improvement Area No. 2. The property appraised excludes property in Improvement Area No. 2 designated for public and quasi-public purposes.

The aggregate value estimate for the appraised properties as of the date of value, using the methodologies described in the Appraisal and subject to the limiting conditions and special assumptions and the hypothetical condition set forth in the Appraisal, and based on the ownership of the property as of that date, is \$43,738,000. The following table summarizes appraised values for parcels in Improvement Area No. 2.

### Appraised Values Within Improvement Area No. 2 As of September 10, 2025

| Market Value by Ownership                                      |                |               |                        |                                     |                              |                     |
|----------------------------------------------------------------|----------------|---------------|------------------------|-------------------------------------|------------------------------|---------------------|
|                                                                | No. of<br>Lots | Value per Lot | Permits & Fees<br>Paid | Remaining Site<br>Development Costs | Value per<br>Component (Rd.) | Market Value (Rd.)  |
| <b>Individual Homeowners</b>                                   |                |               |                        |                                     |                              |                     |
| Completed Homes                                                |                |               |                        |                                     |                              |                     |
| Tesoro                                                         | 3              | \$670,000     | --                     | --                                  | \$670,000                    | \$2,010,000         |
| Allora                                                         | <u>1</u>       | \$600,000     | --                     | --                                  | \$600,000                    | <u>\$600,000</u>    |
| <b>Total - Individual Homeowners</b>                           | <b>4</b>       |               |                        |                                     |                              | <b>\$2,610,000</b>  |
| <b>Brookfield Sacramento HB, LLC.</b>                          |                |               |                        |                                     |                              |                     |
| Completed Homes                                                |                |               |                        |                                     |                              |                     |
| Tesoro                                                         | 8              | \$670,000     | --                     | --                                  | \$670,000                    | \$5,360,000         |
| Allora                                                         | 7              | \$600,000     | --                     | --                                  | \$600,000                    | \$4,200,000         |
| Homes Under Construction                                       |                |               |                        |                                     |                              |                     |
| Tesoro                                                         | 13             | \$198,000     | \$99,890               | --                                  | \$298,000                    | \$3,874,000         |
| Allora                                                         | <u>16</u>      | \$183,000     | \$99,890               | --                                  | \$283,000                    | <u>\$4,528,000</u>  |
| <b>Total - Brookfield Sacramento HB, LLC.</b>                  | <b>44</b>      |               |                        |                                     |                              | <b>\$17,962,000</b> |
| <b>Brookfield Sunset LLC.</b>                                  |                |               |                        |                                     |                              |                     |
| Completed Homes                                                |                |               |                        |                                     |                              |                     |
| Tesoro                                                         | 3              | \$670,000     | --                     | --                                  | \$670,000                    | \$2,010,000         |
| Allora                                                         | 3              | \$600,000     | --                     | --                                  | \$600,000                    | \$1,800,000         |
| Finished Lots                                                  |                |               |                        |                                     |                              |                     |
| Tesoro                                                         | 46             | \$198,000     | \$0                    | (\$173)                             | \$198,000                    | \$9,108,000         |
| Allora                                                         | <u>56</u>      | \$183,000     | \$0                    | (\$173)                             | \$183,000                    | <u>\$10,248,000</u> |
| <b>Total - Brookfield Sunset LLC.</b>                          | <b>108</b>     |               |                        |                                     |                              | <b>\$23,166,000</b> |
| <b>Aggregate, or Cumulative, Value of Appraised Properties</b> | <b>156</b>     |               |                        |                                     |                              | <b>\$43,738,000</b> |

Source: Appraisal.

For more detailed information see “APPENDIX B – The Appraisal.”

**Hypothetical Condition.** The value estimate is subject to a hypothetical condition, defined as that which is contrary to what exists but is supposed for the purposes of analysis. For purposes of the hypothetical condition, the Appraiser assumed that certain proceeds of the 2025 Bonds are available to reimburse for various improvements already completed.

**Assumptions and Limiting Conditions.** In considering the estimate of value evidenced by the Appraisal, the Appraisal is based upon a number of standard and special assumptions which affect the estimates as to value. For example, the Appraiser has assumed that there is no adverse soil conditions, toxic substances or other environmental hazards that would interfere or inhibit development of the appraised property. 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.”

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.

**Exposure Time.** Exposure time is the length of time the subject property would have been exposed for sale in the market had it sold on the effective valuation date at the concluded market value. Exposure time is always presumed to precede the effective date of the Appraisal. Based on the Appraiser’s review of recent sales transactions for similar properties and its analysis of supply and demand in the local land market, the Appraiser’s opinion was that the probable exposure time for the appraised property at the concluded market value stated previously is 12 months.

**Marketing Time.** Marketing time is an estimate of the amount of time it might take to sell a property at the concluded market value immediately following the effective date of value. As the Appraiser foresees no significant changes in market conditions in the near term, the Appraiser’s opinion was that a reasonable marketing period for the appraised property in bulk is likely to be the same as the exposure time. Accordingly, the Appraiser estimated the marketing period at 12 months or less.

*No assurance can be given that a sale of the property in bulk through foreclosure could be achieved or attained over an extended period of time; real estate is cyclical in nature, and it is impossible to accurately forecast and project specific demand over a particular period. See “SPECIAL RISK FACTORS – Property Values and Property Development.”*

**Limitations of Appraisal Valuation.** Property values may not be evenly distributed throughout Improvement Area No. 2; 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 2025 Bonds are outstanding in that the City has no control over the market value of the property within Improvement Area No. 2 or the amount of additional indebtedness that may be issued in the future by other public agencies, the payment of which, through the levy of a tax or an assessment, may be on a parity with the Special Taxes. See “–Overlapping Liens and Priority of Lien” below.

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

### **Value to Special Tax Burden Ratios**

In comparing the value of the real property within Improvement Area No. 2 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 Improvement Area No. 2 cannot be foreclosed upon as a whole to pay delinquent Special Taxes of the owners of such parcels within Improvement Area No. 2 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 Improvement Area No. 2 could, without the consent of the City and in certain cases without the consent of the owners of the land within Improvement Area No. 2, impose additional taxes or assessment liens on the land within Improvement Area No. 2. Property owners can also voluntarily add Property Assessed Clean Energy (PACE) assessment liens on their property to finance energy efficiency improvements. The lien created on the land within Improvement Area No. 2 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 merchant builders, and home loans may be obtained by ultimate homeowners. The deeds of trust securing such debt on property within Improvement Area No. 2, however, will be subordinate to the lien of the Special Tax.



**Appraised Value to Lien Ratios by Development Status.** The following table sets forth appraised value, estimated maximum and actual facilities special tax amounts, allocable debt, and value to lien ratios by development status in Improvement Area No. 2 as of September 10, 2025 (the Appraiser's date of value), based on the assumptions detailed therein.

**Table 1**  
**City of Roseville**  
**Amoruso Ranch Community Facilities No. 1 (Public Facilities)**  
**Improvement Area No. 2 – Series 2025 Bonds**  
**Value to Lien Ratios by Development Status**

| <b>Development Status</b> | <b>Planned Units</b> | <b>Estimated 2025-26 Maximum Annual Facilities Special Tax Revenue<sup>(1)</sup></b> | <b>Actual 2025-26 Facilities Special Tax Levy<sup>(2)</sup></b> | <b>Appraised Value<sup>(3)</sup></b> | <b>Share of CFD Bonds<sup>(4)</sup></b> | <b>Overlapping Debt</b> | <b>Total CFD Bonds and Overlapping Debt</b> | <b>Appraised / Overlapping Debt Value to Lien</b> |
|---------------------------|----------------------|--------------------------------------------------------------------------------------|-----------------------------------------------------------------|--------------------------------------|-----------------------------------------|-------------------------|---------------------------------------------|---------------------------------------------------|
| Finished Lot              | 102                  | \$447,984                                                                            | \$441,945                                                       | \$19,356,000                         | \$5,939,216                             | \$17,444                | \$5,956,661                                 | 3.2                                               |
| Under Construction        | 29                   | 127,296                                                                              | 125,571                                                         | 8,402,000                            | 1,687,519                               | 4,957                   | 1,692,476                                   | 5.0                                               |
| Model                     | 6                    | 26,622                                                                               | 26,298                                                          | 3,810,000                            | 353,420                                 | 1,038                   | 354,458                                     | 10.7                                              |
| Completed                 | 15                   | 67,014                                                                               | 66,259                                                          | 9,560,000                            | 890,444                                 | 2,615                   | 893,059                                     | 10.7                                              |
| Completed/Sold            | 4                    | 18,666                                                                               | 18,558                                                          | 2,610,000                            | 249,400                                 | 733                     | 250,132                                     | 10.4                                              |
| <b>Total</b>              | <b>156</b>           | <b>\$687,582</b>                                                                     | <b>\$678,631</b>                                                | <b>\$43,738,000</b>                  | <b>\$9,120,000</b>                      | <b>\$26,787</b>         | <b>\$9,146,787</b>                          | <b>4.8</b>                                        |

(1) Increases by 2% each Fiscal Year.

(2) Amount levied for Fiscal Year 2025-26.

(3) Appraised value amounts provided by the Appraiser.

(4) Allocated based on the Fiscal Year 2025-26 Facilities Special Tax levy.

Source: Integra Realty Resources, EPS.

**Appraised Value to Lien Ratios by Ownership.** The following table sets forth appraised value, estimated maximum and actual facilities special tax amounts, allocable debt, and value to lien ratios by ownership in Improvement Area No. 2 as of September 10, 2025 (the Appraiser's date of value), based on the assumptions detailed therein.

**Table 2**  
**City of Roseville**  
**Amoruso Ranch Community Facilities No. 2 (Public Facilities)**  
**Improvement Area No. 2 – Series 2025 Bonds**  
**Value to Lien Ratios by Ownership**

| <b>Ownership</b>             | <b>Planned<br/>Units</b> | <b>Estimated<br/>2025-26<br/>Maximum<br/>Annual<br/>Facilities<br/>Special Tax<sup>(1)</sup></b> | <b>Actual<br/>2025-26<br/>Facilities<br/>Special<br/>Tax Levy<sup>(2)</sup></b> | <b>Appraised<br/>Value<sup>(3)</sup></b> | <b>Share of CFD<br/>Bonds<sup>(4)</sup></b> | <b>Overlapping<br/>Debt</b> | <b>Total CFD<br/>Bonds and<br/>Overlapping<br/>Debt</b> | <b>Appraised /<br/>Overlapping<br/>Debt Value<br/>to Lien</b> |
|------------------------------|--------------------------|--------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------|------------------------------------------|---------------------------------------------|-----------------------------|---------------------------------------------------------|---------------------------------------------------------------|
| Individual Owner             | 4                        | \$18,666                                                                                         | \$18,558                                                                        | \$2,610,000                              | \$249,400                                   | \$733                       | \$250,132                                               | 10.4                                                          |
| Brookfield Sacramento HB LLC | 44                       | \$194,310                                                                                        | \$191,830                                                                       | \$17,962,000                             | \$2,577,964                                 | \$7,572                     | \$2,585,535                                             | 6.9                                                           |
| Brookfield Sunset LLC        | 108                      | \$474,606                                                                                        | \$468,243                                                                       | \$23,166,000                             | \$6,292,637                                 | \$18,483                    | \$6,311,119                                             | 3.7                                                           |
| <b>Totals:</b>               | <b>156</b>               | <b>\$687,582</b>                                                                                 | <b>\$678,631</b>                                                                | <b>\$43,738,000</b>                      | <b>\$9,120,000</b>                          | <b>\$26,787</b>             | <b>\$9,146,787</b>                                      | <b>4.8</b>                                                    |

(1) Increases by 2% each Fiscal Year.

(2) Amount levied for Fiscal Year 2025-26.

(3) Appraised value amounts provided by the Appraiser.

(4) Allocated based on the Fiscal Year 2025-26 Facilities Special Tax levy.

Source: Integra Realty Resources, EPS.

**Appraised Value to Lien Ratios by Lien Ranges.** The following table sets forth appraised value, estimated maximum and actual facilities special tax amounts, allocable debt, and value to lien ratios by lien ranges in Improvement Area No. 2 as of September 10, 2025 (the Appraiser's date of value), based on the assumptions detailed therein.

**Table 3**  
**City of Roseville**  
**Amoruso Ranch Community Facilities No. 1 (Public Facilities)**  
**Improvement Area No. 2 – Series 2025 Bonds**  
**Value to Lien Ranges**

| Appraised/<br>Overlapping Debt<br>Value to Lien<br>Ranges | Planned<br>Units | Estimated<br>2025-26<br>Maximum Annual<br>Facilities Special<br>Tax Revenue <sup>(1)</sup> | Actual<br>2025-26<br>Facilities<br>Special Tax<br>Levy <sup>(2)</sup> | Appraised<br>Value <sup>(3)</sup> | Share of CFD<br>Bonds <sup>(4)</sup> | Overlapping<br>Debt | Total CFD<br>Bonds and<br>Overlapping<br>Debt | Appraised /<br>Overlapping<br>Debt Value to<br>Lien |
|-----------------------------------------------------------|------------------|--------------------------------------------------------------------------------------------|-----------------------------------------------------------------------|-----------------------------------|--------------------------------------|---------------------|-----------------------------------------------|-----------------------------------------------------|
| > 10.00:1                                                 | 25               | \$112,302                                                                                  | \$111,116                                                             | \$15,980,000                      | 1,493,264                            | \$4,386             | \$1,497,650                                   | 10.7                                                |
| 5.00 to 9.99:1                                            | 16               | 63,648                                                                                     | 61,932                                                                | 4,528,000                         | 832,166                              | 2,444               | 834,610                                       | 5.4                                                 |
| 3.00 to 4.99:1                                            | 115              | 511,632                                                                                    | 505,593                                                               | 23,230,000                        | 6,794,570                            | 19,957              | 6,814,527                                     | 3.4                                                 |
| < 3.00:1                                                  | 0                | \$0                                                                                        | \$0                                                                   | \$0                               | \$0                                  | \$0                 | \$0                                           | N/A                                                 |
| <b>Total</b>                                              | <b>156</b>       | <b>\$687,582</b>                                                                           | <b>\$678,631</b>                                                      | <b>\$43,738,000</b>               | <b>\$9,120,000</b>                   | <b>\$26,787</b>     | <b>\$9,146,787</b>                            | <b>4.8</b>                                          |

(1) Increases by 2% each Fiscal Year.

(2) Amount levied for Fiscal Year 2025-26.

(3) Appraised value amounts provided by the Appraiser.

(4) Allocated based on the Fiscal Year 2025-26 Facilities Special Tax levy.

Source: Integra Realty Resources, EPS.

## **No History of Special Tax Collections**

Fiscal Year 2025-26 is the first year in which the Special Tax is being levied in Improvement Area No. 2. Accordingly, there is no history of special tax collections, however the Master Developer has fully paid the 2025-26 Special Tax levy on its property.

## **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 Improvement Area No. 2, and payment of the Special Tax is secured by a lien on certain real property within Improvement Area No. 2. 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 Improvement Area No. 2. 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 Improvement Area No. 2.

Set forth below is an overlapping debt table showing the existing direct and overlapping tax and assessment debt payable with respect to property within Improvement Area No. 2. This table is taken from information prepared by California Municipal Statistics Inc. as of the date indicated and reflect information for fiscal year 2024-25 (fiscal year 2025-26 is not yet available), and is included for general information purposes only. The general obligation bond debt allocation is based on assessed values. To the extent the assessed values in Improvement Area No. 2 are higher in future years, the general obligation bond debt allocation will be greater than what is shown.

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 Improvement Area No. 2 is also subject to special taxes authorized to be levied on behalf of the City's Amoruso Ranch Community Facilities District No. 1 (Public Services) and Community Facilities District No. 3 (Municipal Services) for municipal services, which districts provide for escalating annual special taxes on residential property.

*[Remainder of page intentionally left blank]*

**Table 4**  
**City of Roseville**  
**Amoruso Ranch Community Facilities District No. 1 (Public Facilities)**  
**Improvement Area No. 2 – Series 2025 Bonds**  
**Summary of Overlapping Debt**  
**As of August 1, 2025**

**2024-25 Assessed Valuation:** \$1,143,492

| <b><u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u></b>                  | <b><u>% Applicable</u></b> | <b><u>Debt 8/1/25</u></b> |
|--------------------------------------------------------------------------------|----------------------------|---------------------------|
| Sierra Joint Community College SFID No. 4 General Obligation Bonds             | 0.001%                     | \$ 2,171                  |
| Roseville Joint Union High School District General Obligation Bonds            | 0.003                      | 2,415                     |
| Roseville Joint Union High School District SFID No. 1 General Obligation Bonds | 0.020                      | 21,992                    |
| Roseville City School District General Obligation Bonds                        | 0.004                      | 209                       |
| <b>City of Roseville Amoruso Ranch CFD No. 1 Improvement Area No. 2</b>        | <b>100.000</b>             | <b>0</b> <sup>(1)</sup>   |
| <b>TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT</b>                    |                            | <b>\$26,787</b>           |

**Ratios to 2024-25 Assessed Valuation:**

**Direct Debt (\$0)** ..... **0.00%**  
**Total Direct and Overlapping Tax and Assessment Debt** ..... **2.34%**

(1) Excludes bonds to be sold.  
Sources: California Municipal Statistics, Inc.

There can be no assurance that the Master 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 Master Developer.

Private liens, such as deeds of trust securing loans obtained by owners, may be placed upon property in Improvement Area No. 2 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 Overall Tax Burden

The following table shows the estimated overall tax burden for representative single-family residential homes in Improvement Area No. 2 (LDR types), based on Fiscal Year 2025-26. As shown in the table, if the Special Tax had been levied in Fiscal Year 2025-26, the overall estimated tax burden would be approximately 1.72% to 1.74%.

**Table 5**  
**City of Roseville**  
**Amoruso Ranch Community Facilities No. 1 (Public Facilities)**  
**Improvement Area No. 2 – Series 2025 Bonds**  
**Estimated Overall Tax Burden Fiscal Year 2025-26**

| Item                                       | Assumptions | LDR<br>(55 ft. lot) | LDR<br>(45 ft. lot) |
|--------------------------------------------|-------------|---------------------|---------------------|
| Estimated Home Value <sup>(1)</sup>        |             | \$833,750           | \$683,750           |
| Homeowners' Exemption                      |             | (7,000)             | (7,000)             |
| Assessed Value                             |             | \$826,750           | \$676,750           |
| Property Taxes (FY 2025-26) <sup>(2)</sup> |             |                     |                     |
| Property Taxes (FY 2025-26) <sup>(2)</sup> | 1.000000%   | \$8,268             | \$6,768             |
| Sierra College                             | 0.005316    | 44                  | 36                  |
| Roseville City School District             | 0.008669    | 72                  | 59                  |
| Roseville JUHSD                            | 0.010903    | 90                  | 74                  |
| Property Tax Totals                        | 1.024888%   | \$8,473             | 6,936               |
| Direct Charges <sup>(3)</sup>              |             |                     |                     |
| Amoruso Ranch CFD No. 1 (IA No. 1)         |             | \$4,896             | \$3,978             |
| Amoruso Ranch CFD No. 2                    |             | 522                 | 522                 |
| Roseville CFD No. 3                        |             | 424                 | 424                 |
| Placer Mosquito & Vector Control           |             | 34                  | 34                  |
| Total Direct Charges                       |             | \$5,877             | \$4,959             |
| Total Property Taxes and Direct Charges    |             | \$14,350            | \$11,894            |
| Overall Tax Burden                         |             | 1.72%               | 1.74%               |

(1) Provided by the Master Developer.

(2) Ad valorem taxes for TRA 005-073 for FY 2025-26.

(3) Provided by the City and EPS. Direct charges are for FY 2025-26.

Source: EPS.

## **SPECIAL RISK FACTORS**

*The purchase of the 2025 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 2025 Bonds in the event Special Tax collections are delinquent, other than from amounts, if any, on deposit in the 2025 Reserve Account of 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 2025 Bonds. The 2025 Bonds are not general obligations of the City but are limited obligations of the City, payable solely from the proceeds of the Special Tax and certain funds held under the Fiscal Agent Agreement, including amounts deposited in the 2025 Reserve Account of 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 2025 Bonds will be limited to the Special Tax to be collected within Improvement Area No. 2.

### **Concentration of Ownership**

As of September 10, 2025, there were 4 individual homeowners within Improvement Area No. 2; the remainder of the property was owned by the Master Developer or its affiliate Brookfield HB. Owners of property are not personally obligated to pay the Special Tax attributable to their property. Rather, the Special Tax is an obligation only against the parcel of property, secured by the amount which could be realized in a foreclosure proceeding against the property, and not by any promise of the owner to pay. If the value of the property is not sufficient, taking into account other obligations also constituting a lien against the property, the City, Fiscal Agent and owners of the 2025 Bonds have no recourse against the owner, such as filing a lawsuit to collect money.

Failure of the current owners of property or any other future owner of significant property subject to the Special Taxes in Improvement Area No. 2 to pay installments of Special Taxes when due could cause the depletion of amounts in the 2025 Reserve Account 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 timely pay debt service on the 2025 Bonds. In that event, there could be a delay or failure in payments on the 2025 Bonds. See “– Bankruptcy and Foreclosure Delays” below and “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Delinquent Payments of Special Tax; Covenant for Superior Court Foreclosure.”

### **Appraised Values**

The Appraisal included in APPENDIX B estimates the market value of the taxable property within Improvement Area No. 2. 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). Some of the improvements to be financed by the 2025 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 Improvement Area No. 2 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 Improvement Area No. 2 is a critical factor in determining the investment quality of the 2025 Bonds. If a property owner defaults in the payment of the Special Tax, the City may bring an action to foreclose on the delinquent property in an attempt to obtain funds with which to pay debt service on the 2025 Bonds. Land development and land values could be adversely affected by economic and other factors beyond the City's control, such as: a general economic downturn; adverse judgments in future litigation that could affect the scope, timing or viability of development; relocation of employers out of the area; stricter land use regulations; shortages of water, electricity, natural gas or other utilities; destruction of property caused by earthquake, flood or other natural disasters; environmental pollution or contamination.

The Appraisal information included as APPENDIX B sets forth certain assumptions of the Appraiser in estimating the market value of the property within Improvement Area No. 2 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 City nor the Underwriter has evaluated the development risks associated with the proposed development. Since these are largely business risks of the type that developers customarily evaluate individually, and inasmuch as changes in land ownership may well mean changes in the evaluation with respect to any particular parcel, the City is issuing the 2025 Bonds without regard to any such evaluation. Thus, the issuance of the 2025 Bonds in no way implies that the City or the Underwriter 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 Improvement Area No. 2 or the value of property therein.

**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 2025 Bonds should it be necessary for the City 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 2025 Bonds and lower proceeds from any foreclosure sale necessitated by delinquencies in the payment of the Special Tax. See "VALUE OF PROPERTY WITHIN IMPROVEMENT AREA NO. 2 – Value to Special Tax Burden Ratios." No assurance can be given that the proposed development within Improvement Area No. 2 will be completed, and in assessing the investment quality of the 2025 Bonds, prospective purchasers should evaluate the risks of noncompletion.

*The Master Developer and Brookfield HB provide no assurances that development in Improvement Area No. 2 will occur or that sources of financing that will be available or will be sufficient to complete their currently projected development. The Master Developer and Brookfield HB do not have any obligation to the City or to owners of the 2025 Bonds to complete the planned development within Improvement Area No. 2.*

**Risks of Real Estate Investment Generally.** Continuing development of land within Improvement Area No. 2 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 Improvement Area No. 2 may also be affected by development in surrounding areas, which may compete with development in Improvement Area No. 2. 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 Improvement Area No. 2 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 Improvement Area No. 2 will not be adversely affected by these risks.

**Natural Disasters.** The value of the parcels in Improvement Area No. 2 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 Improvement Area No. 2 and the continued habitability and enjoyment of such private improvements. For example, the areas in and surrounding Improvement Area No. 2, like those in much of California, may be subject to earthquakes or other unpredictable seismic activity, however, Improvement Area No. 2 is not located in a seismic special studies zone.

Other natural disasters could include, without limitation, landslides, floods, droughts, wildfires or tornadoes. One or more natural disasters could occur and could result in damage to improvements of varying seriousness. Although the land in Improvement Area No. 2 is not in a high-risk area (or a special fire hazard severity zone) for wildfires, landslides, floods, or tornadoes, natural disasters such as these are unpredictable and may occur anywhere throughout the State, with devastating consequences. The damage may entail significant repair or replacement costs and that repair or replacement may never occur either because of the cost, or because repair or replacement will not facilitate habitability or other use, or because other considerations preclude such repair or replacement. Under any of these circumstances there could be significant delinquencies in the payment of Special Taxes, and the value of the parcels may well depreciate.

**Drought.** California has been subject to droughts from time-to-time in the past. Although the City does not believe any future drought would impact development in Improvement Area No. 2, no assurances can be given in this regard.

The City employs a portfolio approach to its water supplies which includes the use of surface water, groundwater and recycled water. This portfolio approach is designed to provide a more reliable water supply. Surface water is the City's primary water supply which is delivered from the Folsom Reservoir under contracts with the Bureau of Reclamation and the Placer County Water Agency. The City also uses groundwater to supplement its surface water supplies during emergency and drought conditions. These ground water wells are designated to accommodate Aquifer Storage and Recovery ("**ASR**"). The City's ASR program allows for the storage of treated surface water in the groundwater basin through direct injection through the ASR wells. This water can be extracted later from the same wells for use during emergency or drought conditions. This water "banking" allows the City to use groundwater without significant impact to the ground water table when surface water supplies are limited. The City also uses recycled water generated from its wastewater treatment facilities for irrigation purposes in commercial landscaping, public rights-of way, parks and golf courses. The use of recycled water reduces the demand for treated water for these purposes and leaving more for domestic use. However, no assurance can be given that a future drought affecting homes in Improvement Area No. 2 would not result in decreased values.

The City indicates it has adequate surface water and groundwater supplies to satisfy the planned development of property in Improvement Area No. 2 in accordance with applicable law and regulations. 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 Improvement Area No. 2 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 Amoruso Ranch property in restricting development activity. 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 Improvement Area No. 2 following a delinquency in the payment of Special Taxes.

**Wildfires.** In recent years, wildfires have caused extensive damage throughout the State, including within the County. Certain of these fires have burned thousands of acres and destroyed hundreds and in some cases thousands of homes. In some instances entire neighborhoods have been destroyed. Several fires in recent years damaged or destroyed property in areas that were not previously considered to be at risk from such events. In 2023, as in several prior years, for example, devastating wildfires burned in various communities in the State, causing wide-spread damage. In 2025, communities in Los Angeles County, including Pacific Palisades (Palisades Fire), Malibu and Altadena (Eaton Fire), experienced widespread devastation from wildfires causing losses of life, thousands of burned homes, and billions of dollars in property damage.

On January 16, 2025, Governor Gavin Newsom issued Executive Order N-10-25 (the "**Governor's Order**") which canceled penalties, costs and interest on overdue property taxes (including special taxes) within certain ZIP codes affected by the Palisades and Eaton Fires during calendar year 2025. This will likely cause a delay in the payment of property taxes, including special taxes, by certain property owners in any community facilities district affected by the Governor's Order. Unless the majority of property owners within any such community facilities district pay their special taxes voluntarily or have mortgage impound accounts, it is likely that the community facilities districts will need to draw upon a reserve fund to make debt service payments on outstanding bonds prior to the expiration of the Governor's Order and it is possible that outstanding bonds will experience a payment default. In the event of a major fire or other natural disaster affecting

Improvement Area No. 2, a similar order affecting Improvement Area No. 2 could impact the debt service payments for the 2025 Bonds.

**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 Improvement Area No. 2 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 Improvement Area No. 2 would affect the marketability and the value of some or all of the property in Improvement Area No. 2. In that event, the owners and operators of a parcel within Improvement Area No. 2 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 Improvement Area No. 2 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 Improvement Area No. 2 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 Improvement Area No. 2 has a current liability for a hazardous substance with respect to any of the parcels, it is possible that such liabilities do currently exist and that the City is not aware of them.

Further, it is possible that liabilities may arise in the future with respect to any of the parcels within Improvement Area No. 2 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 Improvement Area No. 2 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 Master Developer believes that no federally listed endangered or threatened species would be affected by the proposed development within Improvement Area No. 2, other than any that are permitted by the entitlements already received (which allow for the impact of development and specify the mitigation required), the discovery of an endangered plant or animal could delay development of vacant property in Improvement Area No. 2 or reduce the value of undeveloped property.

## **Mortgage Interest Rates**

Most of the purchasers of the homes within Improvement Area No. 2 will finance their acquisitions with mortgages. As such, increased interest rates, decreased availability of mortgage financing or of certain mortgage programs, higher down payment requirements, or increased monthly mortgage costs could have a negative impact on the estimated absorption rates of homes in Improvement Area No. 2. Further, a combination of higher mortgage rates, delays in construction stemming from delays in the supply chain, homebuyers' inability to sell their existing homes and adverse changes in local, regional or national economic conditions, among other factors, could contribute to an increase in rate of home order cancellations. An increase in the level of such cancellations could similarly have a negative impact on the estimated absorption rates of in Improvement Area No. 2.

## **Levy and Collection of Special Taxes**

**General.** The principal source of payment of principal of and interest on the 2025 Bonds is the proceeds of the annual levy and collection of the Special Tax against property within Improvement Area No. 2.

**Limitation on Maximum Special Tax Rate.** The annual levy of the Special Tax is subject to the Maximum Annual Facilities Special Tax rate authorized in the Rate and Method. The levy cannot be made at a higher rate even if the failure to do so means that the estimated proceeds of the levy and collection of the Special Tax, together with other available funds, will not be sufficient to pay debt service on the 2025 Bonds.

In addition to the Maximum Annual Facilities Special Tax rate limitation in the Rate and Method, Section 53321(d) of the Act provides that the special tax levied against any parcel for which an occupancy permit for private residential use has been issued may not be increased as a consequence of delinquency or default by the owner of any other parcel within a community facilities district by more than 10% above the amount that would have been levied in such Fiscal Year had there never been any such delinquencies or defaults. In cases of significant delinquency, these factors may result in defaults in the payment of principal of and interest on the 2025 Bonds.

**No Relationship Between Property Value and Special Tax Levy.** Because the Rate and Method is not based on property value, the levy of the Special Tax will rarely, if ever, result in a uniform relationship between the value of particular parcels of Taxable Property and the amount of the levy of the Special Tax against those parcels. Thus, there will rarely, if ever, be a uniform relationship between the value of the parcels of Taxable Property and their proportionate share of debt service on the 2025 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. There is currently no history of tax levies in Improvement Area No. 2.

*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 2025 Bonds pending such sales or the prosecution of foreclosure proceedings and receipt by the City of the proceeds of sale if the 2025 Reserve Account of 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 Improvement Area No. 2. See “– FDIC/Federal Government Interests in Properties” below.

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

## **FDIC/Federal Government Interests in Properties**

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

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

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

This means that, unless Congress has otherwise provided, if a federal governmental entity owns a parcel that is subject to Special Taxes within Improvement Area No. 2 but does not pay taxes and assessments levied on the parcel (including Special Taxes), the applicable state and local governments cannot foreclose on the parcel to collect the delinquent taxes and assessments.

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

### **Bankruptcy and Foreclosure Delays**

The payment of the Special Tax and the ability of the City 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 2025 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 2025 Bonds. To the extent that property in Improvement Area No. 2 continues to be owned by a limited number of property owners, the chances are increased that the 2025 Reserve Account of the Reserve Fund established for the 2025 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 2025 Reserve Account of 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 2025 Bonds on a timely basis.

On July 30, 1992, the United States Court of Appeals for the Ninth Circuit issued its opinion in a bankruptcy case entitled *In re Glasply Marine Industries*. In that case, the court held that *ad valorem* property taxes levied by Snohomish County in the State of Washington after the date that the property owner filed a petition for bankruptcy were not entitled to priority over a secured creditor with a prior lien on that property. The court upheld the priority of unpaid *ad valorem* taxes imposed before the bankruptcy petition (the “pre-petition taxes”), but unpaid taxes imposed after the filing of

the bankruptcy petition (“post-petition taxes”) were declared to be unsecured “administrative expenses” of the bankruptcy estate, and were therefore held to be payable from the bankruptcy estate only after payment of all secured creditors. As a result, the secured creditor of the property was able to foreclose on the property and retain all of the proceeds of the sale except for the amount of the pre-petition taxes.

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

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

Without further clarification by the courts or Congress, the original rationale of the *Glasply* holding could, however, still result in the treatment of post-petition special taxes as “administrative expenses,” rather than as tax liens secured by real property, at least during the pendency of bankruptcy proceedings. This treatment might result from the fact that, although the lien of special taxes is of record from the date of the filing of a Notice of Special Tax Lien, the actual special tax is levied annually. As noted above, special taxes have a different lien date than the lien date for general *ad valorem* taxes in the State of California noted above. The lien of a Mello-Roos special tax attaches upon recordation of the notice of the special tax lien, as provided for in Section 53328.3 of the Act, as opposed to the annual January 1 lien date for general *ad valorem* taxes. Thus, in deciding whether the original *Glasply* ruling is applicable to a bankruptcy proceeding involving special taxes rather than general *ad valorem* property taxes, a court might consider the differences in the statutory provisions for creation of the applicable tax lien (general *ad valorem* or special tax) in determining whether there is a basis for post-petition special taxes to be entitled to a lien on the property during pending bankruptcy proceedings. If a court were to apply *Glasply* to eliminate the priority of the special tax lien as a secured claim against property with respect to post-petition levies of the Special Taxes made against property owners within Improvement Area No. 2 who file for bankruptcy, collections of the Special Taxes from such property owners could be reduced as the result of being treated as “administrative expenses” of the bankruptcy estate. Also, and most importantly, is the fact that the original holding in *Glasply* and the mitigation of that holding by the Bankruptcy Reform Act of 1994 both appear to be applicable only to general *ad valorem* taxes, and, therefore, the exemption

from the automatic stay in Section 362(b)(18) discussed above may not be applicable to special taxes since they were not expressly mentioned or provided for in this section, nor defined to be included within the term “*ad valorem* taxes.”

### **Parity Taxes and Special Assessments; Private Debt**

The City, the County and certain other public agencies are authorized by the Act to form other community facilities districts and improvement areas and, under other provisions of State law, to form special assessment districts, either or both of which could include all or a portion of the land within Improvement Area No. 2.

Property in Improvement Area No. 2 is currently subject to certain overlapping tax and assessment liens, as shown in the overlapping debt statement. Property in Improvement Area No. 2 is also subject to the special tax of two additional community facilities districts formed to fund services and known as the Amoruso Ranch Community Facilities District No. 2 (Public Services) and the City’s Community Facilities District No. 3 (Municipal Services). The property is not subject to any other special tax or assessment liens (other than the lien of the Special Tax). See “VALUE OF PROPERTY WITHIN IMPROVEMENT AREA NO. 2 – Estimated Overall Tax Burden.”

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 2025 Bonds. The principal of and interest on the 2025 Bonds are payable from the Special Tax authorized to be collected within Improvement Area No. 2, and payment of the Special Tax is secured by a lien on certain real property within Improvement Area No. 2. 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 Improvement Area No. 2. 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 Improvement Area No. 2. 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 Improvement Area No. 2 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. This includes PACE assessments which homeowners can request be placed on their home for financing energy improvements. In addition to liens for special taxes or assessments to finance public improvements of benefit to land within Improvement Area No. 2, owners of property may obtain loans from banks or other private sources which loans may be secured by a lien on the parcels in Improvement Area No. 2. Such loans would increase amounts owed by the owner of such parcel with respect to development of its property in Improvement Area No. 2. However, the lien of such private 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 Improvement Area No. 2 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 2025 Bonds becoming due on the subsequent respective March 1 and September 1 may be insufficient, except to the extent moneys are available in the 2025 Reserve Account of the Reserve Fund.

In the event of non-payment of Special Taxes, funds in the 2025 Reserve Account of the Reserve Fund, if available, may be used to pay principal of and interest on the 2025 Bonds. If funds in the 2025 Reserve Account of the Reserve Fund for the 2025 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 2025 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 Improvement Area No. 2 at the maximum Special Tax rates, together with other available funds, remains insufficient to pay all such amounts. Thus it is possible that the 2025 Reserve Account of the Reserve Fund will be depleted and not be replenished by the levy of the Special Tax.

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

## **No Acceleration Provisions**

The 2025 Bonds do not contain a provision allowing for the acceleration of the 2025 Bonds in the event of a payment default or other default under the terms of the 2025 Bonds or the Fiscal Agent Agreement. Under the Fiscal Agent Agreement, a 2025 Bond holder is given the right for the equal benefit and protection of all 2025 Bond holders similarly situated to pursue certain remedies. So long as the 2025 Bonds are in book-entry form, DTC will be the sole 2025 Bond holder and will be entitled to exercise all rights and remedies of 2025 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 Improvement Area No. 2. See “–Property Values and Property Development – Land Development” above. See also “– Voter Initiatives” below.

## **Voter Initiatives**

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

Any such initiative may affect the collection of fees, taxes and other types of revenue by local agencies in the State, including the Special Taxes levied within Improvement Area No. 2. 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 2025 Bonds.

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

On November 2, 2010, California voters approved Proposition 26, entitled the “Supermajority Vote to Pass New Taxes and Fees Act.” Section 1 of Proposition 26 declares that Proposition 26 is intended to limit the ability of the State Legislature and local government to circumvent existing restrictions on increasing taxes by defining the new or expanded taxes as “fees.” Proposition 26 amended Articles XIII A and XIIIC 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 XIIIC requires that all new local taxes be submitted to the electorate before they become effective. Taxes for general governmental purposes require a majority vote and taxes for specific purposes (“**special taxes**”) require a two-thirds vote.

Similar to Proposition 218 and Proposition 26, the Taxpayer Protection and Government Accountability Act (“**Initiative 1935**”) was proposed by a citizens group as a measure to be placed on the November 2024 statewide election and if passed would have, among other things, amend the State Constitution to impose heightened barriers for State and local governments to impose taxes and fees. Initiative 1935 also provided that any tax or fee imposed after January 1, 2022 not in accordance with such provisions is void 12 months after the effective date of Initiative 1935, unless subsequently reenacted in accordance with its terms. At the request of the Governor of California and the State Legislature, the California Supreme Court agreed to consider whether Initiative 1935 should be barred from appearing on the ballot as an unlawful revision of the State Constitution, given its potential wide-ranging impact on the ability of the State and local governments to fund their operations. In June 2024, the Supreme Court barred the measure from appearing on the November ballot.

## 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 (including Improvement Area No. 2), there were no registered voters within the District (including Improvement Area No. 2) 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 held for Improvement Area No. 2.

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

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

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

Section 53326(b) of the Mello-Roos Act defines the authorized voters for an election in which the special taxes will be levied on residential property: “Except as otherwise provided in subdivision (c), if at least 12 persons, who need not necessarily be the same 12 persons, have been registered to vote within the territory of the proposed community facilities district for each of the 90 days preceding the close of the protest hearing, the vote shall be by the registered voters of the proposed

district, with each voter having one vote. Otherwise, the vote shall be by the landowners of the proposed district and each person who is the owner of land at the close of the protest hearing, or the authorized representative thereof, shall have one vote for each acre or portion of an acre of land that he or she owns within the proposed community facilities district not exempt from the special tax....”

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 Improvement Area No. 2 and because the period for challenging the Special Taxes has passed, the City believes the Special Taxes are valid and cannot be challenged.

### **Exempt Properties**

Certain properties are exempt from the Special Tax in accordance with the Rate and Method and the Act, which provides that properties or entities of the state, federal or local government are exempt from the Special Tax; provided, however, that property within the District acquired by a public entity through a negotiated transaction or by gift or devise, which is not otherwise exempt from the Special Tax, will continue to be subject to the Special Tax.

In addition, although the Act provides that if property subject to the Special Tax is acquired by a public entity through eminent domain proceedings, the obligation to pay the Special Tax with respect to that property is to be treated as if it were a special assessment, the constitutionality and operation of these provisions of the Act have not been tested, meaning that such property could become exempt from the Special Tax. The Act further provides that no other properties or entities are exempt from the Special Tax unless the properties or entities are expressly exempted in a resolution of consideration to levy a new special tax or to alter the rate or method of apportionment of an existing special tax.

### **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 Improvement Area No. 2 and could adversely affect the sale of homes. However, the City cannot predict the effect that the Tax Act may have on the cost of home ownership or the price of homes in Improvement Area No. 2, the rate at which homes in Improvement Area No. 2 are sold to individual homeowners, or the ability or willingness of homeowners to pay special taxes or property taxes on Taxable Property within Improvement Area No. 2. The appraised values do not take into account any of the potential impacts of the Tax Act on home values or home sales in Improvement Area No. 2.

### **Pandemic Diseases**

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

Taxpayer assistance measures may include deferral of due dates of property taxes, which was an assistance program during the COVID-19 pandemic, and with or without a deferral some taxpayers may be unable to make their property and Special Tax payments. No assurance can be given that the property tax payment dates will not be deferred in the future, which may cause a delay in the receipt of Special Taxes. In addition, home values may be affected by a reduction in demand stemming from personal finances, or general widespread economic circumstances resulting from pandemic diseases.

### **Cyber Security**

The City, like many other public and private entities, relies on computer and other digital networks and systems to conduct its operations. As a recipient and provider of personal, private or other sensitive electronic information, the City is potentially subject to multiple cyber threats, including without limitation hacking, viruses, ransomware, malware and other attacks. No assurance can be given that the City's efforts to manage cyber threats and attacks will be successful in all cases, or that any such attack will not materially impact the operations or finances of the City, or the administration of the 2025 Bonds. The City is also reliant on other entities and service providers in connection with the administration of the 2025 Bonds, including without limitation the County tax collector for the levy and collection of Special Taxes, the Fiscal Agent, and the dissemination agent. No assurance can be given that the City and these other entities will not be affected by cyber threats and attacks in a manner that may affect the Bond owners.

### **Potential Early Redemption of Bonds from Prepayments**

Property owners within Improvement Area No. 2, including individual homeowners, are permitted to prepay their Special Tax obligation at any time. Such prepayments could also be made from the proceeds of bonds issued by or on behalf of an overlapping special assessment district or community facilities district. Such prepayments will result in a redemption of the Bonds on the interest payment date for which timely notice may be given under the Fiscal Agent Agreement following the receipt of the prepayment. The resulting redemption of Bonds that were purchased at a price greater than par could reduce the otherwise expected yield on such Bonds.

## **CONSTITUTIONAL LIMITATIONS ON TAXATION AND APPROPRIATIONS**

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

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

Article XIII A exempts from the 1% tax limitation any taxes to repay indebtedness approved by the voters prior to July 1, 1978, and requires a vote of two-thirds of the qualified electorate to

impose Special Taxes or any additional *ad valorem*, sales, or transaction taxes on real property. In addition, Article XIII A requires the approval of two-thirds of all members of the State Legislature to change any State laws resulting in increased tax revenues. On June 3, 1986, California voters approved an amendment to Article XIII A of the California Constitution to allow local governments and school districts to raise their property tax rates above the constitutionally mandated 1% ceiling for the purpose of paying off certain new general obligation debt issued for the acquisition or improvement of real property and approved by two-thirds of the votes cast by the qualified electorate. If any such voter-approved debt is issued, it may be on a parity with the lien of the Special Tax on the parcels within Improvement Area No. 2.

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

The City has covenanted for the benefit of owners of the 2025 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 2024-25 fiscal year (due April 1, 2026, provided however, for the report due by April 1, 2026 the Official Statement and the City's annual financial statement shall suffice as the Annual Report) and to provide notices of the occurrence of certain enumerated events.

The City 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 material events by the City is summarized in "APPENDIX E – Form of Continuing Disclosure Certificate."

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

- (1) The Annual Report for Fiscal Year 2019-20 for one series of the City's outstanding bonds did not initially fulfill all content requirements; a remedial filing was done approximately 3 months later.
- (2) For its Annual Report for Fiscal Year 2021-22, 2022-23 and 2023-24, while the City filed unaudited financial statements and then its audited financial statements when available, the unaudited financial statements were not timely filed with respect to certain bond issues.

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

### **The Master Developer**

The Master Developer has voluntarily covenanted for the benefit of owners of the 2025 Bonds to provide certain information and operating data relating to the property owned by the Master Developer, Brookfield HB, or its other affiliates in Improvement Area No. 2 by not later than June 1st and December 1st of each year, beginning with the report due June 1, 2026 and to provide notices of the occurrence of certain enumerated events. The obligation of the Master Developer to provide such information is in effect until such time as the Master Developer, Brookfield HB, and its other affiliates collectively own less than 27 residential lots in Improvement Area No. 2.

This is the first continuing disclosure undertaking by the Master Developer.

### **UNDERWRITING**

The 2025 Bonds were purchased through negotiation by Piper Sandler & Co., as underwriter (the “**Underwriter**”). The Underwriter agreed to purchase the 2025 Bonds at a price of \$9,163,064.08 (which is equal to the par amount of the 2025 Bonds, plus an original issue premium of \$158,240.90 and less the Underwriter’s discount of \$115,176.82). 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 2025 Bonds to certain dealers and others at a price lower than the public offering prices set forth on the cover page hereof.

### **MUNICIPAL ADVISOR**

Fieldman, Rolapp & Associates, Inc. has acted as Municipal Advisor to the City in conjunction with the issuance of the 2025 Bonds. The Municipal Advisor has assisted in matters related to the planning, structuring, execution, and delivery of the 2025 Bonds. The Municipal Advisor will receive compensation contingent upon the sale and delivery of the 2025 Bonds. The Municipal Advisor has not audited, authenticated, or otherwise independently verified the information set forth in this Official Statement, or any other related information available, with respect to accuracy and completeness of disclosure of such information. Because of this limited participation, the Municipal Advisor makes no guaranty, warranty, or other representation with respect to the accuracy or completeness of this Official Statement, or any other matter related to this Official Statement.

### **LEGAL OPINION**

The validity of the 2025 Bonds and certain other legal matters are subject to the approving opinion of Jones Hall LLP, 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 2025 Bonds at the time of delivery. The fees of Bond Counsel are contingent upon the sale and delivery of the 2025 Bonds.

## TAX MATTERS

**Federal Tax Status.** In the opinion of Jones Hall LLP, San Mateo, California, Bond Counsel, subject, however to the qualifications set forth below, under existing law, the interest on the 2025 Bonds is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax. Interest on the 2025 Bonds may be subject to the corporate alternative minimum tax.

The opinions set forth in the preceding paragraph are subject to the condition that the City comply with all requirements of the Internal Revenue Code of 1986, as amended (the “**Tax Code**”) relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the 2025 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 2025 Bonds.

**Tax Treatment of Original Issue Discount and Premium.** If the initial offering price to the public at which a 2025 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 2025 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 2025 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 2025 Bonds to determine taxable gain upon disposition (including sale, redemption, or payment on maturity) of such 2025 Bond. The Tax Code contains certain provisions relating to the accrual of original issue discount in the case of purchasers of the 2025 Bonds who purchase the 2025 Bonds after the initial offering of a substantial amount of such maturity. Owners of such 2025 Bonds should consult their own tax advisors with respect to the tax consequences of ownership of 2025 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 2025 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 2025 Bond (said term being the shorter of the 2025 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 2025 Bond for purposes of determining taxable gain or loss upon disposition. The amount of original issue premium on a 2025 Bond is amortized each year over the term to maturity of the 2025 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 2025 Bond premium is not deductible for federal income tax purposes. Owners of premium 2025 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 2025 Bonds.



**California Tax Status.** In the further opinion of Bond Counsel, interest on the 2025 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 2025 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 2025 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 2025 Bonds, or as to the consequences of owning or receiving interest on the 2025 Bonds, as of any future date. Prospective purchasers of the 2025 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 2025 Bonds should also be aware that the ownership or disposition of, or the accrual or receipt of interest on, the 2025 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 2025 Bonds, the ownership, sale or disposition of the 2025 Bonds, or the amount, accrual or receipt of interest on the 2025 Bonds.

#### **NO RATINGS**

The City has not applied to a rating agency for the assignment of a rating to the 2025 Bonds and does not contemplate applying for a rating.

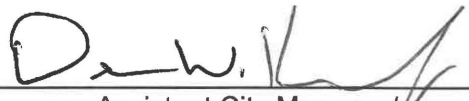
#### **NO LITIGATION**

At the time of delivery of and payment for the 2025 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 2025 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 2025 Bonds, or in any way contesting or affecting the validity or enforceability of the 2025 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 2025 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 of the City, as the legislative body of the District.

### CITY OF ROSEVILLE

By:   
Assistant City Manager/  
Chief Financial Officer

## **APPENDIX A**

### **RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX**

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# EXHIBIT A

Improvement Area No. 2 of the  
City of Roseville  
Amoruso Ranch Community Facilities District No. 1  
(Public Facilities)  
Placer County, State of California

Amended and Restated  
RATE, METHOD OF APPORTIONMENT, AND  
MANNER OF COLLECTION OF SPECIAL TAX

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## **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 Improvement Area No. 2 of the City of Roseville Amoruso Ranch Community Facilities District No. 1 (Public Facilities) shall be levied and collected according to the tax liability determined by the City through the application of the appropriate amount or rate, as described below.

## **2. Definitions**

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

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

**"Administrative Expenses"** means the actual or reasonably estimated costs related to the administration of Improvement Area No. 2, including, but not limited to, these for Improvement Area No. 2:

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

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

**“Administrator”** means a City official in the Finance Department, or their designee responsible for determining or overseeing the levy and collection of the Special Taxes.

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

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

**“Annexation Parcels”** means a Parcel or Parcels annexed to Improvement Area No. 2 of the CFD after formation of Improvement Area No. 2. The Maximum Annual Special Tax will be assigned to Parcels in the annexation area using the provisions of **Section 4**.

**“Annual Facilities Costs”** means, for any Fiscal Year, the total of these for Improvement Area No. 2:

- a. Debt Service to be paid from Facilities Special Taxes.

- b. The amount needed to replenish the reserve fund for the Bonds to the level required under the Bond Indenture, to the extent not included in a computation of Annual Facilities Costs in a previous Fiscal Year.
- c. Administrative Expenses for such Fiscal Year.
- d. The amount needed to (1) cure any delinquencies in the payment of the Facilities Special Tax in the prior Fiscal Year, to the extent not otherwise included in a computation of Annual Facilities Costs in the current or any previous Fiscal Year, and (2) to fund any foreseeable deficiency in the payment of the Facilities Special Tax for that Fiscal Year which is expected to occur in such Fiscal Year, to the extent not included in a computation of Annual Facilities Costs in the current or any previous Fiscal Year.
- e. Authorized Pay-As-You-Go Costs so long as the inclusion of these costs does not increase the Special Tax levy on Undeveloped Property, Large Lot Parcels, Small Lot Tentative Map Parcels, or Final Use Small Lot Parcels.
- f. During the Deferral Bonding Period, the amount needed to pay Development Impact Fee Deferrals not financed by Bonds.
- g. Less any available earnings on any reserve fund or Facilities Special Tax funds, available capitalized interest or any other available revenues of Improvement Area No. 2 or the City that may be used to fund Annual Facilities Costs.

**"Annual Maintenance Costs"** means, for any Fiscal Year, the total of these for Improvement Area No. 2:

- a. Authorized Services costs to be paid from Maintenance Special Taxes.
- b. Administrative Expenses for such Fiscal Year.
- c. The amount needed to (1) cure any delinquencies in the payment of the Maintenance Special Tax in the prior Fiscal Year, to the extent not otherwise included in a computation of Annual Maintenance Costs in the current or any previous Fiscal Year, and (2) to fund any foreseeable deficiency in the payment of the Maintenance Special Tax for that Fiscal Year which is expected to occur in such Fiscal Year, to the extent not included in a computation of Annual Maintenance Costs in the current or any previous Fiscal Year.
- d. Less any available earnings on any reserve fund, Maintenance Special Tax funds or any other available revenues of Improvement Area No. 2 or the City that may be used to fund Annual Maintenance Costs.

**"Anticipated Construction Proceeds"** means the amount anticipated to be available through Improvement Area No. 2 for acquiring or constructing Authorized Facilities, which is equal to \$11.9 million at formation of Improvement Area No. 2 of the CFD. This amount is increased on July 1 of the current Fiscal Year for the prior calendar year by the average increase in the ENR-CCI.

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

**“Assessor’s Parcel Map”** means an official map of the County Assessor designating Parcels by Assessor’s Parcel Number.

**“Assessor’s Parcel Number”** means the Parcel and Parcel Number as assigned by the County Assessor on the equalized tax roll.

**“Assigned Maximum Annual Special Tax”** means the maximum Facilities Special Tax or Maintenance Special Tax assigned to each Large Lot Parcel that is an Original Parcel based on the Expected Land Uses for Improvement Area No. 2 at the formation of Improvement Area No. 2, or at annexation, as shown in **Attachment 1**.

**“Authorized Facilities”** means those facilities and fees to be financed by the CFD (including Improvement Area No. 2), as identified in the resolution forming the CFD.

**“Authorized Services”** means those services authorized to be funded by the CFD (including Improvement Area No. 2), as defined in the resolution forming the CFD.

**“Base Year”** means the Fiscal Year beginning July 1, 2024, and ending June 30, 2025.

**“Benefit Share”** means the Maximum Annual Facilities Special Tax for a Parcel divided by the Maximum Annual Facilities Special Tax Revenue for all Taxable Parcels at their assigned Maximum Annual Facilities Special Tax.

**“Bond(s)”** means any bond(s) issued by the City for Improvement Area No. 2 under the Act secured by Special Taxes and any other debt, as defined in the Act, the City incurs that is secured by Special Taxes to further the CFD’s purposes.

**“Bond Indenture(s)”** means the indenture(s), resolution(s), fiscal agent agreement(s), or other financing document(s) pursuant to which any Bonds are issued.

**“Bond Share”** means the share of Outstanding Bonds assigned to a Parcel as specified in **Section 8** hereof.

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

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

**“Capitalized Interest”** means funds in any capitalized interest account available to pay interest on Bonds.

**“CFD”** means the City of Roseville Amoruso Ranch Community Facilities District No. 1 (Public Facilities), Placer County, State of California, including all Improvement Areas therein.

**“Chief Financial Officer”** or **“CFO”** means the Chief Financial Officer of the City, or his/her designee.

**“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.

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

**"Deferral Bonding Period"** means the period, for Improvement Area No. 2, after the Initial Bonding Period has ended and during which the City finances the Development Impact Fee Deferral.

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

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

Once a Parcel is defined as a Developed Parcel it shall remain as a Developed Parcel.

**"Development Agreement"** means the Development Agreement By and Between the City of Roseville and Brookfield Sunset, LLC, Brookfield Sacramento Holdings, LLC, and Angela Eisenpress relative to the Amoroso Ranch Specific Plan dated May 11, 2022, or as may be amended from time to time.

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

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

**"ENR-CCI"** means the Engineering News Record—Construction Cost Index for San Francisco in the prior calendar year, as determined on July 1 of the current Fiscal Year.

**"Expected Land Use(s)"** means, for Improvement Area No. 2, the total number of Units or Acres of each land use type by Tax Category expected in each Large Lot Parcel and Original Parcel at formation of Improvement Area No. 2 as identified in **Attachment 3** of this RMA, or as to Annexation Parcels, the total number of Units or Acres of each land use type by Tax Category expected in each Large Lot Parcel and Original Parcel at the time of annexation as identified in a subsequent attachment to RMA.

**“Facilities Special Tax”** means the Special Tax authorized to be levied in Improvement Area No. 2 to fund Annual Facilities Cost. Facilities Special Taxes are shown in **Attachments 2 and 3**, or as to Annexation Parcels, as shown in a subsequent attachment to the RMA.

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

**“Final Small Lot Subdivision Map”** means a recorded map designating the final Parcel subdivision for individual Single-Family Parcels.

**“First Bond Sale”** means issuance of the first series of Bonds secured, in whole or in part, by Facilities Special Taxes levied and collected from Parcels in Improvement Area No. 2.

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

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

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

**“Improvement Area No. 2”** means the area designated as such on **Map 1**.

**“Initial Bonding Period”** means, for Improvement Area No. 2, after the first series of Bonds, including any Bonds used to refund the first Series of Bonds, are no longer outstanding, whether issued in a single or multiple series, which financed Authorized Facilities costs or refunded prior Bonds other than the Development Impact Fee Deferral.

**“Large Lot Parcel”** means a Parcel created by a Large Lot Subdivision Map.

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

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

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

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

**"Master Builder"** means Brookfield Sunset LLC, a California limited liability company that are developing Improvement Area No. 2, and its successors and assigns.

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

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

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

**"Maximum Annual Special Tax Rate"** means the maximum rate of Facilities Special Tax or Maintenance Special Tax charged per Unit or per Taxable Acre each Fiscal Year, as shown in **Attachments 2, 3, and 4,** as subsequently escalated by the Tax Escalation Factor.

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

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

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

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

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

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

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

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

**"Original Parcel"** means a Taxable Parcel in Improvement Area No. 2 identified in **Attachment 1** at formation of Improvement Area No. 2.

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

**"Parcel"** means any Assessor's Parcel in Improvement Area No. 2 based on the equalized tax rolls of the County as of January 1 of each Fiscal Year.

**"Partial Prepayment"** means the partial fulfillment of a Parcel's Facilities Special Tax obligation, as determined by following the procedures in **Section 8**.

**"Pay-As-You-Go Costs"** means that portion of costs of acquisition, construction, and improvement of Authorized Facilities not financed by Bonds that are eligible for funding from the Facilities Special Tax.

**"Prepayment"** means the Full Prepayment or Partial Prepayment of a Parcel's Facilities Special Tax obligation, as determined by following the procedures in **Section 8**.

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

**"Public Parcel"** means any Parcel that is or is intended to be publicly owned, as designated in any final map, that is normally exempt from the levy of general ad valorem property taxes under California law, including, but not limited to, public streets, schools, parks, and public drainageways, landscaping, wetlands, greenbelts, and open space.

**"Remainder Parcel"** means a portion of a unit of land that is created as a result of the recording of a Large Lot Parcel Map or Final Small Lot Subdivision Map, which results in a designated remainder as defined in Government Code Section 66424.6(a) (Remainder

Parcel). Such a Remainder Parcel may contain taxable and tax-exempt uses, such as Residential Uses, and Public Parcels, such as park sites. Once designated as a Remainder Parcel, such Parcel will be considered a Large Lot Parcel for the purposes of future Subdivisions and for the provisions of **Sections 4** through **6**.

**“Remaining Facilities Costs”** means the amount of Anticipated Construction Proceeds less construction proceeds from previous Bond issuances and less costs of Authorized Facilities funded on a Pay-As-You-Go Basis from the levy of the Special Tax.

**“Remaining Facilities Cost Share”** means the Remaining Facilities Costs multiplied by the Benefit Share.

**“Residential Use”** means a Parcel designated for residential use, such as single-family residential Units, residential condominiums, townhouses, or apartments that would be included in the definitions of Low-Density Residential, Medium Density Residential or High Density Residential.

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

**“Single-Family Parcel”** means, in any Fiscal Year, all Parcels in Improvement Area No. 2 for which a building permit was issued or may be issued for construction of a Unit that is a single-family residential, residential condominium, or townhouse Unit.

**“Small Lot Tentative Map”** means a map that is approved by the City for the purpose of showing the design of a proposed Subdivision, including the individual buildable lots expected in the Subdivision, as well as the conditions pertaining thereto. The Small Lot Tentative Map designation for this RMA is in reference only to the areas shown on the map on which Low-Density Residential and Medium-Density Residential uses would be permitted. 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 that are planned for Low-Density Residential and Medium-Density Residential and which have not yet become a Developed Parcel.

**“Special Tax(es)”** mean(s) any tax levy under the Act in Improvement Area No. 2.

**“Subdivision”** or **“Subdivided”** means a division of a Parcel into two or more Parcels through Parcel reconfiguration, lot-line adjustments, or the Subdivision Map Act process. A Subdivision also may include the merging of two or more Parcels to create new Parcels.

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

**“Tax Category”** means the categories of taxable land uses shown in **Attachments 2, 3, and 4**.

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

**"Tax Escalation Factor"** means a factor of 2 percent by which the Maximum Annual Facilities Special Tax, Maximum Annual Maintenance Special Tax and related Maximum Annual Special Tax Rates shall be increased annually until the Transition Event. In the Fiscal Year following the Transition Event, the Maximum Annual Maintenance Special Tax may be increased up to 2 percent annually at the City's discretion. The Administrator should refer to **Section 4.a** for application of the Tax Escalation Factor.

**"Taxable Acreage"** means that area of a Parcel determined by the Administrator to become a Taxable Parcel or Parcels upon further Subdivision. An example might be that a Large Lot Parcel Map creates a Remainder Parcel that, according to **Attachment 1**, contains both taxable uses and tax-exempt uses.

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

**"Taxable Public Parcel"** means a previously Taxable Parcel acquired by the City, school districts, special districts, or state or federal government.

**"Taxable Welfare Exemption Parcel"** means in any Fiscal Year after the First Bond Sale, any Parcel of Welfare Exemption Parcel that satisfies all three of the following conditions: (i) the Parcel had not been Welfare Exemption Parcel on the date of issuance of the First Bond Sale; (ii) based on reference to **Attachments 2 and 3**, the Parcel was not anticipated to be Welfare Exemption Parcel based on the Expected Land Uses, as determined by the Administrator; and (iii) if the Parcel were to be exempt from the Facilities Special Tax because it has become Welfare Exemption Parcel, the Maximum Annual Facilities Special Tax Revenues would be reduced to a point at which a 110 percent annual Debt Service coverage could not be maintained for all Fiscal Years.

**"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 shall remain a Taxable Parcel as per the provisions of **Section 4.j**.

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

**"Transition Event"** means for Improvement Area No. 2, the earlier of (a) after the Initial Bonding period, the Fiscal Year in which the Administrator determines the Development Impact Fee Deferral, including any Debt Service and Administrative Expenses associated with any Bonds issued to satisfy Development Impact Fee Deferrals, and any eligible Pay-As-You-Go Costs have been repaid in full to the City and City determines funding is no longer needed for Annual Facilities Costs, or (b) Fiscal Year 2089-90.

**“Transition Year”** means, for Improvement Area No. 2, the first Fiscal Year following the Fiscal Year in which the Transition Event occurred.

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

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

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

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

### **3. Duration of the Special Tax**

The Facilities Special Tax will be levied and collected until the earlier of (i) the Transition Year or (ii) Fiscal Year 2089-90. The Maintenance Special Tax will be levied and collected beginning in the Transition Year. The Maintenance Special Tax will thereafter be collected in perpetuity.

### **4. Administrative Tasks for the Facilities Special Tax**

The provisions of **Section 4** shall apply to Improvement Area No. 2:

- a. **Annual Special Tax Escalation.** Until the Fiscal Year following the Transition Event, the Administrator shall increase the Maximum Annual Facilities Special Tax, the Maximum Annual Maintenance Special Tax and Maximum Annual Special Tax Rates by the Tax Escalation Factor in all Fiscal Years following the Base Year. In the Transition Year and thereafter, the City, in its sole discretion, may determine whether to apply the Tax Escalation Factor to the Maximum Annual Maintenance Special Tax in any Fiscal Year.
- b. **Assignment of the Maximum Annual Facilities Special Tax to Original Parcels.**  
**Attachment 3** identifies the Assigned Maximum Annual Facilities Special Tax for each Original Parcel included in Improvement Area No. 2, which is determined for each Large Lot Parcel based on the Expected Land Uses in each Large Lot Parcel at formation of Improvement Area No. 2. The Assigned Maximum Annual Facilities Special Tax shall continue to apply to the geographic area to which it was assigned. If, before further Subdivision, the Administrator determines there are multiple Assessor’s Parcels in a Large Lot Parcel, the Administrator shall assign the Maximum Annual Facilities Special Tax to each Assessor’s Parcel on a pro rata basis to all Assessor’s Parcels in that Large Lot Parcel based on the percentage share of Taxable Acreage identified for each Assessor’s Parcel. Similarly, if the Administrator determines there are multiple Large Lot Parcels in an Assessor’s Parcel, the Maximum

Annual Facilities Special Tax shall equal the sum of the Assigned Maximum Annual Facilities Special Tax for all Large Lot Parcels in that Assessor's Parcel.

- c. Assignment of the Maximum Annual Facilities Special Tax to Annexation Parcels. Upon annexation of property to Improvement Area No. 2, Parcels will be assigned Maximum Annual Facilities Special Taxes using **Attachments 2, 3, and 4**. Once annexed, these annexed Parcels shall be considered Original and Successor Parcels and will be subject to the same procedures for assignment of the Maximum Annual Facilities Special Tax to Successor Parcels described in **Section 4.d**. The owner of the Annexation Parcels shall be responsible for paying all costs associated with annexing the Annexation Parcels to Improvement Area No. 2 but otherwise shall not be required to pay any other charge, fee or catch-up special tax in connection with or as a condition of such annexation unless otherwise agreed to by the owner of the Annexation Parcel in connection with the annexation.
- d. Assignment of the Maximum Annual Facilities Special Tax to Successor Parcels. As Original Parcels and Successor Parcels are Subdivided through creation of Final Small Lot Subdivision Maps, lot line adjustments or other Parcel amendments through the Subdivision Map Act process, the Administrator shall use the following steps to assign the Maximum Annual Facilities Special Tax to new Successor Parcels. As a result of each assignment of the Maximum Annual Facilities Special Tax upon Subdivision of an Original Parcel or Successor Parcel, the sum of the Maximum Annual Facilities Special Taxes assigned to the newly created Taxable Parcels shall never be less, but may be greater, than the Assigned Maximum Annual Facilities Special Tax for that Original Parcel or Successor Parcel.
  1. If an Original Parcel or Successor Parcel is Fully Subdivided into Single-Family Parcels with No Remainder Parcel(s). There shall be no net loss of Maximum CFD Special Tax Revenue as a result of the assignment of the Maximum Annual Facilities Special Tax to Single-Family Parcels. The Administrator shall use the following procedures to assign the Maximum Annual Facilities Special Tax to Single-Family Parcels. All references to Maximum Annual Facilities Special Taxes in the attachments are subject to application by the Tax Escalation Factor by the Administrator:
    - A. Multiply the Maximum Annual Facilities Special Tax per Unit by Tax Category from **Attachment 2** by the number of Units for each Single-Family Parcel created by the Subdivision. Sum the Maximum Annual Facilities Special Taxes for all Single-Family Parcels created by the Subdivision.
    - B. If the sum of Maximum Annual Facilities Special Taxes calculated in Step 4.d.1.A above is equal to or greater than the Assigned Maximum Annual Facilities Special Tax for the Original or Successor Parcel that was Subdivided, assign the Maximum Annual Facilities Special Tax per Unit by Tax Category as calculated in Step 4.d.1.A above to each Single-Family Parcel created by the Subdivision.
    - C. If the sum of Maximum Annual Facilities Special Taxes calculated in Step 4.d.1.A above is less than the Assigned Maximum Annual Facilities



Special Tax for the Original or Successor Parcel that was Subdivided, unless 100 percent of the Units are designated Affordable Units, (i) assign the Maximum Annual Facilities Special Tax for Affordable Units shown in **Attachment 2** to each Affordable Unit (if any) and, (ii) Proportionately increase the Maximum Annual Facilities Special Tax per Unit for all Units that are not Affordable Units until the sum of resulting Maximum Annual Facilities Special Taxes from all Units (including Affordable Units) equals the Assigned Maximum Annual Facilities Special Tax for the Original or Successor Parcel that was Subdivided. Assign the Maximum Annual Facilities Special Tax calculated in this step to each new Single-Family Parcel created by the Subdivision.

- D. If the sum of Maximum Annual Facilities Special Taxes calculated in Step 4.d.1.A above is less than the Assigned Maximum Annual Facilities Special Tax for the Original or Successor Parcel that was Subdivided **and** if 100 percent of the Single-Family Parcels created by Subdivision are designated as Affordable Units, increase Proportionately the Maximum Annual Facilities Special Tax per Unit for each Affordable Unit until the sum of Maximum Annual Facilities Special Taxes from all Affordable Units on the new Single-Family Parcels created by the Subdivision equal the Assigned Maximum Annual Facilities Special Tax for the Original or Successor Parcel that was Subdivided. Assign the Maximum Annual Facilities Special Tax calculated in this step to each new Single-Family Parcel created by the Subdivision.
2. If Original or Successor Parcel Is Subdivided into Single-Family Parcels and One or More Remainder Parcels. When an Original or Successor Parcel is Subdivided into Single-Family Parcels and one or more Large Lot Parcels (or Remainder Parcels), the Assigned Maximum Annual Facilities Special Tax is apportioned to the Single-Family Parcels and Large Lot Parcels created by the Subdivision in the following manner:
- A. Apportion the Assigned Maximum Annual Facilities Special Tax to the area(s) that is/are being Subdivided into Single-Family Parcels and to the area(s) that will be Remainder Parcel(s) on a pro rata basis, based on the percentage share of Taxable Acreage represented by each such area as compared to the total area of the Original or Successor Parcel.
  - B. For each area Subdivided into Single-Family Parcels, multiply the Maximum Annual Facilities Special Tax per Unit by Tax Category from **Attachment 2** by the number of Units for each Single-Family Parcel created by the Subdivision. Sum the Maximum Annual Facilities Special Taxes for all Single-Family Parcels created by the Subdivision.
  - C. For each area Subdivided into Single-Family Parcels, if the sum of Maximum Annual Facilities Special Taxes calculated in Step 4.d.2.B above is equal to or greater than the Assigned Maximum Annual Facilities Special Tax apportioned to that area of the Original or Successor Parcel that was Subdivided into Single-Family Parcels, assign the Maximum Annual Facilities Special Tax per

Unit by Tax Category as calculated in Step 4.d.2.B above to each Single-Family Parcel created by the Subdivision.

- D. For each area Subdivided into Single-Family Parcels, if the sum of Maximum Annual Facilities Special Taxes calculated in Step 4.d.2.B above is less than the Assigned Maximum Annual Facilities Special Tax apportioned to that area of the Original or Successor Parcel that was Subdivided into Single-Family Parcels, unless 100 percent of the Units are designated Affordable Units, (i) assign the Maximum Annual Facilities Special Tax for Affordable Units shown in **Attachment 2** to each Affordable Unit (if any) and, (ii) Proportionately increase the Maximum Annual Facilities Special Tax per Unit for all Units that are not Affordable Units until the sum of resulting Maximum Annual Facilities Special Taxes from all Units (including Affordable Units) equals the Assigned Maximum Annual Facilities Special Tax apportioned to that area of the Original or Successor Parcel that was Subdivided into Single-Family Parcels. Assign the Maximum Annual Facilities Special Tax calculated in this step to each new Single-Family Parcel created by the Subdivision.
- E. For each area Subdivided into Single-Family Parcels, if the sum of Maximum Annual Facilities Special Taxes calculated in Step 4.d.2.B above is less than the Assigned Maximum Annual Facilities Special Tax apportioned to that area of the Original or Successor Parcel that was Subdivided into Single-Family Parcels **and** if 100 percent of the Single-Family Parcels created by Subdivision are designated as Affordable Units, increase Proportionately the Maximum Annual Facilities Special Tax per Unit for each Affordable Unit until the sum of Maximum Annual Facilities Special Taxes from all Affordable Units on the new Single-Family Parcels created by the Subdivision equal the Assigned Maximum Annual Facilities Special Tax apportioned to that area of the Original or Successor Parcel that was Subdivided into Single-Family Parcels. Assign the Maximum Annual Facilities Special Tax calculated in this step to each new Single-Family Parcel created by the Subdivision.
- F. For the Remainder Parcel or Parcels, identify the Maximum Annual Facilities Special Tax for the entire Original or Successor Parcel that has been Subdivided. Sum the Maximum Annual Facilities Special Tax for all Single-Family Parcels created by the Subdivision, including Single-Family Parcels with Affordable Units. Subtract the sum of the Maximum Annual Facilities Special Tax for all Single-Family Parcels from the Assigned Maximum Annual Facilities Special Tax for the Original or Successor Parcel being subdivided and compare it to the Maximum Annual Facilities Special Tax assigned to the Remainder Parcel or Parcels in Step 4.d.2.A. Assign to each Remainder Parcel, the lesser of the calculations in this step or in Step 4.d.2.A, but in no event less than the difference between the previously Assigned Maximum Annual Facilities Special Tax for the Original Parcel or Successor Parcel being Subdivided and the total of the Maximum Annual Facilities Special Tax for all Single-Family Parcels created by such Subdivision.

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

3. If an Original or Successor Parcel is Subdivided creating multiple land uses and Tax Categories or for any rezones of land uses on Original or Successor Parcels:
  - A. Identify the Assigned Maximum Annual Facilities Special Tax for the Original Parcel or Successor Parcel that is being Subdivided or rezoned.
  - B. For each Taxable Parcel subject to rezone or created by Subdivision multiply the Maximum Annual Facilities Special Tax per Unit or per Acre by the number of Units or by the number of Acres by the appropriate Tax Category. For each Taxable Parcel created by Subdivision that includes Affordable Units, multiply the number of Affordable Units by the Tax per Unit for such Affordable Units.
  - C. Sum the Maximum Annual Facilities Special Tax for each Taxable Parcel and compare it to the Assigned Maximum Annual Facilities Special Tax of the Original or Successor Parcel that is subject to rezone or is being Subdivided. If the sum of Maximum Annual Facilities Special Tax for each Taxable Parcel is greater than the Assigned Maximum Annual Facilities Special Tax for the Original Parcel, the Administrator shall apply the Maximum Annual Facilities Special Tax calculated above for each Taxable Parcel.
  - D. If the Assigned Maximum Annual Facilities Special Tax for the Original Parcel or Successor Parcel subject to rezone or that is being subdivided is greater than the sum of Maximum Annual Facilities Special Tax for each Successor Parcel being created, increase Proportionately the Maximum Annual Facilities Special Tax per Unit or per Acre for all Tax Categories on each Taxable Parcel such that the sum of Maximum Annual Facilities Special Tax for all Taxable Parcels equals the Assigned Maximum Annual Facilities Special Tax for the Original Parcel.
4. If Multifamily Residential Units are Constructed on an Original or Successor Parcel: If a Building Permit for Multifamily Residential—For Rent uses is issued for an Original or Successor Parcel, identify the Maximum Annual Facilities Special Tax for the Taxable Parcel in **Attachment 3**. Assign this amount as the Maximum Annual Facilities Special Tax for the Parcel.

If a Building Permit for Multifamily Residential—For Sale uses is issued for an Original or Successor Parcel, use the following procedure to assign the Maximum Annual Facilities Special Tax to Successor Parcels.

- A. Multiply the Maximum Annual Facilities Special Tax per Unit for High Density Residential Units from **Attachment 2** by the number of High Density Residential Units (excluding Affordable Units) created by the Building Permit. Sum the Maximum Annual Facilities Special Taxes for all High Density Residential Units created by the Building Permit.

- B. Multiply the Maximum Annual Facilities Special Tax per Unit High Density Residential Affordable Units from **Attachment 2** by the number of High Density Residential Affordable Units created by the Building Permit. Sum the Maximum Annual Facilities Special Taxes for all High Density Residential Affordable Units created by the Building Permit.
- C. Sum the results from **Section 4.d.4.A** and **Section 4.d.4.B.** and compare it to the assigned Maximum Annual Facilities Special Tax of the Original or Successor Parcel with the issued Building Permit. If the sum of Maximum Annual Facilities Special Tax for each Taxable Parcel is greater than the assigned Maximum Annual Facilities Special Tax for the Original Parcel, the Administrator shall apply the Maximum Annual Facilities Special Tax calculated above for each Taxable Parcel.
- D. If the assigned Maximum Annual Facilities Special Tax for the Original Parcel or Successor Parcel subject to the Building Permit is greater than the sum of Maximum Annual Facilities Special Tax for each Successor Parcel being created, increase Proportionately the Maximum Annual Facilities Special Tax per Unit for all Tax Categories on each Taxable Parcel such that the sum of Maximum Annual Facilities Special Tax for all Taxable Parcels equals the assigned Maximum Annual Facilities Special Tax for the Original Parcel.
- e. Affordable Units that Become Market-Rate Units. If, in any Fiscal Year, the City Manager, or his or her designee, determines that a Unit that previously had been designated as an Affordable Unit no longer qualifies as such, the Affordable Housing Director shall update the Affordable Unit listing by denoting the change in status of the Unit, together with the effective date thereof. For all Affordable Units that are converted to Market-Rate Units, such Units shall be assigned the Maximum Annual Facilities Special Tax per Unit based on their Tax Category as shown in **Attachment 2**, as adjusted by the Tax Escalation Factor so long as the Special Tax does not decrease on such a Unit.
- f. Taxable Welfare Exemption Parcels. If a Developed Parcel becomes a Taxable Welfare Exemption Parcel, the previously assigned Maximum Annual Facilities Special Tax will remain as the Maximum Annual Facilities Special Tax for the Taxable Welfare Exemption Parcel.
- g. Transfer of the Assigned Maximum Annual Facilities Special Tax from One Large Lot Parcel to Another. The Maximum Annual Facilities Special Taxes shown in **Attachment 3** were determined based on the Expected Land Uses for each Large Lot Parcel shown in **Attachment 1**. If the number of planned residential Units or Nonresidential Acreage is transferred from one Large Lot Parcel to another before recording a Final Small Lot Subdivision Map in any portion of the Large Lot Parcel, the City may, in its sole discretion, allow for a transfer of the Maximum Annual Facilities Special Tax from one Large Lot Parcel to another. Such a transfer shall be allowed only if (1) all adjustments are agreed to in writing by the affected property owners and the CFO, and (2) there is no reduction in the Maximum Annual CFD Special Tax Revenues as a result of the transfer. Should a transfer result in an amendment to **Attachments 2, 3, or 4** 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 2, 3, or 4**. Before the transfer, the City may require a deposit from the requesting property owner for such costs.

- h. Reduction of the Maximum Annual Facilities Special Tax Prior to First Bond Sale. At the request of the Master Builder, the Maximum Annual Special Taxes set forth in **Attachments 2, 3 and 4** may be reduced for a given Tax Category, once, prior to the First Bond Sale. The reduction in this paragraph (h) may occur in a single Tax Category or multiple Tax Categories, and there shall be no requirement that the reduction in one Tax Category be proportionate to the reduction in another Tax Category. Such reduction shall be made without a vote of the qualified electors within the CFD following discussion with the Master Builder and the City. Any such reduction shall occur at least 30 days prior to the First Bond Sale. The Special Tax reductions permitted pursuant to this paragraph shall be reflected in an Amended Notice of Special Tax Lien, which the Administrator shall cause to be recorded.

*In this Amended and Restated RMA, the Master Builder has effectuated their right to the one-time reduction of the Maximum Annual Special Taxes set forth in **Attachments 2, 3, and 4** prior to the first bond sale in IA No. 2.*

- i. Conversion of a Tax-Exempt Parcel to a Taxable Parcel. If a Tax-Exempt Parcel is not needed for public use and is converted to a taxable use or transferred to a private owner, it shall become subject to the Facilities Special Tax. The Maximum Annual Facilities Special Tax for the newly Taxable Parcel will be determined using the provisions of **Sections 4 and 5** of the RMA.
- j. Taxable Parcels Acquired by a Public Agency. A Taxable Parcel that is acquired by a public agency after Improvement Area No. 2 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. If the Special Tax obligation is not prepaid pursuant to Section 53317.5 of the Government Code, the Parcel becomes classified as a Taxable Public Parcel and will remain subject to the assigned Maximum Annual Facilities Special Tax.

An exception to this may be made if a Public Parcel, such as a park site, is relocated to a Taxable Parcel, in which case the previously Tax-Exempt Parcel of comparable acreage becomes a Taxable Parcel and the Maximum Annual Facilities Special Tax from the previously Taxable Parcel is transferred to the new Taxable Parcel. This trading of a Parcel from a Taxable Parcel to a Public Parcel will be permitted to the extent there is no net loss in Maximum Annual CFD Special Tax Revenue and the transfer is agreed to by the owners of the Parcels involved in the transfer and the CFO.

## 5. Administrative Tasks for the Maintenance Special Tax

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

The provisions of **Section 5** shall apply to Improvement Area No. 2. as set forth below:

- a. Assignment of the Maximum Annual Maintenance Special Tax to Developed Parcels.  
In the Fiscal Year following the Transition Event, the Administrator shall assign the Maximum Annual Maintenance Special Tax to all Developed Parcels using the Maximum Annual Special Tax Rates for the Maintenance Special Tax by Tax Category shown in **Attachment 4**, as adjusted by the Tax Escalation Factor.
- b. Assignment of the Maximum Annual Maintenance Special Tax to Successor Parcels.  
After the Transition Event, if Original Parcels and Successor Parcels are Subdivided through creation of Final Small Lot Subdivision Maps, lot line adjustments or other Parcel amendments through the Subdivision Map Act process, the Administrator shall use the steps in **Section 4.d** to assign the Maximum Annual Maintenance Special Tax to new Successor Parcels. ***When applying Section 4.d after the Transition Event, the Administrator shall substitute Maintenance Special Tax for Facilities Special Tax and shall substitute Maximum Annual Maintenance Special Tax for Maximum Annual Facilities Special Tax.***
- c. Assignment of the Maximum Annual Maintenance Special Tax to Annexation Parcels.  
If Parcels are annexed to Improvement Area No. 2 after formation of Improvement Area No. 2, the Maximum Annual Maintenance Special Tax shall be assigned to these Annexation Parcels using the definitions in **Section 2** and the Maximum Annual Maintenance Special Tax per Unit or Acre shown in **Attachment 4** as adjusted by the Tax Escalation Factor applied by the Administrator, unless the Annexation Parcels are annexed with a new set of Maximum Annual Maintenance Special Taxes.  
**Attachment 1** may be amended, or a new attachment created, to include the Annexation Parcels and, if necessary, the applicable tax rates. If new Maximum Annual Maintenance Special Taxes are created, **Attachment 4** should be amended to reflect the Maximum Annual Maintenance Special Taxes for the Annexation Parcels. Once annexed, these annexed Parcels shall be considered Original and Successor Parcels and will be subject to the same procedures for assignment of the Maximum Annual Maintenance Special Tax to Successor Parcels described in this section. The owner of the Annexation Parcels shall be responsible for paying all costs associated with annexing the Annexation Parcels to Improvement Area No. 2, but otherwise shall not be required to pay any other charge, fee or catch-up special tax in connection with or as a condition of such annexation unless otherwise agreed to by the owner of the Annexation Parcel in connection with the annexation.
- d. Affordable Units that Become Market-Rate Units. If, in any Fiscal Year, the City Manager, or his or her designee, determines that a Unit that previously had been designated as an Affordable Unit no longer qualifies as such, the Affordable Housing Director shall update the Affordable Unit listing by denoting the change in status of

the Unit, together with the effective date thereof. For all Affordable Units that are converted to Market-Rate Units, such Units shall be assigned the Maximum Annual Maintenance Special Tax per Unit based on their Tax Category as shown in **Attachment 4**, as adjusted by the Tax Escalation Factor.

- e. Taxable Welfare Exemption Parcels. If a Developed Parcel becomes a Taxable Welfare Exemption Parcel, the previously assigned Maximum Annual Maintenance Special Tax will remain as the Maximum Annual Maintenance Special Tax for the Taxable Welfare Exemption 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 Maintenance Special Tax. The Maximum Annual Maintenance Special Tax for the newly Taxable Parcel will be determined using the provisions of **Sections 5** and **6** of the RMA.
- g. Taxable Parcels Acquired by a Public Agency. A Taxable Parcel that is acquired by a public agency after Improvement Area No. 2 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. If the Special Tax obligation is not prepaid pursuant to Section 53317.5 of the Government Code, the Parcel becomes classified as a Taxable Public Parcel and will remain subject to the assigned Maximum Annual Maintenance Special Tax.

An exception to this may be made if a Public Parcel, such as a park site, is relocated to a Taxable Parcel, in which case the previously Tax-Exempt Parcel of comparable acreage becomes a Taxable Parcel and the Maximum Annual Maintenance Special Tax from the previously Taxable Parcel is transferred to the new Taxable Parcel. This trading of a Parcel from a Taxable Parcel to a Public Parcel will be permitted to the extent there is no net loss in Maximum Annual CFD Special Tax Revenue and the transfer is agreed to by the owners of the Parcels involved in the transfer and the CFO.

## **6. Assignment of the Maximum Annual Special Tax**

The Administrator shall assign the Maximum Annual Special Tax using the procedures identified below:

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

- b. Assignment of the Maximum Annual Facilities Special Tax to Taxable Parcels. The Maximum Annual Facilities Special Tax will be assigned to each Taxable Parcel each Fiscal Year using the procedures (not all steps may be applicable for each such Parcel) in **Section 4**.
- c. Assignment of the Maximum Annual Maintenance Special Tax to Taxable Parcels. In the Fiscal Year following the Transition Event, the Maximum Annual Maintenance Special Tax will be assigned to each Taxable Parcel each Fiscal Year using the procedures (not all steps may be applicable for each such Parcel) in **Sections 4** and **5**.

## **7. Calculating Annual Special Taxes**

This section discusses the levy of the Facilities Special Tax and the Maintenance Special Tax. Collectively, these Special Taxes are included in the discussion of the assignment of the Maximum Annual Special Taxes. For the period following formation of Improvement Area No. 2 until the Fiscal Year in which the Transition Event occurs, the Maximum Annual Special Tax shall refer to the Facilities Special Tax. Beginning with the Transition Year, the Maximum Annual Special Tax shall refer to the Maintenance Special Tax.

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

### **Facilities Special Tax Levy**

- a. Compute the Annual Facilities Costs using the definition of Annual Facilities Costs in **Section 2**.
- b. For all Taxable Parcels, calculate the Facilities Special Tax levy for each using the following steps:
  - Step 7.b.1. The Facilities Special Tax shall be levied proportionately on all Developed Parcels up to the amount of Annual Facilities Cost or up to 100 percent of the Maximum Annual Facilities Special Tax Revenue for all Developed Parcels, whichever is less, prior to applying any Capitalized Interest that is available in the accounts for Improvement Area No. 2.
  - Step 7.b.2. If additional revenue is needed after *Step 7.b.1. and after applying Capitalized Interest to the Annual Facilities Cost*, the Facilities Special Tax shall be levied proportionately on each Small Lot Tentative Map Parcel until the revenue from the Facilities Special Tax levy in this step, when added to the levy amount computed in *Step 7.b.1.*, equals the Annual Facilities Costs, or up to 100 percent of the Maximum Annual Facilities Special Tax Revenue for all Small Lot Tentative Map Parcels. As necessary, the Facilities Special Tax shall be levied on Small Lot Tentative Map Parcels for the entire portion of Annual Facilities Costs, excluding Pay-As-You-Go Costs.



- Step 7.b.3. If additional revenue is needed after *Step 7.b.2.*, the Facilities Special Tax shall be levied proportionately on each Large Lot Parcel until the revenue from the Facilities Special Tax levy in this step, when added to the levy amount computed through *Step 7.b.2.*, equals the Annual Facilities Costs, or up to 100 percent of the Maximum Annual Facilities Special Tax Revenue for all Large Lot Parcels. As necessary, the Facilities Special Tax shall be levied on Large Lot Parcels for the entire portion of Annual Facilities Costs, excluding Pay-As-You-Go Costs.
- Step 7.b.4. If additional revenue is needed after *Step 7.b.3.*, the Facilities Special Tax shall be levied on each Undeveloped Parcel until the revenue from the Facilities Special Tax levy in this step, when added to the levy amounts computed through *Step 7.b.3.*, equals the Annual Facilities Costs, or up to 100 percent of the Maximum Annual Facilities Special Tax Revenue for all Undeveloped Parcels. As necessary, the Facilities Special Tax shall be levied on Undeveloped Parcels for the entire portion of Annual Facilities Costs, excluding Pay-As-You-Go Costs.
- Step 7.b.5. If additional revenue is needed after *Step 7.b.4.*, the Facilities Special Tax shall be levied on each Taxable Welfare Exemption Parcel until the revenue from the Facilities Special Tax levy in this step, when added to the levy amounts computed through *Step 7.b.4.*, equals the Annual Facilities Costs, or up to 100 percent of the Maximum Annual Facilities Special Tax Revenue for all Taxable Welfare Exemption Parcels. As necessary, the Facilities Special Tax shall be levied on Taxable Welfare Exemption Parcels for the entire portion of Annual Facilities Costs, excluding Pay-As-You-Go Costs.
- Step 7.b.6. If additional revenue is needed after *Step 7.b.5.*, the Facilities Special Tax shall be levied on each Taxable Public Parcel until the revenue from the Facilities Special Tax levy in this step, when added to the levy amounts computed through *Step 7.b.5.*, equals the Annual Facilities Costs, or up to 100 percent of the Maximum Annual Facilities Special Tax Revenue for all Taxable Public Parcels. As necessary, the Facilities Special Tax shall be levied on Taxable Public Parcels for the entire portion of Annual Facilities Costs, excluding Pay-As-You-Go Costs.

### **Maintenance Special Tax Levy**

- c. Beginning in the Transition Year, compute the Annual Maintenance Cost using the definition of Annual Maintenance Costs in **Section 2**.
- d. For all Taxable Parcels, calculate the Maintenance Special Tax levy for each using the following steps:
- Step 7.d.1. The Maintenance Special Tax shall be levied proportionately on all Developed Parcels up to the amount of Annual Maintenance Cost or up to 100 percent of the Maximum Annual Maintenance Special Tax Revenue for all Developed Parcels, whichever is less.

- Step 7.d.2. If additional revenue is needed after *Step 7.d.1.*, the Maintenance Special Tax shall be levied proportionately on each Small Lot Tentative Map Parcel until the revenue from the Maintenance Special Tax levy in this step, when added to the levy amount computed in *Step 7.d.1.*, equals the Annual Maintenance Costs, or up to 100 percent of the Maximum Annual Maintenance Special Tax Revenue for all Small Lot Tentative Map Parcels.
- Step 7.d.3. If additional revenue is needed after *Step 7.d.2.*, the Maintenance Special Tax shall be levied proportionately on each Large Lot Parcel until the revenue from the Maintenance Special Tax levy in this step, when added to the levy amount computed through *Step 7.d.2.*, equals the Annual Maintenance Costs, or up to 100 percent of the Maximum Annual Maintenance Special Tax Revenue for all Large Lot Parcels.
- Step 7.d.4. If additional revenue is needed after *Step 7.d.3.*, the Maintenance Special Tax shall be levied on each Undeveloped Parcel until the revenue from the Maintenance Special Tax levy in this step, when added to the levy amounts computed through *Step 7.d.3.*, equals the Annual Maintenance Costs, or up to 100 percent of the Maximum Annual Maintenance Special Tax Revenue for all Undeveloped Parcels.
- Step 7.d.5. If additional revenue is needed after *Step 7.d.4.*, the Maintenance Special Tax shall be levied on each Taxable Welfare Exemption Parcel until the revenue from the Maintenance Special Tax levy in this step, when added to the levy amounts computed through *Step 7.d.4.*, equals the Annual Maintenance Costs, or up to 100 percent of the Maximum Annual Maintenance Special Tax Revenue for all Taxable Welfare Exemption Parcels.
- Step 7.d.6. If additional revenue is needed after *Step 7.d.5.*, the Maintenance Special Tax shall be levied on each Taxable Public Parcel until the revenue from the Maintenance Special Tax levy in this step, when added to the levy amounts computed through *Step 7.d.5.*, equals the Annual Maintenance Costs, or up to 100 percent of the Maximum Annual Maintenance Special Tax Revenue for all Taxable Public Parcels.
- e. Levy on each Taxable Parcel the amount calculated above.
- f. Prepare the Tax Collection Schedule and, unless an alternative method of collection has been selected pursuant to **Section 10**, send it to the County Auditor requesting that it be placed on the general, secured property tax roll for the Fiscal Year. The Tax Collection Schedule will be sent no later than the date required by the County Auditor for such inclusion.

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

## **8. Prepayment of the Facilities Special Tax Obligation**

Calculations of a Prepayment shall reflect the Improvement Area within which the Parcel seeking to prepay resides. A property owner may at any time prepay either 25 percent or 50 percent of the Full Prepayment, except that the City may allow a partial prepayment of any percentage up to 50 percent of the Full Prepayment to be made as a “buy down” of the rate for purposes of marketing the property by a builder or developer of land to be sold for Residential Use. In the event such a builder or developer has prepaid a portion of the Facilities Special Tax, the allowable 25 percent or 50 percent partial prepayment of the Facilities Special Tax that can be made by a subsequent owner shall be reduced by the amount so prepaid by the builder or developer. Full Prepayment is permitted only for Nonresidential Use Parcels; Full Prepayment is not allowable for Residential Use Parcels.

Prepayments must be made in sufficient time to, in the City’s opinion, have the Prepayment reflected in the following Fiscal Year’s Special Tax levy.

Prepayment is permitted only under the following additional conditions:

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

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

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

Step 8.a.1: Determine the percentage of the Maximum Facilities Special Tax for the Taxable Parcel for which the Facilities Special Tax is to be prepaid using the provisions of **Sections 4, 5, and 6**. If the Parcel is not designated as a Developed Parcel, determine the applicable Facilities Special Tax for the Parcel assuming it is a Developed Parcel.

Step 8.a.2: Increase the Maximum Facilities Special Tax by 2 percent per annum for the longer of (i) 30 years from the year in which the Parcel was first subject to the Facilities Special Tax as a Developed Parcel, or (ii) the end of the then-remaining Initial Bonding Period.

- Step 8.a.3: Using a discounted rate equal to the most current yield for the 30-Year Treasury Constant Maturity, calculate the net present value of the revenue stream determined *Step 8.a.2*. If this yield is no longer available, the Administrator will select a yield rate from the most comparable type of security.
- Step 8.a.4: Calculate this Parcel's Maximum Annual Facilities Special Tax as a percentage of the Maximum Annual Facilities Special Tax Revenue, assuming all Taxable Parcels are Developed Parcels to determine the Benefit Share for the prepaying Parcel. Multiply the Benefit Share by the Outstanding Bonds to determine the Bond Share for the prepaying Parcel. Multiply the Benefit Share by the Remaining Facilities Costs, as increased by ENR-CCI from the Base Year, to determine the Remaining Facilities Cost Share for the prepaying Parcel. Add the Bond Share to Remaining Facilities Cost Share for the prepaying Parcel.
- Step 8.a.5: Use the greater of the amounts determined in Step 8.a.3 or Step 8.a.4 for the following calculations.
- Step 8.a.6: Add to the amount from *Step 8.a.5* interest on the Bonds being redeemed to the next redemption date.
- Step 8.a.7: Add to the amount calculated in *Step 8.a.6* a redemption premium on the Bonds being redeemed (if any) as identified in the Bond Indenture(s).
- Step 8.a.8: Add to the amount calculated in *Step 8.a.7* the Development Impact Fee Deferral amount applicable to the Parcel, as adjusted for inflation. If Bonds have been issued to finance the Development Impact Fee Deferral, follow *Steps 8.a.2* and *8.a.3*, using for *Step 8.a.2* the longer of (i) 30 years from the year in which the Parcel was first subject to the Facilities Special Tax during the Deferral Bonding Period, or (ii) the end of the then-remaining Deferral Bonding Period.
- Step 8.a.9: Add the administrative cost of processing the Prepayment to the amount calculated in *Step 8.a.8*.
- Step 8.a.10: The amount in *Step 8.a.9* is the amount of the Full Prepayment of the Maximum Annual Special Tax for the Taxable Parcel.

b. Partial Prepayments will be calculated as described below:

The amount of any Partial Prepayment is limited to a maximum of 50 percent of the Full Prepayment amount determined in *Step 8.a.10*. When a Partial Prepayment is made, the full amount of Administrative fees and expenses determined in *Step 8.a.7* shall be included in the Partial Prepayment calculation. The Facilities Special Tax that can be levied on a Parcel after a Partial Prepayment is made is equal to the Maximum Facilities Special Tax multiplied by one minus the percentage that has been prepaid.

## **9. Interpretation, Application, and Appeal of Special Tax Formula and Procedures**

Any taxpayer who feels the amount of the Special Tax assigned to a Parcel is in error may file a notice with the CFO appealing the levy of the Special Tax. The CFO then will promptly review the appeal and, if necessary, will meet with the applicant. If the CFO 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.

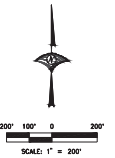
Interpretations may be made by the City, without Resolution or Ordinance of the Council, for purposes of clarifying any vagueness or ambiguity as it relates to the Special Tax rate, the method of apportionment, the classification of properties, or any definition applicable to the CFD.

Without Council approval, the CFO may make minor, non-substantive administrative and technical changes to the provisions of this RMA that do not materially affect the rate, method of apportionment, or manner of collection of the Special Tax for purposes of administrative efficiency or convenience or to comply with new applicable federal, state, or local law.

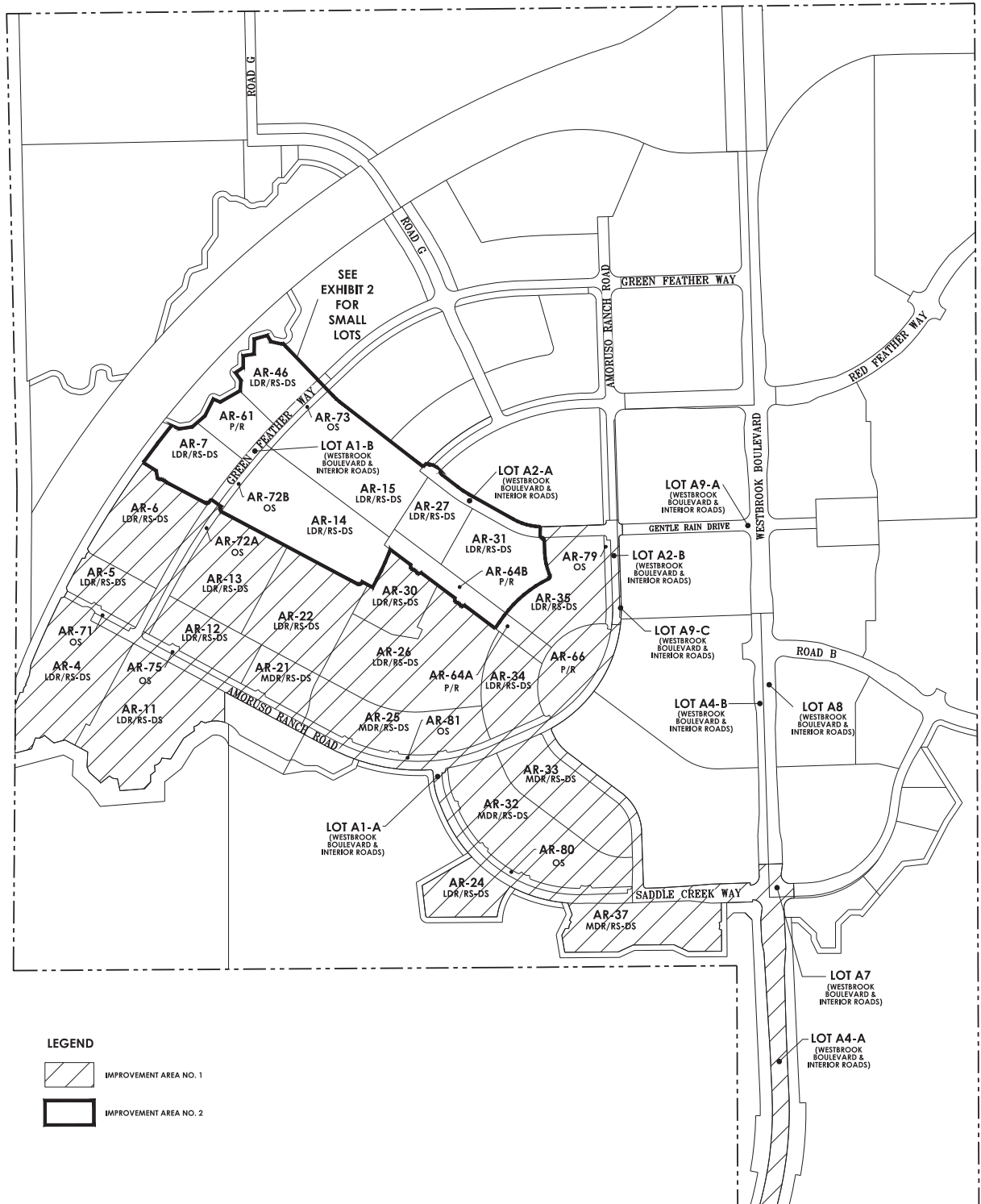
The City, upon request of an owner of land in Improvement Area No. 2 that is not a Developed Parcel, also may amend this RMA in any manner acceptable to the City, without Resolution or Ordinance of the Council, upon the affirmative vote of such owner and without the vote of owners of any other land in Improvement Area No. 2, provided such amendment is only applicable to such owner's land and does not reduce the total Maximum Annual CFD Special Tax Revenue.

## **10. Manner of Collection**

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



| Lot ID   | Land Use | Area (AC) | Units |
|----------|----------|-----------|-------|
| AR-7     | LDR      | 3.12      | 19    |
| AR-14    | LDR      | 7.47      | 50    |
| AR-15    | LDR      | 7.44      | 49    |
| AR-27    | LDR      | 2.40      | 15    |
| AR-31    | LDR      | 4.40      | 27    |
| AR-46    | LDR      | 2.74      | 13    |
| AR-61    | P/R      | 1.87      | 0     |
| AR-64B   | P/R      | 1.82      | 0     |
| AR-72B   | OS       | 0.34      | 0     |
| AR-73    | OS       | 0.97      | 0     |
| LOT A1-B | RW       | 1.01      | 0     |
| LOT A2-A | RW       | 7.91      | 0     |



**Attachment 2**  
**Amoruso Ranch CFD No. 1 (Public Infrastructure)**  
**Maximum Annual Facilities Special Taxes by Tax Category**  
**for the Base Year of FY 2024-25 (Improvement Area No. 2) [1]**

| Expected Land Uses (Tax Category)                                                                                                                                  | Facilities Special Tax per Unit/Taxable Acre |                              |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------|------------------------------|
|                                                                                                                                                                    | Before<br>Transition<br>Event<br>[1]         | After<br>Transition<br>Event |
| <b>Residential Uses</b>                                                                                                                                            | <u>per Unit</u>                              | <u>per Unit</u>              |
| Low Density Residential (LDR)<br>Large Lots AR-7, AR-27, AR- 31, AR-46,<br>Por AR-14 (APNs 496-800-038 to 040),<br>Por AR-15 (APNs 496-790-001 to 007)             | \$4,800.00                                   | \$0.00                       |
| Low Density Residential (LDR)<br>Por AR-14 (APNs 496-800-041 to 042),<br>Por AR-15 (APNs 496-780-001 to 011), APNs<br>496-780-027 to 035, APNs 496-790-008 to 030) | \$3,900.00                                   | \$0.00                       |
| Medium Density Residential (MDR)                                                                                                                                   | \$0.00                                       | \$0.00                       |
| High Density Residential (HDR) [2]<br>High Density Residential (HDR) For-Sale [2]<br>High Density Residential (HDR) For-Rent [2]                                   | \$0.00<br>\$0.00                             | \$0.00<br>\$0.00             |
| Affordable Medium Density Residential                                                                                                                              | \$0.00                                       | \$0.00                       |
| Affordable High Density Residential [2]                                                                                                                            | \$0.00                                       | \$0.00                       |
| Very Low Affordable High Density Residential [2]                                                                                                                   | \$0.00                                       | \$0.00                       |
| <b>Nonresidential Uses [2]</b>                                                                                                                                     | <u>per Taxable Acre</u>                      | <u>per Taxable Acre</u>      |
| Mixed Use (MU) [2]                                                                                                                                                 | \$0.00                                       | \$0.00                       |
| Business Professional (BP) [2]                                                                                                                                     | \$0.00                                       | \$0.00                       |
| Community Commercial (CC) [2]                                                                                                                                      | \$0.00                                       | \$0.00                       |
| <b>Undeveloped Property</b>                                                                                                                                        | \$15,868.64                                  | \$0.00                       |

att2

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

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

Attachment 3

Amoruso Ranch CFD No. 1 (Public Infrastructure)

Assigned Maximum Annual Facilities Special Taxes for Original Parcels for the Base Year of FY 2024-25 (Improvement Area No. 2)

| Large Lot<br>Number [1] | Original Parcel(s)                                                                     | Tax Category | Expected Land Uses |                  | Density | Assigned                                             | Assigned                                                        | Assigned                                         |
|-------------------------|----------------------------------------------------------------------------------------|--------------|--------------------|------------------|---------|------------------------------------------------------|-----------------------------------------------------------------|--------------------------------------------------|
|                         |                                                                                        |              | Acres              | Planned<br>Units |         | Maximum Annual<br>Facilities Special<br>Tax per Unit | Maximum Annual<br>Facilities Special<br>Tax per Taxable<br>Acre | Maximum Facilities<br>Special Tax per<br>Village |
| Improvement Area No. 2  |                                                                                        |              |                    |                  |         | [2] [3]                                              | [2] [3]                                                         | [2] [3]                                          |
| AR-7                    | 496-790-031 to 43                                                                      | LDR          | 3.12               | 13               | 4.17    | \$4,800                                              | \$0                                                             | \$62,400                                         |
| AR-14                   | 496-790-044 to 079,<br>496-800-036 to 037,<br>496-800-041 to 042<br>496-800-038 to 040 | LDR<br>LDR   | 7.47               | 40<br>3          | 5.76    | \$3,900<br>\$4,800                                   | \$0<br>\$0                                                      | \$156,000<br>\$14,400                            |
| AR-14 Totals            |                                                                                        |              | 7.47               | 43               |         |                                                      |                                                                 | \$170,400                                        |
| AR-15                   | 496-780-001 to 011,<br>496-780-027 to 035,<br>496-790-008 to 030<br>496-790-001 to 007 | LDR<br>LDR   | 7.44               | 43<br>7          | 6.72    | \$3,900<br>\$4,800                                   | \$0<br>\$0                                                      | \$167,700<br>\$33,600                            |
| AR-15 Totals            |                                                                                        |              | 7.44               | 50               |         |                                                      |                                                                 | \$201,300                                        |
| AR-27                   | 496-800-026 to 035                                                                     | LDR          | 2.40               | 10               | 4.17    | \$4,800                                              | \$0                                                             | \$48,000                                         |
| AR-31                   | 496-800-001 to 025                                                                     | LDR          | 4.40               | 25               | 5.68    | \$4,800                                              | \$0                                                             | \$120,000                                        |
| AR-46                   | 496-780-012 to 26                                                                      | LDR          | 2.74               | 15               | 5.47    | \$4,800                                              | \$0                                                             | \$72,000                                         |
| AR-61                   | 496-790-081                                                                            | Park         | 1.87               | n/a              |         | \$0                                                  | \$0                                                             | \$0                                              |
| AR-64B                  | 496-800-043                                                                            | Park         | 1.82               | n/a              |         | \$0                                                  | \$0                                                             | \$0                                              |
| AR-72B                  |                                                                                        | OS/(Paseos)  | 0.34               | n/a              |         | \$0                                                  | \$0                                                             | \$0                                              |
| AR-73                   |                                                                                        | OS/(Paseos)  | 0.97               | n/a              |         | \$0                                                  | \$0                                                             | \$0                                              |
| AR-A1-B                 |                                                                                        | ROW          | 1.01               | n/a              |         | \$0                                                  | \$0                                                             | \$0                                              |
| AR-A2-A                 |                                                                                        | ROW          | 7.91               | n/a              |         | \$0                                                  | \$0                                                             | \$0                                              |
| Totals                  |                                                                                        |              | 41.49              | 156              |         |                                                      |                                                                 | \$674,100                                        |

att3

[1] Indicates village identifier assigned by City in the Amoruso Ranch Specific Plan.

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

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



**Attachment 4**  
**Amoruso Ranch CFD No. 1 (Public Infrastructure)**  
**(Improvement Area No. 2)**  
**Maximum Annual Maintenance Special Taxes by Tax Category**  
**for the Base Year of FY 2024-25 (Improvement Area No. 2) [1]**

| Expected Land Uses (Tax Category)                                                                                                 | Maintenance Special Tax per Unit/Taxable Acre |                            |
|-----------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|----------------------------|
|                                                                                                                                   | Before                                        | After                      |
|                                                                                                                                   | Transition<br>Event<br>[1]                    | Transition<br>Event<br>[1] |
| <b>Residential Uses</b>                                                                                                           | <u>per Unit</u>                               | <u>per Unit</u>            |
| Low Density Residential (LDR)                                                                                                     | \$0.00                                        | \$2,400.00                 |
| Large Lots AR-7, AR-27, AR- 31, AR-46,<br>Por AR-14 (APNs 496-800-038 to 040),<br>Por AR-15 (APNs 496-790-001 to 007)             |                                               |                            |
| Low Density Residential (LDR)                                                                                                     | \$0.00                                        | \$1,950.00                 |
| Por AR-14 (APNs 496-800-041 to 042),<br>Por AR-15 (APNs 496-780-001 to 011), APNs<br>496-780-027 to 035, APNs 496-790-008 to 030) |                                               |                            |
| Medium Density Residential (MDR)                                                                                                  | \$0.00                                        | \$0.00                     |
| High Density Residential (HDR) [2]                                                                                                |                                               |                            |
| High Density Residential (HDR) For-Sale [2]                                                                                       | \$0.00                                        | \$0.00                     |
| High Density Residential (HDR) For-Rent [2]                                                                                       | \$0.00                                        | \$0.00                     |
| Affordable Medium Density Residential                                                                                             | \$0.00                                        | \$0.00                     |
| Affordable High Density Residential [2]                                                                                           | \$0.00                                        | \$0.00                     |
| Very Low Affordable High Density Residential [2]                                                                                  | \$0.00                                        | \$0.00                     |
| <b>Nonresidential Uses [2]</b>                                                                                                    | <u>per Taxable Acre</u>                       |                            |
| Mixed Use (MU) [2]                                                                                                                | \$0.00                                        | \$0.00                     |
| Business Professional (BP) [2]                                                                                                    | \$0.00                                        | \$0.00                     |
| Community Commercial (CC) [2]                                                                                                     | \$0.00                                        | \$0.00                     |
| <b>Undeveloped Property</b>                                                                                                       | \$0.00                                        | \$0.00                     |

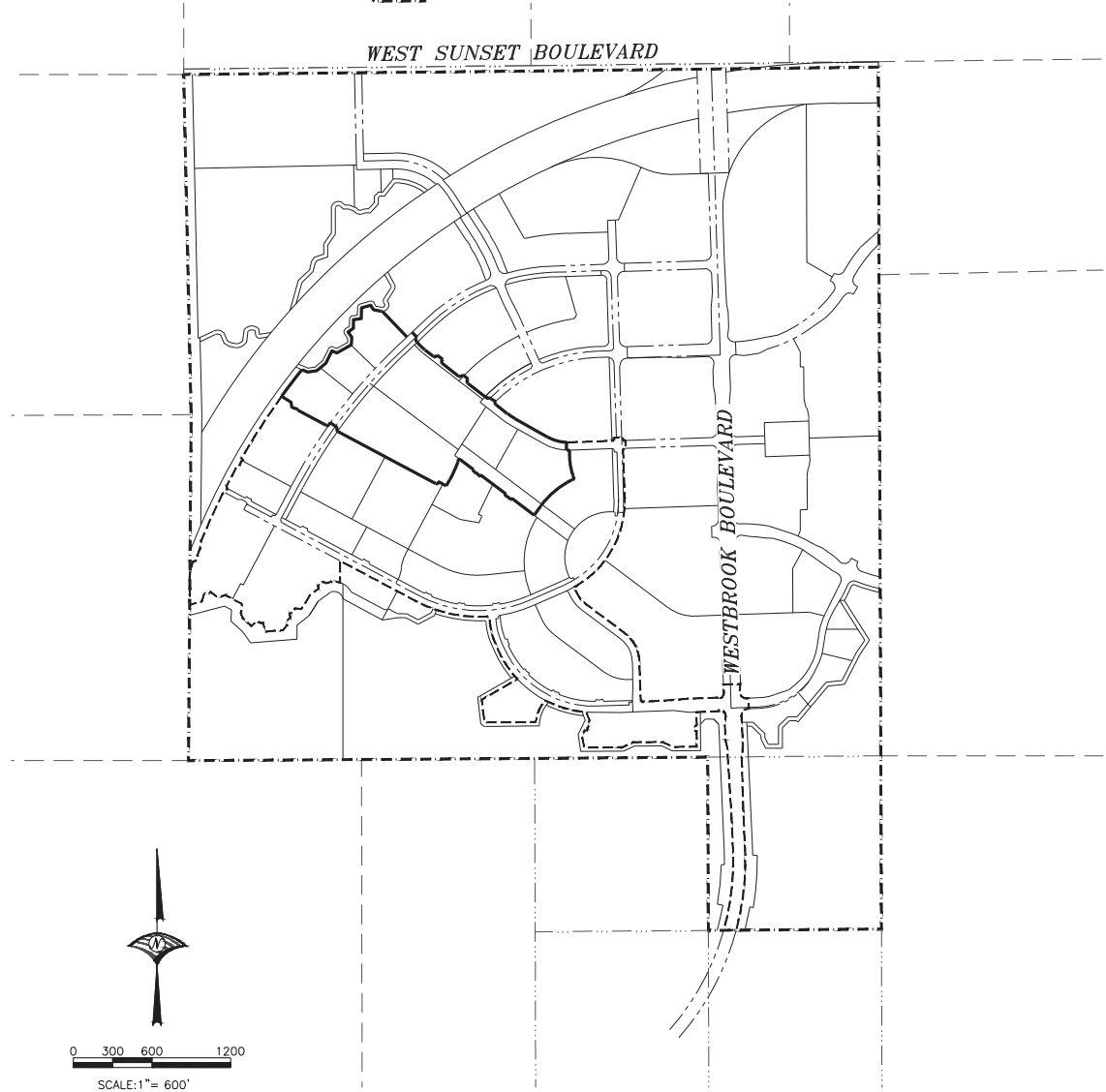
att4

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

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

**LEGEND**

-  EXISTING CFD BOUNDARY AND BOUNDARY OF IMPROVEMENT AREA NO. 1
-  PROPOSED CFD BOUNDARY AND BOUNDARY OF IMPROVEMENT AREA NO. 2
-  AREAS OF FUTURE ANNEXATION



PROPOSED BOUNDARY MAP  
**AMORUSO RANCH**  
**COMMUNITIES FACILITIES DISTRICT NO. 1**  
**IMPROVEMENT AREA NO. 2**  
(PUBLIC FACILITIES)  
BEING A PORTION OF SECTIONS 11 AND 14,  
T. 11 N., R. 5 E., MOUNT DIABLO MERIDIAN  
CITY OF ROSEVILLE COUNTY OF PLACER STATE OF CALIFORNIA

**CITY CLERK'S MAP FILING STATEMENT**

FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY OF ROSEVILLE, COUNTY OF PLACER, STATE OF CALIFORNIA, THIS \_\_\_\_ DAY OF \_\_\_\_\_, 2025.

BY: \_\_\_\_\_  
CARMEN AVALOS, CITY CLERK  
CITY OF ROSEVILLE

**CITY CLERK'S MAP STATEMENT**

I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING THE PROPOSED BOUNDARIES OF AMORUSO RANCH COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES), CITY OF ROSEVILLE, COUNTY OF PLACER, STATE OF CALIFORNIA, WAS APPROVED BY THE CITY COUNCIL OF THE CITY OF ROSEVILLE, AT A REGULAR MEETING THEREOF, HELD ON THE \_\_\_\_ DAY OF \_\_\_\_\_, 2025 BY IT'S RESOLUTION NO. \_\_\_\_\_.

BY: \_\_\_\_\_  
CARMEN AVALOS, CITY CLERK  
CITY OF ROSEVILLE

**RECORDER'S STATEMENT**

FILED THIS \_\_\_\_ DAY OF \_\_\_\_\_, 2025, AT \_\_\_\_ M. IN BOOK \_\_\_\_ OF MAPS OF COMMUNITY FACILITIES DISTRICT, AT PAGE \_\_\_\_ IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF PLACER, STATE OF CALIFORNIA.

DOCUMENT NO.: \_\_\_\_\_

FEE: \$ \_\_\_\_\_

BY: \_\_\_\_\_  
RYAN RONCO  
COUNTY RECORDER  
COUNTY OF PLACER

  
**WOOD RODGERS**  
BUILDING RELATIONSHIPS ONE PROJECT AT A TIME  
3301 G ST., BLDG. 100-B TEL 916.341.7760  
SACRAMENTO, CA 95816 FAX 916.341.7767

**APPENDIX B**  
**THE APPRAISAL**

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**Integra Realty Resources**

**Sacramento**

**Appraisal of Real Property**

**City of Roseville Amoruso CFD No. 1, IA 2**

Residential Subdivision

NW/O Amoruso Ranch Rd.

Roseville, Placer County, California 95747

**Prepared For:**

City of Roseville

**Date of the Report:**

September 11, 2025

**Report Format:**

Appraisal Report

**IRR - Sacramento**

File Number: 193-2025-0345



# Subject Photographs



**City of Roseville Amoruso CFD No. 1, IA 2**  
NW/O Amoruso Ranch Rd.  
Roseville, California



# Aerial Photograph



Boundary lines are approximate; aerial is dated and not representative of current development



September 11, 2025

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

SUBJECT:       Market Value Appraisal  
                  City of Roseville Amoruso CFD No. 1, IA 2  
                  NW/O Amoruso Ranch Rd.  
                  Roseville, Placer County, California 95747  
                  IRR - Sacramento File No. 193-2025-0345

Dear Mr. Kauffman:

Integra Realty Resources – Sacramento is pleased to submit the accompanying appraisal of the referenced property. The purpose of the appraisal is to develop an opinion of the market value, by ownership, as well as the aggregate, or cumulative, value of appraised properties, pertaining to the fee simple interest in the property. The client for the assignment is the City of Roseville and the intended use of the report is for bond underwriting purposes.

The appraised properties represent the taxable parcels subject to the lien of the Special Taxes securing the City of Roseville Amoruso Ranch Community Facilities District No. 1 (Improvement Area No. 2) ("CFD No. 1, IA 2"). The subject consists of 156 residential units/lots being developed by Brookfield Residential. Any properties within the boundaries of CFD No. 1, IA 2 not subject to the Lien of the Special Tax securing the Bonds (e.g., public and quasi-public land use sites) are not a part of this appraisal. The market values estimated herein account for the impact of the Lien of the Special Tax securing the City of Roseville Amoruso Ranch Community Facilities District No. 1 (Improvement Area No. 2), Special Tax Bonds.

The subject property represents Phase A2 of the Amoruso Ranch project, within the Amoruso Ranch Specific Plan ("ARSP", "Specific Plan"). The Specific Plan is located along the northern edge of the City of Roseville in southwestern Placer County; specifically, it is located between the West Roseville Specific Plan to the southeast, the City of Roseville's AI



Johnson Wildlife Area property to the southwest and the Creekview Specific Plan to the south. Placer Parkway, a proposed six lane regional transportation facility, traverses the site. At its ultimate build out, Placer Parkway will run from Highway 65 in Lincoln to Highway 99. Unincorporated Placer County is located to the northwest, including agriculturally-zoned property to the west, and an existing rural residential area referred to as Toad Hill Ranches #1 to the north. West Sunset Boulevard, a two-lane rural county road, is located adjacent to the northern boundary of ARSP. The ARSP is planned for 2,827 dwelling units (a mix of low, medium and high density residential), three commercial parcels totaling 51 acres, a 9.6-acre site intended for an elementary school, seven neighborhood parks, and a 3-acre fire station/public facilities site. Approximately 135 acres of the site will be set aside as open space preserve. The boundaries of Improvement Area No. 2 (subject property) include Phase A2, which consists of 156 SFR units. The final maps for Phase 2A have been recorded and lot construction is significantly complete. The merchant builder (Brookfield Residential) is constructing eight floor plans within two product lines (Tesoro and Allora), on typical lot size of 4,275 and 5,500 square feet. The floor plans range in size from 1,840 to 4,066 square feet, with asking prices ranging from \$599,990 to \$969,370.

As of the date of value, September 10, 2025, four homes have been completed and sold to individual homeowners, six model homes have been completed, as well as 15 homes (7 of which are pending to homeowners), and 29 additional homes under various stages of construction. The balance of the subject property comprises 102 finished single-family residential lots. A more detailed legal and physical description of the subject property is contained within the attached report.

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

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

Based on the valuation analysis in the accompanying Appraisal Report, and subject to the hypothetical condition, definitions, assumptions, and limiting conditions expressed in the

report, the concluded opinions of value, as of the date of value, September 10, 2025, are as follows:

| <b>Market Value by Ownership</b>                               |                    |                      |                                |                                         |                                  |                           |
|----------------------------------------------------------------|--------------------|----------------------|--------------------------------|-----------------------------------------|----------------------------------|---------------------------|
|                                                                | <b>No. of Lots</b> | <b>Value per Lot</b> | <b>Permits &amp; Fees Paid</b> | <b>Remaining Site Development Costs</b> | <b>Value per Component (Rd.)</b> | <b>Market Value (Rd.)</b> |
| <b>Individual Homeowners</b>                                   |                    |                      |                                |                                         |                                  |                           |
| Completed Homes                                                |                    |                      |                                |                                         |                                  |                           |
| Tesoro                                                         | 3                  | \$670,000            | --                             | --                                      | \$670,000                        | \$2,010,000               |
| Allora                                                         | <u>1</u>           | \$600,000            | --                             | --                                      | \$600,000                        | <u>\$600,000</u>          |
| <b>Total - Individual Homeowners</b>                           | <b>4</b>           |                      |                                |                                         |                                  | <b>\$2,610,000</b>        |
| <b>Brookfield Sacramento HB, LLC.</b>                          |                    |                      |                                |                                         |                                  |                           |
| Completed Homes                                                |                    |                      |                                |                                         |                                  |                           |
| Tesoro                                                         | 8                  | \$670,000            | --                             | --                                      | \$670,000                        | \$5,360,000               |
| Allora                                                         | 7                  | \$600,000            | --                             | --                                      | \$600,000                        | \$4,200,000               |
| Homes Under Construction                                       |                    |                      |                                |                                         |                                  |                           |
| Tesoro                                                         | 13                 | \$198,000            | \$99,890                       | --                                      | \$298,000                        | \$3,874,000               |
| Allora                                                         | <u>16</u>          | \$183,000            | \$99,890                       | --                                      | \$283,000                        | <u>\$4,528,000</u>        |
| <b>Total - Brookfield Sacramento HB, LLC.</b>                  | <b>44</b>          |                      |                                |                                         |                                  | <b>\$17,962,000</b>       |
| <b>Brookfield Sunset LLC.</b>                                  |                    |                      |                                |                                         |                                  |                           |
| Completed Homes                                                |                    |                      |                                |                                         |                                  |                           |
| Tesoro                                                         | 3                  | \$670,000            | --                             | --                                      | \$670,000                        | \$2,010,000               |
| Allora                                                         | 3                  | \$600,000            | --                             | --                                      | \$600,000                        | \$1,800,000               |
| Finished Lots                                                  |                    |                      |                                |                                         |                                  |                           |
| Tesoro                                                         | 46                 | \$198,000            | \$0                            | (\$173)                                 | \$198,000                        | \$9,108,000               |
| Allora                                                         | <u>56</u>          | \$183,000            | \$0                            | (\$173)                                 | \$183,000                        | <u>\$10,248,000</u>       |
| <b>Total - Brookfield Sunset LLC.</b>                          | <b>108</b>         |                      |                                |                                         |                                  | <b>\$23,166,000</b>       |
| <b>Aggregate, or Cumulative, Value of Appraised Properties</b> | <b>156</b>         |                      |                                |                                         |                                  | <b>\$43,738,000</b>       |

#### Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions. An extraordinary assumption is an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions.

None

The value conclusions are based on the following hypothetical conditions. A hypothetical condition is 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 analysis.

1. The value derived herein is based on the hypothetical condition that certain proceeds from the City of Roseville Amoruso Ranch CFD No. 1 (IA 2) Special Tax Bonds will be available to reimburse for various improvements already completed.

The use of any extraordinary assumption or hypothetical condition may have affected the assignment results.

Please note the aggregate of the appraised values 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 Appraisal Report, market value is estimated by ownership.

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



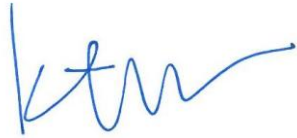
Dennis Kauffman  
City of Roseville  
September 11, 2025  
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Respectfully submitted,

**Integra Realty Resources - Sacramento**



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# Executive Summary

|                                 |                                                                                                                            |
|---------------------------------|----------------------------------------------------------------------------------------------------------------------------|
| Property Name                   | City of Roseville Amoruso CFD No. 1, IA 2                                                                                  |
| Address                         | NW/O Amoruso Ranch Rd.<br>Roseville, Placer County, California 95747                                                       |
| Property Type                   | Land - Single Family Development Land                                                                                      |
| Owner of Record                 | Brookfield Sacramento HB, LLC. and Brookfield Sunset LLC.,<br>and individual homeowners                                    |
| Tax ID                          | 496-780-001 thru -035, 496-790-001 thru -079, 496-800-<br>001 thru -044, 496-790-038, -039, 080 thru -083, 017-470-<br>077 |
| Land Area (Gross)               | 41.49 acres; 1,807,304 SF                                                                                                  |
| Land Area (Usable)              | 27.57 acres; 1,200,949 SF                                                                                                  |
| Zoning Designation              | RS, Small Lot Residential                                                                                                  |
| Highest and Best Use            | Single-family residential                                                                                                  |
| Exposure Time; Marketing Period | 12 months; 12 months                                                                                                       |
| Effective Date of the Appraisal | September 10, 2025                                                                                                         |
| Date of the Report              | September 11, 2025                                                                                                         |
| Property Interest Appraised     | Fee Simple                                                                                                                 |

## Value Conclusion

| Value Type & Appraisal Premise                          | Interest Appraised | Date of Value      | Value Conclusion |
|---------------------------------------------------------|--------------------|--------------------|------------------|
| Aggregate, or Cumulative, Value of Appraised Properties | Fee Simple         | September 10, 2025 | \$43,738,000     |

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

## Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions. An extraordinary assumption is an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions.

None

The value conclusions are based on the following hypothetical conditions. A hypothetical condition is 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 analysis.

1. The value derived herein is based on the hypothetical condition that certain proceeds from the City of Roseville Amoruso Ranch CFD No. 1 (IA 2) Special Tax Bonds will be available to reimburse for various improvements already completed.

The use of any extraordinary assumption or hypothetical condition may have affected the assignment results.

## Identification of the Appraisal Problem

### Subject Description

The subject property represents Phase A2 of the Amoruso Ranch project, within the Amoruso Ranch Specific Plan (“ARSP”, “Specific Plan”). The Specific Plan is located along the northern edge of the City of Roseville in southwestern Placer County; specifically, it is located between the West Roseville Specific Plan to the southeast, the City of Roseville’s Al Johnson Wildlife Area property to the southwest and the Creekview Specific Plan to the south. Placer Parkway, a proposed six lane regional transportation facility, traverses the site. At its ultimate build out, Placer Parkway will run from Highway 65 in Lincoln to Highway 99. Unincorporated Placer County is located to the northwest, including agriculturally-zoned property to the west, and an existing rural residential area referred to as Toad Hill Ranches #1 to the north. West Sunset Boulevard, a two-lane rural county road, is located adjacent to the northern boundary of ARSP. The ARSP is planned for 2,827 dwelling units (a mix of low, medium and high density residential), three commercial parcels totaling 51 acres, a 9.6-acre site intended for an elementary school, seven neighborhood parks, and a 3-acre fire station/public facilities site. Approximately 135 acres of the site will be set aside as open space preserve. The boundaries of Improvement Area No. 2 (subject property) include Phase A2, which consists of 156 SFR units. The final maps for Phase 2A have been recorded and lot construction is significantly complete. The merchant builder (Brookfield Residential) is constructing eight floor plans within two product lines (Tesoro and Allora), on typical lot size of 4,275 and 5,500 square feet. The floor plans range in size from 1,840 to 4,066 square feet, with asking prices ranging from \$599,990 to \$969,370.

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#### Property Identification

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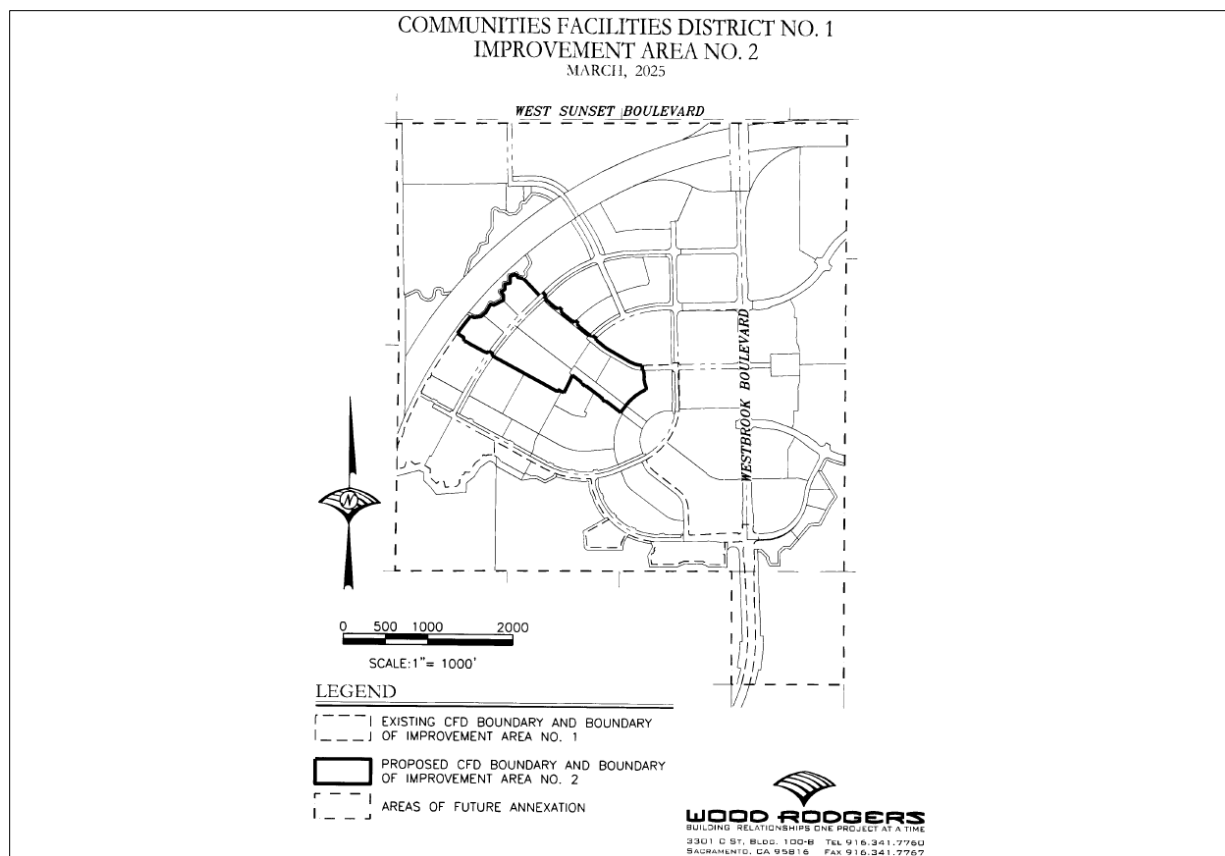
|                 |                                                                                                                    |
|-----------------|--------------------------------------------------------------------------------------------------------------------|
| Property Name   | City of Roseville Amoruso CFD No. 1, IA 2                                                                          |
| Address         | NW/O Amoruso Ranch Rd.<br>Roseville, California 95747                                                              |
| Tax ID          | 496-780-001 thru -035, 496-790-001 thru -079, 496-800-001 thru -044, 496-790-038, -039, 080 thru -083, 017-470-077 |
| Owner of Record | Brookfield Sacramento HB, LLC. and Brookfield Sunset LLC., and individual homeowners                               |

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The subject is summarized on the following page.

### Project Summary

| Large Lot No. | Phase | No. of<br>Lots | Typical Lot<br>Size (SF) | Land Use | Acreage      |
|---------------|-------|----------------|--------------------------|----------|--------------|
| AR-7          | A2    | 13             | 5,500                    | LDR      | 3.12         |
| AR-14         | A3    | 40             | 4,275                    | LDR      | 5.76         |
| AR-14         | A4    | 3              | 5,500                    | LDR      |              |
| AR-15         | A5    | 43             | 4,275                    | LDR      | 6.72         |
| AR-15         | A6    | 7              | 5,500                    | LDR      |              |
| AR-27         | A7    | 10             | 5,500                    | LDR      | 2.4          |
| AR-31         | A8    | 25             | 5,500                    | LDR      | 4.4          |
| AR-46         | A9    | 15             | 5,500                    | LDR      | 2.74         |
| <b>TOTAL</b>  |       | <b>156</b>     |                          |          | <b>25.14</b> |



## Sale History

To the best of our knowledge, no sale or transfer of ownership has taken place within a three-year period prior to the effective appraisal date and to the best of our knowledge the property is not currently being marketed for sale in bulk. However, Brookfield Sacramento HB LLC. entered into a purchase and sale agreement with Brookfield Sacramento Holding LLC., who is serving as the owner and landbank of the 156 lots and will be acquired over time pursuant to the following takedown schedule:

| <b>Takedown Schedule</b> |             |                   |
|--------------------------|-------------|-------------------|
| Stage                    | No. of lots | Closing Date      |
| 1                        | 24          | April 28, 2025    |
| 2                        | 24          | May 29, 2025      |
| 3                        | 24          | August 21, 2025   |
| 4                        | 25          | November 20, 2025 |
| 5                        | 26          | February 19, 2026 |
| 6                        | 24          | May 21, 2026      |
| 7                        | 9           | August 20, 2026   |

The Tesoro lots will transfer for a price of \$189,071 per lot, while the Allora lots will transfer at a price of \$147,790 per lot. This transfer of lots serves as a financing mechanism, which is relatively commonplace for transactions involving national homebuilders, especially within master planned communities such as the subject. This transaction is not considered an arm's length transfer of the subject lots, as defined; thus, no further consideration is warranted.

To the best of our knowledge, no other sale or transfer of ownership has taken place within a three-year period prior to the effective appraisal date and to the best of our knowledge the property is not currently being marketed for sale in bulk.

## Appraisal Purpose

The purpose of this Appraisal Report is to estimate the market value (fee simple estate), by ownership, and the cumulative, or aggregate, value of the appraised properties comprising City of Roseville Amoruso Ranch CFD No. 1 (IA 2), subject to the hypothetical condition certain proceeds from the Special Tax Bonds will be available to reimburse the master developer for various improvements already completed, as of the effective date of the appraisal, September 10, 2025. The date of the report is September 11, 2025. The appraisal is valid only as of the stated effective date.

## Value Type Definitions

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

### Market Value

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



assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

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

## Property Rights Definitions

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

### Fee Simple Estate

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.<sup>2</sup>

## Client and Intended User(s)

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

## Intended Use

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

## Applicable Requirements

This appraisal report conforms to the following requirements and regulations:

- Uniform Standards of Professional Appraisal Practice (USPAP);
- Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute;
- Applicable state appraisal regulations;
- Appraisal requirements of Title XI of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA), revised April 9, 2018;

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

<sup>2</sup> Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 7th ed. (Chicago: Appraisal Institute, 2022)

- Interagency Appraisal and Evaluation Guidelines issued December 10, 2010;
- Appraisal Standards for Land Secured Financing published by the California Debt and Investment Advisory Commission (CDIAC) (2004).

## **Report Format**

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

## **Prior Services**

USPAP requires appraisers to disclose to the client any other services they have provided in connection with the subject property in the prior three years, including valuation, consulting, property management, brokerage, or any other services. We have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding the agreement to perform this assignment.

## **Appraiser Competency**

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

## Scope of Work

### Introduction

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

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

### Research and Analysis

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

### Subject Property Data Sources

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

### Inspection

Details regarding the property inspection conducted as part of this appraisal assignment are summarized as follows:

| Property Inspection    |                 |                 |
|------------------------|-----------------|-----------------|
| Party                  | Inspection Type | Inspection Date |
| Kevin Ziegenmeyer, MAI | On-site         | August 1, 2025  |
| Eric Segal, MAI        | On-site         | August 5, 2025  |
| Kari Tatton            | On-site         | August 5, 2025  |

### Valuation Methodology

Three approaches to value are typically considered when developing a market value opinion for real property. These are the cost approach, the sales comparison approach, and the income capitalization approach. Use of the approaches in this assignment is summarized as follows:

---

**Approaches to Value**

---

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

---

The valuation began by employing the sales comparison approach to estimate the not-less-than market value for the completed single-family homes, based on the smallest floor plan being marketed within each project with a completed home.

The market value of the residential lots was estimated by utilizing the sales comparison approach and land residual analysis (static extraction) to value using a benchmark lot category. In the sales comparison approach, adjustments were applied to the prices of comparable bulk lot transactions, and a market value for the benchmark lot category was concluded. Then, as a support of reasonableness, an extraction technique was utilized, which was reconciled with the sales comparison approach conclusion. Next, adjustments were applied to determine values for each residential lot category, based upon lot size differences that exist from the benchmark lot.

Our analysis excluded a typical cost approach since the subject property represents land. However, costs associated with home construction were taken into consideration as part of the extraction technique and determination of financial feasibility. Given the limited, if any, income producing potential of the land, an income approach was not utilized.

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

## Economic Analysis

### Placer County Area Analysis

Placer County is part of the four-county Sacramento Metropolitan Area, along with the counties of Sacramento, Yolo and El Dorado. The county is 1,407 square miles in size and has a population density of 300 persons per square mile. It 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. 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. Placer's largest cities are Roseville, Rocklin and Lincoln. The larger cities, namely Roseville and Rocklin, are mostly urban, while the smaller communities, such as Loomis, Newcastle and Colfax, have remained rural. Auburn and Lincoln both exhibit a combination of urban and rural settings. However, in recent years the city of Lincoln has experienced dramatic growth and development and has become one of the fastest-growing cities in California.

### Population

Placer County has an estimated 2025 population of 422,203, which represents an average annual 0.8% increase over the 2020 census of 404,739. Placer County added an average of 3,493 residents per year over the 2020-2025 period, and its growth in population contrasts with the State of California which had a 0.3% average annual decrease in population over this time.

Looking forward, Placer County's population is projected to increase at a 0.4% annual rate from 2025-2030, equivalent to the addition of an average of 1,820 residents per year. Placer County's growth contrasts with California, which is projected to decline at a 0.1% rate.

| Population Trends |             |               |                 |                      |             |
|-------------------|-------------|---------------|-----------------|----------------------|-------------|
|                   | Population  |               |                 | Compound Ann. % Chng |             |
|                   | 2020 Census | 2025 Estimate | 2030 Projection | 2020 - 2025          | 2025 - 2030 |
| Placer County     | 404,739     | 422,203       | 431,305         | 0.8%                 | 0.4%        |
| California        | 39,538,223  | 38,870,482    | 38,763,700      | -0.3%                | -0.1%       |

Source: Claritas

### Employment

Total employment in Placer County was estimated at 187,746 jobs as of June 2024. Between year-end 2014 and 2024, employment rose by 43,109 jobs, equivalent to a 29.8% increase over the entire period. There were gains in employment in nine out of the past ten years. Placer County's rate of

employment growth over the last decade surpassed that of California, which experienced an increase in employment of 13.1% or 2,103,735 jobs over this period.

A comparison of unemployment rates is another way of gauging an area's economic health. Over the past decade, the Placer County unemployment rate has been consistently lower than that of California, with an average unemployment rate of 4.5% in comparison to a 5.9% rate for California.

Recent data shows that the Placer County unemployment rate is 4.0% in comparison to a 5.2% rate for California, a positive sign that is consistent with the fact that Placer County has outperformed California in the rate of job growth over the past two years.

| <b>Employment Trends</b>          |                             |        |            |        |                               |            |
|-----------------------------------|-----------------------------|--------|------------|--------|-------------------------------|------------|
| Year                              | Total Employment (Year End) |        |            |        | Unemployment Rate (Ann. Avg.) |            |
|                                   | %                           |        | %          |        |                               |            |
|                                   | Placer County               | Change | California | Change | Placer County                 | California |
| 2014                              | 144,637                     |        | 16,089,814 |        | 6.3%                          | 7.6%       |
| 2015                              | 151,854                     | 5.0%   | 16,606,038 | 3.2%   | 5.1%                          | 6.3%       |
| 2016                              | 157,499                     | 3.7%   | 16,930,563 | 2.0%   | 4.5%                          | 5.5%       |
| 2017                              | 164,379                     | 4.4%   | 17,263,084 | 2.0%   | 3.9%                          | 4.8%       |
| 2018                              | 170,473                     | 3.7%   | 17,573,378 | 1.8%   | 3.2%                          | 4.3%       |
| 2019                              | 174,216                     | 2.2%   | 17,857,719 | 1.6%   | 3.1%                          | 4.1%       |
| 2020                              | 163,680                     | -6.0%  | 16,401,290 | -8.2%  | 7.5%                          | 10.2%      |
| 2021                              | 177,646                     | 8.5%   | 17,641,250 | 7.6%   | 5.1%                          | 7.3%       |
| 2022                              | 181,852                     | 2.4%   | 18,066,913 | 2.4%   | 3.1%                          | 4.3%       |
| 2023                              | 184,700                     | 1.6%   | 18,146,497 | 0.4%   | 3.7%                          | 4.8%       |
| 2024*                             | 187,746                     | 1.6%   | 18,193,549 | 0.3%   | 4.2%                          | 5.4%       |
| Overall Change 2014-2024          | 43,109                      | 29.8%  | 2,103,735  | 13.1%  |                               |            |
| Avg Unemp. Rate 2014-2024         |                             |        |            |        | 4.5%                          | 5.9%       |
| Unemployment Rate - December 2024 |                             |        |            |        | 4.0%                          | 5.2%       |

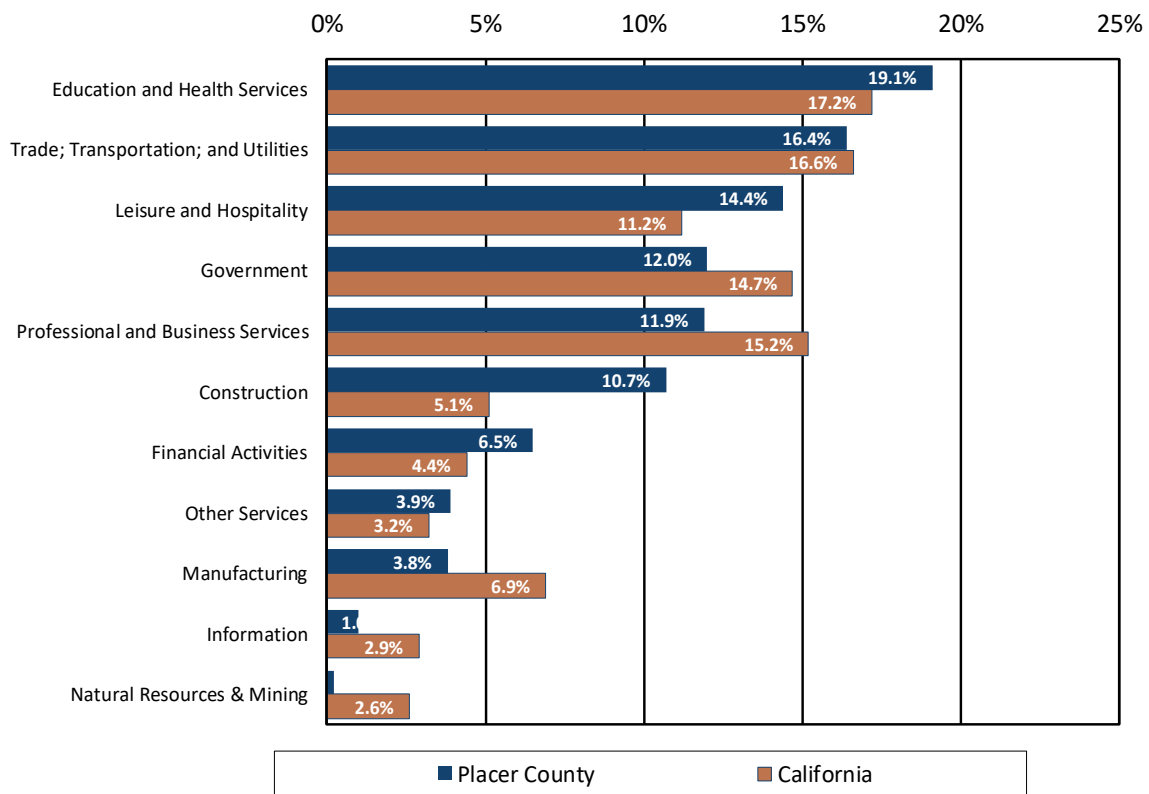
\*Total employment data is as of June 2024.

Source: U.S. Bureau of Labor Statistics and Moody's Analytics. Employment figures are from the Quarterly Census of Employment and Wages (QCEW). Unemployment rates are from the Current Population Survey (CPS). The figures are not seasonally adjusted.

## Employment Sectors

The composition of the Placer County job market is depicted in the following chart, along with that of California. Total employment for both areas is broken down by major employment sector, and the sectors are ranked from largest to smallest based on the percentage of Placer County jobs in each category.

### Employment Sectors - 2024



Source: U.S. Bureau of Labor Statistics and Moody's Analytics

Placer County has greater concentrations than California in the following employment sectors:

1. Education and Health Services, representing 19.1% of Placer County payroll employment compared to 17.2% for California as a whole. This sector includes employment in public and private schools, colleges, hospitals, and social service agencies.
2. Leisure and Hospitality, representing 14.4% of Placer County payroll employment compared to 11.2% for California as a whole. This sector includes employment in hotels, restaurants, recreation facilities, and arts and cultural institutions.
3. Construction, representing 10.7% of Placer County payroll employment compared to 5.1% for California as a whole. This sector includes construction of buildings, roads, and utility systems.
4. Financial Activities, representing 6.5% of Placer County payroll employment compared to 4.4% for California as a whole. Banking, insurance, and investment firms are included in this sector, as are real estate owners, managers, and brokers.

Placer County is underrepresented in the following sectors:

1. Trade; Transportation; and Utilities, representing 16.4% of Placer County payroll employment compared to 16.6% for California as a whole. This sector includes jobs in retail trade, wholesale trade, trucking, warehousing, and electric, gas, and water utilities.
2. Government, representing 12.0% of Placer County payroll employment compared to 14.7% for California as a whole. This sector includes employment in local, state, and federal government agencies.
3. Professional and Business Services, representing 11.9% of Placer County payroll employment compared to 15.2% for California as a whole. This sector includes legal, accounting, and engineering firms, as well as management of holding companies.
4. Manufacturing, representing 3.8% of Placer County payroll employment compared to 6.9% for California as a whole. This sector includes all establishments engaged in the manufacturing of durable and nondurable goods.

### Major Employers

Major employers in Placer County are shown in the following table.

| <b>Major Employers - Placer County</b> |                                         |                            |
|----------------------------------------|-----------------------------------------|----------------------------|
|                                        | <b>Name</b>                             | <b>Number of Employees</b> |
| 1                                      | Sutter Health                           | 6,672                      |
| 2                                      | Kaiser Permanente - Roseville           | 6,094                      |
| 3                                      | Placer County                           | 2,669                      |
| 4                                      | Thunder Valley Casino Resort            | 2,400                      |
| 5                                      | Sierra Joint Community College District | 1,900                      |
| 6                                      | Roseville City School District          | 1,783                      |
| 7                                      | City of Roseville                       | 1,386                      |
| 8                                      | Palisades Tahoe                         | 1,321                      |
| 9                                      | Safeway                                 | 1,217                      |
| 10                                     | Pacific Gas & Electric Co               | 1,120                      |

Source: Sacramento Business Journal, The List: Employers - Placer County, July 5, 2024

### Gross Domestic Product

Gross Domestic Product (GDP) is a measure of economic activity based on the total value of goods and services produced in a defined geographic area, and annual changes in Gross Domestic Product (GDP) are a gauge of economic growth.

Economic growth, as measured by annual changes in GDP, has been somewhat higher in Placer County than California overall during the past decade. Placer County has grown at a 3.7% average annual rate while the State of California has grown at a 3.3% rate. However, Placer County has recently underperformed California. GDP for Placer County rose by 1.4% in 2023 while California's GDP rose by 2.0%.



Placer County has a per capita GDP of \$63,799, which is 24% less than California's GDP of \$83,373. This means that Placer County industries and employers are adding relatively less value to the economy than their counterparts in California.

| <b>Gross Domestic Product</b> |                            |          |                         |          |
|-------------------------------|----------------------------|----------|-------------------------|----------|
| Year                          | (\$,000s)<br>Placer County | % Change | (\$,000s)<br>California | % Change |
| 2013                          | 18,730,154                 | —        | 2,340,335,300           | —        |
| 2014                          | 19,256,016                 | 2.8%     | 2,428,675,700           | 3.8%     |
| 2015                          | 20,477,469                 | 6.3%     | 2,545,979,500           | 4.8%     |
| 2016                          | 21,401,555                 | 4.5%     | 2,623,711,700           | 3.1%     |
| 2017                          | 21,945,008                 | 2.5%     | 2,740,550,300           | 4.5%     |
| 2018                          | 23,346,285                 | 6.4%     | 2,850,970,300           | 4.0%     |
| 2019                          | 23,942,196                 | 2.6%     | 2,969,609,000           | 4.2%     |
| 2020                          | 23,905,563                 | -0.2%    | 2,933,320,200           | -1.2%    |
| 2021                          | 26,026,237                 | 8.9%     | 3,154,188,600           | 7.5%     |
| 2022                          | 26,650,663                 | 2.4%     | 3,184,007,800           | 0.9%     |
| 2023                          | 27,022,666                 | 1.4%     | 3,248,656,600           | 2.0%     |
| Compound % Chg (2013-2023)    |                            | 3.7%     |                         | 3.3%     |
| GDP Per Capita 2023           | \$63,799                   |          | \$83,373                |          |

Source: U.S. Bureau of Economic Analysis and Moody's Analytics; data released December 2024.

The release of state and local GDP data has a longer lag time than national data. The data represents inflation-adjusted "real" GDP stated in 2017 dollars.

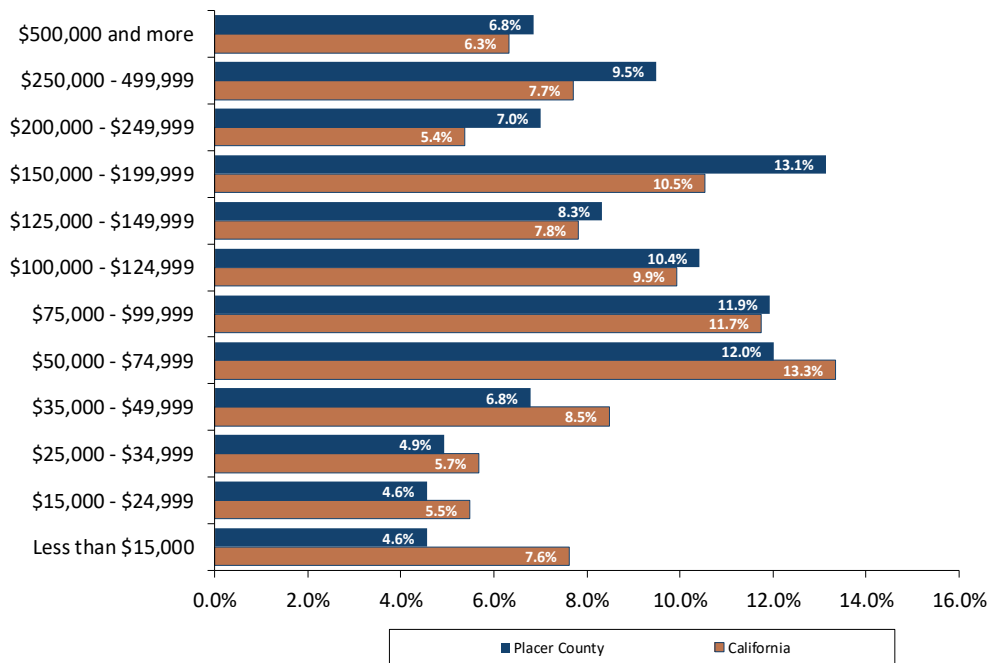
## Household Income

Placer County is more affluent than California. Median household income for Placer County is \$112,036, which is 18.2% greater than the corresponding figure for California.

| <b>Median Household Income - 2025</b>     |           |
|-------------------------------------------|-----------|
|                                           | Median    |
| Placer County                             | \$112,036 |
| California                                | \$94,758  |
| Comparison of Placer County to California | + 18.2%   |

Source: Claritas

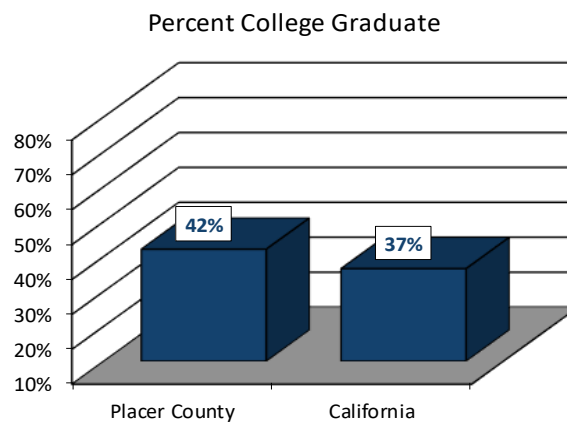
The following chart shows the distribution of households across twelve income levels. Placer County has a greater concentration of households in the higher income levels than California. Specifically, 36% of Placer County households are at the \$150,000 or greater levels in household income as compared to 30% of California households. A lesser concentration of households is apparent in the lower income levels, as 21% of Placer County households are below the \$50,000 level in household income versus 27% of California households.

**Household Income Distribution - 2025**

Source: Claritas

**Education**

Residents of Placer County have a higher level of educational attainment than those of California. An estimated 42% of Placer County residents are college graduates with four-year degrees, versus 37% of California residents.

**Education - 2025**

Source: Claritas

## Transportation

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

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

## Recreation & Community Services

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

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

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

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

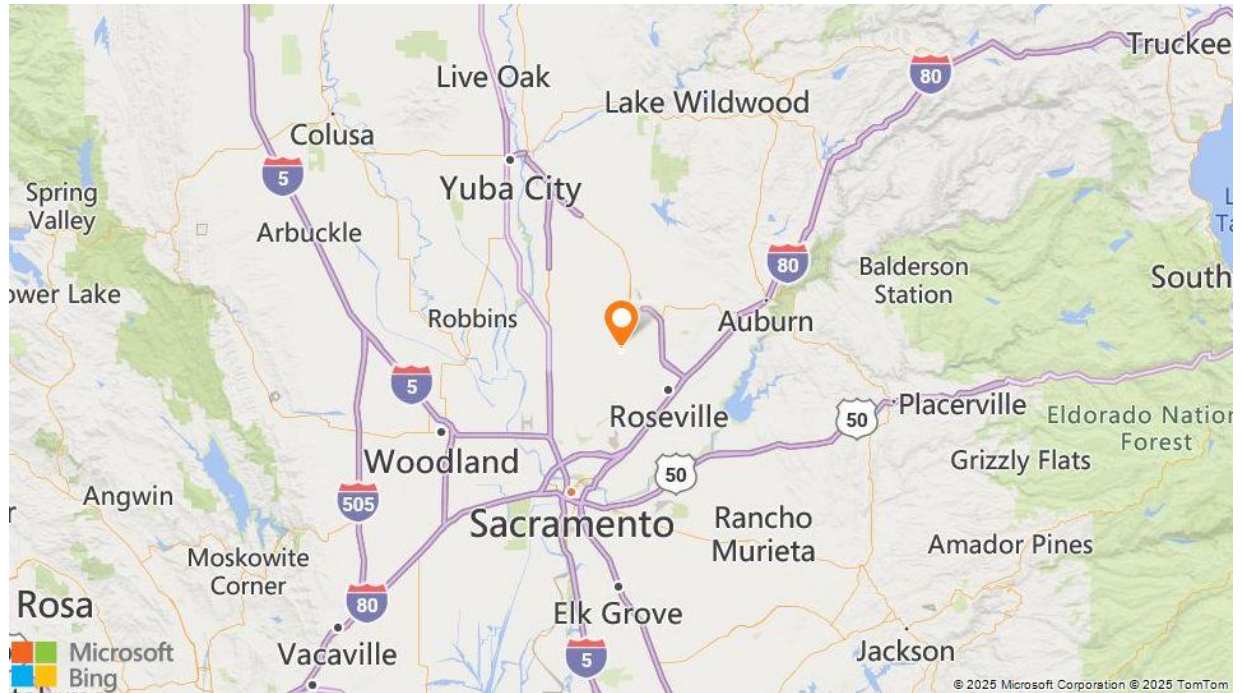
opened in 2000 and was expanded in 2008-2009, and the Fountains at Roseville, an outdoor lifestyle center that opened in June 2008.

## **Conclusion**

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

The Placer County economy will benefit from a stable to slightly growing population base and higher income and education levels. Placer County experienced growth in the number of jobs and has maintained a consistently lower unemployment rate than California over the past decade. It is anticipated that the Placer County economy will improve and employment will grow, strengthening the demand for real estate.

## Area Map



## Surrounding Area Analysis

### Boundaries

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 within the city of Roseville, Placer County, California. Specifically, the subject is situated in the West Roseville area. The subject's neighborhood boundaries can generally be described as Highway 65 to the east, Baseline Road to the south, and the city limits of Roseville to the west and north.

### Access and Linkages

The main surface streets in the neighborhood that will provide access to Amoruso Ranch are Westbrook Boulevard and Placer Parkway (once complete). Westbrook Boulevard is a north-south surface street that currently terminates at the southern portion of Amoruso Ranch and provides access to the Winding Creek and Westpark master planned communities, as well as the Sierra Vista Specific Plan and Baseline Road in a southerly direction. Blue Oaks Boulevard, which is located approximately one mile south of the subject, represents an east-west major surface street that currently terminates at the western boundaries of Fiddymont Ranch, and in an easterly direction travels through West Roseville and the city of Rocklin. Blue Oaks Boulevard is also considered the primary means of access to State Highway 65, which is about 3.5 miles to the east of the subject property.

Other primary connectors in the neighborhood are Fiddymont Road, Pleasant Grove Boulevard, Woodcreek Boulevard and Foothills Boulevard. State Highway 65 is 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. In a southerly direction, Fiddymont Road connects to Baseline Road (another thoroughfare that eventually connects with Highway 99 in a westerly direction) and continues south (when it becomes Walerga Road) to the communities of Antelope and North Highlands. In a northerly direction, Fiddymont Road connects to areas of unincorporated Placer County and the outskirts of the city of Lincoln (where it terminates at Moore Road).

Traveling east, Interstate 80 provides access to the outlying portions of Placer County and continues toward Reno, Nevada. To the west, Interstate 80 connects the subject neighborhood to Sacramento's Central Business District (via Business 80/Capital City Freeway) before continuing on toward Davis and San Francisco.

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

## Demographics

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

| Surrounding Area Demographics          |               |               |               |                       |                   |
|----------------------------------------|---------------|---------------|---------------|-----------------------|-------------------|
| 2025 Estimates                         | 1-Mile Radius | 3-Mile Radius | 5-Mile Radius | 95747 (Roseville, CA) | Placer County, CA |
| Population 2020                        | 158           | 22,033        | 60,661        | 75,666                | 404,739           |
| Population 2025                        | 832           | 29,056        | 72,683        | 87,845                | 422,203           |
| Population 2030                        | 1,002         | 32,676        | 78,269        | 93,602                | 431,305           |
| Compound % Change 2020-2025            | 39.4%         | 5.7%          | 3.7%          | 3.0%                  | 0.8%              |
| Compound % Change 2025-2030            | 3.8%          | 2.4%          | 1.5%          | 1.3%                  | 0.4%              |
| Households 2020                        | 54            | 6,974         | 21,267        | 26,800                | 152,101           |
| Households 2025                        | 288           | 8,865         | 25,052        | 30,774                | 158,079           |
| Households 2030                        | 351           | 9,901         | 26,859        | 32,703                | 161,327           |
| Compound % Change 2020-2025            | 39.8%         | 4.9%          | 3.3%          | 2.8%                  | 0.8%              |
| Compound % Change 2025-2030            | 4.0%          | 2.2%          | 1.4%          | 1.2%                  | 0.4%              |
| Median Household Income 2025           | \$143,112     | \$158,863     | \$137,058     | \$132,714             | \$112,036         |
| Average Household Size                 | 2.8           | 3.3           | 2.9           | 2.9                   | 2.6               |
| College Graduate %                     | 24%           | 51%           | 47%           | 46%                   | 42%               |
| Median Age                             | 46            | 39            | 42            | 42                    | 43                |
| Owner Occupied %                       | 82%           | 87%           | 81%           | 79%                   | 72%               |
| Renter Occupied %                      | 18%           | 13%           | 19%           | 21%                   | 28%               |
| Median Owner Occupied Housing Value    | \$699,021     | \$759,258     | \$717,881     | \$709,721             | \$711,487         |
| Median Year Structure Built            | 2021          | 2013          | 2007          | 2005                  | 1994              |
| Average Travel Time to Work in Minutes | 24            | 35            | 34            | 34                    | 29                |

Source: Claritas

As shown above, the current population within a 3-mile radius of the subject is 29,056, and the average household size is 3.3. Population in the area has grown since the 2020 census, and this trend is projected to continue over the next five years. Compared to the subject's 95747 zip code overall, the population within a 3-mile radius is projected to grow at a faster rate.

Median household income is \$158,863, which is higher than the household income for the 95747 zip code. Residents within a 3-mile radius have a higher level of educational attainment than those of the 95747 zip code, while median owner-occupied home values are also higher.

## Land Uses

A map of land uses in the vicinity of the subject (identified with a yellow star) is provided as follows:





### Community Uses

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

Woodcreek High School is located on the west line of Woodcreek Oaks Boulevard, south of Pleasant Grove Boulevard. The Placer County Fairgrounds is located at the intersection of Junction Boulevard and Washington Boulevard. WestPark High school, which is located approximately two miles southeast of the subject, was recently completed and opened for 9th and 10th grade students for the 2020-21 school year.

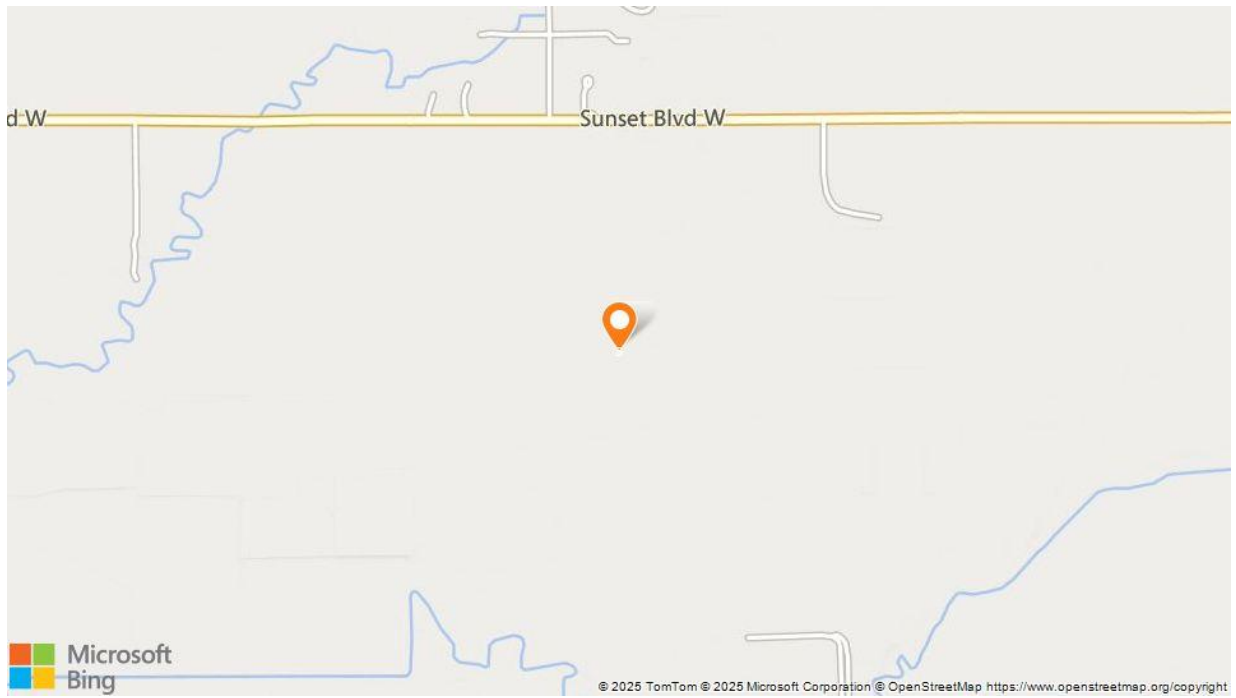
There are two main hospitals in Roseville, both of which are located in east Roseville, just south of Interstate 80 – Kaiser Permanente, located at the northeast corner of Rocky Ridge Drive and Douglas Boulevard, and Sutter Roseville Medical Center on Roseville Parkway.



**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, overall the neighborhood will offer a balanced mix of land uses. The area has good access to neighborhood thoroughfares. Households in the area have above-average income levels, and the community appeal is good. The characteristics of the neighborhood relative to other parts of the Sacramento region are desirable.

## Surrounding Area Map



## Residential Market Analysis

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

### Submarket Overview

The subject is the Amoruso Ranch Specific Plan, within the city of Roseville. The subject is adjacent to newer home construction and planned future development and is considered to have good transportation linkages. The neighborhood is characterized as a growing suburban area. Based on existing surrounding homes and new projects under development, the subject characteristics best support projects designed for entry level to move-up buyers as well as empty nesters looking to downsize.

### Single-Family Building Permits

Single-family building permits for the city of Roseville as well as Placer County totals are shown in the following table. When we compare the trend in permitting, population and price, there can be a relationship. More supply of homes could eventually mean lower prices, whereas conversely a lower number of permits pulled could eventually mean higher prices. Further, the number of permits pulled shows builder confidence in the current market when compared to other years.

#### Single-Family Building Permits

| Year | City of Roseville | % Change | County of Placer | % Change |
|------|-------------------|----------|------------------|----------|
| 2015 | 967               | --       | 1,996            | --       |
| 2016 | 886               | -8.38%   | 2,107            | 5.56%    |
| 2017 | 1,191             | 34.42%   | 2,500            | 18.65%   |
| 2018 | 808               | -32.16%  | 1,884            | -24.64%  |
| 2019 | 998               | 23.51%   | 2,035            | 8.01%    |
| 2020 | 1,264             | 26.65%   | 2,632            | 29.34%   |
| 2021 | 1,883             | 48.97%   | 4,068            | 54.56%   |
| 2022 | 1,578             | -16.20%  | 3,468            | -14.75%  |
| 2023 | 1,213             | -23.13%  | 2,862            | -17.47%  |
| 2024 | 1,216             | 0.25%    | 2,804            | -2.03%   |

Source: SOCDs Building Permits Monthly Request and Developer

The declining year-over-year statistics reflect the depleting supply of developable lots in the subject's Roseville market area.

### Single-Family Building Permits: 2025 Preliminary Data

| Month        | City of Roseville | County of Placer |
|--------------|-------------------|------------------|
| January      | 42                | 166              |
| February     | 13                | 215              |
| March        | 30                | 242              |
| April        | 11                | 253              |
| May          | 18                | 166              |
| <b>TOTAL</b> | <b>114</b>        | <b>1,042</b>     |

Source: SOCDS Building Permits Monthly Request

### New Home Pricing and Sales

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

#### New Home Sales History

| Quarter | Average Price | % Change<br>Average Price | Average Home<br>Size (SF) | Avg. Price /<br>Avg. SF | % Change<br>Price / SF | Quarter<br>Sold | Number of<br>Projects | Sold per Project<br>per Month |
|---------|---------------|---------------------------|---------------------------|-------------------------|------------------------|-----------------|-----------------------|-------------------------------|
| 3Q 2022 | \$711,065     | --                        | 2,365                     | \$300.66                | --                     | 311             | 83                    | 1.25                          |
| 4Q 2022 | \$725,114     | 1.98%                     | 2,415                     | \$300.25                | -0.14%                 | 360             | 82                    | 1.46                          |
| 1Q 2023 | \$736,396     | 1.56%                     | 2,452                     | \$300.32                | 0.02%                  | 778             | 78                    | 3.32                          |
| 2Q 2023 | \$755,823     | 2.64%                     | 2,470                     | \$306.00                | 1.89%                  | 683             | 76                    | 3.00                          |
| 3Q 2023 | \$773,593     | 2.35%                     | 2,508                     | \$308.45                | 0.80%                  | 732             | 78                    | 3.13                          |
| 4Q 2023 | \$766,227     | -0.95%                    | 2,454                     | \$312.24                | 1.23%                  | 378             | 71                    | 1.77                          |
| 1Q 2024 | \$792,792     | 3.47%                     | 2,511                     | \$315.73                | 1.12%                  | 719             | 78                    | 3.07                          |
| 2Q 2024 | \$805,069     | 1.55%                     | 2,509                     | \$320.87                | 1.63%                  | 617             | 76                    | 2.71                          |
| 3Q 2024 | \$803,843     | -0.15%                    | 2,478                     | \$324.39                | 1.10%                  | 481             | 72                    | 2.23                          |
| 4Q 2024 | \$800,134     | -0.46%                    | 2,440                     | \$327.92                | 1.09%                  | 451             | 68                    | 2.21                          |
| 1Q 2025 | \$799,155     | -0.12%                    | 2,444                     | \$326.99                | -0.29%                 | 580             | 69                    | 2.80                          |
| 2Q 2025 | \$806,945     | 0.97%                     | 2,497                     | \$323.17                | -1.17%                 | 447             | 72                    | 2.07                          |

Source: The Gregory Group

In terms of the number of home sales in Placer County, over the last 12 months, the average was 2.33 sales per month per project, which was up slightly from the average for the prior 12-month period of 2.67 sales per month per project.

### Active New Home Projects Pricing and Absorption

There are 33 active projects in Roseville with lots sizes less than 8,000 square feet, all of which are detached product. The projects are summarized in the following table as of Second Quarter 2025.

| Active Projects (as of 2Q 2025) |                  |           |                         |               |                     |                  |                       |               |               |            |              |
|---------------------------------|------------------|-----------|-------------------------|---------------|---------------------|------------------|-----------------------|---------------|---------------|------------|--------------|
| Project Name                    | Master Plan      | Community | Developer               | Average Price | Avg. Home Size (SF) | Average Price/SF | Typical Lot Size (SF) | Units Planned | Units Offered | Units Sold | Units Unsold |
| Allora                          | Amoruso Ranch    | Roseville | Brookfield Residential  | \$678,807     | 2,251               | \$301.56         | 4,275                 | 82            | 10            | 4          | 6            |
| Aviara                          | Amoruso Ranch    | Roseville | D.R. Horton Homes       | \$654,990     | 2,322               | \$282.08         | 5,000                 | 150           | 55            | 50         | 5            |
| Breckenridge                    | Sierra West      | Roseville | Lennar Homes            | \$737,378     | 2,571               | \$286.81         | 3,850                 | 281           | 232           | 226        | 6            |
| Camellia                        | Solaire          | Roseville | Pulte Homes             | \$769,657     | 3,046               | \$252.68         | 6,000                 | 67            | 62            | 57         | 5            |
| Dragonfly I & II                | Winding Creek    | Roseville | D.R. Horton Homes       | \$552,323     | 1,604               | \$344.34         | 2,800                 | 154           | 99            | 97         | 2            |
| Emilia                          | Placer Vineyards | Roseville | Lennar Homes            | \$688,922     | 2,683               | \$256.77         | 6,825                 | 404           | 199           | 190        | 9            |
| Excelsior                       | Sierra Vista     | Roseville | JMC Homes               | \$893,323     | 2,962               | \$301.59         | 7,500                 | 80            | 77            | 69         | 8            |
| Inspiration Village             | Sierra Vista     | Roseville | JMC Homes               | \$622,490     | 1,683               | \$369.87         | 3,600                 | 103           | 98            | 86         | 12           |
| Jasmine                         | Solaire          | Roseville | Pulte Homes             | \$673,990     | 2,560               | \$263.28         | 4,500                 | 107           | 73            | 62         | 11           |
| Juniper                         | Winding Creek    | Roseville | Tri Pointe Homes        | \$848,306     | 3,203               | \$264.85         | 5,000                 | 74            | 16            | 10         | 6            |
| Kindred                         | Sierra Vista     | Roseville | Anthem United           | \$674,776     | 2,379               | \$283.64         | 5,500                 | 159           | 93            | 81         | 12           |
| Lazio                           | Placer Vineyards | Roseville | Lennar Homes            | \$631,949     | 2,133               | \$296.27         | 5,775                 | 457           | 208           | 203        | 5            |
| Meadowbrook                     | Fiddymment Farm  | Roseville | JMC Homes               | \$975,990     | 3,153               | \$309.54         | 6,500                 | 80            | 80            | 80         | 0            |
| Milazzo                         | Amoruso Ranch    | Roseville | D.R. Horton Homes       | \$554,240     | 1,619               | \$342.33         | 3,200                 | 192           | 68            | 63         | 5            |
| Molise                          | Placer Vineyards | Roseville | Lennar Homes            | \$533,490     | 1,550               | \$344.19         | 4,725                 | 256           | 200           | 189        | 11           |
| Morgan Place                    | No               | Roseville | Tim Lewis Communities   | \$649,948     | 2,330               | \$278.95         | 4,050                 | 79            | 33            | 27         | 6            |
| Moscato at Brady Vineyards      | No               | Roseville | Woodside Homes          | \$636,490     | 2,120               | \$300.23         | 5,000                 | 83            | 83            | 83         | 0            |
| Northbrook                      | Fiddymment Farm  | Roseville | JMC Homes               | \$633,323     | 1,502               | \$421.65         | 4,500                 | 108           | 108           | 101        | 7            |
| Pinnacle                        | Solaire          | Roseville | Beazer Homes            | \$607,990     | 2,170               | \$280.18         | 4,050                 | 120           | 48            | 42         | 6            |
| Sagebrook                       | Fiddymment Farm  | Roseville | JMC Homes               | \$797,490     | 2,339               | \$340.95         | 5,500                 | 179           | 176           | 171        | 5            |
| Seasons                         | Amoruso Ranch    | Roseville | Richmond American Homes | \$691,200     | 2,537               | \$272.45         | 6,000                 | 75            | 43            | 23         | 20           |
| Seasons at Sierra Vista         | Sierra Vista     | Roseville | Richmond American Homes | \$594,799     | 2,128               | \$279.51         | 4,275                 | 143           | 140           | 119        | 21           |
| Sentinel Village                | Sierra Vista     | Roseville | JMC Homes               | \$719,990     | 1,961               | \$367.15         | 5,775                 | 234           | 219           | 206        | 13           |
| Summerfield                     | Sierra Vista     | Roseville | Woodside Homes          | \$578,190     | 1,881               | \$307.38         | 3,000                 | 135           | 30            | 21         | 9            |
| Tapestry                        | Amoruso Ranch    | Roseville | Richmond American Homes | \$814,350     | 3,182               | \$255.92         | 6,000                 | 63            | 43            | 25         | 18           |
| Tesoro                          | Amoruso Ranch    | Roseville | Brookfield Residential  | \$842,209     | 3,234               | \$260.42         | 5,500                 | 76            | 15            | 8          | 7            |
| Valley Oaks -- Parks            | Campus Oaks      | Roseville | The New Home Company    | \$831,375     | 2,803               | \$296.60         | 5,250                 | 59            | 59            | 54         | 5            |
| Valley Oaks -- Trails           | Campus Oaks      | Roseville | The New Home Company    | \$1,076,142   | 3,609               | \$298.18         | 6,300                 | 62            | 62            | 62         | 0            |
| Verrado                         | Solaire          | Roseville | Beazer Homes            | \$628,657     | 2,189               | \$287.19         | 4,050                 | 139           | 121           | 113        | 8            |
| Vibrance                        | Solaire          | Roseville | Tri Pointe Homes        | \$681,363     | 2,212               | \$308.03         | 3,000                 | 88            | 76            | 71         | 5            |
| Wildflower                      | Winding Creek    | Roseville | Woodside Homes          | \$813,990     | 2,875               | \$283.13         | 5,500                 | 97            | 75            | 64         | 11           |
| Willow                          | Winding Creek    | Roseville | Beazer Homes            | \$671,990     | 2,215               | \$303.38         | 3,600                 | 40            | 12            | 4          | 8            |
| Windham                         | Sierra West      | Roseville | Lennar Homes            | \$649,240     | 1,981               | \$327.73         | 3,500                 | 173           | 173           | 173        | 0            |
|                                 |                  |           |                         | Minimum       | \$533,490           | 1,502            | \$252.68              | 2,800         |               |            |              |
|                                 |                  |           |                         | Maximum       | \$1,076,142         | 3,609            | \$421.65              | 7,500         |               |            |              |
|                                 |                  |           |                         | Average       | \$709,375           | 2,394            | \$302.09              | 4,845         |               |            |              |

Source: The Gregory Group

### Active Projects – West Roseville

Directly competing areas to the subject would include all communities within West Roseville, including: Campus Oaks, Winding Creek, Solaire, Fiddymment Farm, Sierra Vista, and Sierra West.

| Absorption                |                  |           |                         |                                   |                                  |                          |         |         |         |         |                          |                        |                      |
|---------------------------|------------------|-----------|-------------------------|-----------------------------------|----------------------------------|--------------------------|---------|---------|---------|---------|--------------------------|------------------------|----------------------|
| Project Name              | Master Plan      | Community | Developer               | Avg. Home Price<br>(2Q 2025 Only) | Avg. Home Size<br>(2Q 2025 Only) | Typical Lot<br>Size (SF) | 2Q 2025 | 1Q 2025 | 4Q 2024 | 3Q 2024 | 12-Month<br>Total        | Average per<br>Quarter | Average per<br>Month |
| Allora                    | Amoruso Ranch    | Roseville | Brookfield Residential  | \$678,807                         | 2,251                            | 4,275                    | 4       | --      | --      | --      | 4                        | 4.0                    | 1.3                  |
| Aviara                    | Amoruso Ranch    | Roseville | D.R. Horton Homes       | \$654,990                         | 2,322                            | 5,000                    | 2       | 13      | 20      | 12      | 47                       | 11.8                   | 3.9                  |
| Breckenridge              | Sierra West      | Roseville | Lennar Homes            | \$737,378                         | 2,571                            | 3,850                    | 15      | 23      | 14      | 0       | 52                       | 13.0                   | 4.3                  |
| Camellia                  | Solaire          | Roseville | Pulte Homes             | \$769,657                         | 3,046                            | 6,000                    | 1       | 9       | 8       | 7       | 25                       | 6.3                    | 2.1                  |
| Emilia                    | Placer Vineyards | Roseville | Lennar Homes            | \$688,922                         | 2,683                            | 6,825                    | 5       | 13      | 21      | 9       | 48                       | 12.0                   | 4.0                  |
| Excelsior                 | Sierra Vista     | Roseville | JMC Homes               | \$893,323                         | 2,962                            | 7,500                    | 5       | 1       | 11      | 6       | 23                       | 5.8                    | 1.9                  |
| Inspiration Village       | Sierra Vista     | Roseville | JMC Homes               | \$622,490                         | 1,683                            | 3,600                    | 12      | 11      | 10      | 8       | 41                       | 10.3                   | 3.4                  |
| Jasmine                   | Solaire          | Roseville | Pulte Homes             | \$673,990                         | 2,560                            | 4,500                    | 9       | 5       | 9       | 12      | 35                       | 8.8                    | 2.9                  |
| Juniper                   | Winding Creek    | Roseville | Tri Pointe Homes        | \$848,306                         | 3,203                            | 5,000                    | 10      | --      | --      | --      | 10                       | 10.0                   | 3.3                  |
| Kindred                   | Sierra Vista     | Roseville | Anthem United           | \$674,776                         | 2,379                            | 5,500                    | 8       | 16      | 8       | 17      | 49                       | 12.3                   | 4.1                  |
| Lazio                     | Placer Vineyards | Roseville | Lennar Homes            | \$631,949                         | 2,133                            | 5,775                    | 10      | 22      | 13      | 13      | 58                       | 14.5                   | 4.8                  |
| Meadowbrook               | Fiddymont Farm   | Roseville | JMC Homes               | \$975,990                         | 3,153                            | 6,500                    | 2       | 0       | 0       | 0       | 2                        | 0.5                    | 0.2                  |
| Milazzo                   | Amoruso Ranch    | Roseville | D.R. Horton Homes       | \$554,240                         | 1,619                            | 3,200                    | 6       | 14      | 25      | 17      | 62                       | 15.5                   | 5.2                  |
| Molise                    | Placer Vineyards | Roseville | Lennar Homes            | \$533,490                         | 1,550                            | 4,725                    | 22      | 9       | 15      | 10      | 56                       | 14.0                   | 4.7                  |
| Northbrook                | Fiddymont Farm   | Roseville | JMC Homes               | \$633,323                         | 1,502                            | 4,500                    | 1       | 14      | 10      | 3       | 28                       | 7.0                    | 2.3                  |
| Pinnacle                  | Solaire          | Roseville | Beazer Homes            | \$607,990                         | 2,170                            | 4,050                    | 5       | 9       | 4       | 8       | 26                       | 6.5                    | 2.2                  |
| Sagebrook                 | Fiddymont Farm   | Roseville | JMC Homes               | \$797,490                         | 2,339                            | 5,500                    | 14      | 21      | 0       | 22      | 57                       | 14.3                   | 4.8                  |
| Seasons                   | Amoruso Ranch    | Roseville | Richmond American Homes | \$691,200                         | 2,537                            | 6,000                    | 17      | 6       | --      | --      | 23                       | 11.5                   | 3.8                  |
| Seasons at Sierra Vista   | Sierra Vista     | Roseville | Richmond American Homes | \$594,799                         | 2,128                            | 4,275                    | 20      | 26      | 7       | 8       | 61                       | 15.3                   | 5.1                  |
| Sentinel Village          | Sierra Vista     | Roseville | JMC Homes               | \$719,990                         | 1,961                            | 5,775                    | 3       | 12      | 3       | 0       | 18                       | 4.5                    | 1.5                  |
| Summerfield               | Sierra Vista     | Roseville | Woodside Homes          | \$578,190                         | 1,881                            | 3,000                    | 11      | 4       | 2       | 4       | 21                       | 5.3                    | 1.8                  |
| Tapestry                  | Amoruso Ranch    | Roseville | Richmond American Homes | \$814,350                         | 3,182                            | 6,000                    | 13      | 12      | --      | --      | 25                       | 12.5                   | 4.2                  |
| Tesoro                    | Amoruso Ranch    | Roseville | Brookfield Residential  | \$842,209                         | 3,234                            | 5,500                    | 8       | --      | --      | --      | 8                        | 8.0                    | 2.7                  |
| Valley Oaks -- Parks      | Campus Oaks      | Roseville | The New Home Company    | \$831,375                         | 2,803                            | 5,250                    | 6       | 12      | 5       | 9       | 32                       | 8.0                    | 2.7                  |
| Valley Oaks -- Trails     | Campus Oaks      | Roseville | The New Home Company    | \$1,076,142                       | 3,609                            | 6,300                    | 2       | 5       | 8       | 11      | 26                       | 6.5                    | 2.2                  |
| Verrado                   | Solaire          | Roseville | Beazer Homes            | \$628,657                         | 2,189                            | 4,050                    | 2       | 7       | -1      | 10      | 18                       | 4.5                    | 1.5                  |
| Vibrance                  | Solaire          | Roseville | Tri Pointe Homes        | \$681,363                         | 2,212                            | 3,000                    | 10      | 29      | 1       | 9       | 49                       | 12.3                   | 4.1                  |
| Wildflower                | Winding Creek    | Roseville | Woodside Homes          | \$813,990                         | 2,875                            | 5,500                    | 3       | 12      | 7       | 14      | 36                       | 9.0                    | 3.0                  |
| Willow                    | Winding Creek    | Roseville | Beazer Homes            | \$671,990                         | 2,215                            | 3,600                    | 4       | --      | --      | --      | 4                        | 4.0                    | 1.3                  |
| Windham                   | Sierra West      | Roseville | Lennar Homes            | \$649,240                         | 1,981                            | 3,500                    | 1       | 0       | 15      | 7       | 23                       | 5.8                    | 1.9                  |
| Total                     |                  |           |                         |                                   |                                  |                          | 231     | 305     | 215     | 216     |                          |                        |                      |
| No. of Active Projects    |                  |           |                         |                                   |                                  |                          | 30      | 26      | 24      | 24      |                          |                        |                      |
| Quarterly Pro-Rata        |                  |           |                         |                                   |                                  |                          | 7.7     | 11.7    | 9.0     | 9.0     |                          |                        |                      |
| Monthly Pro-Rata          |                  |           |                         |                                   |                                  |                          | 2.6     | 3.9     | 3.0     | 3.0     |                          |                        |                      |
|                           |                  |           |                         |                                   |                                  |                          |         |         |         | 3.1     | Average Monthly Pro-Rata |                        |                      |
| Source: The Gregory Group |                  |           |                         |                                   |                                  |                          |         |         |         |         |                          |                        |                      |

Source: The Gregory Group

## Resale Pricing

The following table shows historical resale data for more recently built homes (2015 and newer) in the city of Roseville. We restricted our search to lot sizes with less than 8,000 square feet. The resale market is analyzed as a further gauge of buyer demand for housing. Often home buyers are considering housing purchase options that cover both the new home market, as well as the resale market.

| Resales                  |           |                     |                  |                    |                   |               |               |                   |                  |
|--------------------------|-----------|---------------------|------------------|--------------------|-------------------|---------------|---------------|-------------------|------------------|
| Address                  | Sale Date | Living Area<br>(SF) | Sale Price       | Last List<br>Price | Sales<br>Price/SF | Sale/List     | Year Built    | Days on<br>Market | Lot Size<br>(SF) |
| 917 Cosmic Ct            | 7/23/2025 | 2,530               | \$657,000        | \$669,900          | \$260             | 98.07%        | 2021          | 40                | 5,497            |
| 2088 Honey Church Pl     | 7/22/2025 | 2,031               | \$520,000        | \$539,000          | \$256             | 96.47%        | 2015          | 83                | 2,975            |
| 2109 Pleasant Grove Blvd | 7/22/2025 | 1,565               | \$510,000        | \$519,000          | \$326             | 98.27%        | 2019          | 57                | 2,143            |
| 6048 Emerald Park Ln     | 7/21/2025 | 2,244               | \$642,500        | \$650,000          | \$286             | 98.85%        | 2019          | 7                 | 3,920            |
| 5288 Cumberland Dr       | 7/21/2025 | 1,296               | \$453,000        | \$475,000          | \$350             | 95.37%        | 2021          | 36                | 2,461            |
| 2128 Terrawood St        | 7/18/2025 | 1,565               | \$530,000        | \$542,000          | \$339             | 97.79%        | 2021          | 116               | 3,072            |
| 7080 Greenford Way       | 7/17/2025 | 2,464               | \$640,000        | \$649,999          | \$260             | 98.46%        | 2016          | 70                | 6,429            |
| 4072 Newmarket St        | 7/17/2025 | 2,536               | \$775,000        | \$770,000          | \$306             | 100.65%       | 2021          | 21                | 6,116            |
| 1044 Essington Ln        | 7/16/2025 | 1,467               | \$525,000        | \$525,000          | \$358             | 100.00%       | 2018          | 13                | 2,788            |
| 5008 Foxfield Way        | 7/15/2025 | 3,544               | \$899,900        | \$899,900          | \$254             | 100.00%       | 2017          | 74                | 6,656            |
| 1449 Wadsworth Cir       | 7/14/2025 | 2,503               | \$899,990        | \$899,990          | \$360             | 100.00%       | 2021          | 17                | 7,388            |
| 4056 Swing Way           | 7/10/2025 | 3,312               | \$800,000        | \$799,900          | \$242             | 100.01%       | 2021          | 2                 | 6,299            |
| 3113 Jaffrey St          | 7/9/2025  | 2,871               | \$810,000        | \$815,000          | \$282             | 99.39%        | 2019          | 47                | 6,456            |
| 6025 Talmage Way         | 7/8/2025  | 2,042               | \$770,000        | \$769,000          | \$377             | 100.13%       | 2022          | 5                 | 6,439            |
| 1032 Oakbriar Cir        | 7/7/2025  | 1,947               | \$599,900        | \$599,900          | \$308             | 100.00%       | 2016          | 23                | 3,115            |
| 2064 Earthlight Ln       | 7/3/2025  | 2,188               | \$560,000        | \$585,000          | \$256             | 95.73%        | 2020          | 55                | 5,249            |
| 7049 Lakehaven Dr        | 7/3/2025  | 2,001               | \$660,000        | \$655,000          | \$330             | 100.76%       | 2021          | 22                | 5,510            |
| 1073 Makeway St          | 7/1/2025  | 1,486               | \$604,900        | \$609,900          | \$407             | 99.18%        | 2016          | 23                | 6,521            |
| 6032 Duet Way            | 7/1/2025  | 4,357               | \$936,500        | \$936,500          | \$215             | 100.00%       | 2019          | 18                | 6,825            |
| 3153 Adelaide Loop       | 6/30/2025 | 2,578               | \$774,900        | \$774,900          | \$301             | 100.00%       | 2017          | 17                | 5,445            |
| 4600 Peace Lily Ln       | 6/30/2025 | 1,260               | \$545,000        | \$545,000          | \$433             | 100.00%       | 2022          | 64                | 5,384            |
| 7009 Golden Glow Way     | 6/30/2025 | 2,409               | \$660,000        | \$665,000          | \$274             | 99.25%        | 2022          | 21                | 3,999            |
| 9017 Himalaya Way        | 6/30/2025 | 2,190               | \$650,000        | \$659,990          | \$297             | 98.49%        | 2021          | 25                | 3,598            |
| 9096 Quartet Ave         | 6/30/2025 | 2,487               | \$740,000        | \$735,000          | \$298             | 100.68%       | 2020          | 21                | 5,950            |
| 1101 Wind Pl             | 6/25/2025 | 1,864               | \$570,000        | \$570,000          | \$306             | 100.00%       | 2017          | 34                | 2,561            |
| 5170 Castleton Way       | 6/24/2025 | 1,718               | \$595,000        | \$609,888          | \$346             | 97.56%        | 2022          | 15                | 6,303            |
| 5216 Maddux Way          | 6/23/2025 | 2,361               | \$730,000        | \$749,000          | \$309             | 97.46%        | 2018          | 36                | 6,090            |
| 7916 Mount Evans Cir     | 6/20/2025 | 3,129               | \$880,000        | \$899,990          | \$281             | 97.78%        | 2018          | 45                | 7,079            |
| 2161 Somers St           | 6/20/2025 | 1,945               | \$675,000        | \$675,000          | \$347             | 100.00%       | 2019          | 34                | 5,663            |
| 6097 Riding Path Dr      | 6/18/2025 | 1,951               | \$665,000        | \$668,000          | \$341             | 99.55%        | 2021          | 22                | 5,776            |
| 4297 Bob Doyle Dr        | 6/17/2025 | 2,218               | \$600,000        | \$615,000          | \$271             | 97.56%        | 2015          | 21                | 2,705            |
| 2185 Gemini Ln           | 6/16/2025 | 1,445               | \$550,000        | \$560,000          | \$381             | 98.21%        | 2020          | 79                | 5,075            |
| 3161 Adelaide Loop       | 6/16/2025 | 1,994               | \$760,000        | \$765,000          | \$381             | 99.35%        | 2017          | 4                 | 5,445            |
| 5480 Fandango Loop       | 6/12/2025 | 2,427               | \$735,000        | \$749,990          | \$303             | 98.00%        | 2022          | 13                | 6,930            |
| 5112 Wood Way            | 6/11/2025 | 3,129               | \$924,880        | \$924,880          | \$296             | 100.00%       | 2016          | 18                | 6,665            |
| 1312 Oakbriar Cir        | 6/10/2025 | 1,845               | \$605,000        | \$615,000          | \$328             | 98.37%        | 2017          | 55                | 4,365            |
| 1305 Taurus Ln           | 6/9/2025  | 2,650               | \$773,000        | \$798,000          | \$292             | 96.87%        | 2021          | 57                | 6,826            |
| <b>Total Sales</b>       | <b>35</b> | <b>2,259</b>        | <b>\$681,385</b> | <b>\$687,904</b>   | <b>\$312</b>      | <b>98.94%</b> | <b>2019</b>   | <b>34</b>         | <b>5,158</b>     |
|                          |           | <b>(avg.)</b>       | <b>(avg.)</b>    | <b>(avg.)</b>      | <b>(avg.)</b>     | <b>(avg.)</b> | <b>(avg.)</b> | <b>(avg.)</b>     | <b>(avg.)</b>    |

Source: Local Multiple Listing Service (MLS)

## Ability to Pay

Brookfield plans to construct eight floor plans within two product lines ranging in size from 1,840 to 4,066 square feet. In this section, we will examine the ability to pay among prospective buyers for two representative price points of \$655,000 and \$840,000, based on the builder's anticipated pricing. First, we will estimate the required annual household income based on typical mortgage parameters in the subject's market area. Specifically, we will employ a loan-to-value ratio of 80% (down payment of 20%), mortgage interest rate of 7.00%, 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). Property tax payments are accounted for in the analysis as well as homeowner's insurance.

As alluded to above, property tax payments are accounted for in the analysis. Ad valorem taxes are 1.068515% of assessed value. The most significant direct levy payments are related to the proposed CFD bond: the City of Roseville Amoruso CFD No. 1 IA2. According to the RMA, prepared by EPS (dated August 2025), annual special tax levy rates for a typical lot in CFD No. 1 (as of the 2025/26 tax year) for smaller LDR lots is \$3,900 per home/year (or \$325 per home/month) and \$4,800 home/year (or \$400 per home/month) for LDR lots. Additionally, CFD No. 2 and 3 have special tax rates of \$39 and \$34 per home/month, respectively. Please note, we have not taken into account the yearly escalator.

The following table shows the estimate of the annual household income that would be required to afford homes priced at the representative price point.

| Income Required                           | 4,275 SF  | 5,500 SF  |                    |
|-------------------------------------------|-----------|-----------|--------------------|
| Home Price                                | \$655,000 | \$840,000 |                    |
| Loan % of Price (Loan to Value)           | 80%       | 80%       |                    |
| Loan Amount                               | \$524,000 | \$672,000 |                    |
| Interest Rate                             | 7.00%     | 7.00%     |                    |
| Mortgage Payment                          | \$3,486   | \$4,471   |                    |
| Property Taxes                            | \$583     | \$748     | Based on 1.068515% |
| City of Roseville Amoruso Ranch CFD No. 1 | \$323     | \$408     |                    |
| City of Roseville CFD No. 2               | \$39      | \$39      |                    |
| City of Roseville CFD No. 3               | \$34      | \$34      |                    |
| Property Insurance                        | \$136     | \$175     |                    |
| Total Monthly Obligation                  | \$4,602   | \$5,875   |                    |
| Mortgage Payment % of Income              | 40%       | 40%       |                    |
| Monthly Income                            | \$11,504  | \$14,688  |                    |
| Annual Income                             | \$138,048 | \$176,251 |                    |

We have obtained income data from Claritas Spotlight by Environics Analytics, for a 10-mile radius surrounding the subject property, which is considered representative of typical buyers for the subject property. In the following table we show the income brackets within the noted area, along with estimates of the percentage of households able to afford homes priced at the representative price point within each income bracket.



**Household Ability - \$655,000**

| Household Income      | Households    | Percent of Households | Percent Able to Pay | Households    | Households Able to Pay |
|-----------------------|---------------|-----------------------|---------------------|---------------|------------------------|
| < \$15,000            | 24,339        | 14.0%                 | 0.0%                | 0             | 0.0%                   |
| \$15,000 - \$24,999   | 7,593         | 4.4%                  | 0.0%                | 0             | 0.0%                   |
| \$25,000 - \$34,999   | 6,838         | 3.9%                  | 0.0%                | 0             | 0.0%                   |
| \$35,000 - \$49,999   | 7,683         | 4.4%                  | 0.0%                | 0             | 0.0%                   |
| \$50,000 - \$74,999   | 11,487        | 6.6%                  | 0.0%                | 0             | 0.0%                   |
| \$75,000 - \$99,999   | 21,548        | 12.4%                 | 0.0%                | 0             | 0.0%                   |
| \$100,000 - \$124,999 | 21,554        | 12.4%                 | 0.0%                | 0             | 0.0%                   |
| \$125,000 - \$149,999 | 17,849        | 10.2%                 | 47.8%               | 8,533         | 4.9%                   |
| \$150,000 - \$199,999 | 13,790        | 7.9%                  | 100.0%              | 13,790        | 7.9%                   |
| \$200,000 - \$249,999 | 19,702        | 11.3%                 | 100.0%              | 19,702        | 11.3%                  |
| \$250,000 - \$499,999 | 9,912         | 5.7%                  | 100.0%              | 9,912         | 5.7%                   |
| \$500,000+            | <u>11,897</u> | <u>6.8%</u>           | 100.0%              | <u>11,897</u> | <u>6.8%</u>            |
|                       | 174,192       | 100.0%                |                     | 63,834        | 36.6%                  |

**Household Ability - \$840,000**

| Household Income      | Households    | Percent of Households | Percent Able to Pay | Households    | Households Able to Pay |
|-----------------------|---------------|-----------------------|---------------------|---------------|------------------------|
| < \$15,000            | 24,339        | 14.0%                 | 0.0%                | 0             | 0.0%                   |
| \$15,000 - \$24,999   | 7,593         | 4.4%                  | 0.0%                | 0             | 0.0%                   |
| \$25,000 - \$34,999   | 6,838         | 3.9%                  | 0.0%                | 0             | 0.0%                   |
| \$35,000 - \$49,999   | 7,683         | 4.4%                  | 0.0%                | 0             | 0.0%                   |
| \$50,000 - \$74,999   | 11,487        | 6.6%                  | 0.0%                | 0             | 0.0%                   |
| \$75,000 - \$99,999   | 21,548        | 12.4%                 | 0.0%                | 0             | 0.0%                   |
| \$100,000 - \$124,999 | 21,554        | 12.4%                 | 0.0%                | 0             | 0.0%                   |
| \$125,000 - \$149,999 | 17,849        | 10.2%                 | 0.0%                | 0             | 0.0%                   |
| \$150,000 - \$199,999 | 13,790        | 7.9%                  | 47.5%               | 6,550         | 3.8%                   |
| \$200,000 - \$249,999 | 19,702        | 11.3%                 | 100.0%              | 19,702        | 11.3%                  |
| \$250,000 - \$499,999 | 9,912         | 5.7%                  | 100.0%              | 9,912         | 5.7%                   |
| \$500,000+            | <u>11,897</u> | <u>6.8%</u>           | 100.0%              | <u>11,897</u> | <u>6.8%</u>            |
|                       | 174,192       | 100.0%                |                     | 48,061        | 27.6%                  |

**Conclusions**

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

- Building permit activity for single-family residences in Roseville reached a peak in 2017, then fell precipitously the following year, but has been increasing since 2019, with totals surpassing the previous high.
- New home pricing in Roseville has been in a general increasing pattern over the last four years, albeit with a few quarterly dips. The highest new home pricing observed over the last four years was observed in Fourth Quarter 2024.
- According to the Gregory Group, there are currently 35 active new home projects in Roseville.
- Absorption rates within new home projects in West Roseville have ranged from 2.6 to 3.9 sales per month over the past year, with an average of 3.1 sales per month.
- Re-sale homes in West Roseville are transferring at or near the asking price, and the exposure period has averaged 34 days.

- Overall, demand for new homes in the subject's market area remains steady despite historically higher inflation and interest rates compared to years past.

## Property Analysis

### Land Description and Analysis

| Land Description           |                                                                                                                                                       |
|----------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------|
| Land Area (Gross)          | 41.49 acres; 1,807,304 SF                                                                                                                             |
| Land Area (Usable)         | 27.57 acres; 1,200,949 SF                                                                                                                             |
| Primary Street Frontage    | Amoruso Ranch                                                                                                                                         |
| Shape                      | Irregular                                                                                                                                             |
| Corner                     | Yes                                                                                                                                                   |
| Topography                 | Generally level and at street grade                                                                                                                   |
| Drainage                   | No problems reported or observed                                                                                                                      |
| Environmental Hazards      | None reported or observed                                                                                                                             |
| Ground Stability           | No problems reported or observed                                                                                                                      |
| Flood Area Panel Number    | 06061C0910H                                                                                                                                           |
| Date                       | November 2, 2018                                                                                                                                      |
| Zone                       | X                                                                                                                                                     |
| Description                | Outside of 500-year floodplain                                                                                                                        |
| Insurance Required?        | No                                                                                                                                                    |
| Zoning; Other Regulations  |                                                                                                                                                       |
| Zoning Jurisdiction        | City of Roseville                                                                                                                                     |
| Zoning Designation         | RS                                                                                                                                                    |
| Description                | Small Lot Residential                                                                                                                                 |
| Legally Conforming?        | Appears to be legally conforming                                                                                                                      |
| Zoning Change Likely?      | No                                                                                                                                                    |
| Permitted Uses             | The small lot residential district is intended to allow either attached or detached single-family dwellings, and similar and related compatible uses. |
| Other Land Use Regulations | None reported or observed                                                                                                                             |
| Utilities                  |                                                                                                                                                       |
| Service                    | Provider                                                                                                                                              |
| Water                      | City of Roseville                                                                                                                                     |
| Sewer                      | City of Roseville                                                                                                                                     |
| Electricity                | Roseville Electric                                                                                                                                    |
| Natural Gas                | PG&E                                                                                                                                                  |
| Local Phone                | AT&T, Comcast, Wave Broadband                                                                                                                         |

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

## Entitlements

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

| Entitlements                                   |                   |
|------------------------------------------------|-------------------|
| Description                                    | No. of Lots/Homes |
| Completed Single-Family Homes                  | 25                |
| Partially Completed Homes (Under Construction) | 29                |
| Finished Single-Family Lots                    | <u>102</u>        |
| <b>Total</b>                                   | <b>156</b>        |

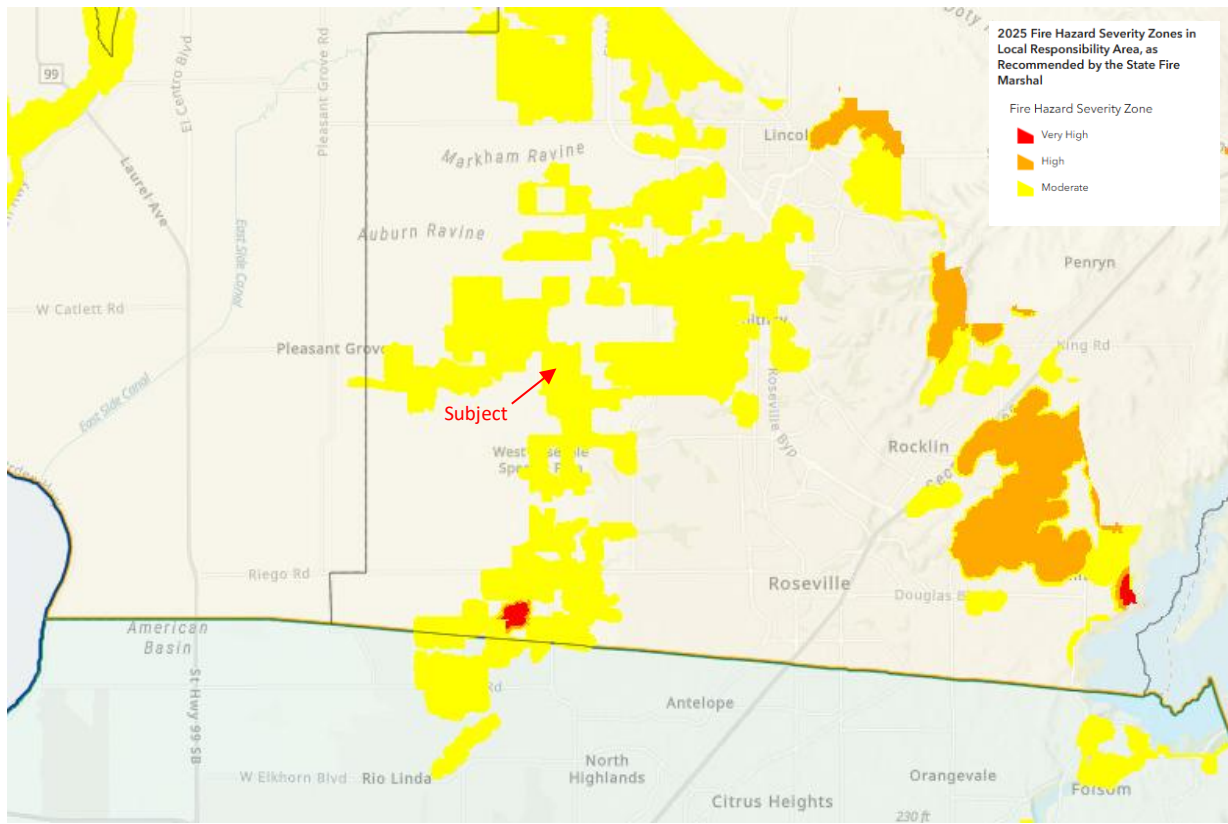
## Seismic Hazards

All properties in California are subject to some degree of seismic risk. The Alquist-Priolo Earthquake Fault Zoning Act was enacted by the State of California in 1972 to regulate development near active earthquake faults. The Act required the State Geologist to delineate “Earthquake Fault Zones” (formerly known as “Special Studies Zones”) along known active faults in California. Cities and counties affected by the identified zones must limit certain development projects within the zones unless geologic investigations demonstrate that the sites are not threatened by surface displacement from future faulting.

According to information from the California Department of Conservation and the California Geological Survey, the subject is not located within an Alquist-Priolo Special Studies Zone. The subject is not located in a liquefaction zone.

## Fire Hazard Risk

The Fire and Resource Assessment Program of CAL FIRE has classified areas of the subject’s County by Fire Hazard Severity Zone. As shown in the following map, the subject’s area has been classified as an area of moderate concern.



Fire zone recommended as of February 10, 2025

### Environmental Hazards

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

### Easements, Encroachments and Restrictions

We have reviewed a preliminary title report prepared by Placer Title Company dated January 14, 2025. The report identifies exceptions to title, which include various utility and access easements that are typical for a property of this type. Such exceptions would not appear to have an adverse effect on value. Our valuation assumes no adverse impacts from easements, encroachments or restrictions and further assumes that the subject has clear and marketable title.

### Permits and Fees

Based on information provided by the developer, permits and fees due at building permit average \$99,890 per lot. These figures are consistent with fees at other projects in the area.

### Site Development Costs

Remaining site development costs for Phase 2A are detailed in the following table:

| <b>Site Development Costs</b>                 |                     |                     |                 |
|-----------------------------------------------|---------------------|---------------------|-----------------|
|                                               | Budgeted Costs      | Spent to Date       | Remaining Costs |
| Grading                                       | \$910,514           | \$910,514           | \$0             |
| Clearing                                      | \$63,665            | \$63,665            | \$0             |
| Fencing                                       | \$22,702            | \$22,702            | \$0             |
| Storm Drain                                   | \$1,928,221         | \$1,928,221         | \$0             |
| Water Quality Management                      | \$228,092           | \$228,092           | \$0             |
| Sewer                                         | \$1,108,978         | \$1,108,978         | \$0             |
| Reclaimed Water                               | \$150,310           | \$150,310           | \$0             |
| Domestic Water                                | \$1,765,702         | \$1,765,702         | \$0             |
| Utility Installation                          | \$1,304,682         | \$1,304,682         | \$0             |
| Street Lighting                               | \$450,696           | \$450,696           | \$0             |
| Electric/Comm/Gas Deposit                     | \$159,654           | \$159,654           | \$0             |
| Refund - Communications                       | -\$125,154          | -\$125,154          | \$0             |
| Refund - Gas                                  | -\$172,580          | \$0                 | (\$172,580)     |
| Paving/Street Improvements                    | \$1,510,526         | \$1,510,526         | \$0             |
| Concrete Improvements                         | \$1,140,023         | \$1,140,023         | \$0             |
| Signing and Striping                          | \$57,845            | \$57,845            | \$0             |
| Repairs                                       | \$100,000           | \$0                 | \$100,000       |
| Landscaping                                   | \$661,540           | \$571,358           | \$90,182        |
| <b>Total Remaining Site Development Costs</b> | <b>\$11,265,416</b> | <b>\$11,247,814</b> | <b>\$17,602</b> |

The \$17,602 in remaining site development costs (\$173 per finished lot) will be accounted for in the valuation of the subject property herein.

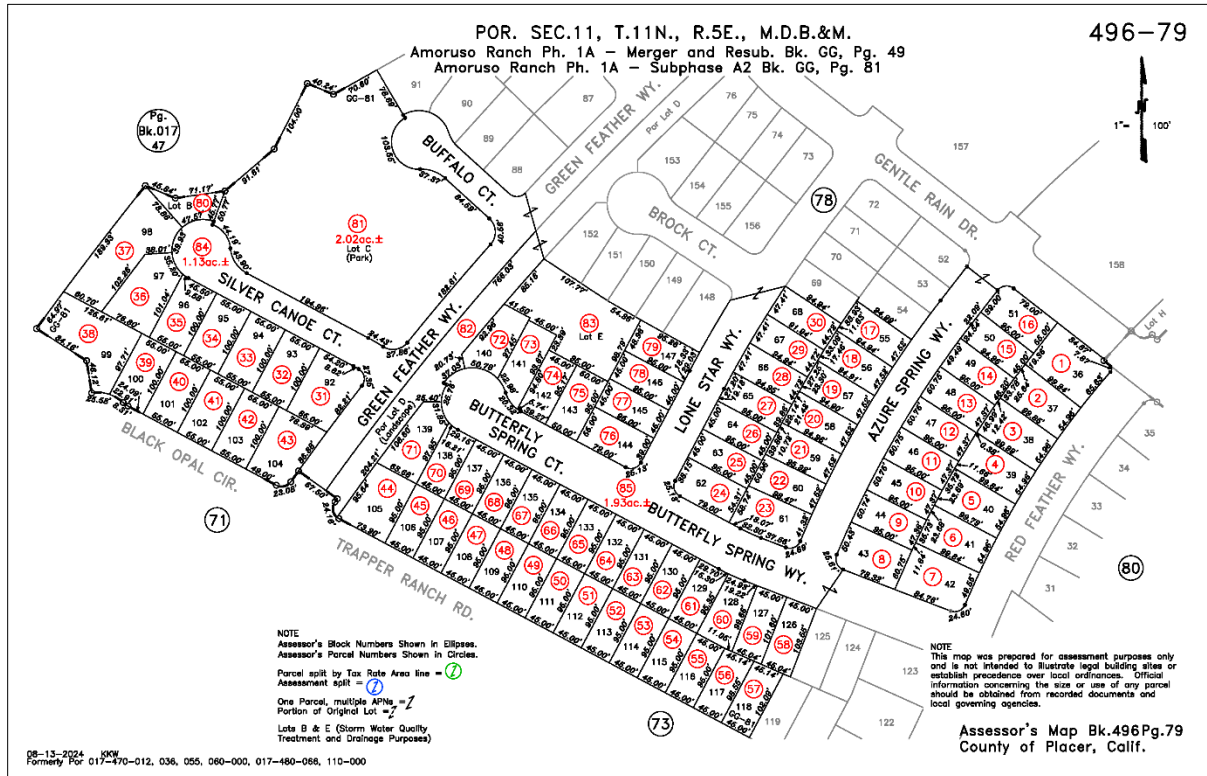
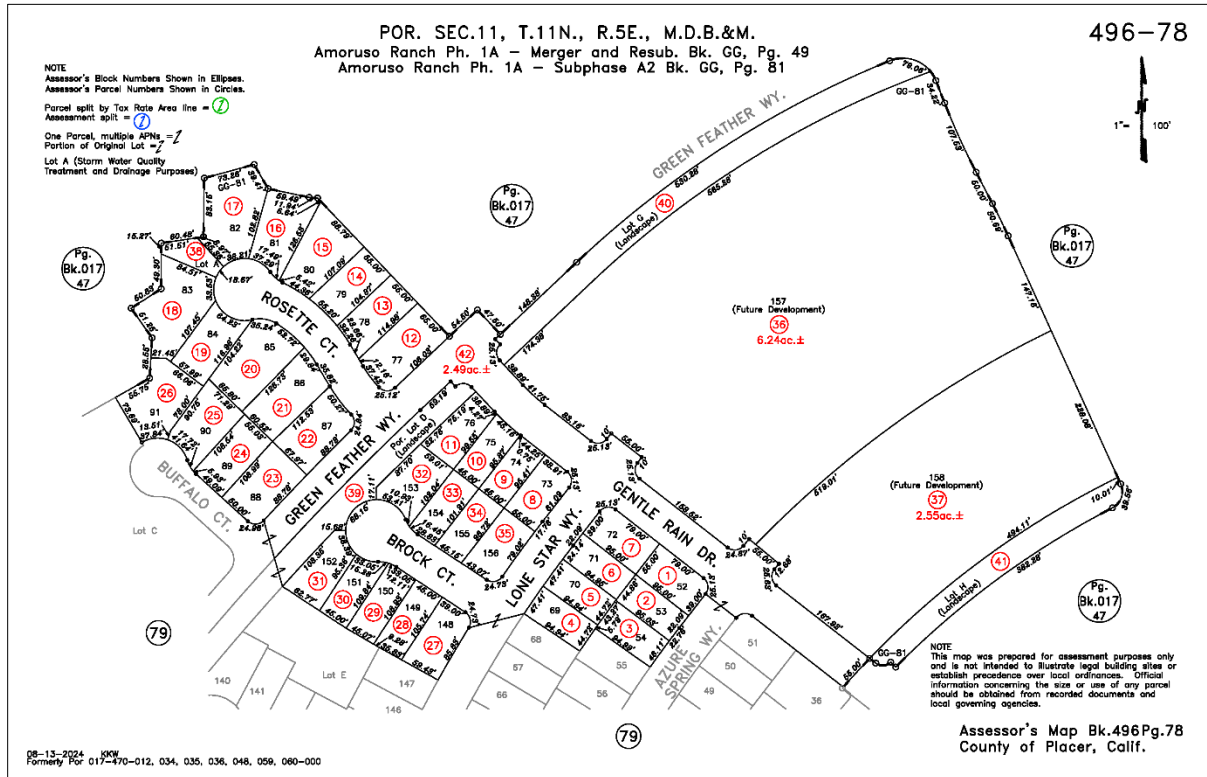
### Conclusion of Site Analysis

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

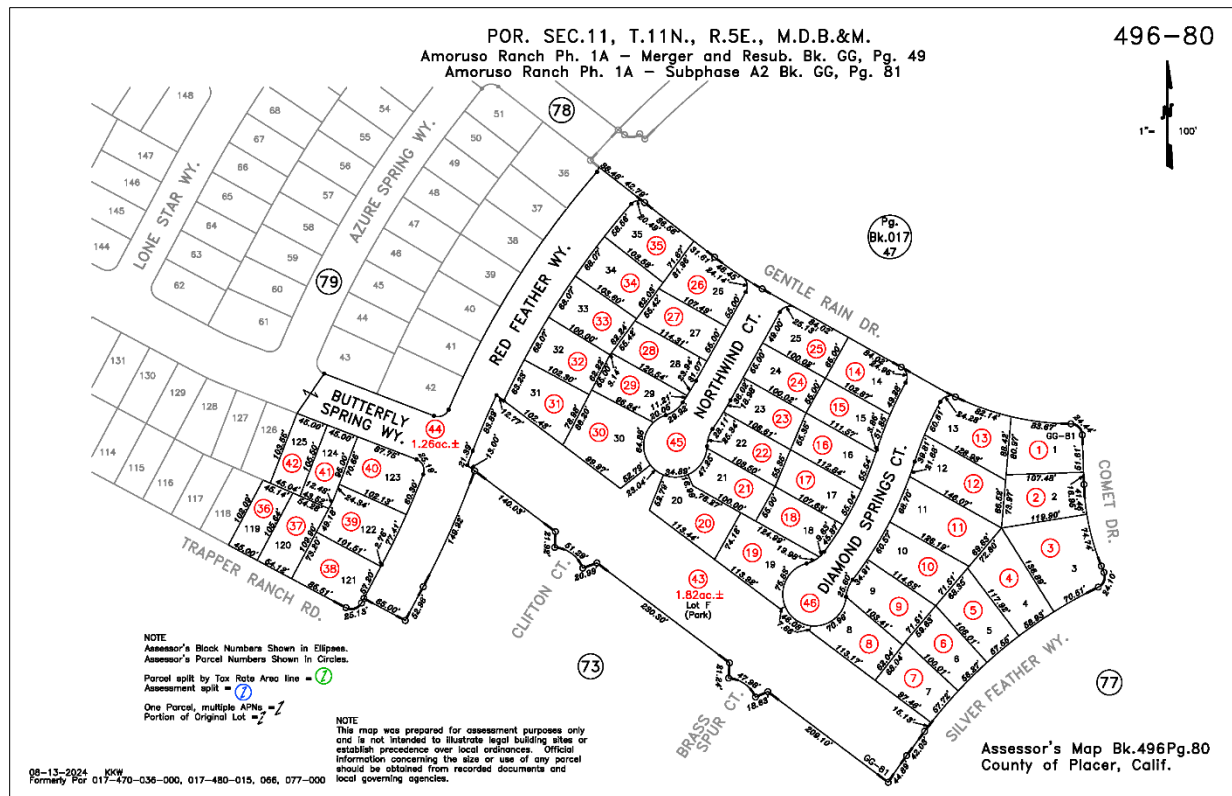
## Boundary Map



## Parcel Maps

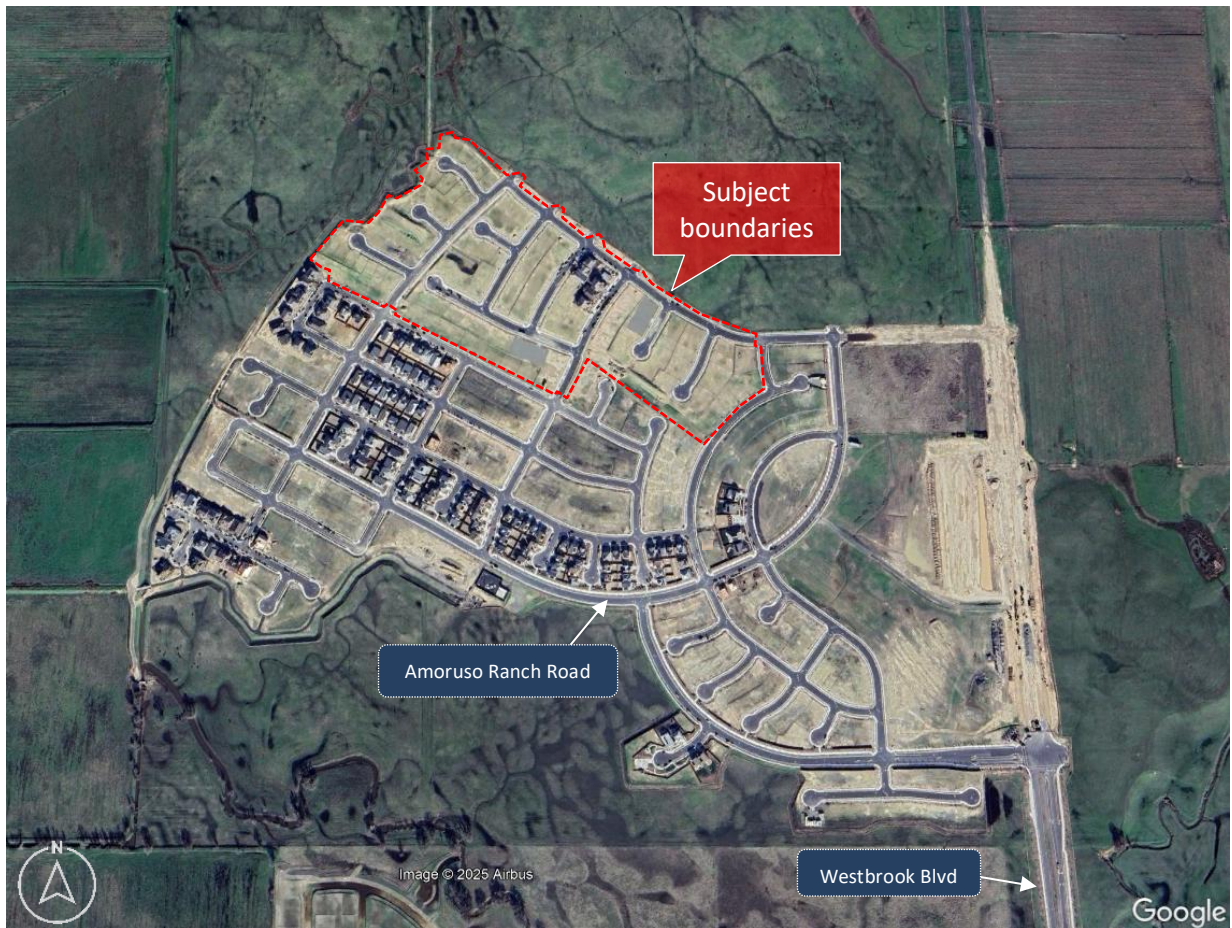










**Aerial**

## Proposed Improvements Description

### Overview

The subject property is being developed by Brookfield Residential, and details of the proposed communities are presented in the following table.

| Floor Plan Summary |                  |         |          |         |        |                       |                        |           |
|--------------------|------------------|---------|----------|---------|--------|-----------------------|------------------------|-----------|
| Project Name       | Living Area (SF) | Bedroom | Bathroom | Stories | Garage | Typical Lot Size (SF) | Developer's Base Price | Comments  |
| <b>Allora</b>      |                  |         |          |         |        |                       |                        |           |
| Residence 1        | 1,840            | 3       | 2.5      | One     | 2-Car  | 4,275                 | \$599,990              |           |
| Residence 2        | 2,184            | 4       | 3.0      | One     | 2-Car  | 4,275                 | \$639,990              |           |
| Residence 3        | 2,309            | 4       | 3.0      | Two     | 2-Car  | 4,275                 | \$659,990              |           |
| Residence 4        | 2,674            | 4       | 3.0      | Two     | 2-Car  | 4,275                 | \$714,460              |           |
| <b>Tesoro</b>      |                  |         |          |         |        |                       |                        |           |
| Residence 1        | 2,339            | 3       | 3.0      | One     | 2-Car  | 5,500                 | \$739,991              |           |
| Residence 2        | 2,925            | 4       | 3.5      | One     | 3-Car  | 5,500                 | \$792,680              |           |
| Residence 3        | 3,606            | 4       | 4.5      | Two     | 3-Car  | 5,500                 | \$849,990              |           |
| Residence 4        | 4,066            | 5       | 5.5      | Two     | 3-Car  | 5,500                 | \$969,370              | Multi-Gen |

The interior finish profile is considered to be of a typical quality for the area, which generally average to good overall quality. The subject's floor plans can be seen on the developer's website.

















## Real Estate Taxes

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

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

### 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 subject has a tax rate of 1.068515% for tax year 2024/25 (latest available), based on assessed value.

### Special Assessments

All of the appraised properties are encumbered by the Special Tax Lien of City of Roseville Amoruso Ranch CFD No. 1 (IA 2) that also increases 2% per year. With respect to special taxes, we have relied upon information provided by the special tax consultant, for the annual special tax levy on the appraised properties, which are shown as follows for tax year 2025/26:

| <b>Special Tax Table (Fiscal Year 2025-26)</b>                                  |                             |                       |
|---------------------------------------------------------------------------------|-----------------------------|-----------------------|
| Land Use Category                                                               | Lot Square Footage Category | Assigned Special Tax* |
| <b>City of Roseville Amoruso Ranch CFD No. 1, IA 2 (Public Facilities)</b>      |                             |                       |
| Low Density Residential (LDR)                                                   | 5,500 SF                    | \$4,896 per unit      |
| Low Density Residential (LDR)                                                   | 4,275 SF                    | \$3,870 per unit      |
| <b>City of Roseville CFD No. 2 (Public Services)</b>                            |                             |                       |
| Medium Density Residential (MDR)                                                |                             | \$471 per unit        |
| Low Density Residential (LDR)                                                   |                             | \$471 per unit        |
| <b>City of Roseville CFD No. 3 (Municipal Services)</b>                         |                             |                       |
| Medium Density Residential (MDR)                                                |                             | \$408 per unit        |
| Low Density Residential (LDR)                                                   |                             | \$408 per unit        |
| <b>Amoruso Ranch CFD No. 1 (Public Infrastructure) Maintenance Special Tax^</b> |                             |                       |
| Low Density Residential (LDR)                                                   | 5,500 SF                    | \$2,400 per unit      |
| Low Density Residential (LDR)                                                   | 4,275 SF                    | \$1,950 per unit      |
| *CFD No. 1 escalates 2% annually; CFD No. 2 & 3 escalate 4% annually            |                             |                       |
| ^Levied after transition Year (2088-89)                                         |                             |                       |
| Source: Rate and Method of Apportionment of Special Taxes                       |                             |                       |

## Highest and Best Use

### Process

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

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

### Highest and Best Use As If Vacant

#### Legally Permissible

The legal factors influencing the highest and best use of the appraised properties are primarily government regulations, such as zoning and building codes. The appraised properties are zoned and approved for single-family residential development. Overall, the legally permissible uses are to develop the appraised properties in accordance with the existing entitlements and land use designations, which have undergone extensive planning and review. A re-zone to any other land use is highly unlikely. Additionally, the above land uses are consistent with the City of Roseville General Plan and the Amoruso Ranch Specific Plan.

#### Physically Possible

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

The physical characteristics of the appraised properties support development. The Amoruso Ranch project has good access and project roadways connect the various lots within the development. Public utilities are available 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 adjacent areas of West Roseville (Fiddymont Farm and Winding Creek) provides support that soils are likely adequate for development. In summary, residential uses are considered physically possible.

#### Financially Feasible

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 for near term construction, and there are multiple active projects in the area that demonstrate demand for new homes. In fact, the 147 acres comprising the balance of the Amoruso Ranch project in Roseville, which is entitled for 430 single-family residential lots, as well as land designated for

multifamily and commercial development, just east of the subject property was recently marketed for sale. Reportedly, the lots may now be in contract to sell; though, the details of the purchase are not yet available. Finished lots are transferring for prices that exceed the sum of unimproved lots and site development costs, which reflects completion of site development is financially feasible.

**Maximally Productive**

Legal, physical and market conditions have been analyzed to evaluate the highest and best use of the appraised properties as vacant. The analysis is presented to evaluate the type of use(s) that will generate the greatest level of future benefits possible to the property. Based on the factors previously discussed, the maximally productive use of the appraised properties, and its highest and best use as vacant, is for near term single-family residential development.

**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 remaining site work and single-family home construction.

**Probable Buyer**

The probable buyer of the subject property as improved and under construction lots is a regional or national merchant home builder. The most probable buyer for the completed (model) homes is an individual homebuyer.

# Valuation

## Valuation Methodology

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

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

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

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

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

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

The methodology employed in this assignment is summarized as follows:

| Approaches to Value            |                          |                   |
|--------------------------------|--------------------------|-------------------|
| Approach                       | Applicability to Subject | Use in Assignment |
| Cost Approach                  | Not Applicable           | Not Utilized      |
| Sales Comparison Approach      | Applicable               | Utilized          |
| Income Capitalization Approach | Not Applicable           | Not Utilized      |

## Market Valuation – Floor Plans

The market value of the subject's smallest floor plans within each product line with a completed home, are estimated in this section.

The objective of the analysis is to estimate the base price, net of incentives, upgrades and lot premiums. Incentives can take the form of direct price reductions or non-price incentives such as upgrades, interest rate buydowns, or non-recurring closing costs. The sales comparison approach to value is employed in order to provide an opinion of market value for the smallest floor plan.

This approach is based on the economic principle of substitution. According to The Appraisal of Real Estate, 15<sup>th</sup> Edition (Chicago: Appraisal Institute, 2020), *"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). Further, we searched the Multiple Listing Service (MLS) for resales of comparable properties. The comparables utilized in the following analysis are from sales within the subject's active communities, sales from surrounding communities, and the MLS.

It's worth noting, for the homes with various options of the number of bedrooms or bathrooms, consistent with the "not-less-than" valuation, we will utilize the lesser of the two options. The floor plans we will be appraising are summarized in the following table.

### Smallest Floor Plan Summary

| Floor Plan | Living Area (SF) | Bedroom | Bathroom | Stories | Garage | Typical Lot Size (SF) | Developer's Base Price |
|------------|------------------|---------|----------|---------|--------|-----------------------|------------------------|
| Allora     | 1,840            | 3       | 2.5      | One     | 2-Car  | 4,275                 | \$599,990              |
| Tesoro     | 2,339            | 3       | 3.0      | One     | 2-Car  | 5,500                 | \$739,991              |

The comparable sales are summarized in the following table.

| Comparable Home Sale Summary |                          |               |            |                 |                  |         |          |        |            |               |
|------------------------------|--------------------------|---------------|------------|-----------------|------------------|---------|----------|--------|------------|---------------|
| No.                          | Address                  | Contract Date | Sale Price | Close of Escrow | Living Area (SF) | Bedroom | Bathroom | Garage | Year Built | Lot Size (SF) |
| 1                            | 3064 Astronomer Way      | 3/19/2025     | \$622,990  | 4/18/2025       | 2,203            | 4       | 3        | 2-Car  | 2025       | 4,426         |
| 2                            | 2017 Quartz Cove Way     | 5/22/2025     | \$568,313  | Pending         | 1,730            | 3       | 2.0      | 2-Car  | 2025       | 4,635         |
| 3                            | 7240 Great Copper Street | 6/6/2025      | \$579,990  | Pending         | 1,989            | 4       | 3.0      | 2-Car  | 2025       | 3,343         |
| 4                            | 7192 Vail Ranch Rd       | 4/23/2025     | \$595,000  | 5/30/2025       | 1,825            | 4       | 2.0      | 2-Car  | 2025       | 5,000         |
| 5                            | 3016 Astronomer Way      | 11/1/2024     | \$599,490  | 3/28/2025       | 1,899            | 3       | 2.0      | 2-Car  | 2025       | 4,469         |
| 6                            | 4056 Molten Creek Way    | 2/16/2025     | \$639,995  | 4/18/2025       | 2,370            | 4       | 3.0      | 2-Car  | 2025       | 3,780         |
| 7                            | 509 Mangrove Pl          | 10/23/2024    | \$619,990  | 3/10/2025       | 1,834            | 3       | 2.0      | 2-Car  | 2025       | 4,050         |
| 8                            | 7113 Vail Ranch Rd       | 4/18/2025     | \$643,490  | 7/18/2025       | 2,311            | 5       | 3.0      | 2-Car  | 2025       | 5,000         |
| 9                            | 9000 Black Opal Cir      | 4/29/2025     | \$685,432  | 7/11/2025       | 2,380            | 4       | 3.0      | 2-Car  | 2025       | 8,161         |

## Discussion of Adjustments

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

| Adjustment Factor                                  | Accounts For                                                                                                                                                                                                                                                                                                                                                                                                          | Comments                                                                                                                                                                                                                            |
|----------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Special Taxes                                      | 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 difference in the bond encumbrance between the subject and comparables based on the annual assessment, and the estimated average holding period of a single-family home, which is estimated at 12 years. | The subject and all of the comparables have a bond encumbrance and are adjusted accordingly.                                                                                                                                        |
| Upgrades and Incentives                            | The objective of the analysis is to estimate the base value per floor plan, net of incentives. Incentives can take the form of direct price reductions or non-price incentives such as upgrades or non-recurring closing costs.                                                                                                                                                                                       | Incentives and upgrades included in the sales have been considered and adjusted for in this analysis.                                                                                                                               |
| Real Property Rights                               | Fee simple, leased fee, leasehold, partial interest, etc.                                                                                                                                                                                                                                                                                                                                                             | All the comparables represent fee simple estate transactions. Therefore, adjustments for property rights are not necessary.                                                                                                         |
| Financing Terms                                    | Seller financing, or assumption of existing financing, at non-market terms.                                                                                                                                                                                                                                                                                                                                           | The comparable sales were cash to the seller transactions and do not require adjustments.                                                                                                                                           |
| Conditions of Sale                                 | Extraordinary motivation of buyer or seller, assemblage, forced sale.                                                                                                                                                                                                                                                                                                                                                 | The comparables did not involve any non-market or atypical conditions of sale. Adjustments for this factor do not apply.                                                                                                            |
| 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                                                                                                                                                                         | Since Spring 2023, the housing market has generally been stronger than expected by homebuilders. Homebuyers that previously were waiting on the sidelines either in anticipation of decreasing home prices, or due to interest rate |

| Adjustment Factor | Accounts For                                                                                                                                                                                                                                                                                                                                                            | Comments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|-------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                   | <p>attention needs to be paid to assess changing market conditions.</p> <p>Significant monthly changes in price levels can occur in several areas of a neighborhood, while prices in other areas remain relatively stable.</p> <p>Although the adjustment for market conditions is often referred to as a time adjustment, time is not the cause of the adjustment.</p> | <p>volatility, are beginning to adjust their budgets to the new higher interest rates as home pricing stabilizes. In addition, low inventory and a tight resale market make new construction more attractive.</p> <p>According to market participants in the spring, absorption rates have remained relatively steady; as such, no adjustments have been applied to the comparable sales.</p>                                                                                                                                                                                                                       |
| Location          | <p>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.</p>                                                                               | <p>All of the comparables are located within West Roseville; as such, no adjustments are required.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Community Appeal  | <p>Community characteristics that may influence sale prices include a gated amenity or the condition of surrounding development.</p>                                                                                                                                                                                                                                    | <p>The subject and most of the comparables have similar community appeal and do not require adjustments. However, some of the comparables are located within the Center Joint Unified School District (CJUSD), which all else being equal, is regarded as less desirable by homeowners when compared to the subject's Roseville City School District (RCSD) and Roseville Joint Union High School District (RJUSD). As such, those located within the CJUSD receive upward adjustments. Please note, while Comparable 9 is located in the CJUSD, its location within a gated community offsets this adjustment.</p> |
| Lot Size          | <p>The lot size adjustment pertains to the differences between the subject's average lot size and</p>                                                                                                                                                                                                                                                                   | <p>Considering the average lot size adjustment factors indicated by the comparable sales utilized in this</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |



| Adjustment Factor          | Accounts For                                                                                                                                                                                                                                                        | Comments                                                                                                                                                                                                |
|----------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                            | 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. | analysis, lot size adjustment factor of \$10.00 /SF is considered reasonable for the subject's residential lots. This figure is supported by observations of sales in the subject's market area.        |
| Lot Premiums/<br>Discounts | Properties sometimes achieve premiums for corner or cul-de-sac positioning, or proximity to open space or views. Adjustments for lot position premiums would be in addition to lot size adjustments previously considered.                                          | Appropriate adjustments are applied based upon lot placement and configuration within their respective projects.                                                                                        |
| Design and Appeal          | Design and appeal of a floor plan is consumer specific. One exterior may appeal to one buyer, while another appeals to a different buyer. These types of features for new homes with similar functional utility are not typically noted in the base sales prices.   | All of the comparables are similar to the subject in regard to design and appeal.                                                                                                                       |
| Quality of<br>Construction | Construction quality can differ from slightly to substantially between projects and is noted in the exterior and interior materials and design features of a standard unit. In terms of quality of construction, the subject represents good construction quality.  | All of the comparable sales feature similar construction quality and do not require adjustments.                                                                                                        |
| Age/Condition              | When comparing resale to resale, the market generally reflects a difference of 1% per year of difference in effective age.                                                                                                                                          | All of the comparable sales represent new construction; thus, no adjustments are required.                                                                                                              |
| Functional Utility         | Ability to adequately provide for its intended purpose.                                                                                                                                                                                                             | The appraised properties and comparables represent traditional detached single-family residential construction on similar lot size categories as the subject. Adjustments for this factor do not apply. |

| Adjustment Factor     | Accounts For                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Comments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|-----------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Room Count            | For similar size units the differences between room count is a buyer preference. One buyer might prefer two bedrooms and a den versus a three-bedroom unit. Extra rooms typically result in additional building area and are accounted for in the size adjustment. Therefore, no adjustments are made for number of total rooms or bedrooms.                                                                                                                                                                                                                                                                                                           | Because bathrooms are a functional item for each floor plan and add substantial cost due to the number of plumbing fixtures, an adjustment is made for the difference in the number of fixtures between the subject and the comparable sales. The adjustment is based on an amount of \$7,500 per fixture (or half-bath) and is supported by cost estimates for an average quality home in the Residential Cost Handbook, published by the Marshall and Swift Corporation. Considering the fact that plumbing upgrades for existing bathrooms generally range from \$5,000 to over \$25,000 for the various fixtures, the \$7,500 per fixture, or half-bath, is supported. Consequently, a factor of \$15,000 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 \$75.00 per square foot is concluded to be appropriate and reasonable for the difference in living area between the subject and the comparables, given the quality of the product.                                                                                                                                                                                                                                                                                                                                                   |

| Adjustment Factor | Accounts For                                                                                                                                                          | Comments                                                                                                                                                                                                                                 |
|-------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Number of Stories | For similar size units, the differences between the number of stories is typically a buyer preference. One buyer might prefer a single-story versus a two-story unit. | In current market conditions, single story floor plans typically demand a slight premium; as such, an adjustment of 3% is applied for story differences.                                                                                 |
| Parking/Garage    | Number of garage spaces                                                                                                                                               | The subject's floor plans offer two-car garages. Our survey of local real estate professionals indicates a premium value of approximately \$15,000 for a full garage space and approximately half, or \$7,500, for tandem garage spaces. |
| Landscaping       | Included landscaping                                                                                                                                                  | The subject and all of the comparables include only front yard landscaping.                                                                                                                                                              |
| Fireplace(s)      | Number of included fireplaces                                                                                                                                         | A factor of \$8,000 per fireplace is utilized in our analysis.                                                                                                                                                                           |

### Adjustment Grids

The following pages include grids reflecting the aforementioned adjustments.

| Allora                               |                  |                      |              |                          |           |                    |                      |             |                                     |             |
|--------------------------------------|------------------|----------------------|--------------|--------------------------|-----------|--------------------|----------------------|-------------|-------------------------------------|-------------|
| Project Information                  | Subject Property |                      | Comparable 2 | Comparable 3             |           | Comparable 4       | Comparable 5         |             | Comparable 7                        |             |
| Project Name                         | Amoruso Ranch    | Seasons              |              | Summerfield              |           | Aviara             | Verrado II @ Solaire |             | Inspiration Village at Sierra Vista |             |
| Plan                                 | Allora           | Peridot              |              | Dahlia                   |           | Plan 1825          | Plan 1               |             | Plan 1834                           |             |
| Address/Lot Number                   |                  | 2017 Quartz Cove Way |              | 7240 Great Copper Street |           | 7192 Vail Ranch Rd | 3016 Astronomer Way  |             | 509 Mangrove Pl                     |             |
| City/Area                            | Roseville        | Roseville            |              | Roseville                |           | Roseville          | Roseville            |             | Roseville                           |             |
| Price                                | N/Ap             |                      | \$568,313    |                          | \$579,990 |                    | \$595,000            |             | \$599,490                           | \$619,990   |
| Price Per SF                         | N/Ap             | \$328.50             |              | \$291.60                 |           | \$326.03           | \$315.69             |             | \$338.05                            |             |
| Special Taxes (12-year hold at 4.5%) | \$32,827         |                      | \$16,423     |                          | \$16,760  |                    | \$32,827             | \$25,696    |                                     | \$18,857    |
| Adjustment                           |                  |                      | -\$16,404    |                          | -\$16,067 |                    | \$0                  | -\$7,131    |                                     | -\$13,970   |
| Adjusted Price (Including Bonds)     |                  |                      | \$551,909    |                          | \$563,923 |                    | \$595,000            | \$592,359   |                                     | \$606,020   |
| Total Consideration per SF           |                  | \$319.02             |              | \$283.52                 |           | \$326.03           | \$311.93             |             | \$330.44                            |             |
| Data Source                          |                  | MLS                  |              | MLS                      |           | MLS                | MLS                  |             | MLS                                 |             |
| Incentives                           | N/Ap             | No                   | \$0          | No                       | \$0       | No                 | \$0                  | No          | \$0                                 | No          |
| Upgrades                             | Base             | No                   | \$0          | No                       | \$0       | No                 | \$0                  | No          | \$0                                 | No          |
| Effective Base Sales Price           |                  |                      | \$551,909    |                          | \$563,923 |                    | \$595,000            | \$592,359   |                                     | \$606,020   |
| Adjustments:                         | Factor           | 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                    |                  |                      |              |                          |           |                    |                      |             |                                     |             |
| Contract Date                        | 9/10/2025        | 5/22/2025            |              | 6/6/2025                 |           | 4/23/2025          |                      | 11/1/2024   |                                     | 10/23/2024  |
| Project Location                     | Roseville        | Roseville            |              | Roseville                |           | Roseville          |                      | Roseville   |                                     | Roseville   |
| Community Appeal                     | Average          | Inferior             | \$16,557     | Inferior                 | \$16,918  | Similar            |                      | Inferior    | \$17,771                            | Similar     |
| Lot Size                             | \$10.00          | 4,275                | 4,635        | 3,343                    | \$9,320   | 5,000              | (\$7,250)            | 4,469       | (\$1,943)                           | 4,050       |
| Lot Premium                          | N/Ap             | Similar              | Similar      | Similar                  |           | Similar            | Similar              | Similar     |                                     | Similar     |
| Design and Appeal                    | Average          | Similar              | Similar      | Similar                  |           | Similar            | Similar              | Similar     |                                     | Similar     |
| Quality of Construction              | Good             | Similar              | Similar      | Similar                  |           | Similar            | Similar              | Similar     |                                     | Similar     |
| Age (Total/Effective)                | New              | Similar              | Similar      | Similar                  |           | Similar            | Similar              | Similar     |                                     | Similar     |
| Condition                            | Good/New         | Similar              | Similar      | Similar                  |           | Similar            | Similar              | Similar     |                                     | Similar     |
| Functional Utility                   | Average          | Similar              | Similar      | Similar                  |           | Similar            | Similar              | Similar     |                                     | Similar     |
| Room Count                           |                  |                      |              |                          |           |                    |                      |             |                                     |             |
| Bedrooms                             | 3                | 3                    |              | 4                        |           | 4                  |                      | 3           |                                     | 3           |
| Baths                                | \$15,000         | 2.5                  | 2.0          | \$7,500                  | 3.0       | (\$7,500)          | 2.0                  | \$7,500     | 2.0                                 | \$7,500     |
| Living Area (SF)                     | \$75.00          | 1,840                | 1,730        | \$8,250                  | 1,989     | (\$11,175)         | 1,825                | \$1,125     | 1,899                               | (\$4,425)   |
| Number of Stories                    | One              | One                  |              | Two                      |           | One                |                      | One         |                                     | One         |
| Heating/Cooling                      | Central/Forced   | Similar              | Similar      | Similar                  |           | Similar            | Similar              | Similar     |                                     | Similar     |
| Garage                               | \$15,000         | 2-Car                | 2-Car        | 2-Car                    |           | 2-Car              |                      | 2-Car       |                                     | 2-Car       |
| Landscaping                          | Front            | Similar              | Similar      | Similar                  |           | Similar            | Similar              | Similar     |                                     | Similar     |
| Pool/Spa                             | None             | Similar              | Similar      | Similar                  |           | Similar            | Similar              | Similar     |                                     | Similar     |
| Patios/Decks                         | Patio            | Similar              | Similar      | Similar                  |           | Similar            | Similar              | Similar     |                                     | Similar     |
| Fencing                              | Rear             | Similar              | Similar      | Similar                  |           | Similar            | Similar              | Similar     |                                     | Similar     |
| Fireplace(s)                         | \$8,000          | None                 | None         | None                     |           | None               |                      | None        |                                     | None        |
| Kitchen Equipment                    | Average          | Similar              | Similar      | Similar                  |           | Similar            | Similar              | Similar     |                                     | Similar     |
| Solar                                | None             | Similar              | Similar      | Similar                  |           | Similar            | Similar              | Similar     |                                     | Similar     |
| Gross Adjustments                    |                  |                      | \$35,907     |                          | \$61,830  |                    | \$15,875             |             | \$31,638                            | \$10,200    |
| Net Adjustments                      |                  |                      | \$28,707     |                          | \$24,480  |                    | \$1,375              |             | \$18,903                            | \$10,200    |
| Adjusted Retail Value                |                  |                      | \$580,616    |                          | \$588,403 |                    | \$596,375            |             | \$611,262                           | \$616,220   |
| Concluded Retail Value               |                  |                      | \$600,000    |                          |           |                    |                      |             |                                     |             |
| Indicated Value Per SF               |                  |                      | \$326.09     |                          |           |                    |                      |             |                                     |             |

| Tesoro                               |                  |                      |          |                         |          |                    |         |                          |         |
|--------------------------------------|------------------|----------------------|----------|-------------------------|----------|--------------------|---------|--------------------------|---------|
| Project Information                  | Subject Property | Comparable 1         |          | Comparable 6            |          | Comparable 8       |         | Comparable 9             |         |
| Project Name                         | Amoruso Ranch    | Verrado II @ Solaire |          | Seasons at Sierra Vista |          | Aviara             |         | Seasons at Amoruso Ranch |         |
| Plan                                 | Tesoro           | Plan 2               |          | Pearl                   |          | Plan 2311          |         | Elderberry               |         |
| Address/Lot Number                   |                  | 3064 Astronomer Way  |          | 4056 Molten Creek Way   |          | 7113 Vail Ranch Rd |         | 9000 Black Opal Cir      |         |
| City/Area                            | Roseville        | Roseville            |          | Roseville               |          | Roseville          |         | Roseville                |         |
| Price                                | N/Ap             | \$622,990            |          | \$639,995               |          | \$643,490          |         | \$685,432                |         |
| Price Per SF                         | N/Ap             | \$282.79             |          | \$270.04                |          | \$278.45           |         | \$288.00                 |         |
| Special Taxes (12-year hold at 4.5%) | \$44,645         | \$12,538             |          | \$16,760                |          | \$32,827           |         | \$39,210                 |         |
| Adjustment                           |                  | -\$32,107            |          | -\$27,885               |          | -\$11,818          |         | -\$5,435                 |         |
| Adjusted Price (Including Bonds)     |                  | \$590,883            |          | \$612,110               |          | \$631,672          |         | \$679,997                |         |
| Total Consideration per SF           |                  | \$268.22             |          | \$258.27                |          | \$273.33           |         | \$285.71                 |         |
| Data Source                          |                  | MLS                  |          | MLS                     |          | MLS                |         | MLS                      |         |
| Incentives                           | N/Ap             | No                   |          | No                      |          | No                 |         | No                       |         |
| Upgrades                             | Base             | No                   |          | No                      |          | No                 |         | No                       |         |
| Effective Base Sales Price           |                  | \$590,883            |          | \$612,110               |          | \$631,672          |         | \$679,997                |         |
| 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                    |                  |                      |          |                         |          |                    |         |                          |         |
| Contract Date                        |                  | 9/10/2025            |          | 2/16/2025               |          | 4/18/2025          |         | 4/29/2025                |         |
| Project Location                     |                  | Roseville            |          | Roseville               |          | Roseville          |         | Roseville                |         |
| Community Appeal                     |                  | Average              | Inferior | \$29,544                | Inferior | \$30,606           | Similar | Similar                  |         |
| Lot Size                             | \$10.00          | 5,500                | 4,426    | \$10,740                | 3,780    | \$17,200           | 5,000   | \$5,000                  | 8,161   |
| Lot Premium                          |                  | N/Ap                 | 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                    | 4        |                         | 4        |                    | 5       |                          | 4       |
| Baths                                | \$15,000         | 3.0                  | 3.0      | \$0                     | 3.0      | \$0                | 3.0     | \$0                      | 3.0     |
| Living Area (SF)                     | \$75.00          | 2,339                | 2,203    | \$10,200                | 2,370    | (\$2,325)          | 2,311   | \$2,100                  | 2,380   |
| Number of Stories                    |                  | One                  | Two      | \$17,727                | Two      | \$18,363           | Two     | \$18,950                 | Two     |
| Heating/Cooling                      |                  | Central/Forced       | Similar  |                         | Similar  |                    | Similar |                          | Similar |
| Garage                               | \$15,000         | 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)                         | \$8,000          | None                 | None     |                         | None     |                    | None    |                          | None    |
| Kitchen Equipment                    |                  | Average              | Similar  |                         | Similar  |                    | Similar |                          | Similar |
| Other                                |                  | None                 | Similar  |                         | Similar  |                    | Similar |                          | Similar |
| Gross Adjustments                    |                  |                      |          | \$68,211                |          | \$68,494           |         | \$26,050                 |         |
| Net Adjustments                      |                  |                      |          | \$68,211                |          | \$63,844           |         | \$26,050                 |         |
| Adjusted Retail Value                |                  |                      |          | \$659,094               |          | \$675,954          |         | \$657,722                |         |
| Concluded Retail Value               |                  |                      |          | \$670,000               |          |                    |         |                          |         |
| Indicated Value Per SF               |                  |                      |          | \$286.45                |          |                    |         |                          |         |

## Conclusion of Home Values

Based on the analysis herein, the market value conclusions for the homes are summarized in the following table.

| <b>Floor Plan Value Conclusions</b> |                     |         |          |         |        |                          |                                |
|-------------------------------------|---------------------|---------|----------|---------|--------|--------------------------|--------------------------------|
| Floor Plan                          | Living<br>Area (SF) | Bedroom | Bathroom | Stories | Garage | Typical Lot<br>Size (SF) | Concluded Base<br>Retail Value |
| Allora                              | 1,840               | 3       | 2.5      | One     | 2-Car  | 4,275                    | <b>\$600,000</b>               |
| Tesoro                              | 2,339               | 3       | 3.0      | One     | 2-Car  | 5,500                    | <b>\$670,000</b>               |

## Residential Lot Valuation

### Benchmark Lot Valuation

The typical lot sizes of the subject lots range from 4,275 to 5,500 square feet; as such, we will utilize a benchmark lot size of 5,500 square feet, and a count of 73 lots.

We will utilize the sales comparison approach and an extraction technique to estimate the market value of the lots for the benchmark lot category. The estimate of value assumes the lots would sell on a bulk, or wholesale, basis. That is, a group of lots would transfer in one transaction to a single buyer.

Later in this report, we apply a lot size adjustment factor to account for differing lot sizes amongst the subject lots.

### Sales Comparison Approach

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

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

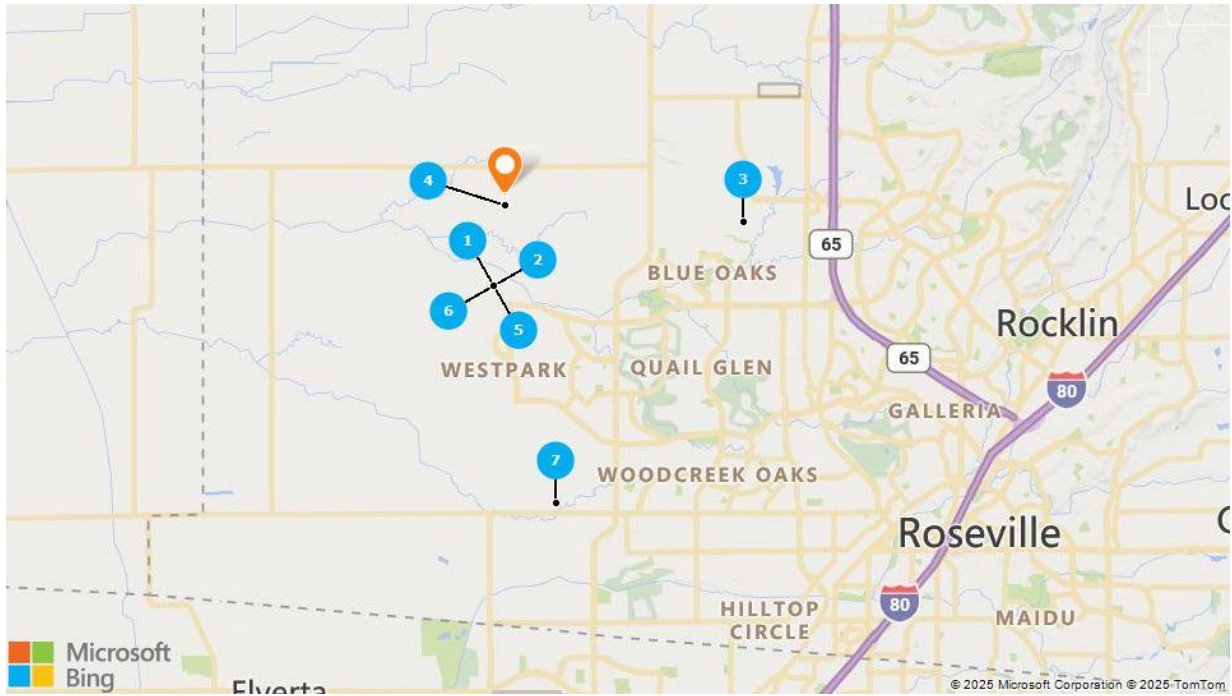
On the following page, we have arrayed comparable sales that have occurred in West Roseville. The summary table is accompanied by a map and followed by details of each comparable. The basis of analysis is price per lot. The comparable data includes finished and unimproved transactions (with adjustments for remaining site costs applied to the unimproved transactions).

## Summary of Comparable Land Sales

| No.                                                                          | Name/Address                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Sale Date;<br>Status | Sale Price; Bond<br>Consideration/Lot | Typical Lot<br>Size | Number of Lots | \$/Lot    | Expenditures After<br>Purchase |
|------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|---------------------------------------|---------------------|----------------|-----------|--------------------------------|
| 1                                                                            | Winding Creek - Village C-7<br>E/O Westbrook Blvd., N/O Blue Oaks Blvd.<br>Roseville<br>Placer County<br>Comments: This comparable represents the sale of 74 finished lots with a typical lot size of 5,250 square feet. Permits & fees average \$92,423 per lot and annual special assessments are \$3,237 per lot. The purchase price is in addition to a Master Marketing Fee of 0.75% of HUD Purchase Price which is to be paid in connection with each home closing.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Nov-24<br>Closed     | \$17,200,000<br>\$6,600               | 5,250               | 74             | \$232,432 | \$92,423                       |
| 2                                                                            | Winding Creek - Villages C-6 & C-8<br>E/O Westbrook Blvd., N/O Blue Oaks Blvd.<br>Roseville<br>Placer County<br>Comments: This comparable represents the sale of 80 finished lots with a typical lot size of 4,050 square feet. Permits & fees average \$92,423 per lot and annual special assessments are \$3,237 per lot. The purchase price is in addition to a Master Marketing Fee of 0.75% of HUD Purchase Price which is to be paid in connection with each home closing.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Nov-24<br>Closed     | \$15,280,000<br>\$8,600               | 4,050               | 80             | \$191,000 | \$92,423                       |
| 3                                                                            | Villages 12/13 - Phase 1B Placer One<br>Foothills Blvd.<br>Placer County<br>Comments: 141 residential lots with a typical lot size of 5,011 square feet sold in bluetop condition for \$150,213 per lot. The property was purchased by a land bank, who subsequently went under contract to Pulte Homes. The site development costs to bring the lots to finished condition is estimated at \$54,246 per lot. Permits and fees are estimated at \$80,000 per lot. We were not provided with an estimated bond encumbrance. Therefore, based on a survey of surrounding properties, it is estimated the subject would have a bond encumbrance of \$3,000 per lot. The purchase price is in addition to a Master Marketing Fee of 0.50% of the purchase price in connection with the closing of each individual home.                                                                                                                                                                      | Nov-24<br>Closed     | \$21,180,000<br>\$6,222               | 5,011               | 141            | \$150,213 | \$134,246                      |
| 4                                                                            | Amoruso Ranch - Phase 1 (AR-4, 5, 6, 11, 34, 35)<br>Amoruso Ranch Rd.<br>Roseville<br>Placer County<br>Comments: This transaction represents the sale of 138 finished LDR lots with an average lot size of 6,000 square feet. Permits & fees average \$90,758 per lot and annual special taxes are \$4,300 per lot.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Dec-23<br>Closed     | \$28,980,000<br>\$6,222               | 6,000               | 138            | \$210,000 | \$90,758                       |
| 5                                                                            | Winding Creek - Village C-5<br>W/O Westbrook Blvd., N/O Blue Oaks Blvd.<br>Roseville<br>Placer County<br>Comments: This comparable represents the sale of 74 finished lots with a typical lot size of 5,000 square feet. Permits & fees average \$92,423 per lot and annual special assessments are \$3,111 per lot. The purchase price is in addition to a Master Marketing Fee of 0.75% of HUD Purchase Price which is to be paid in connection with each home closing. The lots are located in RCSD/RJUHSD.                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Apr-23<br>Closed     | \$10,730,000<br>\$5,972               | 5,000               | 74             | \$145,000 | \$92,423                       |
| 6                                                                            | Winding Creek - Village C-9<br>E/O Westbrook Blvd., N/O Blue Oaks Blvd.<br>Roseville<br>Placer County<br>Comments: This comparable represents the sale of 97 finished lots with a typical lot size of 5,500 square feet. Permits & fees average \$92,423 per lot and annual special assessments are \$3,111 per lot. The southern lots are anticipated to achieve open space premiums as they are adjacent to Pleasant Grove Creek. The purchase price is in addition to a Master Marketing Fee of 0.75% of HUD Purchase Price which is to be paid in connection with each home closing.                                                                                                                                                                                                                                                                                                                                                                                                 | Apr-23<br>Closed     | \$16,005,000<br>\$3,128               | 5,500               | 97             | \$165,000 | \$92,423                       |
| 7                                                                            | Torrente<br>Sierra Village Dr.<br>Roseville<br>Placer County<br>Comments: This comparable represents the sale of 159 paper lots (115 LDR lots with a typical lot size of 6,000 square feet, 44 MDR lots with a typical lot size of 3,402 square feet) with a tentative map in place. Backbone infrastructure costs total \$6,734,500 (\$42,355 per lot). However, the Developer is entitled to a combination of reimbursements and fee credits through various municipal programs as part of development agreements to construct certain public infrastructure that benefits more than just the Torrente project. As such, the net backbone costs are \$22,432 per lot; in-tract costs are \$77,493 per lot (total construction costs of \$99,925). Net permits and fees due at building permit average \$64,020 per LDR lot, and \$55,044 per MDR lot (weighted average of \$61,536). These lots are located within the CIUSD. The special assessment are estimated at \$2,986 per lot. | Apr-22<br>Closed     | \$16,000,000<br>\$3,330               | 5,280               | 159            | \$100,629 | \$161,461                      |
| <b>Subject</b><br>City of Roseville Amoruso CFD No. 1, IA 2<br>Roseville, CA |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                      |                                       | 5,500               | 73             |           |                                |



## Comparable Land Sales Map





Sale 1  
Winding Creek - Village C-7



Sale 2  
Winding Creek - Villages C-6 & C-8



Sale 3  
Villages 12/13 - Phase 1B Placer One



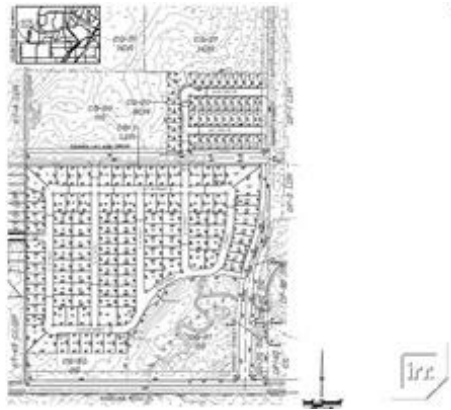
Sale 4  
Amoruso Ranch - Phase 1 (AR-4, 5, 6, 11, 34, 35)



Sale 5  
Winding Creek - Village C-5



Sale 6  
Winding Creek - Village C-9



Sale 7  
Torrente

## Analysis and Adjustment of Sales

The sales are compared to the subject and adjusted to account for material differences that affect value. The adjustment process is typically applied through either quantitative or qualitative analysis, or a combination of the two. Quantitative adjustments are often developed as dollar or percentage amounts and are most credible when there is sufficient data to perform a paired sales analysis.

This analysis relies on qualitative adjustments, with adjustments being characterized as being slightly superior/inferior, superior/inferior, or significantly superior/inferior, where approximate percent adjustments would be assigned as follows:

### Qualitative Adjustment Summary

| Adjustment    | Identification | General Percent of |          |
|---------------|----------------|--------------------|----------|
|               |                | Adjustment Ranges  |          |
| Sig. Inferior | +++            | 11%                | to 20+%  |
| Inferior      | ++             | 6%                 | to 10%   |
| Sl. Inferior  | +              | 1%                 | to 5%    |
| Similar       |                | 0%                 |          |
| Sl. Superior  | -              | -1%                | to -5%   |
| Superior      | --             | -6%                | to -10%  |
| Sig. Superior | ---            | -11%               | to -20+% |

While we present percentage adjustments in the above table for comparison purposes, they are based on qualitative judgment rather than empirical research as there is not sufficient data to develop a sound quantitative estimate.

As a result of the limited data present in the market, many of the adjustments require the appraiser's experience and knowledge of the market and information obtained from those knowledgeable and active in the marketplace. Additionally, many of the adjustments are subjective and reflect the premiums and discounts a typical buyer would most likely assign for differing attributes between the comparables and the subject property.

Our rating of each comparable sale in relation to the subject is the basis for the adjustments. If the comparable is superior to the subject, its sale price is adjusted downward to reflect the subject's relative attributes; if the comparable is inferior, its price is adjusted upward.

## Adjustment Factors

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

| Adjustment Factor | Accounts For                                                                                         | Comments                                       |
|-------------------|------------------------------------------------------------------------------------------------------|------------------------------------------------|
| Costs to Finish   | Remaining site development costs (if any) as well as a permits and fees due upon building permit are | All adjustments are accounted for accordingly. |

| Adjustment Factor         | Accounts For                                                                                                  | Comments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|---------------------------|---------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                           | included on a dollar-for-dollar basis, all of which are presumed to be an obligation of the merchant builder. |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Bond Encumbrance          | The present value of the special taxes or the assessment lien are considered.                                 | If applicable, we consider the annual special tax over a typical market holding period (2 years).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Real Property Rights      | Fee simple, leased fee, leasehold, partial interest, etc.                                                     | All the comparables represent fee simple estate transactions. Therefore, adjustments for property rights are not necessary.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Financing Terms           | Seller financing, or assumption of existing financing, at non-market terms.                                   | All of the comparables are all cash or cash to seller transactions and do not warrant an adjustment.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Conditions of Sale        | Extraordinary motivation of buyer or seller, assemblage, forced sale.                                         | All of the comparables are market transactions and do not warrant an adjustment for conditions of sale.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Market Conditions         | Changes in the economic environment over time that affect the appreciation and depreciation of real estate.   | Home values increased significantly leading up to the first quarter of 2022, when mortgage interest rates began a steady increase from historical lows (below 3%) to over 7%. While some price appreciation was offset by rising construction costs (materials) and labor shortages during the pandemic, construction costs have since moderated. As the inventory of available new homes continues to deplete, and demand remains strong, despite the higher interest rates, home prices appear to be stabilizing and increasing. As such, we have applied a market conditions adjustment to Comparables 5 through 7. |
| Location/Community Appeal | Market or submarket area influences on sale price; surrounding land use influences.                           | Overall community appeal is considered good. As observed by the number of transactions within the past 24 months, South Placer County is a highly desirable submarket for single-family                                                                                                                                                                                                                                                                                                                                                                                                                                |

| Adjustment Factor       | Accounts For                                                                                                                                                                      | Comments                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|-------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                         |                                                                                                                                                                                   | residential lots. The subject and all of the comparables are located within similar areas of West Roseville and do not require adjustment.                                                                                                                                                                                                                                                                                                                                  |
| Number of Lots          | Generally, there is an inverse relationship between the number of lots and price per lot such that larger projects (with a greater number of lots) achieve a lower price per lot. | Typically, 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                | Adjustments for differences in lot size between the comparables and subject are considered.                                                                                       | Comparables 2, which has a discernably smaller lot size relative to the subject's benchmark lot size of 5,500 square feet, is adjusted upward.                                                                                                                                                                                                                                                                                                                              |
| Shape and Topography    | Primary physical factors that affect desirability of lots.                                                                                                                        | The subject property is considered to have average utility. Each of the comparables are considered to offer similar site utility as the subject and no additional adjustment for this characteristic are required.                                                                                                                                                                                                                                                          |
| Lot Premiums/ Discounts | Primary physical factors that affect desirability of lots.                                                                                                                        | Neither the subject nor any of the comparables benefit from view or significant open space premiums; as such, no adjustments are required.                                                                                                                                                                                                                                                                                                                                  |
| School District         | The market has demonstrated preference for certain school districts, which are reflected within home sale prices.                                                                 | The subject lots and most of the comparables are located within the Roseville City School District (RCSD) and Roseville Joint Union High School District (RJUSD) and no adjustments are required. However, Comparable 7 is located within the Center Joint Unified School District (CJUSD), which, all else being equal, is regarded as less desirable by homeowners compared to the subject's Roseville City school district. As such, this comparable is adjusted upward. |

The following table summarizes the adjustments we make to the comparable sales.

| Land Sales Adjustment Grid    |                                              |                                                |                                                |                                            |                                                        |                                                |                                                |                    |
|-------------------------------|----------------------------------------------|------------------------------------------------|------------------------------------------------|--------------------------------------------|--------------------------------------------------------|------------------------------------------------|------------------------------------------------|--------------------|
|                               | Subject                                      | Comparable 1                                   | Comparable 2                                   | Comparable 3                               | Comparable 4                                           | Comparable 5                                   | Comparable 6                                   | Comparable 7       |
| Name                          | City of Roseville<br>Amoruso CFD No. 1, IA 2 | Winding Creek -<br>Village C-7                 | Winding Creek -<br>Villages C-6 & C-8          | Villages 12/13 -<br>Phase 1B Placer<br>One | Amoruso Ranch -<br>Phase 1 (AR-4, 5, 6,<br>11, 34, 35) | Winding Creek -<br>Village C-5                 | Winding Creek -<br>Village C-9                 | Torrente           |
| Address                       | NW/O Amoruso<br>Ranch Rd.                    | E/O Westbrook<br>Blvd., N/O Blue<br>Oaks Blvd. | E/O Westbrook<br>Blvd., N/O Blue<br>Oaks Blvd. | Foothills Blvd.                            | Amoruso Ranch<br>Rd.                                   | W/O Westbrook<br>Blvd., N/O Blue<br>Oaks Blvd. | E/O Westbrook<br>Blvd., N/O Blue<br>Oaks Blvd. | Sierra Village Dr. |
| City                          | Roseville                                    | Roseville                                      | Roseville                                      | Placer County                              | Roseville                                              | Roseville                                      | Roseville                                      | Roseville          |
| County                        | Placer                                       | Placer                                         | Placer                                         | Placer                                     | Placer                                                 | Placer                                         | Placer                                         | Placer             |
| Sale Date                     |                                              | Nov-24                                         | Nov-24                                         | Nov-24                                     | Dec-23                                                 | Apr-23                                         | Apr-23                                         | Apr-22             |
| Sale Status                   |                                              | Closed                                         | Closed                                         | Closed                                     | Closed                                                 | Closed                                         | Closed                                         | Closed             |
| Sale Price                    |                                              | \$17,200,000                                   | \$15,280,000                                   | \$21,180,000                               | \$28,980,000                                           | \$10,730,000                                   | \$16,005,000                                   | \$16,000,000       |
| Number of Lots                | 73                                           | 74                                             | 80                                             | 141                                        | 138                                                    | 74                                             | 97                                             | 159                |
| Price per Lot                 |                                              | \$232,432                                      | \$191,000                                      | \$150,213                                  | \$210,000                                              | \$145,000                                      | \$165,000                                      | \$100,629          |
| Expenditures After Purchase   |                                              | \$92,423                                       | \$92,423                                       | \$134,246                                  | \$90,758                                               | \$92,423                                       | \$92,423                                       | \$161,461          |
| Bond Consideration            |                                              | \$6,474                                        | \$6,474                                        | \$6,000                                    | \$8,600                                                | \$6,222                                        | \$6,222                                        | \$5,972            |
| <b>Price per Lot (Loaded)</b> |                                              | <b>\$331,329</b>                               | <b>\$289,897</b>                               | <b>\$290,459</b>                           | <b>\$309,358</b>                                       | <b>\$243,645</b>                               | <b>\$263,645</b>                               | <b>\$268,062</b>   |
| Property Rights               |                                              | Fee Simple                                     | Fee Simple                                     | Fee Simple                                 | Fee Simple                                             | Fee Simple                                     | Fee Simple                                     | Fee Simple         |
| Ranking                       |                                              | —                                              | —                                              | —                                          | —                                                      | —                                              | —                                              | —                  |
| Financing Terms               |                                              | Cash to seller                                 | Cash to seller                                 | Cash to seller                             | Cash to seller                                         | Cash to seller                                 | Cash to seller                                 | Cash to seller     |
| Adjustment                    |                                              | —                                              | —                                              | —                                          | —                                                      | —                                              | —                                              | —                  |
| Conditions of Sale            |                                              | Arm's-length                                   | Arm's-length                                   | Arm's-length                               | Arm's-length                                           | Arm's-length                                   | Arm's-length                                   | Arm's-length       |
| Adjustment                    |                                              | —                                              | —                                              | —                                          | —                                                      | —                                              | —                                              | —                  |
| Market Conditions             | 9/10/2025                                    | Nov-24                                         | Nov-24                                         | Nov-24                                     | Dec-23                                                 | Apr-23                                         | Apr-23                                         | Apr-22             |
| Adjustment                    |                                              | —                                              | —                                              | —                                          | —                                                      | Inferior                                       | Inferior                                       | Inferior           |
| Location/Community            | Roseville                                    | Roseville                                      | Roseville                                      | Placer County                              | Roseville                                              | Roseville                                      | Roseville                                      | Roseville          |
| Adjustment                    |                                              | —                                              | —                                              | —                                          | —                                                      | —                                              | —                                              | —                  |
| Number of Lots                | 73                                           | 74                                             | 80                                             | 141                                        | 138                                                    | 74                                             | 97                                             | 159                |
| Adjustment                    |                                              | —                                              | —                                              | —                                          | —                                                      | —                                              | —                                              | —                  |
| Typical Lot Size              | 5,500                                        | 5,250                                          | 4,050                                          | 5,011                                      | 6,000                                                  | 5,000                                          | 5,500                                          | 5,280              |
| Adjustment                    |                                              | —                                              | Inferior                                       | —                                          | —                                                      | —                                              | —                                              | —                  |
| Shape and Topography          | Average                                      | Average                                        | Average                                        | Average                                    | Average                                                | Average                                        | Average                                        | Average            |
| Adjustment                    |                                              | —                                              | —                                              | —                                          | —                                                      | —                                              | —                                              | —                  |
| Lot Premiums/Discounts        | Average                                      | Average                                        | Average                                        | Average                                    | Average                                                | Average                                        | Average                                        | Average            |
| Adjustment                    |                                              | —                                              | —                                              | —                                          | —                                                      | —                                              | —                                              | —                  |
| School District               | RCSD/RJUHSD                                  | RCSD/RJUHSD                                    | RCSD/RJUHSD                                    | RCSD/RJUHSD                                | RCSD/RJUHSD                                            | RCSD/RJUHSD                                    | RCSD/RJUHSD                                    | CJUSD              |
| Adjustment                    |                                              | —                                              | —                                              | —                                          | —                                                      | —                                              | —                                              | Inferior           |
| <b>Overall Ranking</b>        |                                              | <b>Similar</b>                                 | <b>Inferior</b>                                | <b>Similar</b>                             | <b>Similar</b>                                         | <b>Inferior</b>                                | <b>Inferior</b>                                | <b>Inferior</b>    |

### Land Value Conclusion

The comparables reflect a range of sales prices of \$100,629 to \$232,432 per lot. The wide disparity in the unadjusted range is largely attributable to lot condition at time of sale (unimproved lots, partially improved lots and improved lots), as well as differences in permits and fees and bond encumbrances. After accounting for remaining site development costs, permits and fees and bond encumbrances, the comparables exhibit a loaded lot range of \$243,645 to \$331,329 per loaded lot. The following table summarizes the loaded lot values (unadjusted) and our conclusion of loaded lot value for the subject property.

| <b>Bulk Lot Ranking Summary</b> |           |                                |                |
|---------------------------------|-----------|--------------------------------|----------------|
| Comparable                      | Sale Date | \$/ Loaded Lot<br>(Unadjusted) | Net Adjustment |
| 5                               | Apr-23    | \$243,645                      | Inferior       |
| 6                               | Apr-23    | \$263,645                      | Inferior       |
| 7                               | Apr-22    | \$268,062                      | Inferior       |
| 2                               | Nov-24    | \$289,897                      | Inferior       |
| 3                               | Nov-24    | \$290,459                      | Similar        |
| <b>Subject</b>                  | --        | <b>\$300,000</b>               | --             |
| 4                               | Dec-23    | \$309,358                      | Similar        |
| 1                               | Nov-24    | \$331,329                      | Similar        |

As shown, the loaded lot value indicator for the subject property is estimated to be generally similar to Comparables 1, 3 and 4, and higher than the balance of the data set. Based on the previous analysis a loaded lot indicator of \$300,000 per lot appears reasonable. Deducting the subject's average permits and fees due at building permit (\$99,890 per lot), yields a lot value for the subject property of \$200,110 (\$200,000 per lot, rounded), as calculated below.

| <b>Conclusion of Value: Sales Comparison Approach</b> |                   |
|-------------------------------------------------------|-------------------|
| Concluded Loaded Lot Value                            | \$300,000         |
| Less: Permits & Fees                                  | <u>(\$99,890)</u> |
| Estimated Finished Lot Value                          | \$200,110         |
| Rounded                                               | \$200,000         |



## Extraction Analysis

As support for the estimate of finished lot value concluded in the sales comparison approach, 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 finished lot value. The elements of the extraction technique are discussed below.

## Revenue

The benchmark lot has a typical lot size of 5,500 square feet. Based on the Residential Market section of this report and considering current asking prices, we estimate a typical average-sized home on the subject would contain approximately 2,750 square feet and would have a corresponding base price of \$745,000 . This estimate will be utilized in the extraction analysis.

## Expense Projections

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

| Subdivision Budgets      |             |              |         |                     |                  |                    |                          |                 |                   |                            |                |                     |                |                     |
|--------------------------|-------------|--------------|---------|---------------------|------------------|--------------------|--------------------------|-----------------|-------------------|----------------------------|----------------|---------------------|----------------|---------------------|
| Developer Classification | Budget Date | No. of Units | Quality | Avg. Home Size (SF) | Typical Lot Size | G & A % of Revenue | Mkt & Sales % of Revenue | Direct Costs/SF | Indirect Costs/SF | Indirect % of Direct Costs | Site Costs/Lot | Permits & Fees/Unit | Cost per Model | Profit % of Revenue |
| National                 | 2025        | 108          | Average | 1,926               | 4,260            | 5.0%               | 5.0%                     | \$115.00        | N/Av              | N/Av                       | \$94,168       | \$58,485            | \$50,000       | 18.00%              |
| National                 | 2025        | 55           | Average | 3,131               | 6,300            | N/Av               | N/Av                     | \$89.90         | N/Av              | N/Av                       | \$72,436       | \$82,900            | N/Av           | N/Av                |
| National                 | 2025        | 177          | Average | 1,992               | 4,763            | N/Av               | N/Av                     | \$78.50         | \$9.69            | 12.3%                      | \$146,377      | \$71,100            | N/Av           | N/Av                |
| National                 | 2024        | 71           | Average | 1,877               | 2,900            | 2.7%               | N/Av                     | \$104.00        | \$12.69           | 12.21%                     | N/Av           | \$60,710            | N/Av           | 12.28%              |
| National                 | 2024        | 107          | Good    | 3,626               | 9,000            | 2.0%               | 1.0%                     | \$104.58        | N/Av              | N/Av                       | N/Av           | \$89,819            | N/Av           | N/Av                |
| National                 | 2024        | 862          | Average | 2,056               | 5,280            | N/Av               | N/Av                     | \$99.56         | N/Av              | N/Av                       | \$161,203      | \$60,400            | N/Av           | N/Av                |
| National                 | 2024        | 236          | Average | 1,500               | 5,940            | 6.0%               | 6.0%                     | \$119.00        | N/Av              | N/Av                       | \$131,355      | \$42,660            | N/Av           | N/Av                |
| Regional                 | 2024        | 39           | Average | 1,948               | 5,850            | 2.5%               | 2.5%                     | \$122.54        | \$11.00           | 8.97%                      | \$126,628      | \$82,717            | N/Av           | 14.50%              |
| National                 | 2024        | 276          | Average | 1,820               | 3,000            | 2.7%               | 2.7%                     | \$93.38         | N/Av              | N/Av                       | N/Av           | \$48,101            | N/Av           | 19.20%              |
| National                 | 2024        | 184          | Average | 2,098               | 2,746            | 4.5%               | 4.5%                     | \$92.00         | \$11.44           | 12.43%                     | \$98,293       | \$28,400            | N/Av           | 19.00%              |
| Regional                 | 2024        | 87           | Average | 2,290               | 5,200            | N/Av               | N/Av                     | \$115.00        | N/Av              | N/Av                       | N/Av           | \$59,832            | \$325,000      | 8.13%               |
| National                 | 2024        | 120          | Average | 2,170               | 3,825            | 3.5%               | 3.5%                     | \$129.00        | N/Av              | N/Av                       | \$88,501       | \$63,700            | N/Av           | 13.00%              |
| National                 | 2024        | 85           | Average | 2,147               | 4,800            | N/Av               | 4.5%                     | \$95.47         | \$9.78            | 10.24%                     | N/Av           | \$96,000            | N/Av           | N/Av                |
| National                 | 2024        | 89           | Average | 2,135               | 7,200            | N/Av               | N/Av                     | \$88.55         | N/Av              | N/Av                       | \$76,390       | \$66,100            | N/Av           | N/Av                |
| National                 | 2024        | 129          | Average | 2,707               | 6,200            | N/Av               | N/Av                     | \$83.18         | N/Av              | N/Av                       | \$139,940      | \$54,600            | \$37,814       | N/Av                |
| National                 | 2023        | 19           | Good    | 3,165               | 6,720            | N/Av               | N/Av                     | \$115.00        | \$10.93           | 9.50%                      | \$216,684      | \$69,000            | N/Av           | 12.0%               |
| National                 | 2023        | 606          | Average | 2,267               | 5,784            | N/Av               | N/Av                     | \$109.88        | N/Av              | N/Av                       | \$145,000      | \$50,798            | N/Av           | N/Av                |
| National                 | 2023        | 435          | Average | 2,779               | 6,096            | N/Av               | N/Av                     | \$100.15        | N/Av              | N/Av                       | \$120,000      | \$84,203            | N/Av           | N/Av                |
| Local                    | 2023        | 31           | Good    | 2,560               | 3,695            | 2.5%               | 4.0%                     | \$137.00        | \$6.85            | 5.00%                      | N/Av           | \$43,610            | N/Av           | 7.0%                |
| National                 | 2023        | 106          | Average | 1,733               | 3,825            | 6.0%               | 6.0%                     | \$120.00        | \$3.00            | 2.50%                      | \$80,547       | \$52,187            | N/Av           | N/Av                |
| Local                    | 2023        | 46           | Average | 1,411               | 3,400            | N/Av               | N/Av                     | \$130.00        | \$18.00           | 13.85%                     | \$94,565       | \$38,000            | N/Av           | N/Av                |
| Local                    | 2023        | 53           | Average | 2,900               | 6,750            | 3.5%               | 3.0%                     | \$85.53         | \$16.67           | 19.49%                     | \$125,482      | \$64,861            | N/Av           | 12.0%               |
| National                 | 2023        | 85           | Average | 1,844               | 3,000            | N/Av               | N/Av                     | \$96.00         | N/Av              | N/Av                       | \$65,855       | \$48,588            | N/Av           | N/Av                |
| Regional                 | 2023        | 55           | Good    | 3,359               | 7,150            | N/Av               | N/Av                     | \$117.00        | N/Av              | N/Av                       | \$229,608      | \$51,500            | N/Av           | N/Av                |
| National                 | 2023        | 202          | Average | 2,342               | 7,250            | N/Av               | N/Av                     | \$72.06         | \$11.06           | 15.35%                     | \$76,242       | \$73,000            | N/Av           | N/Av                |
| National                 | 2023        | 276          | Average | 2,220               | 7,200            | N/Av               | N/Av                     | \$74.96         | \$11.09           | 14.79%                     | \$83,185       | \$32,800            | \$80,339       | N/Av                |
| Regional                 | 2023        | 52           | Average | 2,607               | 6,200            | N/Av               | 5.80%                    | \$101.86        | \$6.86            | 6.73%                      | \$164,076      | \$73,595            | N/Av           | 10.06%              |
| National                 | 2023        | 177          | Average | 2,112               | 7,200            | N/Av               | N/Av                     | \$77.91         | \$9.73            | 12.49%                     | \$110,669      | \$61,700            | N/Av           | N/Av                |
| National                 | 2023        | 573          | Average | 2,327               | 5,232            | N/Av               | N/Av                     | \$99.86         | N/Av              | 2.50%                      | \$126,003      | \$98,422            | N/Av           | 20.00%              |
| National                 | 2022        | 150          | Average | 2,092               | 5,500            | N/Av               | N/Av                     | \$92.11         | N/Av              | N/Av                       | \$72,875       | \$51,700            | N/Av           | 20.5%               |
| National                 | 2022        | 96           | Average | 2,346               | 7,350            | N/Av               | N/Av                     | \$79.46         | N/Av              | N/Av                       | \$124,544      | \$68,647            | \$164,265      | N/Av                |
| Minimum                  |             |              |         |                     |                  |                    |                          | \$72.06         |                   |                            |                |                     |                |                     |
| Maximum                  |             |              |         |                     |                  |                    |                          | \$137.00        |                   |                            |                |                     |                |                     |
| Average                  |             |              |         |                     |                  |                    |                          | \$101.24        |                   |                            |                |                     |                |                     |

Information from the survey above will contribute to the estimate of development expenses classified as follows.

### **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.

Market participants indicate that current direct costs generally range from \$80 to \$150 per square foot and vary according to builder type and home sizing. Consequently, based on the cost comparables, a direct cost estimate of \$85.00 per square foot is applied to the 2,750 square foot home.

Regarding indirect costs, the following list itemizes some of the typical components that generally comprise indirect costs:

- Architectural and engineering fees for plans, plan checks, surveys and environmental studies
- Appraisal, consulting, accounting and legal fees
- The cost of carrying the investment in land and contract payments during construction. If the property is financed, the points, fees or service charges and interest on construction loans are considered
- All-risk insurance
- The cost of carrying the investment in the property after construction is complete, but before sell-out is achieved
- Developer fee earned by the project coordinator
- Interest reserve

Conversations with homebuilders indicate the indirect costs generally range anywhere from 10% to 30% of the direct costs (excluding marketing, sales, general and administrative expenses, taxes, which are accounted for separately). The indirect costs in the static residual (extraction) analysis must

capture the additional cost factors segregated in the discounted cash flow, such as property taxes, special taxes and the effects of time value of money; thus, in this analysis, indirect costs of 25.0% is considered reasonable for the subject.

### **Permits and Fees**

As noted, permits and fees due at building permit are projected to average \$99,890 per lot.

### **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 8.13% to 20.5%. 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
- Construction of horizontal improvements are underway
- Steady pricing and steady absorption in the area

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.). The prior table at the beginning of the Expense Projections discussion includes survey results for profit expectations of active home builders in the region.

Based on the preceding discussion and developer surveys, we have concluded an estimate of 12% for developer's incentive.

### **Conclusion**

Our estimate of finished lot value for the subject's lots via the extraction analysis is presented as follows:

---

**Extraction**


---

**Revenue**

|                         |       |    |           |
|-------------------------|-------|----|-----------|
| Average Floor Plan Size | 2,750 | SF |           |
| Typical Home Price      |       |    | \$745,000 |

**Expense Projections**

|                            |          |                 |                  |
|----------------------------|----------|-----------------|------------------|
| G & A Cost @               | 3.0%     | of Retail Value | \$22,350         |
| Marketing/Sales @          | 6.0%     | of Retail Value | \$44,700         |
| Average Direct Costs @     | \$85.00  | /SF             | \$233,750        |
| Indirect Cost @            | 25.0%    | of Direct Cost  | \$58,438         |
| Permits and Fees Due at BP | \$99,890 | /Lot            | \$99,890         |
| Developer's Incentive      | 12%      | of Home Price   | \$89,400         |
|                            |          |                 | <u>\$548,528</u> |

Residual Lot Value: \$196,473

Rounded: \$196,000

## Reconciliation of Lot Value

The concluded estimates of lot value via each approach are shown on the following table. In our opinion, both approaches to value are considered to be good indicators of value and are given equal emphasis in our conclusion. We conclude a finished lot value as follows:

| Reconciliation of Finished Lot Value |                            |
|--------------------------------------|----------------------------|
| Sales Comparison Approach            | \$200,000 per finished lot |
| Extraction Analysis                  | \$196,000 per finished lot |
| % Difference                         | 2.04%                      |
| Average                              | \$198,000                  |
| Concluded Finished Lot Value         | \$198,000 per finished lot |

The subject has one additional lot category, 4,275 square feet. In consideration of paired sales analyses and sales agent interviews regarding premiums achieved for home sales when isolating lot size, a lot size adjustment factor of \$12 per square foot of difference in lot area is applied to the benchmark lot values. In the following table, adjustments for differences in lot size are made to the above-concluded benchmark typical lot and applied to the subject's additional lot size categories.

| Conclusion of Lot Values |       |             |                       |          |                     |                     |                         |              |
|--------------------------|-------|-------------|-----------------------|----------|---------------------|---------------------|-------------------------|--------------|
| Large Lot No.            | Phase | No. of Lots | Typical Lot Size (SF) | Land Use | Benchmark Lot Value | Lot Size Adjustment | Adjusted Lot Value (Rd) | Acreage      |
| AR-7                     | A2    | 13          | 5,500                 | LDR      | \$198,000           | \$0                 | \$198,000               | 3.12         |
| AR-14                    | A3    | 40          | 4,275                 | LDR      | \$198,000           | (\$14,700)          | \$183,000               | 5.76         |
| AR-14                    | A4    | 3           | 5,500                 | LDR      | \$198,000           | \$0                 | \$198,000               |              |
| AR-15                    | A5    | 43          | 4,275                 | LDR      | \$198,000           | (\$14,700)          | \$183,000               | 6.72         |
| AR-15                    | A6    | 7           | 5,500                 | LDR      | \$198,000           | \$0                 | \$198,000               |              |
| AR-27                    | A7    | 10          | 5,500                 | LDR      | \$198,000           | \$0                 | \$198,000               | 2.4          |
| AR-31                    | A8    | 25          | 5,500                 | LDR      | \$198,000           | \$0                 | \$198,000               | 4.4          |
| AR-46                    | A9    | 15          | 5,500                 | LDR      | \$198,000           | \$0                 | \$198,000               | 2.74         |
| <b>TOTAL</b>             |       | <b>156</b>  |                       |          |                     |                     |                         | <b>25.14</b> |

To arrive at the market value by ownership, we apply the previously concluded finished lot value to the homes under construction because we do not consider any contributory value related to structural improvements. However, consideration is given to the building permits and impact fees (\$99,890 per lot) remitted to the City for the homes under construction. Additionally, the remaining site development costs (\$173 per lot) will be subtracted from each finished lot.

## Market Value by Ownership

In this section, the previously concluded market values will be allocated to each ownership group comprising the appraised properties in order to provide a market value of the appraised properties by ownership and parcel.

The appraised properties consist of 102 improved residential lots, 29 homes under construction, 15 completed/unsold homes, six model homes, and four completed/sold homes to individual homeowners. Market values for the floor plans developed within the District are assigned to the 25 completed homes held by individual homeowners and the merchant builder.

In light of the fact the merchant builder has 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. Please note, 7 of the 15 completed homes are under contract and pending to homeowners; as such, no additional discounting is necessary.

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 Amoruso Ranch CFD No. 1 (IA 2) bonds, as of the date of value, September 10, 2025, are presented in the following table.

| Market Value by Ownership                                      |                |               |                        |                                     |                              |                     |
|----------------------------------------------------------------|----------------|---------------|------------------------|-------------------------------------|------------------------------|---------------------|
|                                                                | No. of<br>Lots | Value per Lot | Permits & Fees<br>Paid | Remaining Site<br>Development Costs | Value per<br>Component (Rd.) | Market Value (Rd.)  |
| <b>Individual Homeowners</b>                                   |                |               |                        |                                     |                              |                     |
| Completed Homes                                                |                |               |                        |                                     |                              |                     |
| Tesoro                                                         | 3              | \$670,000     | --                     | --                                  | \$670,000                    | \$2,010,000         |
| Allora                                                         | <u>1</u>       | \$600,000     | --                     | --                                  | \$600,000                    | <u>\$600,000</u>    |
| <b>Total - Individual Homeowners</b>                           | <b>4</b>       |               |                        |                                     |                              | <b>\$2,610,000</b>  |
| <b>Brookfield Sacramento HB, LLC.</b>                          |                |               |                        |                                     |                              |                     |
| Completed Homes                                                |                |               |                        |                                     |                              |                     |
| Tesoro                                                         | 8              | \$670,000     | --                     | --                                  | \$670,000                    | \$5,360,000         |
| Allora                                                         | 7              | \$600,000     | --                     | --                                  | \$600,000                    | \$4,200,000         |
| Homes Under Construction                                       |                |               |                        |                                     |                              |                     |
| Tesoro                                                         | 13             | \$198,000     | \$99,890               | --                                  | \$298,000                    | \$3,874,000         |
| Allora                                                         | <u>16</u>      | \$183,000     | \$99,890               | --                                  | \$283,000                    | <u>\$4,528,000</u>  |
| <b>Total - Brookfield Sacramento HB, LLC.</b>                  | <b>44</b>      |               |                        |                                     |                              | <b>\$17,962,000</b> |
| <b>Brookfield Sunset LLC.</b>                                  |                |               |                        |                                     |                              |                     |
| Completed Homes                                                |                |               |                        |                                     |                              |                     |
| Tesoro                                                         | 3              | \$670,000     | --                     | --                                  | \$670,000                    | \$2,010,000         |
| Allora                                                         | 3              | \$600,000     | --                     | --                                  | \$600,000                    | \$1,800,000         |
| Finished Lots                                                  |                |               |                        |                                     |                              |                     |
| Tesoro                                                         | 46             | \$198,000     | \$0                    | (\$173)                             | \$198,000                    | \$9,108,000         |
| Allora                                                         | <u>56</u>      | \$183,000     | \$0                    | (\$173)                             | \$183,000                    | <u>\$10,248,000</u> |
| <b>Total - Brookfield Sunset LLC.</b>                          | <b>108</b>     |               |                        |                                     |                              | <b>\$23,166,000</b> |
| <b>Aggregate, or Cumulative, Value of Appraised Properties</b> | <b>156</b>     |               |                        |                                     |                              | <b>\$43,738,000</b> |

As of the date of value, there are a significant (29 lots) number of lots with homes under construction in various stages of development. The contributory value of the partially completed homes is not considered in this analysis. As noted above, the costs associated with permits and impact fees paid per parcel is captured in the values above.

## Final Conclusion of Value

Based on the preceding valuation analysis, it is our opinion the market value of the fee simple interest in the appraised property, subject to the extraordinary assumptions and hypothetical conditions noted, and in accordance with the definitions, certifications, general assumptions and limiting conditions, is as follows:

### Value Conclusion

| Value Type & Appraisal Premise                          | Interest Appraised | Date of Value      | Value Conclusion |
|---------------------------------------------------------|--------------------|--------------------|------------------|
| Aggregate, or Cumulative, Value of Appraised Properties | Fee Simple         | September 10, 2025 | \$43,738,000     |

### Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions. An extraordinary assumption is an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions.

None

The value conclusions are based on the following hypothetical conditions. A hypothetical condition is 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 analysis.

1. The value derived herein is based on the hypothetical condition that certain proceeds from the City of Roseville Amoruso Ranch CFD No. 1 (IA 2) Special Tax Bonds will be available to reimburse for various improvements already completed.

The use of any extraordinary assumption or hypothetical condition may have affected the assignment results.

## Exposure Time

Exposure time is the length of time the subject property would have been exposed for sale in the market had it sold on the effective valuation date at the concluded market value. Exposure time is always presumed to precede the effective date of the appraisal. Based on our review of recent sales transactions for similar properties and our analysis of supply and demand in the local land market, it is our opinion that the probable exposure time for the subject at the concluded market values stated previously is 12 months.

## Marketing Time

Marketing time is an estimate of the amount of time it might take to sell a property at the concluded market value immediately following the effective date of value. As we foresee no significant changes in market conditions in the near term, it is our opinion that a reasonable marketing period for the subject in bulk is likely to be the same as the exposure time. Accordingly, we estimate the subject's marketing period at 12 months.

## Certification

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

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
4. We have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding the agreement to perform this assignment.
5. 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 made a personal inspection of the property that is the subject of this report.
12. No one provided significant real property appraisal assistance to the person(s) signing this certification.
13. We have experience in appraising properties similar to the subject and are in compliance with the Competency Rule of USPAP.
14. As of the date of this report, Kevin Ziegenmeyer, MAI, and Eric Segal, MAI, have completed the continuing education program for Designated Members of the Appraisal Institute.





Kevin Ziegenmeyer, MAI  
 Certified General Real Estate Appraiser  
 California Certificate # AG013567



Eric Segal, MAI  
 Certified General Real Estate Appraiser  
 California Certificate # AG026558



Kari Tatton  
 Certified General Real Estate Appraiser  
 California Certificate # 3002218

## Assumptions and Limiting Conditions

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

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

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

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

- covers the property as described in this report, and the areas and dimensions set forth are assumed to be correct.
7. No opinion is expressed as to the value of subsurface oil, gas or mineral rights, if any, and we have assumed that the property is not subject to surface entry for the exploration or removal of such materials, unless otherwise noted in our appraisal.
  8. We accept no responsibility for considerations requiring expertise in other fields. Such considerations include, but are not limited to, legal descriptions and other legal matters such as legal title, geologic considerations such as soils and seismic stability; and civil, mechanical, electrical, structural and other engineering and environmental matters. Such considerations may also include determinations of compliance with zoning and other federal, state, and local laws, regulations and codes.
  9. The distribution of the total valuation in the report between land and improvements applies only under the reported highest and best use of the property. The allocations of value for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used. The appraisal report shall be considered only in its entirety. No part of the appraisal report shall be utilized separately or out of context.
  10. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraisers, or any reference to the Appraisal Institute) shall be disseminated through advertising media, public relations media, news media or any other means of communication (including without limitation prospectuses, private offering memoranda and other offering material provided to prospective investors) without the prior written consent of the persons signing the report.
  11. Information, estimates and opinions contained in the report and obtained from third-party sources are assumed to be reliable and have not been independently verified.
  12. Any income and expense estimates contained in the appraisal report are used only for the purpose of estimating value and do not constitute predictions of future operating results.
  13. If the property is subject to one or more leases, any estimate of residual value contained in the appraisal may be particularly affected by significant changes in the condition of the economy, of the real estate industry, or of the appraised property at the time these leases expire or otherwise terminate.
  14. Unless otherwise stated in the report, no consideration has been given to personal property located on the premises or to the cost of moving or relocating such personal property; only the real property has been considered.
  15. The current purchasing power of the dollar is the basis for the values stated in the appraisal; we have assumed that no extreme fluctuations in economic cycles will occur.
  16. The values found herein are subject to these and to any other assumptions or conditions set forth in the body of this report but which may have been omitted from this list of Assumptions and Limiting Conditions.
  17. The analyses contained in the report necessarily incorporate numerous estimates and assumptions regarding property performance, general and local business and economic

conditions, the absence of material changes in the competitive environment and other matters. Some estimates or assumptions, however, inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by our analysis will vary from our estimates, and the variations may be material.

18. The Americans with Disabilities Act (ADA) became effective January 26, 1992. We have not made a specific survey or analysis of the property to determine whether the physical aspects of the improvements meet the ADA accessibility guidelines. We claim no expertise in ADA issues, and render no opinion regarding compliance of the subject with ADA regulations. Inasmuch as compliance matches each owner's financial ability with the cost to cure the non-conforming physical characteristics of a property, a specific study of both the owner's financial ability and the cost to cure any deficiencies would be needed for the Department of Justice to determine compliance.
19. The appraisal report is prepared for the exclusive benefit of the Client, its subsidiaries and/or affiliates. It may not be used or relied upon by any other party. All parties who use or rely upon any information in the report without our written consent do so at their own risk.
20. No studies have been provided to us indicating the presence or absence of hazardous materials on the subject property or in the improvements, and our valuation is predicated upon the assumption that the subject property is free and clear of any environment hazards including, without limitation, hazardous wastes, toxic substances and mold. No representations or warranties are made regarding the environmental condition of the subject property. Integra Realty Resources – Sacramento, Integra Realty Resources, Inc., Integra Strategic Ventures, Inc. and/or any of their respective officers, owners, managers, directors, agents, subcontractors or employees (the "Integra Parties"), shall not be responsible for any such environmental conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because we are not experts in the field of environmental conditions, the appraisal report cannot be considered as an environmental assessment of the subject property.
21. The persons signing the report may have reviewed available flood maps and may have noted in the appraisal report whether the subject property is located in an identified Special Flood Hazard Area. We are not qualified to detect such areas and therefore do not guarantee such determinations. The presence of flood plain areas and/or wetlands may affect the value of the property, and the value conclusion is predicated on the assumption that wetlands are non-existent or minimal.
22. Integra Realty Resources – Sacramento is not a building or environmental inspector. Integra Sacramento does not guarantee that the subject property is free of defects or environmental problems. Mold may be present in the subject property and a professional inspection is recommended.
23. The appraisal report and value conclusions for an appraisal assume the satisfactory completion of construction, repairs or alterations in a workmanlike manner.
24. It is expressly acknowledged that in any action which may be brought against any of the Integra Parties, arising out of, relating to, or in any way pertaining to this engagement, the

- appraisal reports, and/or any other related work product, the Integra Parties shall not be responsible or liable for any incidental or consequential damages or losses, unless the appraisal was fraudulent or prepared with intentional misconduct. It is further acknowledged that the collective liability of the Integra Parties in any such action shall not exceed the fees paid for the preparation of the appraisal report unless the appraisal was fraudulent or prepared with intentional misconduct. Finally, it is acknowledged that the fees charged herein are in reliance upon the foregoing limitations of liability.
25. Integra Realty Resources – Sacramento, an independently owned and operated company, has prepared the appraisal for the specific intended use stated elsewhere in the report. The use of the appraisal report by anyone other than the Client is prohibited except as otherwise provided. Accordingly, the appraisal report is addressed to and shall be solely for the Client's use and benefit unless we provide our prior written consent. We expressly reserve the unrestricted right to withhold our consent to your disclosure of the appraisal report or any other work product related to the engagement (or any part thereof including, without limitation, conclusions of value and our identity), to any third parties. Stated again for clarification, unless our prior written consent is obtained, no third party may rely on the appraisal report (even if their reliance was foreseeable).
26. The conclusions of this report are estimates based on known current trends and reasonably foreseeable future occurrences. These estimates are based partly on property information, data obtained in public records, interviews, existing trends, buyer-seller decision criteria in the current market, and research conducted by third parties, and such data are not always completely reliable. The Integra Parties are not responsible for these and other future occurrences that could not have reasonably been foreseen on the effective date of this assignment. Furthermore, it is inevitable that some assumptions will not materialize and that unanticipated events may occur that will likely affect actual performance. While we are of the opinion that our findings are reasonable based on current market conditions, we do not represent that these estimates will actually be achieved, as they are subject to considerable risk and uncertainty. Moreover, we assume competent and effective management and marketing for the duration of the projected holding period of this property.
27. All prospective value opinions presented in this report are estimates and forecasts which are prospective in nature and are subject to considerable risk and uncertainty. In addition to the contingencies noted in the preceding paragraph, several events may occur that could substantially alter the outcome of our estimates such as, but not limited to changes in the economy, interest rates, and capitalization rates, behavior of consumers, investors and lenders, fire and other physical destruction, changes in title or conveyances of easements and deed restrictions, etc. It is assumed that conditions reasonably foreseeable at the present time are consistent or similar with the future.
28. The appraisal is also subject to the following:

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**Extraordinary Assumptions and Hypothetical Conditions**

---

The value conclusions are subject to the following extraordinary assumptions. An extraordinary assumption is an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions.

None

The value conclusions are based on the following hypothetical conditions. A hypothetical condition is 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 analysis.

1. The value derived herein is based on the hypothetical condition that certain proceeds from the City of Roseville Amoruso Ranch CFD No. 1 (IA 2) Special Tax Bonds will be available to reimburse for various improvements already completed.

The use of any extraordinary assumption or hypothetical condition may have affected the assignment results.

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## **Addendum A**

### **Appraiser Qualifications**

# Kevin Ziegenmeyer, MAI

## Experience

Mr. Ziegenmeyer is a Certified General real estate appraiser and holds the Appraisal Institute's MAI designation. In 1989, Mr. Ziegenmeyer began his career in real estate as a controller for a commercial and residential real estate development corporation. In 1991 he began appraising and continued to be involved in appraisal assignments covering a wide variety of properties, including office, retail, industrial, residential income and subdivisions throughout the state of California, and Northern Nevada. Mr. Ziegenmeyer handles many of the firm's master-planned property appraisals and over the past two decades has developed expertise in the valuation of Community Facilities Districts and Assessment Districts. In fact, Mr. Ziegenmeyer was one of five appraisers to collaborate with other professionals in developing the appraisal guidelines for the California Debt and Investment Advisory Commission (Recommended Practices in the Appraisal of Real Estate for Land-Secured Financing - 2004). He has developed the experience and background necessary to deal with complex assignments covering an array of property types, with a particular focus on urban redevelopment in the cities and counties of San Francisco, Dublin, Monterey, Newport Beach, Alameda, Napa and San Mateo. In early 2015, Mr. Ziegenmeyer obtained the Appraisal Institute's MAI designation. Kevin is currently Senior Managing Director of the Integra-San Francisco office and Managing Director of the Integra-Sacramento office.

## Licenses

California, California Certified General Real Estate Appraiser, AG013567, Expires June 2027

## 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 (Yellowbook)

2008 Economic Update

Valuation of Conservation Easements

Subdivision Valuation

2005 Annual Fall Conference

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## Kevin Ziegenmeyer, MAI

### Education (Cont'd)

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  
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, 2025

Date Expires:

June 4, 2027

*Angela Jemmott*  
Angela Jemmott, Bureau Chief, BREA

3081689

# 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, Oakland, 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 Senior Managing Director of the Integra Los Angeles office, and Managing Director of the Integra Orange County, Integra-San Francisco and Integra-Sacramento offices.

## Professional Activities & Affiliations

MAI Designation, Appraisal Institute Appraisal Institute, January 2016

## Licenses

California, Certified General Real Estate Appraiser, AG026558, Expires February 2027

Nevada, Certified General, A.0207666-CG, Expires January 2027

Arizona, Certified General, CGA - 1006422, Expires January 2026

Washington, Certified General, 20100611, Expires June 2025

## 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 Appraisal Standards for Federal Land Acquisitions (Yellow Book)

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

**Integra Realty Resources - Los Angeles (219)**

12100 Wilshire Blvd  
Suite 800  
Los Angeles, CA 90025

T 916.435.3883  
F 916.435.4774

irr.com

esegal@irr.com - 916.435.3883 x228



## Eric Segal, MAI

### Education (Cont'd)

Advanced Applications  
Subdivision Valuation  
Appraisal of Self-Storage Facilities  
Appraisal of Fast Food Facilities  
Appraisal of Limited Service Hotels  
How Tenants Create or Destroy Value: Leasehold Valuation and its Impact on Value  
Appraisal of Manufactured Homes Featuring Next Generation Manufactured Homes  
Appraisal and Real Estate Courses (cont'd):  
Business Practices and Ethics  
IRS Valuation Update

### Integra Realty Resources - Los Angeles (219)

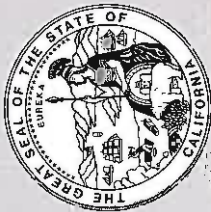
12100 Wilshire Blvd  
Suite 800  
Los Angeles, CA 90025

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

**Eric A. Segal**

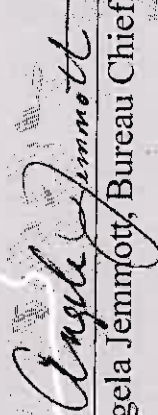
has successfully met the requirements for a license as a residential and commercial real estate appraiser in the State of California and is, therefore, entitled to use the title:

**"Certified General Real Estate Appraiser"**

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

**BREA APPRAISER IDENTIFICATION NUMBER: AG 026558**

Effective Date: February 19, 2025  
Date Expires: February 18, 2027

  
Angela Jemmott, Bureau Chief, BREA

3079030

# Kari Tatton

## Experience

Ms. Tatton is a Certified General real estate appraiser. After completing her bachelor's degree at California State University, Sacramento, Ms. Tatton began her career in real estate in March 2011, and has been writing narrative appraisal reports for a variety of commercial properties including office, retail, industrial, multifamily housing, land and special-purpose properties including self-storage facilities, religious facilities, schools and auto dealerships. She specializes in the appraisal of residential master planned communities and subdivisions, as well as Mello-Roos and Assessment Districts for land-secured municipal financings.

## Licenses

California, California Certified General Real Estate Appraiser, 3002218, Expires June 2026

## Education

Academic:

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

Appraisal and Real Estate Courses:

Basic Appraisal Principles

Basic Appraisal Procedures

Site Valuation & Cost Approach

General Market Analysis & Highest and Best Use

Sales Comparison Approach

Income Capitalization Approach Part I

Income Capitalization Approach Part II

General Appraiser Report Writing and Case Studies

Appraisal of Fast Food Facilities

Appraising Small Apartment Properties

Appraisal of Land Subject to Ground Leases

Appraising Automobile Dealerships

## Integra Realty Resources - Sacramento

590 Menlo Drive  
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Rocklin, CA 95765

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

**Kari M. Tatton**

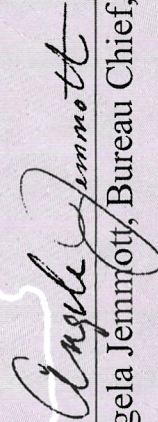
has successfully met the requirements for a license as a residential and commercial real estate appraiser in the State of California and is, therefore, entitled to use the title:

“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, 2024  
Date Expires: June 1, 2026

  
Angela Jemmot, Bureau Chief, BREA

3076341



## About IRR

Integra Realty Resources, Inc. (IRR) provides world-class commercial real estate valuation, counseling, and advisory services. Routinely ranked among leading property valuation and consulting firms, we are now the largest independent firm in our industry in the United States, with local offices coast to coast and in the Caribbean.

IRR offices are led by MAI-designated Senior Managing Directors, industry leaders who have over 25 years, on average, of commercial real estate experience in their local markets. This experience, coupled with our understanding of how national trends affect the local markets, empowers our clients with the unique knowledge, access, and historical perspective they need to make the most informed decisions.

Many of the nation's top financial institutions, developers, corporations, law firms, and government agencies rely on our professional real estate opinions to best understand the value, use, and feasibility of real estate in their market.

*Local Expertise...Nationally!*

# irr.com





## **Addendum B**

### **Definitions**

## Definitions

The source of the following definitions is the Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 6th ed. (Chicago: Appraisal Institute, 2015), unless otherwise noted.

### **As Is Market Value**

The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date.

### **Disposition Value**

The most probable price that a specified interest in property should bring under the following conditions:

1. Consummation of a sale within a specified time, which is shorter than the typical exposure time for such a property in that market.
2. The property is subjected to market conditions prevailing as of the date of valuation.
3. Both the buyer and seller are acting prudently and knowledgeably.
4. The seller is under compulsion to sell.
5. The buyer is typically motivated.
6. Both parties are acting in what they consider to be their best interests.
7. An adequate marketing effort will be made during the exposure time.
8. Payment will be made in cash in U.S. dollars (or the local currency) or in terms of financial arrangements comparable thereto.
9. The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

This definition can also be modified to provide for valuation with specified financing terms.

### **Effective Date**

1. The date on which the appraisal or review opinion applies.
2. In a lease document, the date upon which the lease goes into effect.

### **Entitlement**

In the context of ownership, use, or development of real estate, governmental approval for annexation, zoning, utility extensions, number of lots, total floor area, construction permits, and occupancy or use permits.

### **Entrepreneurial Profit**

1. A market-derived figure that represents the amount an entrepreneur receives for his or her contribution to a project and risk; the difference between the total cost of a property (cost of

development) and its market value (property value after completion), which represents the entrepreneur's compensation for the risk and expertise associated with development. An entrepreneur is motivated by the prospect of future value enhancement (i.e., the entrepreneurial incentive). An entrepreneur who successfully creates value through new development, expansion, renovation, or an innovative change of use is rewarded by entrepreneurial profit. Entrepreneurs may also fail and suffer losses.

2. In economics, the actual return on successful management practices, often identified with coordination, the fourth factor of production following land, labor, and capital; also called entrepreneurial return or entrepreneurial reward.

#### **Exposure Time**

1. The time a property remains on the market.
2. The estimated length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective opinion based on an analysis of past events assuming a competitive and open market.

#### **Fee Simple Estate**

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

#### **Floor Area Ratio (FAR)**

The relationship between the above-ground floor area of a building, as described by the zoning or building code, and the area of the plot on which it stands; in planning and zoning, often expressed as a decimal, e.g., a ratio of 2.0 indicates that the permissible floor area of a building is twice the total land area.

#### **Highest and Best Use**

1. The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.
2. The use of an asset that maximizes its potential and that is possible, legally permissible, and financially feasible. The highest and best use may be for continuation of an asset's existing use or for some alternative use. This is determined by the use that a market participant would have in mind for the asset when formulating the price that it would be willing to bid. (ISV)
3. [The] highest and most profitable use for which the property is adaptable and needed or likely to be needed in the reasonably near future. (Uniform Appraisal Standards for Federal Land Acquisitions)

**Investment Value**

1. The value of a property to a particular investor or class of investors based on the investor's specific requirements. Investment value may be different from market value because it depends on a set of investment criteria that are not necessarily typical of the market.
2. The value of an asset to the owner or a prospective owner for individual investment or operational objectives.

**Lease**

A contract in which rights to use and occupy land, space, or structures are transferred by the owner to another for a specified period of time in return for a specified rent.

**Leased Fee Interest**

The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversionary right when the lease expires.

**Leasehold Interest**

The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease.

**Liquidation Value**

The most probable price that a specified interest in real property should bring under the following conditions:

1. Consummation of a sale within a short time period.
2. The property is subjected to market conditions prevailing as of the date of valuation.
3. Both the buyer and seller are acting prudently and knowledgeably.
4. The seller is under extreme compulsion to sell.
5. The buyer is typically motivated.
6. Both parties are acting in what they consider to be their best interests.
7. A normal marketing effort is not possible due to the brief exposure time.
8. Payment will be made in cash in U.S. dollars (or the local currency) or in terms of financial arrangements comparable thereto.
9. The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

This definition can also be modified to provide for valuation with specified financing terms.

**Marketing Time**

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

**Market Value**

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

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

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

**Prospective Opinion of Value**

A value opinion effective as of a specified future date. The term does not define a type of value. Instead, it identifies a value opinion as being effective at some specific future date. An opinion of value as of a prospective date is frequently sought in connection with projects that are proposed, under construction, or under conversion to a new use, or those that have not yet achieved sellout or a stabilized level of long-term occupancy.

## **Addendum C**

### **Preliminary Title Report**

## **Preliminary Report Top Sheet**

◆ HELP US STAY ON TOP OF YOUR TRANSACTION ◆

**IF ANY OF THESE QUESTIONS ARE ANSWERED “YES”, OR IF YOU HAVE QUESTIONS ABOUT THE BELOW, PLEASE CONTACT YOUR ESCROW OFFICER IMMEDIATELY**

- ◆ Have any of the principals recently filed bankruptcy?
- ◆ Do any of the principals plan to use a power of attorney?
- ◆ Are any of the principals going through a divorce? (if so, is there an attorney involved?)
- ◆ Is anyone currently vested in title deceased? Has a new Tax I.D. Number been established?
- ◆ Do any of the principals NOT have a valid photo identification?
- ◆ Is there construction work in progress or incomplete construction?
  - Any construction completed in the last year?
  - Any construction completed in the last 4 months?
- ◆ Is there a mobile or manufactured home on the property?
- ◆ Are the sellers a non-resident alien or a foreign out of country seller?
- ◆ Is the property an investment property or not considered seller's principal residence?
- ◆ Will a new entity be formed? (i.e. Partnership, LLC, Corporation)
- ◆ If your principals are currently vested or are taking title in their trust, have bank accounts been established in the name of the Trust?
- ◆ Will any of the principals be participating in a 1031 Exchange?
- ◆ Are any of the principals not able to sign with a Placer Title Company? If so, an approved notary will be required.

THANK YOU FOR CHOOSING

**Placer Title Company**



Escrow Number: P-653900

## WIRE FRAUD ADVISORY

Parties to a real estate transaction are often targets for wire fraud and financial confidence schemes, unfortunately with many losing tens or hundreds of thousands of dollars because they relied (without verification) on “revised” or “new” wire instructions appearing to come from a trusted party to the transaction.

**IF YOU INTEND TO WIRE FUNDS IN CONJUNCTION WITH THIS REAL ESTATE TRANSACTION, WE STRONGLY RECOMMEND THAT YOU VERBALLY VERIFY THOSE INSTRUCTIONS THROUGH A KNOWN, TRUSTED PHONE NUMBER PRIOR TO SENDING FUNDS.**

In addition, the following self-protection strategies are recommended to minimize exposure to possible wire fraud.

- **DO NOT RELY** on emails purporting to change wire instructions. Placer Title Company will never change its wire instructions in the course of a transaction. If you receive a random or unsolicited email from anyone requesting funds to be wired, and attaching “new,” “alternate,” “updated,” “revised” and/or “different” wire instructions, contact your escrow officer immediately (at a verifiable number in the manner noted below) and before wiring any money.
- **VERIFY** the wire instructions you do receive by calling the party who sent the instructions to you. However, **DO NOT** use the phone number provided in the email containing the instructions, and **DO NOT** send a reply email to verify, since the email address may be incorrect, fraudulent or being intercepted by the fraudster. Rather, use phone numbers you have called before and/or can independently verify through other sources (company website or internet search).
- **USE COMPLEX PASSWORDS** that are at least ten (10) characters long and contain a combination of mixed case, numbers, and symbols. You should also change your password often and not reuse the same password for other online accounts.
- **ENABLE MULTI-FACTOR AUTHENTICATION** for all email accounts. Your email provider may have specific instructions on how to implement this feature.
- **CHECK FOR AUTO-FORWARDING** on your email account and disable it. This is one of the most “silent” ways a fraudster can monitor your email account because every email that comes in is automatically forwarded to them, even if you change your password.

This Notice is not intended to provide legal or professional advice, nor is it an exclusive list of self-protection strategies. Customers are encouraged to always be aware of such schemes, and to contact their escrow officer if ever in doubt.





Placer Title Company  
1508 Eureka Road, Suite 150  
Roseville, CA 95661  
Phone: (916) 782-3711  
Fax: (916) 786-7065

Order No.: P-653900 (Version 3)  
Reference:  
Escrow Officer: Mary Fallon  
Email: TeamMary@placertitle.com  
Email Loan Docs To: TeamMary@placertitle.com

Proposed Insured:  
Proposed Loan Amount:

Proposed Underwriter: First American Title Insurance Company

Property Address: Lots 73-76, 77-87, 148-156 Amoruso Ranch - Phase A2, Roseville, CA 95747

### PRELIMINARY REPORT

In response to the above referenced application for a policy of title insurance, Placer Title Company hereby reports that it is prepared to issue, or cause to be issued, as of the date hereof, a Policy or Policies of Title Insurance describing the land and the estate or interest therein hereinafter set forth, insuring against loss which may be sustained by reason of any defect, lien or encumbrance not shown or referred to as an Exception below or not excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations of said Policy forms.

The printed Exceptions and Exclusions from the coverage and Limitations on Covered Risks of said Policy or Policies are set forth in Attachment One. The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than that set forth in the arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. Limitations on Covered Risks applicable to the CLTA and ALTA Homeowner's Policies of Title Insurance which establish a Deductible Amount and a Maximum Dollar Limit of Liability for certain coverages are also set forth in Attachment One. Copies of the policy forms should be read. They are available from the office which issued this report.

***Please read the exceptions shown or referred to below and the exceptions and exclusions set forth in Attachment One of this report carefully. The exceptions and exclusions are meant to provide you with notice of matters which are not covered under the terms of the title insurance policy and should be carefully considered.***

***It is important to note that this preliminary report is not a written representation as to the condition of title and may not list all liens, defects, and encumbrances affecting title to the land.***

This report (and any supplements or amendments hereto) is issued solely for the purpose of facilitating the issuance of a policy of title insurance and no liability is assumed hereby. If it is desired that liability be assumed prior to the issuance of a policy of title insurance, a Binder or Commitment should be requested.

Dated: January 14, 2025 at 7:30AM  
Title Officer: Scott Lumry

The form of policy of title insurance contemplated by this report is:

2021 ALTA Extended Owners Policy

The estate or interest in the land hereinafter described or referred to covered by this report is:

Fee Simple

Title to said estate or interest at the date hereof is vested in:

Brookfield Sunset LLC, a California limited liability company

The land referred to in this report is described as follows:

See Exhibit "A" Attached for Legal Description

## **Exhibit "A"**

### **Legal Description**

The land described herein is situated in the State of California, County of Placer, City of Roseville, described as follows:

Lots 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87 and 148, 149, 150, 151, 152, 153, 154, 155, 156, all as shown on the map entitled "Final Map of Amoruso Ranch Phase 1- Sub Phase 2, Subdivision No. PL 22-015" which map was filed for record June 5, 2024 in Book "GG" of Maps, page 81

Apn 496-780-008 through 019 inclusive (not currently assessed)  
496-780-027 through 035 inclusive (not currently assessed)

Apn : 017-470-036-000 (underlying-affects a portion)  
017-470-048-000 (underlying- affects a portion)

## EXCEPTIONS

At the date hereof, exceptions to coverage in addition to the printed Exceptions and Exclusions in said policy form would be as follows:

1. Taxes, special and general, assessment districts and service areas for the fiscal year 2025-2026, a lien not yet due or payable.
2. The lien of supplemental taxes, if any, assessed pursuant to the provisions of Chapter 3.5, (commencing with Section 75) of the Revenue and Taxation Code, of the State of California.

NOTE: (For proration purposes only)

Taxes, special and general, assessment districts and service areas for the Fiscal Year 2024-2025

|                  |                 |      |
|------------------|-----------------|------|
| 1st Installment: | \$1,692.98      | PAID |
| 2nd Installment: | \$1,692.98      | PAID |
| Parcel Number:   | 017-470-036-000 |      |
| Code Area:       | 005-075         |      |
| Land Value:      | \$316,298.00    |      |
| Improvements:    | \$0.00          |      |
| Exemption:       | \$0.00          |      |

NOTE: (For proration purposes only)

Taxes, special and general, assessment districts and service areas for the Fiscal Year 2024-2025:

|                  |                 |      |
|------------------|-----------------|------|
| 1st Installment: | \$544.47        | PAID |
| 2nd Installment: | \$544.47        | PAID |
| Parcel Number:   | 017-470-048-000 |      |
| Code Area:       | 05-075          |      |
| Land Value:      | \$101,321.00    |      |
| Improvements:    | \$0.00          |      |
| Exemption:       | \$0.00          |      |

3. A special assessment for the Amoruso Ranch Community Facilities District No. 2, in accordance with the "Mello Roos Community Facilities Act of 1982". Said assessments are/or will be collected with the annual tax bill.
4. A special assessment for the City of Roseville Community Facilities District No.3 Annexation No. 28 ( Amoruso Ranch), in accordance with the "Mello Roos Community Facilities Act of 1982". Said assessments are/or will be collected with the annual tax bill.
5. Rights incidental to the ownership for the use and development of the mineral interests reserved in Deed executed by Leslie Albert Butler and Minnie Frances Butler, recorded February 2, 1953, Book 622, Page 390, Official Records. Mineral rights not shown further.

[Document Link](#)

6. The terms, conditions, provisions and stipulations as contained in the agreement entitled "Development Agreement", by and between The City of Roseville, Brookfield Sunset, LLC, and Jennifer M. Amoruso, Successor Trustee of the Amoruso Family Living Trust Dated March 14, 2005, recorded August 24, 2016, (instrument) 2016-0070351, Official Records.

[Document Link](#)

First Amendment of Development Agreement and Rezone - Amoruso Ranch Specific Plan, dated April 1, 2020, executed by and between the City of Roseville, a municipal corporation, Brookfield Sunset, LLC, a California Limited Liability Company, Brookfield Sacramento Holdings, LLC, a Delaware limited liability company and Angela Eisenpress, Successor Trustee of the Amoruso Family living Trust dated March 14, 2005 recorded on January 28, 2021, Instrument No. 2021-0012079, Official Records.

[Document Link](#)

Second Amendment of Development Agreement and Rezone - Amoruso Ranch Specific Plan, dated May 11, 2022, executed by and between the City of Roseville, a municipal corporation, Brookfield Sunset, LLC, a California Limited Liability Company, Brookfield Sacramento Holdings, LLC a Delaware limited liability company and Angela Eisenpress, Successor Trustee of the Amoruso Family living Trust dated March 14, 2005 recorded on June 23, 2022, as instrument No 2022-0051698-00 Official Records and as re-recorded May 22, 2024 as Instrument No 2024-0026646, Official Records.

[Document Link](#)

[Document Link](#)

7. The terms, conditions, provisions and stipulations as contained in the agreement entitled "Amoruso Ranch Specific Plan K-\* Elementary School Impact Mitigation Agreement", by and between Roseville City School District, and The Amoruso Living Trust dated March 14, 2005, recorded September, 1, 2016 as Instrument No 2016-73281-00 Official Records.

[Document Link](#)

and also recorded on September 1, 2016, as Instrument No 2016-0073282-00, Official Records

[Document Link](#)

8. The terms, conditions, provisions and stipulations as contained in the agreement entitled "Amoruso Ranch Specific Plan Mutual Benefit High School Mitigation Agreement", by and between Roseville Joint Union High School District, a political subdivision, and Jennifer M. Amoruso, successor trustee of the Amoruso Family Living Trust dated March 14, 2005, recorded November 21, 2016, (instrument) 2016-0102133, Official Records.

[Document Link](#)

9. Abstract of Judgment for the term of 20 years entered on October 14, 2016, in the amount of \$30,909.28, plus interest and costs, Case No. 30-2012-00575381, Superior Court Court, United States of America, Creditor, against Brookfield Sunset, LLC, Debtor, recorded January 31, 2018, as (instrument) 2018-0005907, Official Records.

Affects subject land and other property

[Document Link](#)

Amendment of Judgment recorded June 28, 2023 as Instrument No. 2023-0033580

[Document Link](#)

10. Dedications as set forth and shown on the official map of said subdivision as follows:

a. Public utility easements as shown on said map

Reference is made to said Map for particulars.

[Document Link](#)

11. An "Irrevocable Offer to Dedication" affecting a portion of said land for public utilities, bike trail, bus shelter, drainage and landscaping, public parks, public open space, fire station, public recycling, public sewer lift station, community and water distribution facilities, public school and incidental purposes, as shown on the Final Map of Amoruso Ranch Phase A1, recorded December 23, 2022, in Book "GG" of Maps, Page 49

Affects: As shown on said map

[Document Link](#)

12. Provisions and conditions set forth in the "NOTES" and as shown on of the following map:  
Map: Book GG of Maps at Page 49.

Reference is made to a copy of said map for further particulars.

[Document Link](#)

13. Terms, provisions, covenants, conditions, restrictions and easements, provided in the Covenants, Conditions and Restrictions, but omitting any covenant, condition or restriction, if any, based on race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, familial status, marital status, disability, genetic information, national origin, source of income as defined in subdivision (p) of Section 12955, or ancestry, unless and only to the extent that the covenant, condition or restriction (a) is exempt under Title 42 of the United States Code, or (b) relates to handicap, but does not discriminate against handicapped persons, in document recorded February 23, 2022, (instrument) 2022-0093074, Official Records.

Note: Section 12956.1 of the Government Code provides the following:

"If this document contains any restriction based on race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, familial status, marital status, disability, genetic information, national origin, source of income as defined in subdivision (p) of Section 12955, or ancestry, that restriction violates state and federal fair housing laws and is void and may be removed pursuant to Section 12956.2 of the Government Code. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status."

[Document Link](#)

First Amendment of Master Declaration of Covenants, Conditions and Restrictions for Amoruso Ranch recorded March 28, 2024 as Instrument No 2024-0016087-00 Official Records.

[Document Link](#)

14. Dedications as set forth and shown on the official map of said subdivision as follows:

a. Public Utilities

Reference is made to said Map for particulars.

[Document Link](#)

15. Provisions and conditions set forth in the "NOTES" of the following map:  
Map: Book GG at Page 81

Reference is made to a copy of said map for further particulars.

Document Link

16. The terms, conditions, provisions and stipulations as contained in the agreement entitled "Subdivision Agreement Amoruso Ranch Ph. 1, Subphase A2", by and between The City of Roseville, and Brookfield Sacramento Holdings LLC, a Delaware limited liability company, recorded June 5, 2024 as Instrument No 2024-0029259-00, Official Records.

[Document Link](#)

17. Deed of Trust to secure an indebtedness of \$94,000,000.00, dated January 8, 2025, recorded January 9, 2025, (instrument) 2025-0001348-00, Official Records.

Trustor: Brookfield Sunset LLC, a California limited liability company  
Trustee: Commonwealth Land Title Insurance Company  
Beneficiary: Nash Financing LLC, a Delaware limited liability company  
Loan No.: N/A

[Document Link](#)

(Affects the land and other property)

18. Any claims for Mechanic's Liens on said land that may be recorded by reason of work of improvement thereon.

\*\*\*\*\* SPECIAL INFORMATION \*\*\*\*\*

\*\*\* CHAIN OF TITLE REPORT:

According to the public records, no deeds conveying the property described in this report have been recorded within a period of 2 years prior to the date of this report, except as shown herein: Grant Deed recorded January 8, 2025 as Instrument No. 2025-0001114-00 Official Records

\*\*\* LENDER'S SUPPLEMENTAL ADDRESS REPORT:

The above numbered report is hereby modified and/or supplemented to reflect the following additional items relating to the issuance of an American Land Title Association Loan Form Policy:

Placer Title Company states that the herein described property is Commercial/Other and that the property

address is:

Lots 73-76, 77-87, 148-156 Amoruso Ranch - Phase A2, Roseville, CA 95747

**\*\*\*NOTICE REGARDING MAPS**

Any maps provided herewith are for reference only. The property and/or easements shown are but approximations, and no assurances are given as to accuracy, reliability, dimensions or acreage. This will not limit the coverage provided by a CLTA 116, 116.1 or 116.03 endorsement if issued to the policy.

**\*\*\* NOTICE REGARDING FUNDS DEPOSITED IN ESCROW:**

**IMPORTANT NOTICE- ACCEPTABLE TYPE OF FUNDS**

Please be advised that in accordance with the provisions of the California Insurance Code, Section 12413.1, any funds deposited for the closing must be deposited into the escrow depository and cleared prior to disbursement. Funds deposited by wire transfer may be disbursed upon receipt. Funds deposit via cashier's checks drawn on a California based bank may be disbursed the next business day. If funds are deposited with the Company by other methods, recording and/or disbursement may be delayed.

**IMPORTANT NOTE: PLEASE BE ADVISED THAT ESCROW HOLDER DOES NOT ACCEPT CASH, MONEY ORDERS, ACH TRANSFERS, OR FOREIGN CHECKS.**

**PLEASE CONTACT ESCROW REGARDING QUESTIONS ON TYPE OF FUNDS REQUIRED IN ORDER TO FACILITATE THE PROMPT CLOSING OF THIS TRANSACTION.**

**NOTE: If you intend to remit multiple cashier's checks to close your escrow (which may or may not include gift funds or third party funds) IRS cash reporting under IRS Code 8300 may be required. For this reason, you may wish to consider wiring funds in lieu of remitting cashier's checks.**



**\*\*\* DISCLOSURE OF DISCOUNTS \*\*\***

You may be entitled to a discount on your title premiums and/or escrow fees if you meet any of the following conditions:

1. You are an employee of the title insurer or Placer Title Company and the property is your primary residence; or
2. The transaction is a loan, the purpose of which is to rebuild the improvements on the property as a result of a governmentally declared disaster; or
3. The property is being purchased or encumbered by a religious, charitable or nonprofit organization for its use within the normal activities for which such entity was intended.

Please advise the company if you believe any of the above discounts apply.

**\*\*\* LENDER'S NOTE \*\*\***

In accordance with Executive Order 13224, and the USA Patriot Act, **PLACER TITLE COMPANY** compares the names of parties to the proposed transaction to the Specially Designated Nationals and Blocked Persons (SDN List) maintained by the United States Office of Foreign Asset Control.

**\*\*\* BUYER'S NOTE \*\*\***

If an ALTA Residential Owner's Policy is requested and if the property described herein is determined to be eligible for this policy, the following Exceptions From Coverage will appear in the policy:

1. Taxes or assessments which are not shown as liens by the public records or by the records of any taxing authority.
2. (a) Water rights, claims or title to water; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) unpatented mining claims; whether or not the matters exception under (a), (b) or (c) are shown by the public records.
3. Any rights, interest or claims of parties in possession of the land which are not shown by the public records.
4. Any easements or liens not shown by the public records. This exception does not limit the lien coverage in Item 8 of the Covered Title Risks.
5. Any facts about the land which a correct survey would disclose and which are not shown by the public records. This exception does not limit the forced removal coverage in Item 12 of the Covered Title Risks.

**CLTA PRELIMINARY REPORT FORM**  
**Attachment One (Rev 11-09-18)**  
**CALIFORNIA LAND TITLE ASSOCIATION STANDARD COVERAGE POLICY - 1990**  
**EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building or zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien, or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.  
(b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:  
(a) whether or not recorded in the public records at Date of Policy, but created, suffered, assumed or agreed to by the insured claimant;  
(b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;  
(c) resulting in no loss or damage to the insured claimant;  
(d) attaching or created subsequent to Date of Policy; or  
(e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage or for the estate or interest insured by this policy.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with the applicable doing business laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any claim, which arises out of the transaction vesting in the insured the estate of interest insured by this policy or the transaction creating the interest of the insured lender, by reason of the operation of federal bankruptcy, state insolvency or similar creditors' rights laws.

**EXCEPTIONS FROM COVERAGE - SCHEDULE B, PART I**

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.  
Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, not shown by the public records.

4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the public records.
6. Any lien or right to a lien for services, labor or material unless such lien is shown by the public records at Date of Policy.

## **CALIFORNIA LAND TITLE ASSOCIATION STANDARD COVERAGE OWNER'S POLICY (02-04-22)**

### **EXCLUSIONS FROM COVERAGE**

The following matters are excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. a. any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) that restricts, regulates, prohibits, or relates to:
  - i. the occupancy, use, or enjoyment of the Land; ii. the character, dimensions, or location of any improvement on the Land; iii. the subdivision of land; or iv. environmental remediation or protection.
- b. any governmental forfeiture, police, regulatory, or national security power.
- c. the effect of a violation or enforcement of any matter excluded under Exclusion 1.a. or 1.b. Exclusion 1 does not modify or limit the coverage provided under Covered Risk 5 or 6.
2. Any power of eminent domain. Exclusion 2 does not modify or limit the coverage provided under Covered Risk 7.
3. Any defect, lien, encumbrance, adverse claim, or other matter:
  - a. created, suffered, assumed, or agreed to by the Insured Claimant;
  - b. not Known to the Company, not recorded in the Public Records at the Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
  - c. resulting in no loss or damage to the Insured Claimant;
  - d. attaching or created subsequent to the Date of Policy (Exclusion 3.d. does not modify or limit the coverage provided under Covered Risk 9 or 10); or
  - e. resulting in loss or damage that would not have been sustained if consideration sufficient to qualify the Insured named in Schedule A as a bona fide purchaser had been given for the Title at the Date of Policy.
4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights law, that the transaction vesting the Title as shown in Schedule A is a:
  - a. fraudulent conveyance or fraudulent transfer;
  - b. voidable transfer under the Uniform Voidable Transactions Act; or
  - c. preferential transfer:
    - i. to the extent the instrument of transfer vesting the Title as shown in Schedule A is not a transfer made as a contemporaneous exchange for new value; or ii. for any other reason not stated in Covered Risk 9.b.
5. Any claim of a PACA-PSA Trust. Exclusion 5 does not modify or limit the coverage provided under Covered Risk 8.
6. Any lien on the Title for real estate taxes or assessments imposed or collected by a governmental authority that becomes due and payable after the Date of Policy. Exclusion 6 does not modify or limit the coverage provided under Covered Risk 2.b.
7. Any discrepancy in the quantity of the area, square footage, or acreage of the Land or of any improvement to the Land.

### **EXCEPTIONS FROM COVERAGE**

**Some historical land records contain Discriminatory Covenants that are illegal and unenforceable by law. This policy treats any Discriminatory Covenant in a document referenced in Schedule B as if each Discriminatory Covenant is redacted, repudiated, removed, and not republished or recirculated. Only the remaining provisions of the document are excepted from coverage.**

This policy does not insure against loss or damage and the Company will not pay costs, attorneys' fees, or expenses resulting from the terms and conditions of any lease or easement identified in Schedule A, and the following matters:

#### **PART I**

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records at Date of Policy but that could be (a) ascertained by an inspection of the Land, or (b) asserted by persons or parties in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records at Date of Policy.
4. Any encroachment, encumbrance, violation, variation, easement, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records at Date of Policy.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor, material or equipment unless such lien is shown by the Public Records at Date of Policy.
7. Any claim to (a) ownership of or rights to minerals and similar substances, including but not limited to ores, metals, coal, lignite, oil, gas, uranium, clay, rock, sand, and gravel located in, on, or under the Land or produced from the Land, whether such ownership or rights arise by lease, grant, exception, conveyance, reservation, or otherwise; and (b) any rights, privileges, immunities, rights of way, and easements associated therewith or appurtenant thereto, whether or not the interests or rights excepted in (a) or (b) appear in the Public Records or are shown in Schedule B.

#### **PART II**

*(Variable exceptions such as taxes, easements, CC&R's, etc., are inserted here)*

### **CLTA/ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE (07-01-2021)**

#### **EXCLUSIONS FROM COVERAGE**

The following matters are excluded from the coverage of this policy and We will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. a. any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) that restricts, regulates, prohibits, or relates to: i. the occupancy, use, or enjoyment of the Land; ii. the character, dimensions, or location of any improvement on the Land; iii. the subdivision of land; or iv. environmental remediation or protection.
  - b. any governmental forfeiture, police, or regulatory, or national security power.
  - c. the effect of a violation or enforcement of any matter excluded under Exclusion 1.a. or 1.b.
- Exclusion 1 does not modify or limit the coverage provided under Covered Risk 8.a., 14, 15, 16, 18, 19, 20, 23, or 27.
2. Any power to take the Land by condemnation. Exclusion 2 does not modify or limit the coverage provided under Covered Risk 17.
  3. Any defect, lien, encumbrance, adverse claim, or other matter:
    - a. created, suffered, assumed, or agreed to by You;
    - b. not Known to Us, not recorded in the Public Records at the Date of Policy, but Known to You and not disclosed in writing to Us by You prior to the date You became an Insured under this policy;
    - c. resulting in no loss or damage to You;
    - d. attaching or created subsequent to the Date of Policy (Exclusion 3.d. does not modify or limit the coverage provided under Covered Risk 5, 8.f., 25, 26, 27, 28, or 32); or

e. resulting in loss or damage that would not have been sustained if You paid consideration sufficient to qualify You as a bona fide purchaser of the Title at the Date of Policy.

4. Lack of a right:

- a. to any land outside the area specifically described and referred to in Item 3 of Schedule A; and
- b. in any street, road, avenue, alley, lane, right-of-way, body of water, or waterway that abut the Land.

Exclusion 4 does not modify or limit the coverage provided under Covered Risk 11 or 21.

5. The failure of Your existing structures, or any portion of Your existing structures, to have been constructed before, on, or after the Date of Policy in accordance with applicable building codes. Exclusion 5 does not modify or limit the coverage provided under Covered Risk 14 or 15.

6. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights law, that the transfer of the Title to You is a:

- a. fraudulent conveyance or fraudulent transfer;
- b. voidable transfer under the Uniform Voidable Transactions Act; or
- c. preferential transfer: i. to the extent the instrument of transfer vesting the Title as shown in Schedule A is not a transfer made as a contemporaneous exchange for new value; or ii. for any other reason not stated in Covered Risk 30.

7. Contamination, explosion, fire, flooding, vibration, fracturing, earthquake, or subsidence.

8. Negligence by a person or an entity exercising a right to extract or develop oil, gas, minerals, groundwater, or any other subsurface substance.

9. Any lien on Your Title for real estate taxes or assessments imposed or collected by a governmental authority that becomes due and payable after the Date of Policy. Exclusion 9 does not modify or limit the coverage provided under Covered Risk 8.a. or 27.

10. Any discrepancy in the quantity of the area, square footage, or acreage of the Land or of any improvement to the Land.

### **LIMITATIONS ON COVERED RISKS**

Your insurance for the following Covered Risks is limited on the Owner's Coverage Statement as follows:

For Covered Risk 16, 18, 19, and 21 Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A.

The deductible amounts and maximum dollar limits shown on Schedule A are as follows:

|                  | Your Deductible Amount                                   | Our Maximum Dollar<br>Limit of Liability |
|------------------|----------------------------------------------------------|------------------------------------------|
| Covered Risk 16: | 1% of Policy Amount or \$2,500.00<br>(whichever is less) | \$10,000.00                              |
| Covered Risk 18: | 1% of Policy Amount or \$5,000.00<br>(whichever is less) | \$25,000.00                              |
| Covered Risk 19: | 1% of Policy Amount or \$5,000.00<br>(whichever is less) | \$25,000.00                              |
| Covered Risk 21: | 1% of Policy Amount or \$2,500.00<br>(whichever is less) | \$5,000.00                               |

### **CLTA/ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE (12-02-13)**

#### **EXCLUSIONS**

In addition to the Exceptions in Schedule B, You are not insured against loss, costs, attorneys' fees, and expenses resulting from:

1. Governmental police power, and the existence or violation of those portions of any law or government regulation concerning:
  - a. building;
  - b. zoning;
  - c. land use;
  - d. improvements on the Land;
  - e. land division; and
  - f. environmental protection.

This Exclusion does not limit the coverage described in Covered Risk 8.a., 14, 15, 16, 18, 19, 20, 23 or 27.

2. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not limit the coverage described in Covered Risk 14 or 15.
3. The right to take the Land by condemning it. This Exclusion does not limit the coverage described in Covered Risk 17.
4. Risks:
  - a. that are created, allowed, or agreed to by You, whether or not they are recorded in the Public Records;
  - b. that are Known to You at the Policy Date, but not to Us, unless they are recorded in the Public Records at the Policy Date;
  - c. that result in no loss to You; or
  - d. that first occur after the Policy Date - this does not limit the coverage described in Covered Risk 7, 8.e., 25, 26, 27 or 28.
5. Failure to pay value for Your Title.
6. Lack of a right:
  - a. to any land outside the area specifically described and referred to in paragraph 3 of Schedule A; and
  - b. in streets, alleys, or waterways that touch the Land.

This Exclusion does not limit the coverage described in Covered Risk 11 or 21.

7. The transfer of the Title to You is invalid as a preferential transfer or as a fraudulent transfer or conveyance under federal bankruptcy, state insolvency, or similar creditors' rights laws.
8. Contamination, explosion, fire, flooding, vibration, fracturing, earthquake, or subsidence.
9. Negligence by a person or an Entity exercising a right to extract or develop minerals, water, or any other substances.

#### **LIMITATIONS ON COVERED RISKS**

Your insurance for the following Covered Risks is limited on the Owner's Coverage Statement as follows:

For Covered Risk 16, 18, 19, and 21 Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A.

The deductible amounts and maximum dollar limits shown on Schedule A are as follows:

|                  | Your Deductible Amount                                   | Our Maximum Dollar<br>Limit of Liability |
|------------------|----------------------------------------------------------|------------------------------------------|
| Covered Risk 16: | 1% of Policy Amount or \$2,500.00<br>(whichever is less) | \$10,000.00                              |
| Covered Risk 18: | 1% of Policy Amount or \$5,000.00<br>(whichever is less) | \$25,000.00                              |
| Covered Risk 19: | 1% of Policy Amount or \$5,000.00<br>(whichever is less) | \$25,000.00                              |
| Covered Risk 21: | 1% of Policy Amount or \$2,500.00<br>(whichever is less) | \$5,000.00                               |

## ALTA OWNER'S POLICY (07-01-2021)

### EXCLUSIONS FROM COVERAGE

The following matters are excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. a. any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) that restricts, regulates, prohibits, or relates to: i. the occupancy, use, or enjoyment of the Land; ii. the character, dimensions, or location of any improvement on the Land; iii. the subdivision of land; or iv. environmental remediation or protection.

b. any governmental forfeiture, police, regulatory, or national security power.

c. the effect of a violation or enforcement of any matter excluded under Exclusion 1.a. or 1.b.

Exclusion 1 does not modify or limit the coverage provided under Covered Risk 5 or 6.

2. Any power of eminent domain. Exclusion 2 does not modify or limit the coverage provided under Covered Risk 7.

3. Any defect, lien, encumbrance, adverse claim, or other matter:

a. created, suffered, assumed, or agreed to by the Insured Claimant;

b. not Known to the Company, not recorded in the Public Records at the Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;

c. resulting in no loss or damage to the Insured Claimant;

d. attaching or created subsequent to the Date of Policy (Exclusion 3.d. does not modify or limit the coverage provided under Covered Risk 9 or 10); or

e. resulting in loss or damage that would not have been sustained if consideration sufficient to qualify the Insured named in Schedule A as a bona fide purchaser had been given for the Title at the Date of Policy.

4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights law, that the transaction vesting the Title as shown in Schedule A is a:

a. fraudulent conveyance or fraudulent transfer;

b. voidable transfer under the Uniform Voidable Transactions Act; or

c. preferential transfer: i. to the extent the instrument of transfer vesting the Title as shown in Schedule A is not a transfer made as a contemporaneous exchange for new value; or ii. for any other reason not stated in Covered Risk 9.b.

5. Any claim of a PACA-PSA Trust. Exclusion 5 does not modify or limit the coverage provided under Covered Risk 8.

6. Any lien on the Title for real estate taxes or assessments imposed or collected by a governmental authority that becomes due and payable after the Date of Policy. Exclusion 6 does not modify or limit the coverage provided under Covered Risk 2.b.

7. Any discrepancy in the quantity of the area, square footage, or acreage of the Land or of any improvement to the Land.

### EXCEPTIONS FROM COVERAGE

**Some historical land records contain Discriminatory Covenants that are illegal and unenforceable by law. This policy treats any Discriminatory Covenant in a document referenced in Schedule B as if each Discriminatory Covenant is redacted, repudiated, removed, and not republished or recirculated. Only the remaining provisions of the document are excepted from coverage.**

This policy does not insure against loss or damage and the Company will not pay costs, attorneys' fees, or expenses resulting from the terms and conditions of any lease or easement identified in Schedule A, and the following matters:

*NOTE: The 2021 ALTA Owner's Policy may be issued to afford either Standard Coverage or Extended Coverage. In addition to variable exceptions such as taxes, easements, CC&R's, etc., the Exceptions from Coverage in a Standard Coverage policy will also include the Western Regional Standard Coverage Exceptions listed as 1 through 7 below:*

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or

assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.

2. Any facts, rights, interests, or claims that are not shown by the Public Records at Date of Policy but that could be (a) ascertained by an inspection of the Land or (b) asserted by persons or parties in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records at Date of Policy.
4. Any encroachment, encumbrance, violation, variation, easement, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records at Date of Policy.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor, material or equipment unless such lien is shown by the Public Records at Date of Policy.
7. Any claim to (a) ownership of or rights to minerals and similar substances, including but not limited to ores, metals, coal, lignite, oil, gas, uranium, clay, rock, sand, and gravel located in, on, or under the Land or produced from the Land, whether such ownership or rights arise by lease, grant, exception, conveyance, reservation, or otherwise; and (b) any rights, privileges, immunities, rights of way, and easements associated therewith or appurtenant thereto, whether or not the interests or rights excepted in (a) or (b) appear in the Public Records or are shown in Schedule B

## **2006 ALTA OWNER'S POLICY (06-17-06)**

### **EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to (i) the occupancy, use, or enjoyment of the Land; (ii) the character, dimensions, or location of any improvement erected on the Land; (iii) the subdivision of land; or (iv) environmental protection; or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.  
(b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
  - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
  - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
  - (c) resulting in no loss or damage to the Insured Claimant;
  - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 9 and 10); or
  - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.
4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is
  - (a) a fraudulent conveyance or fraudulent transfer; or
  - (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.
5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.



## EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage, and the Company will not pay costs, attorneys' fees or expenses, that arise by reason of:

*NOTE: The 2006 ALTA Owner's Policy may be issued to afford either Standard Coverage or Extended Coverage. In addition to variable exceptions such as taxes, easements, CC&R's, etc., the Exceptions from Coverage in a Standard Coverage policy will also include the Western Regional Standard Coverage Exceptions listed below as 1 through 7 below:*

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records at Date of Policy but that could be (a) ascertained by an inspection of the Land, or (b) asserted by persons or parties in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records at Date of Policy.
4. Any encroachment, encumbrance, violation, variation, easement, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records at Date of Policy.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor, material or equipment unless such lien is shown by the Public Records at Date of Policy.
7. Any claim to (a) ownership of or rights to minerals and similar substances, including but not limited to ores, metals, coal, lignite, oil, gas, uranium, clay, rock, sand, and gravel located in, on, or under the Land or produced from the Land, whether such ownership or rights arise by lease, grant, exception, conveyance, reservation, or otherwise; and (b) any rights, privileges, immunities, rights of way, and easements associated therewith or appurtenant thereto, whether or not the interests or rights excepted in (a) or (b) appear in the Public Records or are shown in Schedule B.

**NOTICE**  
**FEDERAL FOREIGN INVESTMENT IN REAL PROPERTY TAX ACT OF 1980 (FIRPTA)**

Upon the sale of United States real property, by a non-resident alien, foreign corporation, partnership or trust, the Foreign Investment in Real Property Tax Act of 1980 (FIRPTA), and as revised by the Tax Reform Act of 1984 (26 USCA 897 (C)(1)(A)(1) and 26 USCA 1445), Revised by the Path Act of 2015, These changes may be reviewed in full in H.R. 2029, now known as Public Law 114-113. See Section 324 of the law for the full text of FIRPTA changes. Effective February 27, 2016, the amendments to FIRPTA contained in the PATH Act have increased the holdback rate from 10% of gross proceeds to 15% of gross proceeds of the sale, regardless of whether the actual tax due may exceed (or be less than) the amount withheld if ANY of the following conditions are met:

1. If the amount realized (generally the sales price) is \$300,000 or less, and the property will be used by the Transferee as a residence (as provided for in the current regulations), no monies need be withheld or remitted to the IRS.
  2. If the amount realized exceeds \$300,000 but does not exceed \$1,000,000, and the property will be used by the Transferee as a residence, (as provided for in the current regulations) then the withholding rate is 10% on the full amount realized (generally the sales prices)
  3. If the amount realized exceeds \$1,000,000, then the withholding rate is 15% on the entire amount, regardless of use by the Transferee. The exemption for personal use as a residence does not apply in this scenario.
- If the purchaser who is required to withhold income tax from the seller fails to do so, the purchaser is subject to fines and penalties as provided under Internal Revenue Code Section 1445.

Escrow Holder will, upon written instructions from the purchaser, withhold Federal Income Tax from the seller and will deposit said tax with the Internal Revenue Service, together with IRS Forms 8288 and 8288-A. The fee charged for this service is \$45.00 payable to the escrow holder.

**CALIFORNIA WITHHOLDING**

In accordance with Sections 18662 and 18668 of the Revenue and Taxation Code, a transferee (Buyer) may be required to withhold an amount equal to 3 1/3 percent of the sales price or an alternative withholding amount certified to by the seller in the case of a disposition of California real property interest by either:

1. A seller who is an individual or when the disbursement instructions authorize the proceeds to be sent to a financial intermediary or the seller,  
OR
2. A corporate seller that has no permanent place of business in California.

The buyer may become subject to penalty for failure to withhold an amount equal to the greater of 10 percent of the amount required to be withheld or five hundred dollars (\$500).

However, notwithstanding any other provision included in the California statutes referenced above, no buyer will be required to withhold any amount or be subject to penalty for failure to withhold if:

1. The sales price of the California real property conveyed does not exceed one hundred thousand dollars (\$100,000.00), OR
2. The seller executes a written certificate, under the penalty of perjury, of any of the following:
  - a. The property qualifies as the seller's (or decedent's, if being sold by the decedent's estate) principal residence within the meaning of Internal Revenue Code (IRC) Section 121; or
  - b. The seller (or decedent, if being sold by the decedent's estate) last used the property as the seller's (decedent's) principal residence within the meaning of IRC Section 121 without regard to the two-year time period; or
  - c. The seller has a loss or zero gain for California income tax purposes on this sale; or
  - d. The property is being compulsorily or involuntarily converted and the seller intends to acquire property that is similar or related in service or use to qualify for non-recognition of gain for California income tax purposes under IRC Section 1033; or
  - e. If the transfer qualifies for non-recognition treatment under IRC Section 351 (transfer to a corporation controlled by the transferor) or IRC Section 721 (contribution to a partnership in exchange for a partnership interest); or
  - f. The seller is a corporation (or an LLC classified as a corporation for federal and California income tax purposes) that is either qualified through the California Secretary of State or has a permanent place of Business in California; or
  - g. The seller is a partnership (or an LLC that is not a disregarded single member LLC and is classified as a partnership for federal and California income tax purposes) with recorded title to the property in the name of the partnership of LLC; or
  - h. The seller is a tax-exempt entity under either California or federal law; or
  - i. The seller is an insurance company, individual retirement account, qualified pension/profit sharing plan, or charitable remainder trust; or
  - j. The transfer qualifies as a simultaneous like-kind exchange within the meaning of IRC Section 1031; or
  - k. The transfer qualifies as a deferred like-kind exchange within the meaning of IRC Section 1031; or
  - l. The transfer of this property will be an installment sale that you will report as such for California tax purposes and the buyer has agreed to withhold on each principal payment instead of withholding the full amount at the time of transfer.

The Seller is subject to penalty for knowingly filing a fraudulent certificate for the purpose of avoiding the withholding requirement.

**NOTICE**  
**DEPOSIT OF FUNDS AND DISBURSEMENT DISCLOSURE**

Unless you elect otherwise (as described below), all funds received by (the "Company") in escrow will be deposited with other escrow funds in one or more non-interest bearing escrow accounts of the Company in a financial institution selected by the Company. The depositor acknowledges that the deposit of funds in a non-interest bearing demand account by Escrow Holder may result in said company receiving a range of economic benefits from the bank in the form of services, credits, considerations, or other things of value. The depositor hereby specifically waives any claim to such economic benefits payable to Escrow Holder resulting from non-interest bearing deposits. Unless you direct the Company to open an interest-bearing account (as described below), the Company shall have no obligation to account to you in any manner for the value of, or to compensate any party for, any benefit received by the Company and/or its affiliated company. Any such benefits shall be deemed additional compensation of the Company for its services in connection with the escrow.

If you elect, funds deposited by you prior to the close of escrow may be placed in an individual interest-bearing account arrangement that the Company has established with one of its financial institutions. You do not have an opportunity to earn interest on the funds deposited by a lender. If you elect to earn interest through this special account arrangement, the Company will charge you an additional fee of \$50.00 for the establishment and maintenance of the account. This fee compensates the Company for the costs associated with opening and managing the interest-bearing account, preparing correspondence/documentation, transferring funds, maintaining appropriate records for audit/reconciliation purposes, and filing any required tax withholding statements. It is important that you consider this cost in your decision since the cost may exceed the interest you earn.



## Privacy Policy

Last Updated and Effective Date: December 1, 2024

This Privacy Notice ("Notice") describes how Mother Lode Holding Company and its subsidiaries and affiliates (collectively, "Mother Lode," "we," "us," or "our") collect, use, store, and share your personal information when: (1) you access or use our websites, mobile applications, web-based applications, or other digital platforms where this Notice is posted ("Sites"); (2) you use our products and services ("Services"); (3) you communicate with us in any manner, including by e-mail, in-person, telephone, or other communication method ("Communications"); (4) we obtain your information from third parties, including service providers, business partners, and governmental departments and agencies ("Third Parties"); and (5) you interact with us to conduct business dealings, such as the personal information we obtain from business partners and service providers and contractors who provide us certain business services ("B2B"). Personal information is sometimes also referred to as personal data, personally identifiable information or other like terms to mean any information that directly or indirectly identifies you or is reasonably capable of being associated with you or your household. However, certain types of information are not personal information and thus, not within the scope of our Notice, such as: (1) publicly available information; and (2) de-identified and aggregated data that is not capable of identifying you. If we use de-identified or aggregated data, we commit to maintain and use the information in a non-identifiable form and not attempt to reidentify the information, unless required or permitted by law.

This Notice applies wherever it is posted. To the extent a Mother Lode subsidiary or affiliate has different privacy practices, such entity shall have their own privacy statement posted as applicable. Please note that this Notice does **not** apply to any information we collect from job candidates and employees. Our employee and job candidate privacy notice can be found [here](#).

**If you are a California resident, click [here](#) for specific disclosures about how we collect, use, store and disclose your personal information, along with your privacy rights.**

## [Notice at Collection](#)

### [What Type of Information Do We Collect About You?](#)

Depending upon how you interact with our Sites and Services, the nature of your Communications, and the nature of our interaction with Third Parties, we may collect the following information from and about you:

- Direct identifiers, including but not limited to your unique online identifier, name, alias, social media handle, IP address, username and password, postal and/or e-mail address, phone number, account name and/or account number, social security number, driver's license number, passport number, and/or state identification number.
- Related identifiers, including but not limited to your date of birth, bank, credit, or debit card number, financial information, and/or insurance policy number.
- Physical characteristics, including protected characteristics under federal and state law, such as age, sex, race, and ethnicity.
- Commercial information, including records of products or services purchased, obtained, or considered.

- Biometric information, such as fingerprints and voice recordings.
- Internet or other electronic network activity information, with our Sites and in Communications, including browser type and version, browser settings, operating systems and platform, device type, operating information, mobile carrier, page response time and download errors.
- Geolocation data, such as your zip code and time zone.
- Audio, electronic, visual, and thermal information, including telephone recordings, electronic communication records, and security camera footage from applicable Mother Lode properties.
- Professional or employment-related information, such as your work history, salary history, and education history.

### How Do We Collect Your Information?

We collect your personal information in three ways:

**Directly from you** when you access or use our Sites or Services, conduct business dealings with us in the B2B context or when you communicate with us in any manner, including but not limited to:

- Personal information you provide by filling out forms in person or electronically through our Sites, including information provided at the time of registering for any Service or event, posting material, or requesting further services or information;
- Personal information you provide when you access or use our Services;
- Personal information you provide when you conduct B2B dealings with us;
- Personal information you provide when you report a problem with our Sites;
- Records and copies of your correspondence (e.g., email address) if you contact us;
- Your responses to surveys that we might ask you to complete;
- Details of transactions you carry out through our Sites, and the fulfillment of your orders; and
- Your search queries on the Sites.

**Automatically** when you access or use our Sites or Services, conduct business dealings or when you communicate with us, including but not limited to:

- Details of your visits to the Sites, including traffic data, location data, logs and other communication data;
- Information about your computer and mobile device, and internet connection, including your IP address, operating system, and browser type; and
- Interactivity with an e-mail, including opening, navigating, and click-through information.

**From Third Parties**, including but not limited to:

- Data analytics providers for the purpose of receiving statistical data about your activity on our Sites;
- Social media networks for the purpose of collecting certain of your social media profile information and activity, including your screen names, profile picture, contact information, contact list, and the profile pictures of your contacts, through the social media platform;
- Service providers, including but not limited to internet service providers, fraud prevention services, and related partners; and
- Public sources, including local, state, and federal government agencies and departments, to facilitate your use of the Sites, and to provide you with our Services.

### How Do We Use Your Information?

We use the personal information outlined in [What Type of Information Do We Collect About You](#) for a variety of business and commercial purposes, including but not limited to:

- Provide the Sites to you;
- Provide the Services you have requested;
- Conduct business dealings with you;
- Fulfill a transaction you requested or service your policy;
- Handle a claim;
- Create and manage your account;
- Protect and enforce your rights and the rights of other users against unlawful activity, including identity theft and fraud;
- Protect and enforce our collective rights arising under any agreements entered between Mother Lode and you or any other Third Party;

- Operate the Sites, including access management, payment processing, Site administration, internal operations, troubleshooting, data analysis, testing, research, and for statistical purposes;
- Respond to your requests, feedback, or inquiries;
- Comply with laws, regulations, and other legal requirements;
- Comply with relevant industry standards and our policies;
- Protect the integrity and maintain security of our Sites and Services;
- Operate, evaluate, and improve our business; and
- Deliver content tailored to your interests and the way you use the Sites;
- Present content in a manner that is optimized for your device;
- Measure and analyze the effectiveness of the Sites and Services we provide to you.

### How Do We Disclose Your Personal Information?

We do not sell your personal information or share your personal information for cross-context behavioral advertising. We may, however, disclose personal information referenced in [What Type of Information Do We Collect About You](#) with others for a variety of business and commercial purposes, including:

- **With your consent.** We may disclose your personal information with your consent. We may obtain your consent in writing; online, through “click-through” agreements; when you accept the terms of use on our Sites; orally, either in person or on the phone; or by other means.
- **In a business transfer.** We may disclose your personal information as part of a corporate business transaction, such as a merger or acquisition, joint venture, corporate reorganization, financing, or sale of company assets, or in the unlikely event of insolvency, bankruptcy, or receivership, in which such information could be transferred to Third Parties as a business asset in the transaction.
- **To non-affiliated third parties, such as service providers and contractors.** We may disclose your personal information with other parties, such as service providers and contractors, to facilitate your access and use of our Sites and Services, including but not limited to internet service providers, data analytics providers, governmental entities, operating systems and platforms, social media networks, and service providers who provide us a service (e.g., credit / debit card processing, billing, shipping, repair, customer service, auditing, debugging to identify and repair errors that impair existing intended functionality on our Sites or Services, and/or protecting against malicious, deceptive, fraudulent, or illegal activity).
- **To subsidiaries and affiliates.** We may disclose your personal information with our Mother Lode subsidiaries and affiliates to further facilitate your use of our Sites and Services, and to ensure the smooth and consistent operations of Mother Lode by identifying and repairing errors that impede intended functionality and to protect against malicious, deceptive, fraudulent, or illegal activity.
- **For legal process and protection.** We may disclose your personal information to satisfy any law, regulation, legal process, governmental request, or where we have a good faith belief that access, use, preservation or disclosure of such information is reasonably necessary to:
  - Enforce or apply agreements, or initiate, render, bill, and collect for Services;
  - Protect our rights or interests, property or safety or that of others;
  - In connection with claims, disputes, or litigation - in court or elsewhere;
  - Protect users of our Sites and Services and other carriers or providers from fraudulent, abusive, or unlawful use of, or subscription to, such services; and

- Facilitate or verify the appropriate calculation of taxes, fees, or other obligations due to a local, state, or federal government.

### [Links To Third Party Sites](#)

Our Sites may contain links to Third Party websites and services. Please note that these links are provided for your convenience and information, and the websites and services may operate independently from us and have their own privacy policies or notices, which we strongly suggest you review. This Notice applies to our Sites only, and we do not accept any responsibility or liability for the policies or practices of any Third Parties.

### [Third Party Tracking / Do Not Track](#)

Our Sites may, from time to time, collect information about your online activities, over time and across our different Sites. When you use our Sites, third parties may also collect information about your online activities, over time and across different internet websites, online or cloud computing services, online applications, or mobile applications. Some browsers support a “Do Not Track” feature, which is intended to be a signal to websites that you do not wish to be tracked across different websites you visit. Our Sites do not currently change the way they operate based upon detection of a “Do Not Track” or similar signal.

### [Social Media Integration](#)

Our Sites and/or Services may, from time to time, contain links to and from social media platforms. You may choose to connect to us through a social media platform, such as Facebook or Twitter. When you do, we may collect additional information from or about you, such as your screen names, profile picture, contact information, contact list, and the profile pictures of your contacts, through the social media platform. Please be advised that social media platforms may also collect information from you. We do not have control over the collection, use and sharing practices of social media platforms. We therefore encourage you to review their usage and disclosure policies and practices, including their data security practices, before using the social media platforms.

### [How Do We Store and Protect Your Personal Information?](#)

Although no system can guarantee the complete security of your personal information, we take all commercially reasonable steps to ensure your personal information is protected in alignment with all applicable laws and regulations, as appropriate to the sensitivity of your personal information.

### [How Long Do We Keep Your Personal Information?](#)

We keep your personal information for as long as necessary in accordance with the purpose for which it was collected, our business needs, and our legal and regulatory obligations. If we dispose of your information, we will do so in a way that is secure and appropriate to nature of the information subject to disposal.

### [Cookies and Related Technology](#)

We may use browser cookies, beacons, pixel tags, scripts, and other similar technologies from time to time to support the functionality of our Sites and Services. A cookie is a piece of information contained in a very small text file that is stored in your Internet browser or elsewhere on your hard drive. Cookies are transferred from our Sites to your computer, phone or tablet, and allow us to identify your device whenever you return to our Sites. These technologies provide a better experience when you use our Sites and Services, and allow us to improve our services. We may also use analytic software, such as Google Analytics and others, to help better understand how our Sites function on your device(s) and for other analytical purposes. To learn more about how Google uses data when you use our Sites, see [How Google uses data when you use our partners' sites or apps](#).

You can opt-out of Google Analytics by installing Google's opt-out browser add-on here <https://tools.google.com/dlpage/gaoptout>.

Below is an overview of the types of cookies and related technology we deploy, and your choices.

**Browser Cookies.** A browser cookie is a small file placed on the hard drive of your computer. That cookie then communicates with servers, ours or those of other companies that we authorize to collect data for us and allows recognition of your personal computer. You may use the tools available on your computer or other device(s) to set your browser to refuse or disable all or some browser cookies, or to alert you when cookies are being set. However, if you refuse or disable all browser cookies, you may be unable to access certain parts or use certain features or functionality of our Sites. Unless you have adjusted your browser settings so that it refuses all cookies, we may use cookies when you direct your browser to our Sites.

**Beacons.** Our Sites and e-mails may contain small electronic files known as beacons (also referred to as web beacons, clear GIFs, pixel tags and single-pixel GIFs) that permit us to, for example, to count users who have visited those pages or opened an e-mail and for other website-related statistics. You may use the tools in your device to disable these technologies as well.

**Third Party Technology.** Our service providers may also use cookies and beacons to collect and share information about your activities both on our Sites and on other websites and applications. In addition, third parties that are unaffiliated with us may also collect information about you, including tracking your browsing history, when you use our Sites. We do not have control over these third-party collection practices. If you wish to minimize these third-party collections, you can adjust the settings of your browsers or install plug-ins and add-ins.

**Your Choices.** You may wish to restrict the use of cookies or completely prevent them from being set. Most browsers provide for ways to control cookie behavior, such as the length of time they are stored. If you disable cookies, please be aware that some of the features of our Sites may not function correctly. To find out more on how to manage and delete cookies, visit [www.aboutcookies.org](http://www.aboutcookies.org). For more details on your choices regarding use of your web browsing activity for interest-based advertising, you may visit the following sites:

- <http://networkadvertising.org/>
- <http://optout.aboutads.info/>
- <http://youradchoices.com/>

## Your Choices

We provide you the ability to exercise certain controls and choices regarding our collection, use, storage, and disclosure of your personal information. For California residents, please click [here](#) to understand how to exercise your rights.

- **Right of Correction.** Regardless of where you live, you may submit a request that we correct or update the information we have about you.
- **Right to Change Preferences.** Regardless of where you live, you may change your choices for subscriptions, newsletters, and alerts.
- **Right to Control Advertising and Online Tracking.** Regardless of where you live, you have a right to control how your personal information is tracked online. To learn more about these rights, see [Cookies and Related Technologies](#).
- **Right of Non-Discrimination.** Regardless of where you live, you have a right to exercise your rights under this section free of discrimination. Mother Lode will not discriminate against you in any way if you choose to exercise your rights under this section.



## California Consumer Privacy Act Rights and Disclosures

The following disclosures are made pursuant to the California Consumer Privacy Act, as amended by the California Privacy Rights Act and its implementing regulations (“CCPA”).

### Relevant CCPA Definitions

| Term                                  | Definition                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|---------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Personal information</b>           | Information that identifies, relates to, describes, is reasonably capable of being associated with, or could reasonably be linked, directly or indirectly, to you or your household.                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>Sensitive personal information</b> | Personal information that reveals your social security number, driver's license number, state identification card, passport number, account log-in and password, financial account and password, debit or credit card number and access code, precise geolocation information, race, ethnic origin, citizenship or immigration status, religious or philosophical beliefs, union membership, the content of your mail, email or texts other than those communications with us, genetic data, neural data, biometric information, health information, and information that concerns your sex life or sexual orientation. |
| <b>Sell, sale, or sold</b>            | Selling, renting, releasing, disclosing, disseminating, making available, transferring, or otherwise communicating orally, in writing, or by other means, your personal information to a third party for monetary or other valuable consideration.                                                                                                                                                                                                                                                                                                                                                                      |
| <b>Share, shared, or sharing</b>      | Sharing, renting, releasing, disclosing, disseminating, making available, transferring, or otherwise communicating orally, in writing, or by electronic or other means, your personal information to a third party for cross-context behavioral advertising, whether or not for monetary or other valuable consideration, including transactions between us and a third party for cross-context behavioral advertising for our benefit in which no money is exchanged.                                                                                                                                                  |

### Summary of Categories of Personal Information Collected and Disclosed

Below is a summary of the categories of personal information we have collected from and about you in the twelve months preceding the date this Notice was last updated. Also included in this description is personal information about: (1) why the personal information is collected and used; (2) whether the information is “sold” or “shared” to third parties; (3) whether the information is disclosed for a business purpose to third parties; (4) whether the information includes “sensitive personal information”; and (5) a description of how long we may keep your information. To learn more about the personal information we will collect on an ongoing basis, please see our [Notice at Collection](#) above.

#### Categories of Personal Information:

- **Identifiers (Includes Sensitive Personal Information):** Includes personal information such as your name, alias, postal address, and telephone number, unique online identifier, social media handle, IP address, username and password, email address, account name and/or account number, social security number, driver's license number, passport number or state identification number.
- **Physical Characteristics (Includes Sensitive Personal Information):** Includes personal information such as your race, sex, age and ethnicity.
- **Financial Information (Includes Sensitive Information):** Includes personal information such as bank account number, credit card number, debit card number, insurance policy number or other financial information.
- **Internet or other Electronic Network Activity Information:** Includes personal information such as browser type and version, browser settings, operating systems and platform, device type, operating information, mobile carrier, page response time and download errors.

- **Commercial Information:** Includes personal information such as records of products or services purchased, obtained, or considered.
- **Biometric Information (Includes Sensitive Personal Information):** Includes personal information such as fingerprints, and voice recordings.
- **Professional and Educational Information:** Includes your work history, salary history, and education history.
- **Audio, Electronic, Visual, Thermal, and Related Information:** Includes personal information such as photographs, video recordings, or recorded messages.
- **Geolocation:** Such as zip code and time zone.

#### Category Disclosure Information

| Disclosure                                        | Categories                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Description                                                                                                                                                                                                      |
|---------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| How do we collect this information?               | Identifiers*                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | We collect this personal information directly from you or automatically from your device(s). We also may collect this personal information from third parties such as service providers and government agencies. |
|                                                   | Physical Characteristics*                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | We collect this personal information directly from you. We also may collect this personal information from other parties, such as service providers.                                                             |
|                                                   | Financial Information*                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                  |
|                                                   | Internet or other Electronic Activity Information                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                  |
|                                                   | Commercial Information                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | We collect this personal information directly from you or automatically from your device(s). We also may collect this personal information from other parties such as service providers.                         |
|                                                   | Biometric Information*                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                  |
|                                                   | Professional and Educational Information*                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | We collect this personal information directly from you. We also may collect this personal information from other parties such as service providers and government agencies.                                      |
|                                                   | Audio, Electronic, Visual, and Related Information                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | We collect this personal information directly from you or automatically from your device(s). We also may collect this personal information from other parties such as service providers.                         |
| Does this include sensitive personal information? | <p>The categories of sensitive personal information we collect include social security number, driver's license number, passport number, racial or ethnic origin, health information, bank account number, credit card number, debit card number, or any other financial information with a required access or security code, password, or credentials.</p> <p>*Denotes which categories may include sensitive personal information.</p> <p>We do not process your sensitive personal information other than for the purposes permitted under the CCPA, such as providing the Sites to you, providing the Services you requested, fulfilling a transaction you requested or servicing your policy.</p> |                                                                                                                                                                                                                  |
| Is the information "sold" or "shared"?            | No. To the extent any Mother Lode affiliated entity has a different practice, it will be stated in the applicable privacy notice posted for the particular affiliated entity.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                  |

|                                                               |                                                                                                                                                                                                                                                                                                                                                    |
|---------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| What is our business purpose for collecting your information? | See <a href="#">How Do We Use Your Personal Information</a> above.                                                                                                                                                                                                                                                                                 |
| Who do we disclose this information to?                       | See <a href="#">How Do We Share Your Personal Information</a> above.                                                                                                                                                                                                                                                                               |
| How long do we keep the information?                          | We keep your personal information for so long as is reasonably necessary and proportionate to the original purpose for which we collected the personal information. We base our criteria in determining appropriate retention periods on regulatory and legal requirements, contractual requirements, business needs, and the expectations of you. |

#### Notice of Disclosure for a Business Purpose

To learn more about the categories of personal information we have disclosed for a business purpose about California residents over the last twelve months, including the categories of parties with whom we have disclosed that personal information, please see [What Type of Personal Information Do We Collect About You](#) and [How Do We Share Your Personal Information](#).

#### Notice of Sale or Sharing

We do not sell or share personal information as defined under the CCPA, nor have we sold or shared such personal information in the past 12 months. **To the extent any Mother Lode affiliated entity has a different practice, it will be stated in the applicable privacy notice posted for the particular affiliated entity.** We have no actual knowledge of selling or sharing the personal information of minors under the age of 16.

#### Your Rights

Under CCPA and its implementing regulations, you have a **Right to Know, Right to Correct, Right to Delete, and Right to Non-Discrimination**. We do not offer a right to opt out of sale or sharing or limit the use and disclosure of sensitive personal information because we do not sell or share your personal information or use your sensitive personal information other than for permitted purposes under the CCPA. We provide you the ability to exercise certain controls and choices regarding our collection, use, storage, and disclosure of your personal information. Please note that for some of these rights, such as the Right to Know, Right to Correct, and Right to Delete, we will verify your identity before we respond to your request. To verify your identity, we will generally match the identifying personal information provided in your request with the information we have on file about you. Depending on the sensitivity of the personal information related to your rights request, we may also utilize more stringent verification methods to verify your identity, including but not limited to requesting additional information from you and/or requiring you to sign a declaration under penalty of perjury.

- **Right to Know.** You have a right to confirm whether we are processing your personal information and ask that we disclose to you the categories and specific pieces of personal information we have collected about you including a description of the categories of sources from which we have collected that personal information, the business or commercial purpose for collecting or sharing that information, and the categories of third parties to whom we have disclosed that personal information. You have the right to receive this information in a format, to the extent technically feasible, that is portable, usable, and allows you to transmit the personal information to a person without impediment. You may submit this request by [clicking here](#) or by calling 1-877-626-0668. You may also designate an authorized agent to submit a request on your behalf.

- **Right to Correct.** You have a right to ask that we correct your personal information, subject to appropriate legal exceptions. You may submit this request by [clicking here](#) or by calling 1-877-626-0668. You may also designate an authorized agent to submit a request on your behalf.
- **Right to Delete.** You have a right to ask that we delete your personal information, subject to appropriate legal exceptions. You may submit this request by [clicking here](#) or by calling 1-877-626-0668. You may also designate an authorized agent to submit a request on your behalf.
- **Right of Non-Discrimination.** You have a right to exercise your rights under this section free of discrimination. Mother Lode will not discriminate against you in any way if you choose to exercise your rights under this section.

### Authorized Agents

If permitted or required by applicable law, you may exercise your privacy rights through an authorized agent. If we receive your request from an authorized agent, we may ask for evidence that you have provided such agent with a power of attorney or that the agent otherwise has valid written authority to submit requests to exercise rights on your behalf. If you are an authorized agent seeking to make a request, please submit the [Authorized Agent Form](#).

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### Accessibility

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We may change this Notice from time to time. Any and all changes will be reflected on this page, and where appropriate provided in person or by another electronic method. The effective date will be stated at the top of this Notice. You should regularly check this page for any changes to this Notice.

**YOUR CONTINUED USE, ACCESS, OR INTERACTION WITH THE SITES OR SERVICES, OR YOUR CONTINUED COMMUNICATIONS WITH US AFTER THE UPDATED NOTICE HAS BEEN POSTED WILL REPRESENT THAT YOU HAVE READ AND UNDERSTOOD THIS NOTICE.**

## Contact Us

If you have any questions, please contact us at [privacy@mlhc.com](mailto:privacy@mlhc.com) or by calling 1-877-626-0668.

### GRAMM-LEACH-BLILEY ACT PRIVACY POLICY NOTICE

Title V of the Gramm-Leach-Bliley Act (GLBA) requires financial companies to provide you with a notice of their privacy policies and practices, such as the types of nonpublic personal information that they collect about you and the categories of persons or entities to whom it may be disclosed. In compliance with the Gramm-Leach-Bliley-Act, we are notifying you of the privacy policies and practices of:

Mother Lode Holding Co.  
Montana Title and Escrow Co.  
National Closing Solutions, Inc.  
National Closing Solutions of Alabama  
National Closing Solutions of Maryland  
Premier Reverse Closings  
Centric Title and Escrow

Placer Title Co.  
Placer Title Insurance Agency of Utah  
Premier Title Agency  
North Idaho Title Insurance Co.  
Texas National Title  
Western Auxiliary Corp.  
Wyoming Title and Escrow Co.  
Wisconsin Title Closing Service, Inc.

The types of personal information we collect and share depend on the transaction involved. This information may include:

- Identity information such as Social Security number and driver's license information.
- Financial information such as mortgage loan account balances, checking account information and wire transfer instructions
- Information from others involved in your transaction such as documents received from your lender

We collect this information from you, such as on an application or other forms, from our files, and from our affiliates or others involved in your transaction, such as the real estate agent or lender.

We may disclose any of the above information that we collect about our customers or former customers to our affiliates or to non-affiliates as permitted by law for our everyday business purposes, such as to process your transactions and respond to legal and regulatory matters. We do not sell your personal information or share it for marketing purposes.

**We do not share any nonpublic personal information about you with anyone for any purpose that is not specifically permitted by law.**

We restrict access to nonpublic personal information about you to those employees who need to know that information in order to provide products or services to you. We maintain physical, electronic and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.

Questions about this notice and privacy policy may be sent to MLHC Counsel, Legal Dept., 185 Fulweiler Avenue, Auburn, CA 95603 or [privacy@mlhc.com](mailto:privacy@mlhc.com).

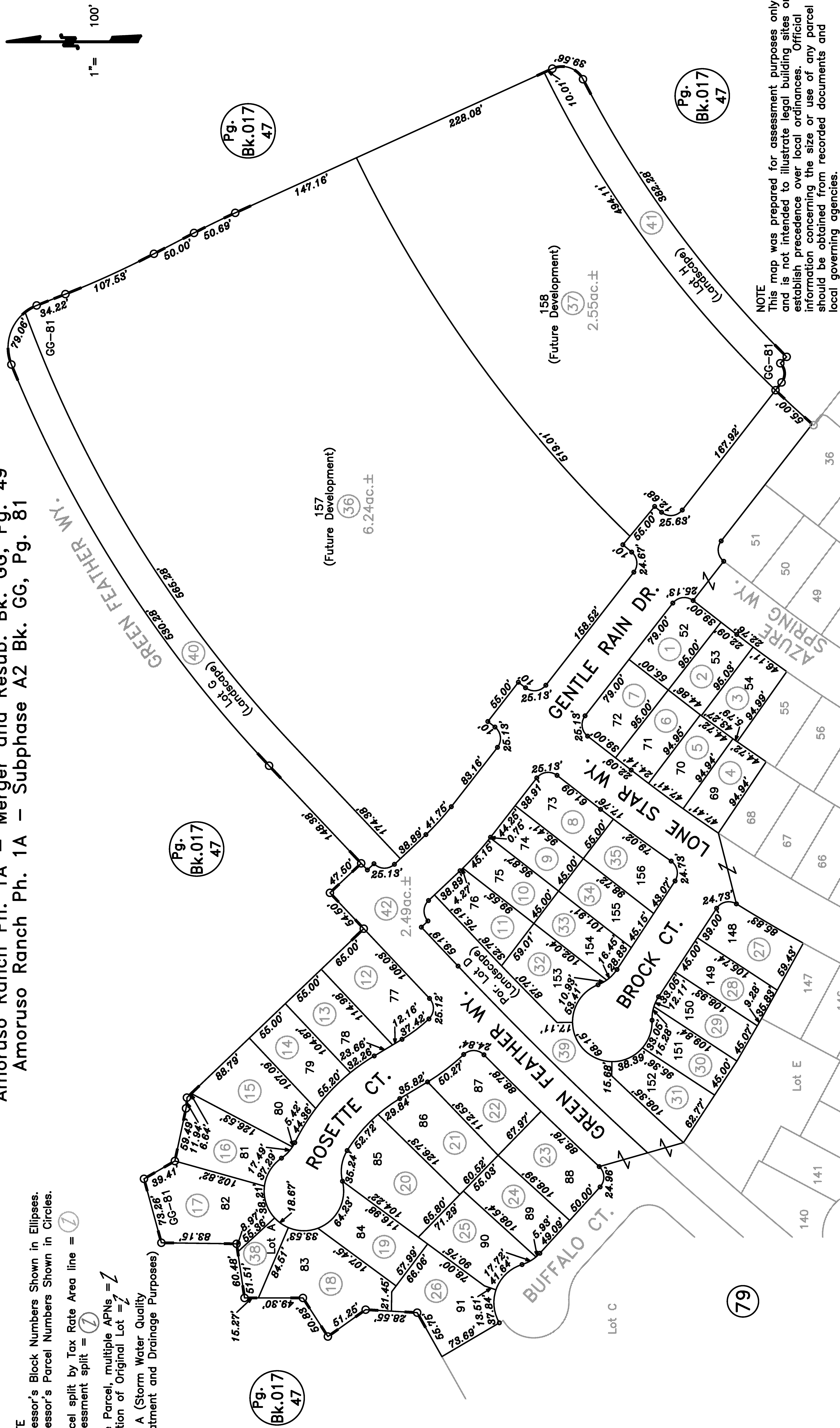


**NOTE**  
**Assessor's Block Numbers Shown in Ellipses.**  
**Assessor's Parcel Numbers Shown in Circles.**

Parcel split by Tax Rate Area line = 7  
Assessment split = 7

One Parcel, multiple APNs = 1  
Portion of Original Lot = 1

### Lot A (Storm Water Quality Treatment and Drainage Purposes)



**NOTE**  
This and established inform should local



## **Addendum D**

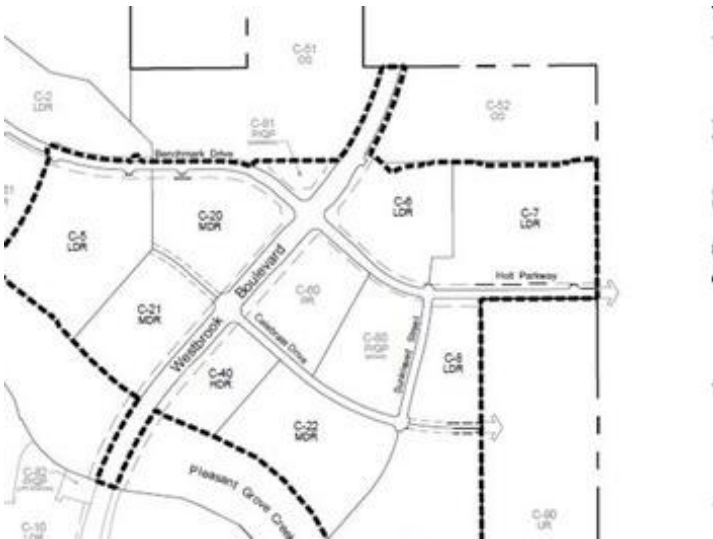
### **Comparable Data**

## Land Sales



Location & Property Identification

|                     |                                             |
|---------------------|---------------------------------------------|
| Property Name:      | Winding Creek - Village C-7                 |
| Sub-Property Type:  | Residential, Single Family Development Land |
| Address:            | E/O Westbrook Blvd., N/O Blue Oaks Blvd.    |
| City/State/Zip:     | Roseville, CA 95747                         |
| County:             | Placer                                      |
| Market Orientation: | Suburban                                    |
| IRR Event ID:       | 3315168                                     |



Sale Information

|                         |                                          |
|-------------------------|------------------------------------------|
| Sale Price:             | \$17,200,000                             |
| Effective Sale Price:   | \$17,200,000                             |
| Sale Date:              | 11/15/2024                               |
| Contract Date:          | 07/16/2024                               |
| Sale Status:            | Closed                                   |
| \$/Acre(Gross):         | \$1,239,193                              |
| \$/Land SF(Gross):      | \$28.45                                  |
| \$/Building SF:         | \$3,276.19                               |
| \$/Unit (Potential):    | \$232,432 /Approved Lot                  |
| Grantor/Seller:         | Anthem United Creekview Development, LP. |
| Grantee/Buyer:          | KL LB Buy 5 LLC (Tri Pointe Homes)       |
| Portfolio Sale:         | No                                       |
| Assets Sold:            | Real estate only                         |
| Property Rights:        | Fee Simple                               |
| % of Interest Conveyed: | 100.00                                   |
| Financing:              | Cash to seller                           |
| Conditions of Sale:     | Arm's-length                             |
| Document Type:          | Deed                                     |
| Recording No.:          | 2024.63148                               |

Verification Type: Confirmed-Seller

Sale Analysis

|                              |                |
|------------------------------|----------------|
| Expenditures After Purchase: | \$92,423       |
| Expenditures Description:    | Permits & Fees |
| Other Adjustment:            | \$3,237        |
| Adjustment Comments:         | Special taxes  |
| Sale Price Includes FF&E?    | No             |

Improvement and Site Data

|                           |                                          |
|---------------------------|------------------------------------------|
| MSA:                      | Sacramento--Roseville--Arden -Arcade, CA |
| Acres(Gross):             | 13.88                                    |
| Land-SF(Gross):           | 604,613                                  |
| Potential Building SF:    | 5,250                                    |
| No. of Units (Potential): | 74                                       |
| Shape:                    | Irregular                                |
| Topography:               | Level                                    |
| Corner Lot:               | No                                       |
| Zoning Code:              | RS/DS                                    |
| Zoning Desc.:             | Small lot residential                    |
| Easements:                | No                                       |
| Environmental Issues:     | No                                       |
| Flood Zone Designation:   | X (Shaded)                               |
| Source of Land Info.:     | Past Appraisal                           |



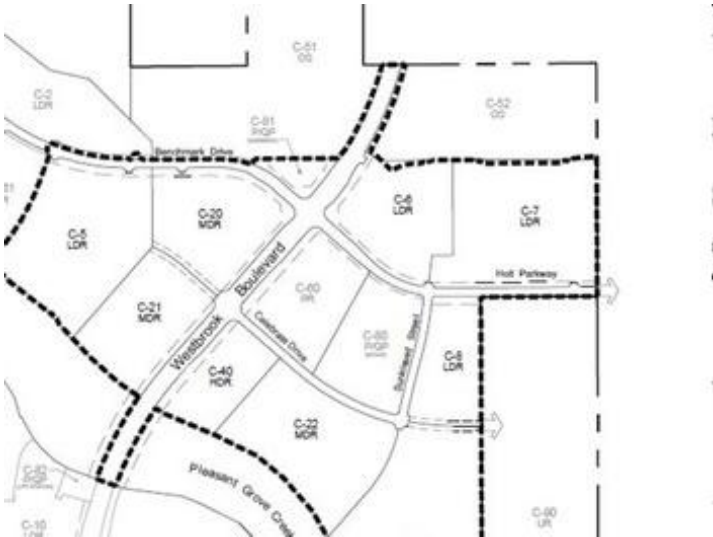
## Comments

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This comparable represents the sale of 74 finished lots with a typical lot size of 5,250 square feet. Permits & fees average \$92,423 per lot and annual special assessments are \$3,237 per lot. The purchase price is in addition to a Master Marketing Fee of 0.75% of HUD Purchase Price which is to be paid in connection with each home closing.

Location & Property Identification

|                     |                                             |
|---------------------|---------------------------------------------|
| Property Name:      | Winding Creek - Villages C-6 & C-8          |
| Sub-Property Type:  | Residential, Single Family Development Land |
| Address:            | E/O Westbrook Blvd., N/O Blue Oaks Blvd.    |
| City/State/Zip:     | Roseville, CA 95747                         |
| County:             | Placer                                      |
| Market Orientation: | Suburban                                    |
| IRR Event ID:       | 3315170                                     |



Sale Information

|                         |                                          |
|-------------------------|------------------------------------------|
| Sale Price:             | \$15,280,000                             |
| Effective Sale Price:   | \$15,280,000                             |
| Sale Date:              | 11/04/2024                               |
| Contract Date:          | 07/16/2024                               |
| Sale Status:            | Closed                                   |
| \$/Acre(Gross):         | \$1,115,328                              |
| \$/Land SF(Gross):      | \$25.60                                  |
| \$/Building SF:         | \$3,772.84                               |
| \$/Unit (Potential):    | \$191,000 /Approved Lot                  |
| Grantor/Seller:         | Anthem United Creekview Development, LP. |
| Grantee/Buyer:          | Beazer Home Holdings, LLC.               |
| Portfolio Sale:         | No                                       |
| Assets Sold:            | Real estate only                         |
| Property Rights:        | Fee Simple                               |
| % of Interest Conveyed: | 100.00                                   |
| Financing:              | Cash to seller                           |
| Conditions of Sale:     | Arm's-length                             |
| Document Type:          | Deed                                     |
| Recording No.:          | 2024.61804                               |

Verification Type: Confirmed-Seller

Sale Analysis

|                              |                |
|------------------------------|----------------|
| Expenditures After Purchase: | \$92,423       |
| Expenditures Description:    | Permits & Fees |
| Other Adjustment:            | \$3,237        |
| Adjustment Comments:         | Special taxes  |
| Sale Price Includes FF&E?    | No             |

Improvement and Site Data

|                           |                                          |
|---------------------------|------------------------------------------|
| MSA:                      | Sacramento--Roseville--Arden -Arcade, CA |
| Legal/Tax/Parcel ID:      | 496-620-001, -003                        |
| Acres(Gross):             | 13.70                                    |
| Land-SF(Gross):           | 596,772                                  |
| Potential Building SF:    | 4,050                                    |
| No. of Units (Potential): | 80                                       |
| Shape:                    | Irregular                                |
| Topography:               | Level                                    |
| Corner Lot:               | No                                       |
| Zoning Code:              | RS/DS                                    |
| Zoning Desc.:             | Small lot residential                    |
| Easements:                | No                                       |
| Environmental Issues:     | No                                       |
| Flood Zone Designation:   | X (Shaded)                               |

Improvement and Site Data (Cont'd)

Source of Land Info.: Past Appraisal

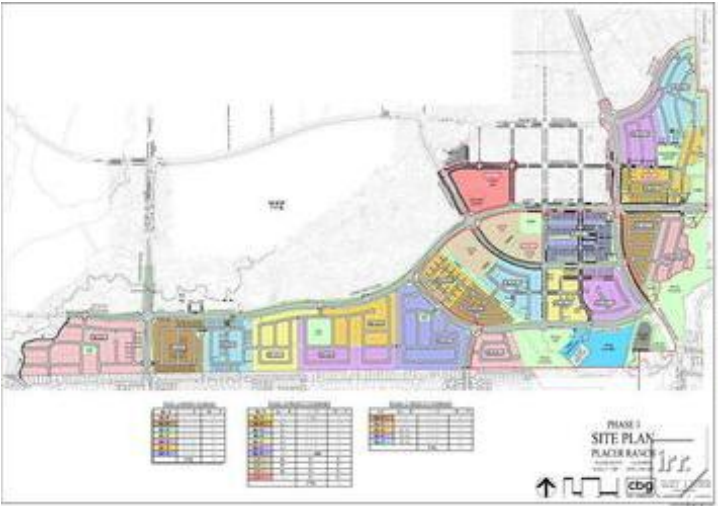
Comments

This comparable represents the sale of 80 finished lots with a typical lot size of 4,050 square feet. Permits & fees average \$92,423 per lot and annual special assessments are \$3,237 per lot. The purchase price is in addition to a Master Marketing Fee of 0.75% of HUD Purchase Price which is to be paid in connection with each home closing.



Location & Property Identification

|                     |                                                |
|---------------------|------------------------------------------------|
| Property Name:      | Villages 12/13 - Phase 1B<br>Placer One        |
| Sub-Property Type:  | Residential, Single Family<br>Development Land |
| Address:            | Foothills Blvd.                                |
| City/State/Zip:     | Placer County, CA 95747                        |
| County:             | Placer                                         |
| Market Orientation: | Suburban                                       |
| IRR Event ID:       | 3360413                                        |



Sale Information

|                         |                          |
|-------------------------|--------------------------|
| Sale Price:             | \$21,180,000             |
| Effective Sale Price:   | \$21,180,000             |
| Sale Date:              | 11/01/2024               |
| Contract Date:          | 07/03/2024               |
| Sale Status:            | Closed                   |
| \$/Acre(Gross):         | \$759,140                |
| \$/Land SF(Gross):      | \$17.43                  |
| \$/Building SF:         | \$4,226.70               |
| \$/Unit (Potential):    | \$150,213 /Unit          |
| Grantor/Seller:         | Jen CA Placer Ranch, LLC |
| Grantee/Buyer:          | Arroyo Cap IV-2 LLC      |
| Assets Sold:            | Real estate only         |
| Property Rights:        | Fee Simple               |
| % of Interest Conveyed: | 100.00                   |
| Financing:              | Cash to seller           |
| Conditions of Sale:     | Arm's-length             |
| Document Type:          | Deed                     |

|                           |                                                |
|---------------------------|------------------------------------------------|
| Expenditures Description: | Site development costs<br>and permits and fees |
| Other Adjustment:         | \$3,000                                        |
| Adjustment Comments:      | Estimated bond<br>encumbrance                  |

Improvement and Site Data

|                           |                             |
|---------------------------|-----------------------------|
| Legal/Tax/Parcel ID:      | 017-500-009, -010, and -011 |
| Acres(Gross):             | 27.90                       |
| Land-SF(Gross):           | 1,215,324                   |
| Potential Building SF:    | 5,011                       |
| No. of Units (Potential): | 141                         |
| Zoning Code:              | SPL-PRSP                    |
| Zoning Desc.:             | Low Density Residential     |
| Source of Land Info.:     | Public Records              |

Comments

141 residential lots with a typical lot size of 5,011 square feet sold in bluetop condition for \$150,213 per lot. The property was purchased by a land bank, who subsequently went under contract to Pulte Homes. The site development costs to bring the lots to finished condition is estimated at \$54,246 per lot. Permits and fees are estimated at \$80,000 per lot. We were not provided with an estimated bond encumbrance. Therefore, based on a survey of surrounding properties, it is estimated the subject would have a bond encumbrance of \$3,000 per lot. The purchase price is in

Sale Analysis

|                              |           |
|------------------------------|-----------|
| Expenditures After Purchase: | \$134,246 |
|------------------------------|-----------|



## Comments (Cont'd)

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addition to a Master Marketing Fee of 0.50% of the purchase price in connection with the closing of each individual home.

## Location & Property Identification

Property Name: Amoruso Ranch - Phase 1  
(AR-4, 5, 6, 11, 34, 35)

Sub-Property Type: Residential, Single Family  
Development Land

Address: Amoruso Ranch Rd.

City/State/Zip: Roseville, CA 95747

County: Placer

Market Orientation: Suburban

IRR Event ID: 3217705



## Sale Information

Sale Price: \$28,980,000

Effective Sale Price: \$28,980,000

Sale Date: 12/14/2023

Sale Status: Closed

\$/Acre(Gross): \$927,657

\$/Land SF(Gross): \$21.30

\$/Building SF: \$4,830.00

\$/Unit (Potential): \$210,000 /Unit

Grantor/Seller: Brookfield Sacramento  
Holdings, LLC.

Grantee/Buyer: Richmond American Homes

Assemblage: No

Portfolio Sale: No

Assets Sold: Real estate only

Property Rights: Fee Simple

% of Interest Conveyed: 100.00

Financing: Cash to seller

Conditions of Sale: Arm's-length

Document Type: Deed

Recording No.: N/Av

## Sale Analysis

Expenditures After Purchase: \$90,758

Expenditures Description: Permits & fees

Other Adjustment: \$4,300

Adjustment Comments: Annual special taxes

Sale Price Includes FF&E? No

## Improvement and Site Data

Acres(Gross): 31.24

Land-SF(Gross): 1,360,814

Potential Building SF: 6,000

No. of Units (Potential): 138

Shape: Irregular

Topography: Level

Zoning Code: RS

Zoning Desc.: Small lot residential

Flood Plain: No

Flood Zone Designation: X

Source of Land Info.: Engineering Report

## Comments

This transaction represents the sale of 138 finished LDR lots with an average lot size of 6,000 square feet. Permits & fees average \$90,758 per lot and annual special taxes are \$4,300 per lot.

Location & Property Identification

|                     |                                             |
|---------------------|---------------------------------------------|
| Property Name:      | Winding Creek - Village C-5                 |
| Sub-Property Type:  | Residential, Single Family Development Land |
| Address:            | W/O Westbrook Blvd., N/O Blue Oaks Blvd.    |
| City/State/Zip:     | Roseville, CA 95747                         |
| County:             | Placer                                      |
| Market Orientation: | Suburban                                    |
| IRR Event ID:       | 2996404                                     |



Sale Information

|                         |                                          |
|-------------------------|------------------------------------------|
| Sale Price:             | \$10,730,000                             |
| Effective Sale Price:   | \$10,730,000                             |
| Sale Date:              | 04/28/2023                               |
| Sale Status:            | Closed                                   |
| \$/Acre(Gross):         | \$788,971                                |
| \$/Land SF(Gross):      | \$18.11                                  |
| \$/Building SF:         | \$2,146.00                               |
| \$/Unit (Potential):    | \$145,000 /Approved Lot                  |
| Grantor/Seller:         | Anthem United Creekview Development, LP. |
| Grantee/Buyer:          | Lennar Homes                             |
| Portfolio Sale:         | No                                       |
| Assets Sold:            | Real estate only                         |
| Property Rights:        | Fee Simple                               |
| % of Interest Conveyed: | 100.00                                   |
| Financing:              | Cash to seller                           |
| Conditions of Sale:     | Arm's-length                             |
| Document Type:          | Deed                                     |

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

Improvement and Site Data

|                           |                                          |
|---------------------------|------------------------------------------|
| MSA:                      | Sacramento--Roseville--Arden -Arcade, CA |
| Acres(Gross):             | 13.60                                    |
| Land-SF(Gross):           | 592,416                                  |
| Potential Building SF:    | 5,000                                    |
| No. of Units (Potential): | 74                                       |
| Shape:                    | Irregular                                |
| Topography:               | Level                                    |
| Corner Lot:               | No                                       |
| Zoning Code:              | RS/DS                                    |
| Zoning Desc.:             | Small lot residential                    |
| Easements:                | No                                       |
| Environmental Issues:     | No                                       |
| Flood Zone Designation:   | X (Shaded)                               |
| Source of Land Info.:     | Past Appraisal                           |

Comments

This comparable represents the sale of 74 finished lots with a typical lot size of 5,000 square feet. Permits & fees

Sale Analysis





## Comments (Cont'd)

average \$92,423 per lot and annual special assessments are \$3,111 per lot. The purchase price is in addition to a Master Marketing Fee of 0.75% of HUD Purchase Price which is to be paid in connection with each home closing. The lots are located in RCSD/RJUHS.

Location & Property Identification

|                     |                                             |
|---------------------|---------------------------------------------|
| Property Name:      | Winding Creek - Village C-9                 |
| Sub-Property Type:  | Residential, Single Family Development Land |
| Address:            | E/O Westbrook Blvd., N/O Blue Oaks Blvd.    |
| City/State/Zip:     | Roseville, CA 95747                         |
| County:             | Placer                                      |
| Market Orientation: | Suburban                                    |
| IRR Event ID:       | 2929118                                     |



Sale Information

|                         |                                          |
|-------------------------|------------------------------------------|
| Sale Price:             | \$16,005,000                             |
| Effective Sale Price:   | \$16,005,000                             |
| Sale Date:              | 04/28/2023                               |
| Sale Status:            | Closed                                   |
| \$/Acre(Gross):         | \$734,174                                |
| \$/Land SF(Gross):      | \$16.85                                  |
| \$/Building SF:         | \$2,910.00                               |
| \$/Unit (Potential):    | \$165,000 /Approved Lot                  |
| Grantor/Seller:         | Anthem United Creekview Development, LP. |
| Grantee/Buyer:          | Woodside 05N, LP.                        |
| Portfolio Sale:         | No                                       |
| Assets Sold:            | Real estate only                         |
| Property Rights:        | Fee Simple                               |
| % of Interest Conveyed: | 100.00                                   |
| Financing:              | Cash to seller                           |
| Conditions of Sale:     | Arm's-length                             |
| Document Type:          | Deed                                     |

Expenditures After Purchase: \$92,423

|                           |                |
|---------------------------|----------------|
| Expenditures Description: | Permits & Fees |
| Other Adjustment:         | \$3,111        |
| Adjustment Comments:      | Special taxes  |
| Sale Price Includes FF&E? | No             |

Improvement and Site Data

|                           |                                          |
|---------------------------|------------------------------------------|
| MSA:                      | Sacramento--Roseville--Arden -Arcade, CA |
| Acres(Gross):             | 21.80                                    |
| Land-SF(Gross):           | 949,608                                  |
| Potential Building SF:    | 5,500                                    |
| No. of Units (Potential): | 97                                       |
| Shape:                    | Irregular                                |
| Topography:               | Level                                    |
| Corner Lot:               | No                                       |
| Zoning Code:              | RS/DS                                    |
| Zoning Desc.:             | Small lot residential                    |
| Easements:                | No                                       |
| Environmental Issues:     | No                                       |
| Flood Zone Designation:   | X (Shaded)                               |
| Source of Land Info.:     | Past Appraisal                           |

Comments

This comparable represents the sale of 97 finished lots with a typical lot size of 5,500 square feet. Permits & fees

Sale Analysis

## Comments (Cont'd)

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

## Location & Property Identification

|                     |                                             |
|---------------------|---------------------------------------------|
| Property Name:      | Torrente                                    |
| Sub-Property Type:  | Residential, Single Family Development Land |
| Address:            | Sierra Village Dr.                          |
| City/State/Zip:     | Roseville, CA 95747                         |
| County:             | Placer                                      |
| Market Orientation: | Suburban                                    |
| IRR Event ID:       | 2941535                                     |



## Sale Information

|                         |                                                  |
|-------------------------|--------------------------------------------------|
| Sale Price:             | \$16,000,000                                     |
| Effective Sale Price:   | \$16,000,000                                     |
| Sale Date:              | 04/29/2022                                       |
| Sale Status:            | Closed                                           |
| \$/Acre(Gross):         | \$370,542                                        |
| \$/Land SF(Gross):      | \$8.51                                           |
| \$/Acre(Usable):        | \$547,945                                        |
| \$/Land SF(Usable):     | \$12.58                                          |
| \$/Building SF:         | \$3,030.30                                       |
| \$/Unit (Potential):    | \$100,629 /Approved Lot                          |
| Grantor/Seller:         | N/Av                                             |
| Grantee/Buyer:          | Anthem United Torrente Homes Limited Partnership |
| Assets Sold:            | Real estate only                                 |
| Property Rights:        | Fee Simple                                       |
| % of Interest Conveyed: | 100.00                                           |
| Financing:              | Cash to seller                                   |
| Conditions of Sale:     | Arm's-length                                     |
| Document Type:          | Deed                                             |
| Recording No.:          | N/Av                                             |

## Sale Analysis

|                              |                                             |
|------------------------------|---------------------------------------------|
| Expenditures After Purchase: | \$161,461                                   |
| Expenditures Description:    | Permits and fees and site development costs |
| Other Adjustment:            | \$2,986                                     |
| Adjustment Comments:         | Bond Encumbrance                            |

## Improvement and Site Data

|                           |                                                                          |
|---------------------------|--------------------------------------------------------------------------|
| Legal/Tax/Parcel ID:      | 498-380-001 thru -058;<br>498-390-001 thru 057;<br>498-400-001 thru -044 |
| Acres(Usable/Gross):      | 29.20/43.18                                                              |
| Land-SF(Usable/Gross):    | 1,271,952/1,880,921                                                      |
| Usable/Gross Ratio:       | 0.68                                                                     |
| Potential Building SF:    | 5,280                                                                    |
| No. of Units (Potential): | 159                                                                      |
| Shape:                    | Irregular                                                                |
| Topography:               | Level                                                                    |
| Corner Lot:               | No                                                                       |
| Frontage Desc.:           | Sierra Village                                                           |
| Zoning Code:              | RS/DS                                                                    |
| Zoning Desc.:             | Small-Lot Residential, Design Review                                     |
| Flood Plain:              | No                                                                       |
| Flood Zone Designation:   | X                                                                        |

Improvement and Site Data (Cont'd)

|                       |                |
|-----------------------|----------------|
| Comm. Panel No.:      | 06061C-0938H   |
| Date:                 | 11/02/2018     |
| Source of Land Info.: | Public Records |

Comments

This comparable represents the sale of 159 paper lots (115 LDR lots with a typical lot size of 6,000 square feet, 44 MDR lots with a typical lot size of 3,402 square feet) with a tentative map in place. Backbone infrastructure costs total \$6,734,500 (\$42,355 per lot). However, the Developer is entitled to a combination of reimbursements and fee credits through various municipal programs as part of development agreements to construct certain public infrastructure that benefits more than just the Torrente project. As such, the net backbone costs are \$22,432 per lot; in-tract costs are \$77,493 per lot (total construction costs of \$99,925). Net permits and fees due at building permit average \$64,020 per LDR lot, and \$55,044 per MDR lot (weighted average of \$61,536). These lots are located within the CJUSD. The special assessment are estimated at \$2,986 per lot.



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## APPENDIX C

### THE CITY OF ROSEVILLE AND PLACER COUNTY

*The District is located in the City of Roseville (the “City”), which is located in southwestern Placer County (the “County”), California (the “State”). Certain financial and economic data for the City, County and State are presented in this appendix for information purposes only. The 2025 Bonds are not a debt or obligation of the City, County or State, but are a limited obligation of the City, secured solely by the Special Tax Revenues and other amounts pledged under the Fiscal Agent Agreement, all as described in more detail in this Official Statement.*

#### General

The City is located in Placer County, which is located in the Sacramento Valley near the foothills of the Sierra Nevada mountain range, about 16 miles northeast of Sacramento and 110 miles east of San Francisco. The City presently occupies 43 square miles in the southwestern part of the County and is the largest city in the County as well as the residential and business center of the County. It is bordered by Sacramento County to the south, the City of Rocklin to the north and un-incorporated Placer County to the east and west. The estimated population of the City as of January 1, 2025 was approximately 158,494.

The City has warm summers typical of central California, with an average July temperature of 77 degrees. Winter temperatures are moderate; the average January temperature is 46 degrees. The temperature drops below freezing an average of eight days per year. Rainfall averages 20 inches annually and falls mostly during the winter.

The City is predominately comprised of residential housing, small and large businesses, as well as numerous retail centers, the latter of which play a vital role in the economy of the City and contribute significantly to City and County sales tax receipts. The City has the thirteenth highest retail sales of all cities in the State, and the City is considered a regional shopping destination. The Westfield Galleria at Roseville is the main shopping center in the City and the second largest shopping mall in Northern California. Across from the Westfield Galleria lies the “Fountains at Roseville,” a 330,000 square foot retail center, containing additional stores and several recreation centers. Plans call for future construction of hotel, additional retail, and office buildings in connection with the Fountains at Roseville project. In addition to the Westfield Galleria and Fountains at Roseville, the City has many shopping plazas surrounding the Westfield Galleria and the Douglas Boulevard financial corridor. The City is also home to one of the largest auto malls in the United States and a popular water park, Roseville Golf and SunSplash.

#### Municipal Government

The City was incorporated on April 10, 1909 and is a charter city. The City operates under the council-manager form of government, with a five-member City Council elected at large for staggered four-year terms. At each election, the council member receiving the most votes is appointed mayor pro-tempore for two years and becomes mayor for the final two years.

City services include, among others, police and fire protection, library services, street maintenance, and parks and recreation. The City also owns two golf courses and provides its own electricity, water, sewer and refuse services to its citizens.

## Population

The following table sets forth population estimates for the City, County and State for the past five years.

**POPULATION ESTIMATES**  
**City, County and State**  
**Calendar Years 2021 through 2025, as of January 1**

| <u>Year</u> | <u>City of<br/>Roseville</u> | <u>Placer County</u> | <u>State of California</u> |
|-------------|------------------------------|----------------------|----------------------------|
| 2021        | 148,851                      | 407,282              | 39,369,530                 |
| 2022        | 151,516                      | 409,924              | 39,179,680                 |
| 2023        | 152,858                      | 410,319              | 39,228,444                 |
| 2024        | 157,304                      | 420,436              | 39,420,663                 |
| 2025        | 158,494                      | 421,446              | 39,529,101                 |

*Source: California State Department of Finance.*

*[Remainder of page intentionally left blank]*



## Effective Buying Income

Effective buying income (“EBI”) is designated as personal income less personal tax and non-tax payments. Personal income is the aggregate of wages and salaries, other labor income (such as employer contributions to private pension funds), proprietor’s income, rental income (which includes imputed rental income of owner-occupants of non-farm dwellings), dividends paid by corporations, personal interest income from all sources, and transfer payments (such as pensions and welfare assistance). Deducted from this total are personal taxes (federal, state and local), non-tax payments (such as fines, fees, penalties), and personal contributions for social insurance. Effective buying income is a bulk measure of market potential. It indicates the general ability to buy and is essential in comparing, selecting and grouping markets on that basis. The following table demonstrates the growth in annual estimated EBI for the City, the County, the State and the United States.

### **EFFECTIVE BUYING INCOME (EBI) City, County, State and United States As of January 1, 2021 through 2025**

| <b>Year</b> | <b>Area</b>         | <b>Total Effective<br/>Buying Income<br/>(000's Omitted)</b> | <b>Median<br/>Household<br/>Effective Buying<br/>Income</b> |
|-------------|---------------------|--------------------------------------------------------------|-------------------------------------------------------------|
| 2021        | City of Roseville   | \$4,126,395                                                  | \$66,668                                                    |
|             | Placer County       | 16,085,312                                                   | 76,947                                                      |
|             | State of California | 1,290,894,604                                                | 67,956                                                      |
|             | United States       | 9,809,944,764                                                | 56,790                                                      |
| 2022        | City of Roseville   | \$6,165,433                                                  | \$87,539                                                    |
|             | Placer County       | 18,491,490                                                   | 88,051                                                      |
|             | State of California | 1,452,426,153                                                | 77,058                                                      |
|             | United States       | 11,208,582,541                                               | 64,448                                                      |
| 2023        | City of Roseville   | \$6,996,310                                                  | \$92,853                                                    |
|             | Placer County       | 19,349,979                                                   | 91,862                                                      |
|             | State of California | 1,461,799,662                                                | 77,175                                                      |
|             | United States       | 11,454,846,397                                               | 65,326                                                      |
| 2024        | City of Roseville   | \$7,496,807                                                  | \$95,863                                                    |
|             | Placer County       | 20,125,715                                                   | 93,505                                                      |
|             | State of California | 1,510,708,521                                                | 80,973                                                      |
|             | United States       | 11,987,185,826                                               | 67,876                                                      |
| 2025        | City of Roseville   | \$7,682,133                                                  | \$96,592                                                    |
|             | Placer County       | 20,632,478                                                   | 95,193                                                      |
|             | State of California | 1,557,429,767                                                | 82,725                                                      |
|             | United States       | 12,525,577,707                                               | 69,687                                                      |

Source: Claritas, LLC.

## Employment and Industry

The unemployment rate in the Sacramento-Roseville-Folsom MSA was 4.3 percent in May 2025, down from a revised 4.5 percent in April 2025, and above the year-ago estimate of 3.9 percent. This compares with an unadjusted unemployment rate of 4.9 percent for California and 4.0 percent for the nation during the same period. The unemployment rate was 4.4 percent in El Dorado County, 3.7 percent in Placer County, 4.4 percent in Sacramento County, and 4.9 percent in Yolo County.

The table below provides information about employment rates and employment by industry type for the Sacramento MSA (which includes Sacramento, Placer, Yolo and El Dorado Counties) for the calendar years 2019 through 2023.

### **SACRAMENTO-ARDEN ARCADE-ROSEVILLE MSA (El Dorado, Placer, Sacramento, Yolo Counties) Employment by Industry (March 2023 Benchmark)**

|                                           | <b><u>2019</u></b> | <b><u>2020</u></b> | <b><u>2021</u></b> | <b><u>2022</u></b> | <b><u>2023</u></b> |
|-------------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Civilian Labor Force <sup>(1)</sup>       | 1,099,300          | 1,093,500          | 1,105,400          | 1,112,100          | 1,129,200          |
| Employment                                | 1,059,200          | 996,600            | 1,034,400          | 1,069,700          | 1,080,500          |
| Unemployment                              | 40,100             | 96,900             | 71,000             | 42,400             | 48,600             |
| Unemployment Rate                         | 3.7%               | 8.9%               | 6.4%               | 3.8%               | 4.3%               |
| Wage and Salary Employment <sup>(2)</sup> |                    |                    |                    |                    |                    |
| Agriculture                               | 8,700              | 8,300              | 9,000              | 8,600              | 9,100              |
| Mining and Logging                        | 500                | 500                | 500                | 500                | 500                |
| Construction                              | 69,400             | 70,200             | 74,900             | 77,100             | 74,700             |
| Manufacturing                             | 36,800             | 36,100             | 37,700             | 40,600             | 40,500             |
| Wholesale Trade                           | 28,600             | 26,600             | 26,900             | 28,300             | 28,500             |
| Retail Trade                              | 100,500            | 95,100             | 100,600            | 100,300            | 99,000             |
| Transportation, Warehousing and Utilities | 32,200             | 34,300             | 37,500             | 40,800             | 41,600             |
| Information                               | 11,900             | 10,200             | 10,100             | 10,500             | 9,900              |
| Finance and Insurance                     | 35,200             | 34,800             | 34,100             | 33,000             | 30,500             |
| Real Estate and Rental and Leasing        | 17,300             | 16,900             | 17,700             | 18,800             | 18,400             |
| Professional and Business Services        | 137,200            | 132,600            | 137,200            | 139,700            | 134,400            |
| Educational and Health Services           | 166,600            | 164,000            | 168,800            | 175,600            | 188,700            |
| Leisure and Hospitality                   | 109,600            | 83,900             | 93,600             | 108,700            | 112,500            |
| Other Services                            | 35,400             | 31,000             | 33,300             | 36,100             | 38,300             |
| Federal Government                        | 14,200             | 14,800             | 14,500             | 14,400             | 14,500             |
| State Government                          | 121,900            | 121,700            | 127,300            | 129,800            | 134,400            |
| Local Government                          | 105,300            | 98,900             | 98,400             | 102,700            | 107,400            |
| Total, All Industries <sup>(3)</sup>      | 1,031,200          | 979,800            | 1,021,900          | 1,065,400          | 1,083,300          |

(1) Labor force data is by place of residence; includes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.

(2) Industry employment is by place of work; excludes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.

(3) Totals may not add due to rounding.

Source: State of California Employment Development Department.

## Major Employers

The following table lists the major employers within the County, in alphabetical order.

### MAJOR EMPLOYERS Placer County (In Alphabetical Order) August 2025

| Employer Name                  | Location       | Industry                                 |
|--------------------------------|----------------|------------------------------------------|
| Backyard Bar & BBQ             | Truckee        | Restaurants                              |
| City of Roseville              | Roseville      | Alternative Fuels                        |
| City of Roseville California   | Roseville      | City Government-Executive Offices        |
| Costco Wholesale               | Roseville      | Wholesale Clubs                          |
| Golfand Sunsplash Roseville    | Roseville      | Golf Courses-Miniature                   |
| Keller Williams Northeast      | Roseville      | Real Estate                              |
| Northstar California           | Truckee        | Resorts                                  |
| Oracle                         | Rocklin        | Software/Application/Platform Publishing |
| Palisades Tahoe At Alpine Mdws | Alpine Meadows | Skiing Centers & Resorts                 |
| Placer County Food Stamps      | Auburn         | County Government-Social/Human Resources |
| Placer County Sheriff          | Auburn         | Government Offices-County                |
| Placer County Sheriff Dept     | Tahoe City     | Government Offices-County                |
| Pride Industries               | Roseville      | Employment Agencies & Opportunities      |
| Resort At Squaw Creek          | Olympic Valley | Hotels & Motels                          |
| Roseville Toyota               | Roseville      | Automobile Dealers-New Cars              |
| Save Mart Distribution Ctr     | Roseville      | Distribution Centers (whls)              |
| Sheriff's Training             | Auburn         | Government Offices-County                |
| Sierra Joint Cmnty Clg Dist    | Rocklin        | School Districts                         |
| Sutter Auburn Faith Hospital   | Auburn         | Hospitals                                |
| Sutter Roseville Med Ctr Fndtn | Roseville      | Hospitals                                |
| Tasq Technology                | Roseville      | Importers (whls)                         |
| Thunder Valley Casino Resort   | Lincoln        | Casinos                                  |
| Union Pacific Railroad Co      | Roseville      | Railroads                                |
| Walmart Supercenter            | Rocklin        | Department Stores                        |
| Walmart Supercenter            | Roseville      | Department Stores                        |

Source: State of California Employment Development Department, extracted from the America's Labor Market Information System (ALMIS) Employer Database, 2025 1<sup>st</sup> Edition.

## Principal Employers

The following table shows the principal employers in the City of Roseville, as shown in its Annual Comprehensive Financial Report for fiscal year ending June 30, 2024.

### PRINCIPAL EMPLOYERS City of Roseville As of June 30, 2024

| <b><u>Employer</u></b>                | <b><u>Percent of Total<br/>Employment</u></b> |
|---------------------------------------|-----------------------------------------------|
| Kaiser Permanente                     | 6.42%                                         |
| Sutter Health Roseville Medical Group | 5.59                                          |
| City of Roseville                     | 1.91                                          |
| Adventist Health                      | 1.78                                          |
| Roseville City School District        | 1.37                                          |
| Penumbra                              | 1.21                                          |
| Roseville Joint Union High School     | 1.19                                          |
| Flexcare LLC                          | 0.96                                          |
| PRIDE                                 | 0.72                                          |
| Hewlett-Packard                       | 0.69                                          |

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*Source: City of Roseville Annual Comprehensive Financial Report for Fiscal Year 2023-24.*

## Construction Permits

The following table shows valuations of residential and non-residential building permits issued for calendar years 2019 through 2023.

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

|                               | <u>2019</u>     | <u>2020</u>     | <u>2021</u>     | <u>2022</u>     | <u>2023</u>     |
|-------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| <u>Permit Valuation</u>       |                 |                 |                 |                 |                 |
| New Single-family             | \$265,615.3     | \$322,748.5     | \$467,676.3     | \$420,490.6     | \$384,082.0     |
| New Multi-family              | 6,855.8         | 46,469.0        | 0.0             | 1,552.1         | 86,153.7        |
| Res. Alterations/Additions    | <u>16,133.8</u> | <u>5,126.3</u>  | <u>39,648.3</u> | <u>5,529.1</u>  | <u>26,828.8</u> |
| Total Residential             | \$288,604.9     | \$374,343.8     | \$507,324.6     | \$427,571.8     | \$497,064.5     |
| <br>New Commercial            | <br>\$24,136.7  | <br>\$23,230.8  | <br>\$16,627.7  | <br>\$40,882.5  | <br>\$48,155.6  |
| New Industrial                | 0.0             | 0.0             | 0.0             | 0.0             | 0.0             |
| New Other                     | 9,358.1         | 12,610.6        | 12,351.9        | 7,312.1         | 23,079.0        |
| Com. Alterations/Additions    | <u>46,155.6</u> | <u>24,553.9</u> | <u>29,192.0</u> | <u>42,938.9</u> | <u>36,498.8</u> |
| Total Nonresidential          | \$79,650.40     | \$60,395.3      | \$58,171.6      | \$91,133.5      | \$107,733.40    |
| <br><u>New Dwelling Units</u> |                 |                 |                 |                 |                 |
| Single-Family                 | 1,001           | 1,226           | 1,860           | 1,618           | 1,307           |
| Multiple Family               | <u>65</u>       | <u>372</u>      | <u>0</u>        | <u>18</u>       | <u>1,547</u>    |
| Total New Dwelling Units      | 1,066           | 1,598           | 1860            | 1,636           | 2,854           |

Source: Construction Industry Research Board, Building Permit Summary.

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

|                               | <u>2019</u>     | <u>2020</u>     | <u>2021</u>      | <u>2022</u>     | <u>2023</u>      |
|-------------------------------|-----------------|-----------------|------------------|-----------------|------------------|
| <u>Permit Valuation</u>       |                 |                 |                  |                 |                  |
| New Single-family             | \$693,647.7     | \$827,822.1     | \$1,323,114.6    | \$1,193,148.4   | \$1,128,885.0    |
| New Multi-family              | 7,896.7         | 72,442.8        | 11,183.1         | 40,312.6        | 90,008.1         |
| Res. Alterations/Additions    | <u>86,964.2</u> | <u>52,440.8</u> | <u>107,613.1</u> | <u>82,331.3</u> | <u>123,244.1</u> |
| Total Residential             | \$788,508.6     | \$952,705.7     | \$1,441,910.8    | \$1,315,792.3   | \$1,342,137.2    |
| <br>New Commercial            | <br>\$73,609.7  | <br>\$58,855.0  | <br>\$52,238.1   | <br>\$105,124.2 | <br>\$82,889.3   |
| New Industrial                | 268.7           | 25.0            | 1,155.5          | 0.0             | 1,917.2          |
| New Other                     | 110,951.1       | 76,576.0        | 73,032.7         | 116,224.1       | 143,354.2        |
| Com. Alterations/Additions    | <u>78,159.7</u> | <u>49,149.7</u> | <u>58,371.2</u>  | <u>80,371.0</u> | <u>89,283.0</u>  |
| Total Nonresidential          | \$262,989.2     | \$184,605.7     | \$184,797.5      | \$301,719.3     | \$317,443.70     |
| <br><u>New Dwelling Units</u> |                 |                 |                  |                 |                  |
| Single-Family                 | 2,080           | 2,552           | 4,176            | 3,701           | 2,959            |
| Multiple Family               | <u>71</u>       | <u>540</u>      | <u>66</u>        | <u>351</u>      | <u>1,588</u>     |
| Total New Dwelling Units      | 2,151           | 3,092           | 4,242            | 4,052           | 4,547            |

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.

Total taxable transactions in the City of Roseville during the first quarter of calendar year 2025 were reported to be \$1,385,013,123, a 0.08% decrease in total taxable transactions of \$1,383,942,755 reported during the comparable quarter of calendar year 2024.

### **TAXABLE TRANSACTIONS City of Roseville (Dollars in Thousands)**

|      | <b>Retail Stores</b>         |                                 | <b>Total All Outlets</b>     |                                 |
|------|------------------------------|---------------------------------|------------------------------|---------------------------------|
|      | <b>Number<br/>of Permits</b> | <b>Taxable<br/>Transactions</b> | <b>Number<br/>of Permits</b> | <b>Taxable<br/>Transactions</b> |
| 2020 | 3,912                        | \$3,692,180                     | 5,968                        | \$4,425,817                     |
| 2021 | 3,623                        | 4,800,774                       | 5,602                        | 5,618,718                       |
| 2022 | 3,676                        | 5,056,345                       | 5,847                        | 5,960,761                       |
| 2023 | 3,600                        | 4,942,709                       | 5,725                        | 5,837,083                       |
| 2024 | 3,683                        | 4,810,379                       | 5,916                        | 5,879,928                       |

Source: State Department of Tax and Fee Administration.

The total taxable sales during the first quarter of calendar year 2025 in Placer County were reported to be \$3,157,188,971, a 3.29% increase in the total taxable sales of \$3,053,216,057 reported during the comparable quarter of calendar year 2023.

### **TAXABLE TRANSACTIONS Placer County (Dollars in Thousands)**

|      | <b>Retail Stores</b>         |                                 | <b>Total All Outlets</b>     |                                 |
|------|------------------------------|---------------------------------|------------------------------|---------------------------------|
|      | <b>Number<br/>of Permits</b> | <b>Taxable<br/>Transactions</b> | <b>Number<br/>of Permits</b> | <b>Taxable<br/>Transactions</b> |
| 2020 | 9,165                        | \$7,931,068                     | 15,141                       | \$10,319,123                    |
| 2021 | 8,130                        | 9,635,979                       | 13,720                       | 12,632,960                      |
| 2022 | 8,201                        | 10,072,596                      | 14,163                       | 13,392,761                      |
| 2023 | 7,964                        | 9,627,338                       | 13,787                       | 13,037,448                      |
| 2024 | 7,978                        | 9,678,521                       | 13,958                       | 13,328,138                      |

Source: State Department of Tax and Fee Administration.

## 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 Roseville, 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**

November 13, 2025

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

OPINION:     \$9,120,000 City of Roseville Amoruso Ranch Community Facilities District No. 1 (Public Facilities) Improvement Area No. 2 Special Tax Bonds Series 2025

Members of the City Council:

We have acted as bond counsel to the City of Roseville (the "City") in connection with the issuance by the City of the \$9,120,000 City of Roseville Amoruso Ranch Community Facilities District No. 1 (Public Facilities) Improvement Area No. 2 Special Tax Bonds Series 2025 (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 November 1, 2025 (the "Fiscal Agent Agreement"), by and between the City, on behalf of the City of Roseville Amoruso Ranch Community Facilities District No. 1 (Public Facilities), and U.S. Bank Trust Company, National Association, as fiscal agent. We have examined the law and such certified proceedings and other papers as we deem necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon representations of the City contained in the Fiscal Agent Agreement, and in the certified proceedings and other certifications of public officials furnished to us, without undertaking to verify the same by independent investigation.

Based upon the foregoing, we are of the opinion, under existing law, as follows:

1.        The City is duly created and validly existing as a public body, corporate and politic, with the power to adopt the resolution authorizing the issuance of the Bonds, enter into the Fiscal Agent Agreement and perform the agreements on its part contained therein, and to issue the Bonds.
2.        The Bonds have been duly authorized, executed and delivered by the City and are valid and binding limited obligations of the City, payable solely from the sources provided therefor in the Fiscal Agent Agreement.
3.        The Fiscal Agent Agreement has been duly entered into by the City and constitutes a valid and binding obligation of the City enforceable upon the City.

4. Pursuant to the Act, the Fiscal Agent Agreement creates a valid lien on the funds pledged by the Fiscal Agent Agreement.

5. The interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax. Interest on the Bonds may be subject to the corporate alternative minimum tax. The opinions set forth in the preceding 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 and the Fiscal Agent Agreement may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and may also be subject to the exercise of judicial discretion in accordance with principles of equity or otherwise in appropriate cases.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur. Moreover, our opinions are not a guarantee of a particular result, and are not binding on the Internal Revenue Service or any court; rather, our opinions represent our legal judgment based upon our review of existing law that we deem relevant to such opinions and in reliance upon the representations, opinions, and covenants referenced above.

Respectfully submitted,

## APPENDIX E

### FORMS OF CONTINUING DISCLOSURE UNDERTAKINGS

#### CONTINUING DISCLOSURE CERTIFICATE (City)

This CONTINUING DISCLOSURE CERTIFICATE (this “Disclosure Certificate”) dated as of November 13, 2025, is executed and delivered by the CITY OF ROSEVILLE (the “City”) in connection with the execution and delivery of its City of Roseville Amoruso Ranch Community Facilities District No. 1 (Public Facilities) Improvement Area No. 2 Special Tax Bonds Series 2025 (the “Bonds”). The Bonds are being executed and delivered pursuant to a Fiscal Agent Agreement dated as of November 1, 2025 (the “Fiscal Agent Agreement”), by and between the City and U.S. Bank Trust Company, National Association, 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, 2026, with the report for the 2024-25 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 a notice to such effect, in an electronic format as prescribed by the MSRB.

(c) With respect to each Annual Report, the Dissemination Agent shall:

(i) determine prior to each Annual Report Date the then-applicable rules and electronic format prescribed by the MSRB for the filing of annual continuing disclosure reports; and

(ii) if the Dissemination Agent is other than the City, file a report with the City certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, and stating the date it was provided.

Section 4. Content of Annual Reports. The City’s Annual Report shall contain or incorporate by reference the following:

(a) The City’s audited financial statements prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the City’s audited financial statements are not available by the Annual Report Date, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) The following information, unless otherwise specified, as of September 30 of the preceding year:

- (i) Principal amount of all outstanding bonds of Improvement Area No. 2.
  - (ii) Balance in the Improvement Fund.
  - (iii) Balance in 2025 Reserve Account of the Reserve Fund, and statement of the Reserve Requirement for the Bonds. Statement of projected draws on the 2025 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 Improvement Area No. 2.
  - (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 September 30 reporting date, the following information shall be reported as of the last day of the month immediately preceding the date of the Annual Report rather than as of September 30. Identity of each delinquent taxpayer responsible for 5 percent or more of total Special Tax levied, and the following information: assessor parcel number, assessed value of applicable properties, amount of Special Tax levied, amount delinquent by parcel number and status of foreclosure proceedings. If any foreclosure has been completed, summary of results of foreclosure sales or transfers.
  - (viii) Most recently available total assessed value of all parcels subject to the Special Tax.
  - (ix) List of landowners and assessor's parcel number of parcels subject to 20% or more of the Special Tax levy including the following information: development status and land use classification, to the extent shown in City records as of April 30 of the preceding fiscal year and 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 a fiscal agent, if material.
- (15) Incurrence of a financial obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the City, any of which affect security holders, if material (for the definition of "financial obligation," see clause (e)).

- (16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the City, any of which reflect financial difficulties (for the definition of “financial obligation,” see clause (e)).

(b) Whenever the City obtains knowledge of the occurrence of a Listed Event, the City shall, or shall cause the Dissemination Agent (if not the City) to, file a notice of such occurrence with the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of 10 business days after the occurrence of the Listed Event. Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(8) and (9) above need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Bonds under the Fiscal Agent Agreement.

(c) The City acknowledges that the events described in subparagraphs (a)(2), (a)(7), (a)(8) (if the event is a bond call), (a)(10), (a)(13), (a)(14) and (a)(15) of this Section 5 contain the qualifier “if material” and that subparagraph (a)(6) also contains the qualifier “material” with respect to certain notices, determinations or other events affecting the tax status of the Bonds. The City shall cause a notice to be filed as set forth in paragraph (b) above with respect to any such event only to the extent that it determines the event’s occurrence is material for purposes of U.S. federal securities law. Whenever the City obtains knowledge of the occurrence of any of these Listed Events, the City will as soon as possible determine if such event would be material under applicable federal securities law. If such event is determined to be material, the City will cause a notice to be filed as set forth in paragraph (b) above. The Dissemination Agent shall not be responsible for determining whether an event is material.

(d) For purposes of this Disclosure Certificate, any event described in paragraph (a)(12) above is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the City in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City.

(e) For purposes of Section 5(a)(15) and (16), “financial obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term financial obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

Section 6. Identifying Information for Filings with the MSRB. All documents provided to the MSRB pursuant to this Disclosure Certificate shall be accompanied by identifying information as prescribed by the MSRB.

Section 7. Termination of Reporting Obligation. The City’s obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the City shall give notice of such termination in the same manner as for a Listed Event under Section 5(b).

Section 8. Dissemination Agent. The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any Dissemination Agent, with or without appointing a successor Dissemination Agent. Any Dissemination Agent may resign by providing 30 days' written notice to the City.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the City may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) if the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of an obligated person with respect to the Bonds, or type of business conducted;

(b) the undertakings herein, as proposed to be amended or waived, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) the proposed amendment or waiver either (i) is approved by holders of the Bonds in the manner provided in the Fiscal Agent Agreement for amendments to the Fiscal Agent Agreement with the consent of holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the holders or beneficial owners of the Bonds.

If the annual financial information or operating data to be provided in the Annual Report is amended pursuant to the provisions hereof, the first Annual Report filed pursuant hereto containing the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

If an amendment is made to this Disclosure Certificate modifying the accounting principles to be followed in preparing financial statements, the Annual Report for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to investors to enable them to evaluate the ability of the City to meet its obligations. To the extent reasonably feasible, the comparison shall be quantitative.

A notice of any amendment made pursuant to this Section 9 shall be filed in the same manner as for a Listed Event under Section 5(b).

Section 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the City chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically



required by this Disclosure Certificate, the City shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 11. Default. If the City fails to comply with any provision of this Disclosure Certificate, the Participating Underwriter or any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Fiscal Agent Agreement, and the sole remedy under this Disclosure Certificate in the event of any failure of the City to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. Duties, Immunities and Liabilities of Dissemination Agent.

(a) The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the City agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The Dissemination Agent shall have no duty or obligation to review any information provided to it by the City hereunder and shall not be deemed to be acting in any fiduciary capacity for the City, the Bond holders, or any other party. The obligations of the City under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

(b) The Dissemination Agent shall be paid compensation by the City for its services provided hereunder in accordance with its schedule of fees as amended from time to time, and shall be reimbursed for all expenses, legal fees and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder.

Section 13. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the City, the Dissemination Agent, the Participating Underwriter and the holders and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

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

IN WITNESS WHEREOF, the parties hereto have executed this Disclosure Certificate as of the date first above written.

**CITY OF ROSEVILLE**, for and on behalf of  
City of Roseville Amoruso Ranch Community  
Facilities District No. 1 (Public Facilities)

By: \_\_\_\_\_

Name:

Title:

**WILLDAN FINANCIAL SERVICES**, as  
Dissemination Agent

By: \_\_\_\_\_

Name:

Title:

## CONTINUING DISCLOSURE CERTIFICATE (PROPERTY OWNER)

**THIS CONTINUING DISCLOSURE CERTIFICATE (PROPERTY OWNER)** (the “**Disclosure Certificate**”) dated as of November 13, 2025, is executed by Brookfield Sunset LLC, a California limited liability company (the “**Property Owner**”) in connection with the execution and delivery by the City of Roseville of its City of Roseville Amoruso Ranch Community Facilities District No. 1 (Public Facilities) Improvement Area No. 2 Special Tax Bonds Series 2025 (the “**Bonds**”). The Bonds are being executed and delivered pursuant to a Fiscal Agent Agreement dated as of November 1, 2025 (the “**Fiscal Agent Agreement**”), by and between the City and U.S. Bank Trust Company, National Association, as fiscal agent.

The Property Owner covenants and agrees as follows:

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

Section 2. Definitions. In addition to the definitions set forth above and in the Fiscal Agent Agreement, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined herein, the following capitalized terms shall have the following meanings:

“**Affiliate**” means any person presently directly (or indirectly through one or more intermediaries) under managerial control of the Property Owner, and about whom information could be material to potential investors in their investment decision regarding the Bonds (including without limitation information relevant to the proposed development of the Property or to the Property Owner's ability to pay the Special Taxes levied on the Property prior to delinquency). Brookfield HB is an Affiliate of the Property Owner.

“**Assumption Agreement**” means an undertaking of a Major Owner for the benefit of the holders and beneficial owners of the Bonds containing terms substantially similar to this Disclosure Certificate (as modified for such Major Owner's development and financing plans with respect to property owned by such Major Owner in Improvement Area No. 2), whereby such Major Owner 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 Improvement Area No. 2 owned by such Major Owner, at the option of the Property Owner or such Major Owner, agrees to indemnify the Dissemination Agent (if any) pursuant to a provision substantially in the form of Section 11 hereof. The Property Owner has agreed to provide information on Brookfield HB and the property that Brookfield HB is developing, so any transfer of property from the Property Owner to Brookfield HB shall not require the execution of an Assumption Agreement by Brookfield HB, notwithstanding that Brookfield HB may otherwise qualify as a Major Owner.

“**Brookfield HB**” means Brookfield Sacramento HB LLC, a Delaware limited liability company.

“**Dissemination Agent**” means the Property Owner, or any successor Dissemination Agent designated in writing by the Property Owner, and which has filed with the Property Owner, the City and the Participating Underwriter a written acceptance of such designation, and which is

experienced in providing dissemination agent services such as those required under this Disclosure Certificate.

**“District”** means the City of Roseville Amoruso Ranch Community Facilities District No. 1 (Public Facilities).

**“Improvement Area No. 2”** means Improvement Area No. 2 of the District.

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

**“Major Owner”** means, as of any date of determination, a Person that, together with its Affiliates, collectively owns, or is under option, to acquire 27 or more residential lots in Improvement Area No. 2. For purposes of this Disclosure Certificate, (i) Brookfield HB shall not be considered a Major Owner regardless of the number of residential lots it owns in Improvement Area No. 2, and (ii) a foreclosing creditor and/or lender shall not be considered a Major Owner.

**“MSRB”** means the Municipal Securities Rulemaking Board, which has been designated by the Securities and Exchange Commission as the sole repository of disclosure information, or any other repository of disclosure information that may be designated by the Securities and Exchange Commission as such in the future.

**“Official Statement”** means the final Official Statement executed by the City in connection with the issuance of the Bonds.

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

**“Periodic Report”** means any Periodic Report provided by the Property Owner 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, as of the date of determination, the real property within the boundaries of Improvement Area No. 2 that is subject to the Special Tax and owned by (i) the Property Owner, (ii) Brookfield HB, (iii) any other Affiliate of the Property Owner, and (iv) the property in Improvement Area No. 2 that the Property Owner sold to a Major Owner who has not assumed the undertakings of this Disclosure Certificate under Section 6(b) and that is owned by such Major Owner.

**“Report Date”** means June 1 and December 1 of each year.

**“Special Taxes”** means the special taxes levied on the Property for Improvement Area No. 2.

### Section 3. Provision of Periodic Reports.

(a) So long as Property Owner’s obligations under this Disclosure Certificate have not been terminated pursuant to Section 6 below, the Property Owner shall, or, upon written direction

of the Property Owner the Dissemination Agent shall, not later than the Report Date, commencing June 1, 2026, 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 Participating Underwriter and the City. Not later than 15 calendar days prior to the Report Date, the Property Owner shall provide the Periodic Report to the Dissemination Agent (if different from the Property Owner). The Property Owner shall provide a written certification with (or included as a part of) each Periodic Report furnished to the Dissemination Agent (if different from the Property Owner), 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 (if different than the Property Owner), the Participating Underwriter and the City may conclusively rely upon such certification of the Property Owner and shall have no duty or obligation to review the 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 (if different than the Property Owner) 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 Property Owner that the Periodic Report has not been provided as required under Section 3(a) above. The reminder notice shall instruct the Property Owner to determine whether its obligations under this Disclosure Certificate have terminated (pursuant to Section 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 Property Owner 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 to such effect, in substantially the form prescribed by the MSRB, with a copy to the City and the Participating Underwriter.

(c) The Dissemination Agent shall:

- (i) determine prior to each Report Date the then-applicable rules and electronic format prescribed by the MSRB for the filing of continuing disclosure reports; and
- (ii) to the extent the Periodic Report has been furnished to it, file a report with the Property Owner (if the Dissemination Agent is other than the Property Owner), the City and the Participating Underwriter certifying that the Periodic Report has been provided pursuant to this Disclosure Certificate, and stating the date it was provided.

Section 4. Content of Periodic Reports. Each Periodic Report shall contain or incorporate by reference the information set forth in Exhibit A relating to the Property, any or all of which may be included by specific reference to other documents, including official statements of debt issues of the Property Owner or related public entities, which are available to the public on the MSRB's Internet web site or filed with the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the MSRB. The Property Owner shall clearly identify each such other document so included by reference.

In addition to any of the information expressly required to be provided in Exhibit A, each 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) So long as Property Owner's obligations under this Disclosure Certificate have not been terminated pursuant to Section 6 below, the Property Owner shall give, or cause to be given, notice of the occurrence of any of the following Listed Events with respect to itself or the Property, if material:

(i) bankruptcy or insolvency proceedings commenced by or against the Property Owner, Brookfield HB, and, if known, any bankruptcy or insolvency proceedings commenced by or against any other Affiliate of the Property Owner, that is reasonably likely to have a significant impact on the Property Owner's or Brookfield HB'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 to the extent such failure is not promptly cured by the Property Owner or Brookfield HB upon discovery thereof;

(iii) filing of a lawsuit of which the Property Owner is aware against the Property Owner, Brookfield HB, or an other Affiliate seeking damages, which, if successful, could have a material and adverse impact on the Property Owner's or Brookfield HB's ability to pay Special Taxes prior to delinquency or to sell or develop the Property;

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

(v) any payment default or other material default by the Property Owner or Brookfield HB on any loan with respect to the construction of improvements on the Property that continues to exist beyond any applicable notice and cure periods on any loan with respect to the construction of improvements on the Property.

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

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

#### Section 6. Duration of Reporting Obligation.

(a) All the Property Owner'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;

(ii) at such time as the Property Owner and Brookfield HB no longer own 27 or more residential lots in Improvement Area No. 2

(iii) the date on which all of the Special Taxes attributable to the Property are prepaid in full.

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

(b) If a portion of the Property is conveyed to a Person that, upon such conveyance, will be a Major Owner, the obligations of the Property Owner hereunder with respect to the Property conveyed to the Major Owner may be assumed by such Major Owner, and the Property Owner's obligations hereunder with respect to the Property conveyed will be terminated. In order to effect such assumption, such Major Owner shall enter into an Assumption Agreement in form and substance equivalent to this Disclosure Certificate or as otherwise satisfactory to the City and the Participating Underwriter. However, a Major Owner shall not be required to enter into an Assumption Agreement if such Major Owner is already a party to a continuing disclosure certificate in form and substance similar to this Disclosure Certificate with respect to the Bonds, and under which the Property conveyed to such Major Owner will become subject to future Periodic Reports. If a Major Owner required by this Section 6(b) to enter into an Assumption Agreement does not enter into an Assumption Agreement, then the Property Owner shall continue reporting on the Property conveyed to the Major Owner so long as it is owned by such Major Owner or until an Assumption Agreement is executed or until the Property Owner's obligations may be terminated in accordance with Section 6(a). The Property Owner has agreed to provide information on Brookfield HB and the property that Brookfield HB is developing, so any transfer of property from the Property Owner to Brookfield HB shall not require the execution of an Assumption Agreement by Brookfield HB, notwithstanding that Brookfield HB may otherwise qualify as a Major Owner.

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

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

(a) if the amendment or waiver relates to the provisions of sections 3(a), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the Property Owner 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 Property Owner from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Periodic Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Property Owner chooses to include any information in any Periodic Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Property Owner shall have no obligation under this Disclosure Certificate to update such information or include it in any future Periodic Report or notice of occurrence of a Listed Event.

Section 10. Default. In the event of a failure of the Property Owner to comply with any provision of this Disclosure Certificate, the City, 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 Property Owner to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Fiscal Agent Agreement, and the sole and exclusive remedy under this Disclosure Certificate in the event of any failure of the Property Owner to comply with this Disclosure Certificate shall be an action to compel performance.

Section 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 Property Owner 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 (i) losses, liabilities, costs and expenses due to an Indemnified Party’s negligence or willful misconduct or failure to perform its duties hereunder and (ii) losses, expenses and liabilities due to the failure of the City to pay the fees and expenses of the Dissemination Agent. The Dissemination Agent (if other than the Property Owner) shall be paid compensation for its services provided hereunder from Special Taxes levied for administration of the CFD in accordance with the Dissemination Agent’s schedule of fees as amended from time to time, which schedule, as amended, shall be reasonably acceptable, and all reasonable expenses, reasonable legal fees and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder. The Dissemination Agent shall have no duty or obligation to review any information provided to it hereunder and shall not be deemed to be acting in any fiduciary capacity for the City, the Property Owner, the Bond owners, or any other party. The obligations of the Property Owner under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds, but shall be assumed by a Major Owner from and after the date of such assumption when property is sold to a Major Owner and such Major Owner enters into an Assumption Agreement.

Section 12. Notices. Any notice or communications to be among any of the parties to this Disclosure Certificate may be given by electronic, regular, or overnight mail as follows:

|                        |                                                                                                                                                                                               |
|------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| To the Property Owner: | Brookfield Sunset LLC<br>12657 Alcosta Blvd, Ste 250<br>San Ramon, CA 94583<br>Attn: Gonzalo Rodriguez<br>Email: Gonzalo.Rodriguez@brookfieldrp.com<br>Email: Charlotte.Kyle@brookfieldrp.com |
|------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|



To the City: City of Roseville  
Attn: CFD Administrator  
311 Vernon Street  
Roseville, CA 95678  
Email: dkauffman@roseville.ca.us  
Email: jthrash@roseville.ca.us

To the Participating Underwriter: Piper Sandler & Co.  
Attn: Managing Director  
3626 Fair Oaks Blvd., Suite 100  
Sacramento, CA 95864  
Email: dennis.mdquire@psc.com  
Email: renee.vancho@psc.com

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

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

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

**Brookfield Sunset LLC,  
a California limited liability company**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**EXHIBIT A**

**PERIODIC REPORT**

**[JUNE 1, \_\_\_\_ / DECEMBER 1, \_\_\_\_]**

**\$9,120,000**

**CITY OF ROSEVILLE**

**AMORUSO RANCH COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES)**

**IMPROVEMENT AREA NO. 2**

**SPECIAL TAX BONDS**

**SERIES 2025**

This Periodic Report is hereby submitted under Section 4 of the Continuing Disclosure Certificate (Property Owner) (the “**Disclosure Certificate**”) dated November 13, 2025, executed by the undersigned (the “**Property Owner**”) in connection with the issuance of the above-captioned bonds by the City of Roseville (the “**City**”) with respect to its City of Roseville Amoruso Ranch Community Facilities District No. 1 (Public Facilities) (the “**District**”).

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

**I. Property Ownership and Development**

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

A. Description of the Property in Improvement Area No. 2, in substance and form similar to such information in the Official Statement for the Bonds under the headings “THE MASTER DEVELOPER” and “MERCHANT BUILDER INFORMATION”:

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B. Updated information regarding land development and home construction activities with respect to the Property described in the Official Statement for the Bonds under the headings “THE MASTER DEVELOPER” and “MERCHANT BUILDER INFORMATION” or the Periodic Report last filed in accordance with the Disclosure Certificate:

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C. Status of building permits and any material changes to the description of land use or development entitlements for the Property described in the Official Statement for the Bonds under the headings “THE MASTER DEVELOPER” and “MERCHANT BUILDER INFORMATION” or the Periodic Report last filed in accordance with the Disclosure Certificate:

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D. Status of any land purchase contracts with regard to the Property, including sales of land in Improvement Area No. 2 to other property owners (other than individual homeowners).

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## **II. Legal and Financial Status of Property Owner**

Unless such information has previously been included or incorporated by reference in a Periodic Report, describe any material change in the legal structure of the Property Owner or the financial condition and financing plan of the Property Owner or Brookfield HB that would materially and adversely interfere with its ability to complete the development plan with respect to the Property described in the Official Statement. To the extent that the ownership of the Property Owner has changed, describe all material terms of the new ownership structure.

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## **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 for the Property described in the Official Statement or in a previous Periodic Report.

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## **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 Property Owner or the Property contained in the Official Statement under the headings "THE MASTER DEVELOPER" and "MERCHANT BUILDER INFORMATION" that would materially and adversely interfere with the Property Owner's or Brookfield HB's ability to develop and sell the Property as described in the Official Statement.

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**V. Other Material Information**

In addition to any of the information expressly required above, provide such further information, if any, with respect to the Property, the Property Owner, and Brookfield HB as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

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**Certification**

On behalf of the Property Owner, the undersigned officer or authorized representative, based on actual knowledge after reasonable inquiry of employees of Property Owner and its affiliates, hereby certifies that this Periodic Report constitutes the Periodic Report required to be furnished by the Property Owner under the Disclosure Certificate.

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

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

Dated:\_\_\_\_\_

\_\_\_\_\_

By: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

## APPENDIX F

### SUMMARY OF CERTAIN PROVISIONS OF FISCAL AGENT AGREEMENT

*The following contains a brief summary of certain provisions of the Fiscal Agent Agreement not found in the main body of the Official Statement. Investors are hereby directed to obtain a complete copy of the Fiscal Agent Agreement, which is available from the City or the Fiscal Agent upon request.*

#### **Certain Definitions**

*“Administrative Expenses”* means any or all of the following: the fees and expenses of the Fiscal Agent (including, but not limited to, any fees or expenses of its counsel), the expenses of the City in carrying out its duties hereunder (including, but not limited to, the levying and collection of the Special Taxes, and the foreclosure of the liens of delinquent Special Taxes) including the fees and expenses of its counsel, an allocable share of the salaries of City staff directly related thereto and a proportionate amount of City general administrative overhead related thereto, any amounts paid by the City from its general funds pursuant to the Agreement, and all other costs and expenses of the City or the Fiscal Agent incurred in connection with the issuance and administration of the Bonds and/or the discharge of their respective duties hereunder (including, but not limited to, the calculation of the levy of the Special Taxes, foreclosures with respect to delinquent taxes, and the calculation of amounts subject to rebate to the United States) and, in the case of the City, in any way related to the administration of the District. Administrative Expenses shall include any such expenses incurred in prior years but not yet paid, and any advances of funds by the City under the Agreement.

*“Agreement”* means this Fiscal Agent Agreement, as it may be amended or supplemented from time to time by any Supplemental Agreement.

*“Annual Debt Service”* means, for each Bond Year and each series of Outstanding Bonds, the sum of (i) the interest due on the respective series of Outstanding Bonds in such Bond Year, assuming that such Outstanding Bonds are retired as scheduled, and (ii) the principal amount of the respective series of Outstanding Bonds, including any mandatory sinking fund payments, due in such Bond Year.

*“Authorized Officer”* means the City Manager, Assistant City Manager, Chief Financial Officer, City Attorney or any other officer or employee authorized by the City Council of the City or by an Authorized Officer to undertake the action referenced in this Agreement as required to be undertaken by an Authorized Officer.

*“Bond Counsel”* means (i) Jones Hall, A Professional Law Corporation or (ii) any other attorney or firm of attorneys acceptable to the City and nationally recognized for expertise in rendering opinions as to the legality and tax-exempt status of securities issued by public entities.

*“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.

*“Business Day”* means any day other than (i) a Saturday or a Sunday or (ii) a day on which banking institutions in the state in which the Principal Office of the Fiscal Agent is located are authorized or obligated by law or executive order to be closed.

*“CDIAC”* means the California Debt and Investment Advisory Commission of the office of the California State Treasurer or any successor agency or bureau thereto.

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

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

*“Closing Date”* the date upon which there is a physical delivery of the 2024 Bonds in exchange for the amount representing the purchase price of the 2024 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 herein) as it may be amended to apply to obligations issued on the date of issuance of the Bonds, together with applicable temporary and final regulations promulgated, and applicable official public guidance published, under the Code.

*“Continuing Disclosure Certificate”* means the Continuing Disclosure Certificate, dated as of the Closing Date, executed by the City and Willdan Financial Services, in its capacity as Dissemination Agent, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

*“Cost of Issuance”* means items of expense payable or reimbursable directly or indirectly by the City and related to the authorization, sale and issuance of the Bonds, which items of expense shall include, but not be limited to, printing costs, costs of reproducing and binding documents, closing costs, filing and recording fees, initial fees, expenses and charges of the Fiscal Agent, including its first annual administration fee, and expenses and fees of counsel to the Fiscal Agent, expenses incurred by the City in connection with the issuance of the Bonds, financial advisor fees, Bond (underwriter’s) discount or underwriting fee, legal fees and charges, including bond counsel, charges for execution, transportation and safekeeping of the Bonds and other costs, charges and fees in connection with the foregoing.

*“DTC”* means the Depository Trust Company, and its successors and assigns.

*“Debt Service”* means the scheduled amount of interest and amortization of principal payable on the Bonds during the period of computation, excluding amounts scheduled during such period which relate to principal which has been retired before the beginning of such period.

*“Depository”* means (i) initially, DTC, and (ii) any other Securities Depository acting as Depository pursuant to the Agreement.

*“Fair Market Value”* means the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm’s length transaction (determined as of the date the contract to purchase or sell the investment becomes binding) if the investment is traded on an established securities market (within the meaning of Section 1273 of the Code) and,

otherwise, the term “Fair Market Value” means the acquisition price in a bona fide arm’s length transaction (as referenced above) if (i) the investment is a certificate of deposit that is acquired in accordance with applicable regulations under the Code, (ii) the investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (for example, a guaranteed investment contract, a forward supply contract or other investment agreement) that is acquired in accordance with applicable regulations under the Code, (iii) the investment is a United States Treasury Security—State and Local Government Series that is acquired in accordance with applicable regulations of the United States Bureau of Public Debt, or (iv) the investment is the Local Agency Investment Fund of the State of California, but only if at all times during which the investment is held its yield is reasonably expected to be equal to or greater than the yield on a reasonably comparable direct obligation of the United States.

“*Federal Securities*” means any of the following which are non-callable and which at the time of investment are legal investments under the laws of the State of California for funds held by the Fiscal Agent (the Fiscal Agent entitled to rely upon investment direction from the City as a certification that such investment constitutes a legal investment):

(i) Direct general obligations of the United States of America (including obligations issued or held in book-entry form on the books of the United States Department of the Treasury) and obligations, the payment of principal of and interest on which are directly or indirectly guaranteed by the United States of America, including, without limitation, such of the foregoing which are commonly referred to as “stripped” obligations and coupons; or

(ii) Any of the following obligations of the following agencies of the United States of America: (a) direct obligations of the Export-Import Bank, (b) certificates of beneficial ownership issued by the Farmers Home Administration, (c) participation certificates issued by the General Services Administration, (d) mortgage-backed bonds or passthrough obligations issued and guaranteed by the Government National Mortgage Association, (e) project notes issued by the United States Department of Housing and Urban Development, and (f) public housing notes and bonds guaranteed by the United States of America.

“*Fiscal Agent*” means the Fiscal Agent appointed by the City and acting as an independent fiscal agent with the duties and powers herein provided, its successors and assigns, and any other corporation or association which may at any time be substituted in its place, as provided in the Agreement.

“*Fiscal Year*” means the twelve-month period extending from July 1 in a calendar year to June 30 of the succeeding year, both dates inclusive.

“*Information Services*” means “EMMA” or the “Electronic Municipal Market Access” system of the Municipal Securities Rulemaking Board; or, in accordance with then-current guidelines of the Securities and Exchange Commission, such other services providing information with respect to called bonds as the City may designate in an Officer’s Certificate delivered to the Fiscal Agent.

“*Maximum Annual Debt Service*” means, for each series of Outstanding Bonds, the largest Annual Debt Service for any Bond Year after the calculation is made through the final maturity date of the respective series of Outstanding Bonds.

*“Officer’s Certificate”* means a written certificate of the City signed by an Authorized Officer of the City.

*“Ordinance”* means any ordinance of the City levying the Special Taxes.

*“Original Purchaser”* means, with respect to each series of Bonds, the first purchaser of such Bonds from the City.

*“Outstanding,”* when used as of any particular time with reference to Bonds, means (subject to the provisions of the Agreement) all Bonds except (i) Bonds theretofore canceled by the Fiscal Agent or surrendered to the Fiscal Agent for cancellation; (ii) Bonds paid or deemed to have been paid within the meaning of the Agreement; and (iii) Bonds in lieu of or in substitution for which other Bonds shall have been authorized, executed, issued and delivered by the City pursuant to the Agreement or any Supplemental Agreement.

*“Owner”* or *“Bondowner”* means any person who shall be the registered owner of any Outstanding Bond.

*“Participating Underwriter”* shall have the meaning ascribed thereto in the Continuing Disclosure Certificate.

*“Permitted Investments”* means any of the following, to the extent that they are lawful investments for City funds at the time of investment, and are acquired at Fair Market Value (the Fiscal Agent is entitled to rely upon investment direction from the City as a certification that such investment constitutes a legal investment):

(i) Federal Securities;

(ii) any of following obligations of federal agencies not guaranteed by the United States of America: (a) debentures issued by the Federal Housing Administration; (b) participation certificates or senior debt obligations of the Federal Home Loan Mortgage Corporation or Farm Credit Banks (consisting of Federal Land Banks, Federal Intermediate Credit Banks or Banks for Cooperatives); (c) bonds or debentures of the Federal Home Loan Bank Board established under the Federal Home Loan Bank Act, bonds of any federal home loan bank established under said act and stocks, bonds, debentures, participations and other obligations of or issued by the Federal National Mortgage Association, the Student Loan Marketing Association, the Government National Mortgage Association and the Federal Home Loan Mortgage Corporation; and (d) bonds, notes or other obligations issued or assumed by the International Bank for Reconstruction and Development;

(iii) interest-bearing demand or time deposits (including certificates of deposit) in federal or State of California chartered banks (including the Fiscal Agent and its affiliates), provided that (a) in the case of a savings and loan association, such demand or time deposits shall be fully insured by the Federal Deposit Insurance Corporation, or the unsecured obligations of such savings and loan association shall be rated in one of the top two rating categories by a nationally recognized rating service, and (b) in the case of a bank, such demand or time deposits shall be fully insured by the Federal Deposit Insurance Corporation, or the unsecured obligations of such bank (or the unsecured obligations of the parent bank holding company of which such bank



is the lead bank) shall be rated in one of the top two rating categories by a nationally recognized rating service;

(iv) repurchase agreements with a registered broker/dealer subject to the Securities Investors Protection Corporation Liquidation in the event of insolvency, or any commercial bank provided that: (a) the unsecured obligations of such bank shall be rated in one of the top two rating categories by a nationally recognized rating service, or such bank shall be the lead bank of a banking holding company whose unsecured obligations are rated in one of the top two rating categories by a nationally recognized rating service; (b) the most recent reported combined capital, surplus and undivided profits of such bank shall be not less than \$100 million; (c) the repurchase obligation under any such repurchase obligation shall be required to be performed in not more than thirty (30) days; (d) the entity holding such securities as described in clause (c) shall have a pledged first security interest therein for the benefit of the Fiscal Agent under the California Commercial Code or pursuant to the book-entry procedures described by 31 C.F.R. 306.1 *et seq.* or 31 C.F.R. 350.0 *et seq.* and are rated in one of the top two rating categories by a nationally recognized rating service;

(v) bankers' acceptances endorsed and guaranteed by banks described in clause (iv) above;

(vi) obligations, the interest on which is exempt from federal income taxation under Section 103 of the Code and which are rated in one of the top two rating categories by a nationally recognized rating service;

(vii) money market funds which invest solely in Federal Securities or in obligations described in the preceding clause (ii) of this definition, or money market funds which are rated in the highest rating category by Standard & Poor's Ratings Services or Moody's Investor Service, including such funds for which the Fiscal Agent, its affiliates or subsidiaries provide investment advisory or other management services or for which the Fiscal Agent or an affiliate of the Fiscal Agent serves as investment administrator, shareholder servicing agent, and/or custodian or subcustodian, notwithstanding that (a) the Fiscal Agent or an affiliate of the Fiscal Agent receives and retains a fee for services provided to the fund, (b) the Fiscal Agent collects fees for services rendered pursuant to this Agreement, which fees are separate from the fees received from such funds, and (c) services performed for such funds and pursuant to this Agreement may at times duplicate those provided to such funds by the Fiscal Agent or an affiliate of the Fiscal Agent;

(viii) units of a taxable government money market portfolio comprised solely of obligations listed in (i) and (iv) above, such funds for which the Fiscal Agent, its affiliates or subsidiaries provide investment advisory or other management services or for which the Fiscal Agent or an affiliate of the Fiscal Agent serves as investment administrator, shareholder servicing agent, and/or custodian or subcustodian, notwithstanding that (a) the Fiscal Agent or an affiliate of the Fiscal Agent receives and retains a fee for services provided to the fund, (b) the Fiscal Agent collects fees for services rendered pursuant to this Agreement, which fees are separate from the fees received from such funds, and (c) services performed for such funds and pursuant to this Agreement may at times duplicate those provided to such funds by the Fiscal Agent or an affiliate of the Fiscal Agent;

(ix) any investment which is a legal investment for proceeds of the Bonds at the time of the execution of such agreement, and which investment is made pursuant to an agreement between the City or the Fiscal Agent or any successor Fiscal Agent and a financial institution or governmental body whose long term debt obligations are rated in one of the top two rating categories by a nationally recognized rating service;

(x) commercial paper which at the time of purchase is of “prime” quality of the highest ranking or of the highest letter and numerical rating as provided for by Moody’s Investors Service, or Standard and Poor’s Corporation, of issuing corporations that are organized and operating within the United States and having total assets in excess of five hundred million dollars (\$500,000,000) and having an “AA” or higher rating for the issuer’s debentures, other than commercial paper, as provided for by Moody’s Investors Service or Standard and Poor’s Corporation, and provided that purchases of eligible commercial paper may not exceed 180 days maturity nor represent more than 10 percent of the outstanding paper of an issuing corporation;

(xi) any general obligation of a bank or insurance company whose long term debt obligations are rated in one of the two highest rating categories of a national rating service;

(xii) shares in a common law trust established pursuant to Title 1, Division 7, Charter 5 of the Government Code of the State which invests exclusively in investments permitted by Section 53635 of Title 5, Division 2, Chapter 4 of the Government Code of the State, as it may be amended;

(xiii) shares in the California Asset Management Program; or

(xiii) the Local Agency Investment Fund established pursuant to Section 16429.1 of the Government Code of the State of California, *provided, however*, that the Fiscal Agent shall be permitted to make investments and withdrawals in its own name and the Fiscal Agent may restrict investments in the such fund if necessary to keep moneys available for the purposes of this Fiscal Agent Agreement.

(xiv) any other lawful investment for City funds.

“*Prepayment*” means moneys received by the City from the prepayment of Special Taxes as provided in the Special Tax Formula.

“*Principal Office*” means the corporate trust office of the Fiscal Agent set forth in the Agreement, or such other or additional offices as may be designated by the Fiscal Agent.

“*Project*” means the acquisition and/or construction of the authorized facilities for the District described in the Resolution of Formation, including Administrative Expenses related thereto.

“*Qualified Reserve Fund Credit Instrument*” means an irrevocable standby or direct-pay letter of credit or surety bond issued by a commercial bank or insurance company and deposited with the Fiscal Agent, provided that all of the following requirements are met: (i) the long-term credit rating of such bank or insurance company is rated in the top two categories (without regard to modifier) by S&P or Moody’s at the time of issuance; (ii) such letter of credit or surety bond has a term of at least 12 months; (iii) such letter of credit or surety bond has a

stated amount at least equal to the portion of the Reserve Requirement being met by such instrument or with respect to which funds are proposed to be released pursuant to the Fiscal Agent Agreement; and (iv) the Fiscal Agent is authorized pursuant to the terms of such letter of credit or surety bond to draw thereunder an amount equal to any deficiencies which may exist from time to time in the Bond Fund for the purpose of making payments required pursuant to the Fiscal Agent Agreement.

*“Record Date”* means the 15th day of the month preceding an Interest Payment Date, whether or not such day is a Business Day.

*“Regulations”* means temporary and permanent regulations promulgated under the Code.

*“Securities Depositories”* means DTC; and, in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such other securities depositories as the City may designate in an Officer’s Certificate delivered to the Fiscal Agent.

*“Supplemental Agreement”* means an agreement the execution of which is authorized by a resolution which has been duly adopted by the City under the Act and which agreement is amendatory of or supplemental to this Agreement, but only if and to the extent that such agreement is specifically authorized hereunder.

## **Bond Fund**

Establishment. There is established as a separate fund to be held by the Fiscal Agent the Amoroso Ranch Community Facilities District No. 1 (Public Facilities) Improvement Area No. 2 Special Tax Bonds Bond Fund, to the credit of which deposits shall be made as required by the Agreement, or the Act. Within the Bond Fund, the Fiscal Agent shall establish and maintain a Capitalized Interest Account, to the credit of which deposit shall be made as required by the Agreement. Moneys in the Bond Fund shall be held in trust by the Fiscal Agent for the benefit of the Owners of the Bonds, shall be disbursed for the payment of the principal of, and interest and any premium on, the Bonds as provided below, and, pending such disbursement, shall be subject to a lien in favor of the Owners of the Bonds.

Within the Bond Fund there is hereby established the Prepayment Account, which shall be used exclusively for the administration of any prepayments of Special Taxes to assure the timely redemption of Bonds. Monies in the Prepayment Account shall be used to redeem Bonds on the redemption date specified in the notice to the Fiscal Agent given pursuant to the Agreement. In the event all of the Special Taxes are prepaid in full, the Prepayment Account shall be closed.

Disbursements. On each Interest Payment Date, the Fiscal Agent shall withdraw from the Bond Fund and pay to the Owners of the Bonds the principal of, and interest and any premium, then due and payable on the Bonds, including any amounts due on the Bonds by reason of the sinking payments set forth in the Agreement, provided however, that so long as monies remain in the Capitalized Interest Account of the Bond Fund, the Fiscal Agent shall first withdraw from such Capitalized Interest Account for payment to the Owners of the respective Bonds the interest then due and payable on such Bonds.

In the event that amounts in the Bond Fund are insufficient to pay regularly scheduled payments of principal of and interest on any Series of Bonds, the Fiscal Agent shall withdraw

from the respective reserve account within the Reserve Fund established for such Series of Bonds to the extent of any funds therein, the amount of such insufficiency, and the Fiscal Agent shall provide written notice to the Treasurer and Finance Director of the amounts so withdrawn from the Reserve Fund. Amounts so withdrawn from the Reserve Fund shall be deposited in the Bond Fund.

If, after the foregoing transfer, there are insufficient funds in the Bond Fund to make the payments provided for to pay regularly scheduled payments of principal of and interest on the Bonds, the Fiscal Agent shall apply the available funds first to the payment of interest on the Bonds, then to the payment of principal due on the Bonds other than by reason of sinking payments, and then to payment of principal due on the Bonds by reason of sinking payments. Any sinking payment not made as scheduled shall be added to the sinking payment to be made on the next sinking payment date.

Investment. Moneys in the Bond Fund shall be invested and deposited in accordance with the Agreement. Interest earnings and profits resulting from such investment and deposit shall be retained in the Bond Fund to be used for the purposes of such fund.

Deficiency. If ten days before any Interest Payment Date it appears to the Fiscal Agent that there is a danger of deficiency in the Bond Fund and that the Fiscal Agent may be unable to pay regularly scheduled debt service on the Bonds in a timely manner, the Fiscal Agent shall report to the Treasurer and Finance Director such fact. The City covenants to increase the levy of the Special Taxes in the next Fiscal Year (subject to the maximum amount authorized by the Resolution of Formation) in accordance with the procedures set forth in the Act for the purpose of curing Bond Fund deficiencies.

If on any Interest Payment Date the Fiscal Agent is unable to pay principal, interest and premium, if any, due on any Interest Payment Date for the Bonds due to insufficient funds in the Bond Fund, or if funds are withdrawn from the Reserve Fund to pay principal and/or interest on the Bonds the Fiscal Agent shall notify the Treasurer and Finance Director in writing of such fact, and the Treasurer or Finance Director shall notify CDIAC of such fact within 10 days of such Interest Payment Date. The Fiscal Agent has no obligation under the Agreement to provide notice or disclosure to the Bondowners of insufficient funds or anticipation of deficiency in the Bond Fund.

### **Certain Covenants**

Punctual Payment. The City will punctually pay or cause to be paid the principal of, and interest and any premium on, the Bonds when and as due in strict conformity with the terms of the Agreement, and it will faithfully observe and perform all of the conditions covenants and requirements of the Agreement and all Supplemental Agreements and of the Bonds.

Extension of Time for Payment. In order to prevent any accumulation of claims for interest after maturity, the City shall not, directly or indirectly, extend or consent to the extension of the time for the payment of any claim for interest on any of the Bonds and shall not, directly or indirectly, be a party to the approval of any such arrangement by purchasing or funding said claims for interest or in any other manner. In case any such claim for interest shall be extended or funded, whether or not with the consent of the City, such claim for interest so extended or funded shall not be entitled, in case of default under the Agreement, to the benefits of the Agreement, except subject to the prior payment in full of the principal of all of the Bonds then Outstanding and of all claims for interest which shall not have been so extended or funded.

Against Encumbrances. The City will not encumber, pledge or place any charge or lien upon any of the Special Tax Revenues or other amounts pledged to the Bonds superior to or on a parity with the pledge and lien herein created for the benefit of the Bonds, except as permitted by the Agreement.

Books and Accounts. The City will keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the City, in which complete and correct entries shall be made of all transactions relating to the expenditure of amounts disbursed from the Special Tax Fund and to the Special Tax Revenues. Such books of record and accounts shall at all times during business hours be subject to the inspection of the Fiscal Agent and the Owners of not less than 10% of the principal amount of the Bonds then Outstanding, or their representatives duly authorized in writing.

The Fiscal Agent will keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the Fiscal Agent, in which complete and correct entries shall be made of all transactions relating to the expenditure of amounts disbursed from the Bond Fund, the Reserve Fund and the Costs of Issuance Fund. Such books of record and accounts shall at all times during business hours and upon reasonable prior notice, be subject to the inspection of the City and the Owners of not less than 10% of the principal amount of the Bonds then Outstanding, or their representatives duly authorized in writing.

Protection of Security and Rights of Owners. The City will preserve and protect the security of the Bonds and the rights of the Owners, and will warrant and defend their rights against all claims and demands of all persons. From and after the delivery of any of the Bonds by the City, the Bonds shall be incontestable by the City.

Compliance with Law; Completion of Project. The City will comply with all applicable provisions of the Act and the law in completing the acquisition and construction of the Project; provided that the City shall have no obligation to advance any funds to complete the Project in excess of the amounts available therefor in the Improvement Fund.

Collection of Special Tax Revenues. The City shall comply with all requirements of the Act so as to assure the timely collection of Special Tax Revenues, including without limitation, the enforcement of delinquent Special Taxes. On or within 5 Business Days of each June 1, the Fiscal Agent shall provide the Chief Financial Officer with a notice stating the amount then on deposit in the Bond Fund and the reserve accounts of the Reserve Fund. The receipt of such notice by the Chief Financial Officer shall in no way affect the obligations of the Chief Financial Officer under the following two paragraphs. Upon receipt of such notice, the Chief Financial Officer shall ascertain the relevant parcels on which the Special Taxes are to be levied, taking into account any parcel splits during the preceding and then current year.

The City shall effect the levy of the Special Taxes each Fiscal Year in accordance with the Ordinance such that the computation of the levy is complete before the final date on which the County Auditor will accept the transmission of the Special Tax amounts for the parcels within the District for inclusion on the next secured real property tax roll. Upon the completion of the computation of the amounts of the levy, the City shall prepare or cause to be prepared, and shall transmit to the Chief Financial Officer, such data as the County Auditor requires to include the levy of the Special Taxes on the next secured real property tax roll.

The City shall fix and levy the amount of Special Taxes within the District required for the payment of principal of and interest on any outstanding Bonds of the District becoming due and payable during the ensuing Bond Year, including any necessary replenishment or expenditure of amounts in the Reserve Fund and an amount estimated to be sufficient to pay the Administrative Expenses during such year, all in accordance with the Special Tax Formula and the Ordinance. In any event, the Special Taxes so levied shall not exceed the authorized amounts as provided in the proceedings pursuant to the Resolution of Formation.

The Special Taxes shall be payable and be collected in the same manner and at the same time and in the same installment as the general taxes on real property are payable, and have the same priority, become delinquent at the same times and in the same proportionate amounts and bear the same proportionate penalties and interest after delinquency as do the general taxes on real property. Notwithstanding the foregoing, the Special Taxes may be collected in such other manner as the City shall prescribe if necessary to pay the debt service on the Bonds.

Private Activity Bond Limitation. The City shall assure that the proceeds of the Bonds are not so used as to cause the Bonds to satisfy the private business tests of Section 141(b) of the Code or the private loan financing test of Section 141(c) of the Code.

Federal Guarantee Prohibition. The City shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause any of the Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

No Arbitrage. The City shall not take, or permit or suffer to be taken by the Fiscal Agent or otherwise, any action with respect to the gross proceeds of the Bonds which if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the Closing Date would have caused the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code and Regulations.

Maintenance of Tax-Exemption. The City shall take all actions necessary to assure the exclusion of interest on the Bonds from the gross income of the Owners of the Bonds to the same extent as such interest is permitted to be excluded from gross income under the Code as in effect on the date of issuance of the Bonds.

Yield of the Bonds. In determining the yield of the Bonds to comply with the Agreement, the City will take into account redemption (including premium, if any) in advance of maturity based on the reasonable expectations of the City, as of the Closing, without regard to whether or not redemption moneys are received or Bonds are redeemed.

Further Assurances. The City will adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of the Agreement, and for the better assuring and confirming unto the Owners of the rights and benefits provided in the Agreement.

## **Investment of Funds**

Deposit and Investment of Moneys in Funds. Subject in all respects to the provisions of the Agreement, moneys in any fund or account created or established by the Agreement and held by the Fiscal Agent, shall be invested by the Fiscal Agent in Permitted Investments, as directed pursuant to an Officer's Certificate filed with the Fiscal Agent at least 2 Business Days

in advance of the making of such investments. In the absence of any such Officer's Certificate, the Fiscal Agent shall invest any such moneys in Permitted Investments described in clause (vii) of the definition thereof which by their terms mature prior to the date on which such moneys are required to be paid out under the Agreement provided, however, that any such investment shall be made by the Fiscal Agent only if, prior to the date on which such investment is to be made, the Fiscal Agent shall have received an Officer's Certificate specifying a specific money market fund and, if no such an Officer's Certificate is so received, the Fiscal Agent shall hold such moneys uninvested and notify the Treasurer or Finance Director that it is doing so until further direction is received from the Treasurer or Finance Director. Subject in all respects to the provisions of the Agreement, moneys in any fund or account created or established by the Agreement and held by the Treasurer or Finance Director shall be invested by the Treasurer or Finance Director in any lawful investments that the City may make, which by their terms mature prior to the date on which such moneys are required to be paid out under the Agreement. Obligations purchased as an investment of moneys in any fund shall be deemed to be part of such fund or account, subject, however, to the requirements of the Agreement for transfer of interest earnings and profits resulting from investment of amounts in funds and accounts.

The Fiscal Agent, Treasurer or Finance Director may act as principal or agent in the acquisition or disposition of any investment. Neither the Fiscal Agent, the Treasurer or the Finance Director shall incur any liability for losses arising from any investments made pursuant to the Agreement. Any losses arising from any investments made pursuant to the Agreement shall be offset against interest earnings and profits retained in the same fund.

Except as otherwise provided in the next sentence, all investments of amounts deposited in any fund or account created by or pursuant to the Agreement, or otherwise containing gross proceeds of the Bonds (within the meaning of Section 148 of the Code), shall be acquired, disposed of, and valued (as of the date that valuation is required by the Agreement or the Code) at Fair Market Value. For purposes of any Fair Market Value determination under the Agreement, the Fiscal Agent shall be entitled to conclusively rely on an Officer's Certificate of the City and shall be fully protected in relying thereon. Investments in funds or accounts (or portions thereof) that are subject to a yield restriction under applicable provisions of the Code and (unless valuation is undertaken at least annually) investments in the Reserve Fund shall be valued by the City at their present value (within the meaning of Section 148 of the Code).

Investments in any and all funds and accounts may be commingled in a separate fund or funds for purposes of making, holding and disposing of investments, notwithstanding provisions in the Agreement for transfer to or holding in or to the credit of particular funds or accounts of amounts received or held by the Fiscal Agent or the Treasurer under the Agreement, provided that the Fiscal Agent or the Treasurer, as applicable, shall at all times account for such investments strictly in accordance with the funds and accounts to which they are credited and otherwise as provided in the Agreement.

The Fiscal Agent or the Treasurer, as applicable, shall sell or present for redemption, any investment security whenever it shall be necessary to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the fund or account to which such investment security is credited and neither the Fiscal Agent nor the Treasurer shall be liable or responsible for any loss resulting from the acquisition or disposition of such investment security in accordance herewith.

The City acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the City the right to receive brokerage confirmations of

security transactions as they occur, the City specifically waives receipt of such confirmations to the extent permitted by law. The Fiscal Agent will furnish the City periodic cash transaction statements which include detail for all investment transactions made by the Fiscal Agent under the Agreement.

### **The Fiscal Agent**

Limited Liability of Fiscal Agent. The recitals of facts, covenants and agreements in the Agreement and in the Bonds contained shall be taken as statements, covenants and agreements of the City, and the Fiscal Agent assumes no responsibility for the correctness of the same, or makes any representations as to the validity or sufficiency of the Agreement or of the Bonds, or shall incur any responsibility in respect thereof, other than in connection with the duties or obligations in the Agreement or in the Bonds assigned to or imposed upon it. The Fiscal Agent shall not be liable in connection with the performance of its duties under the Agreement, except for its own negligence or willful default. The Fiscal Agent assumes no responsibility or liability for any information, statement or recital in any offering memorandum or other disclosure material prepared or distributed with respect to the issuance of the Bonds. The Fiscal Agent has no liability regarding the use of the proceeds from the purchase of the Bonds deposited in funds held by the City.

In the absence of bad faith, the Fiscal Agent may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Fiscal Agent and conforming to the requirements of the Agreement, including all Officer's Certificates of the City meeting such requirements; but in the case of any such certificates or opinions by which any provision hereof are specifically required to be furnished to the Fiscal Agent, the Fiscal Agent shall be under a duty to examine the same to determine whether or not they conform to the requirements of the Agreement. Except as provided above in this paragraph, the Fiscal Agent shall be protected and shall incur no liability in acting or proceeding, or in not acting or not proceeding, in good faith, reasonably and in accordance with the terms of the Agreement, upon any resolution, order, notice, request, consent or waiver, certificate, statement, affidavit, or other paper or document which it shall in good faith reasonably believe to be genuine and to have been adopted or signed by the proper person or to have been prepared and furnished pursuant to any provision of the Agreement, and the Fiscal Agent shall not be under any duty to make any investigation or inquiry as to any statements contained or matters referred to in any such instrument.

The Fiscal Agent shall not be liable for any error of judgment made in good faith by a responsible officer unless it shall be proved that the Fiscal Agent was negligent in ascertaining the pertinent facts.

No provision of the Agreement shall require the Fiscal Agent to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties under the Agreement, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

The Fiscal Agent shall be under no obligation to exercise any of the rights or powers vested in it by the Agreement at the request or direction of any of the Owners pursuant to the Agreement unless such Owners shall have offered to the Fiscal Agent reasonable security or indemnity against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction.



The Fiscal Agent shall not be considered in breach of or in default in its obligations under the Agreement or progress in respect thereto in the event of unavoidable delay in the performance of such obligations due to unforeseeable causes beyond its control and without its fault or negligence, including, but not limited to, Acts of God or of the public enemy or terrorists, acts of a government, acts of the other party, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, earthquakes, explosion, mob violence, riot, inability to procure or general sabotage or rationing of labor, equipment, facilities, sources of energy, material or supplies in the open market, litigation or arbitration involving a party or others relating to zoning or other governmental action or inaction pertaining to the project, malicious mischief, condemnation, and unusually severe weather or delays of suppliers or subcontractors due to such causes or any similar event and/or occurrences beyond the control of the Fiscal Agent.

The Fiscal Agent may become the owner of the Bonds with the same rights it would have if it were not the Fiscal Agent. The Fiscal Agent shall not be concerned with or accountable to anyone for the subsequent use or application of any moneys which shall be released or withdrawn in accordance with the provisions of the Agreement. The permissive right of the Fiscal Agent to do things enumerated in the Agreement shall not be construed as a duty and it shall not be answerable for other than its negligence or willful misconduct.

Notice to Fiscal Agent. The Fiscal Agent may rely and shall be protected in acting or refraining from acting upon any Officer's Certificate, notice, resolution, request, consent, order, certificate, report, facsimile transmission, electronic mail, warrant, Bond or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or proper parties and given in accordance with the requirements of the Agreement. The Fiscal Agent may execute any of the powers under the Agreement or perform any duties either directly or by or through agents or attorneys and the Fiscal Agent shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care by it hereunder. The Fiscal Agent may consult with counsel, who may be counsel to the City, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance with the Agreement.

The Fiscal Agent shall have the right to accept and act upon instructions, including funds transfer instructions ("Instructions") given pursuant to this Agreement and delivered using Electronic Means by an Authorized Officer (or his or her designee) ("Electronic Means" shall mean the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Fiscal Agent, or another method or system specified by the Fiscal Agent as available for use in connection with its services hereunder); provided, however, that the City shall provide to the Fiscal Agent an incumbency certificate for each person with the authority to provide such Instructions and containing specimen signatures of such persons, which incumbency certificate shall be amended by the City whenever a person is to be added or deleted from the listing. If the City elects to give the Fiscal Agent Instructions using Electronic Means and the Fiscal Agent in its discretion elects to act upon such Instructions, the Fiscal Agent's understanding of such Instructions shall be deemed controlling. The City understands and agrees that the Fiscal Agent cannot determine the identity of the actual sender of such Instructions and that the Fiscal Agent shall conclusively presume that directions that purport to have been sent by an Authorized Officer (or designee) listed on the incumbency certificate provided to the Fiscal Agent have been sent by such Authorized Officer (or designee). The City shall be responsible for ensuring that only Authorized Officers (or their designees) transmit such

Instructions to the Fiscal Agent and that the City is solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the City. The Fiscal Agent shall not be liable for any losses, costs or expenses arising directly or indirectly from the Fiscal Agent's reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The City agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Fiscal Agent, including without limitation the risk of the Fiscal Agent acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Fiscal Agent and that there may be more secure methods of transmitting Instructions than the method(s) selected by the City; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Fiscal Agent immediately upon learning of any compromise or unauthorized use of the security procedures.

Compensation, Indemnification. The City shall pay to the Fiscal Agent from time to time reasonable compensation for all services rendered as Fiscal Agent under the Agreement, and also all reasonable expenses, charges, counsel fees and other disbursements, including those of their attorneys, agents and employees, incurred in and about the performance of their powers and duties under the Agreement, but the Fiscal Agent shall not have a lien therefor on any funds at any time held by it under the Agreement. The City further agrees, to the extent permitted by applicable law, to indemnify and save the Fiscal Agent, its officers, employees, directors and agents harmless against any costs, claims, expenses or liabilities, including, without limitation, fees and expenses of its attorneys which it may incur in the exercise and performance of its powers and duties under the Agreement which are not due to its negligence or willful misconduct. This obligation of the City shall survive resignation or removal of the Fiscal Agent under the Agreement and payment of the Bonds and discharge of the Agreement.

## **Amendments**

Amendments Permitted. The Agreement and the rights and obligations of the City and of the Owners of the Bonds may be modified or amended at any time by a Supplemental Agreement pursuant to the affirmative vote at a meeting of Owners, or with the written consent without a meeting, of the Owners of at least 60% in aggregate principal amount of the Bonds then Outstanding, exclusive of Bonds disqualified as provided in the Agreement. No such modification or amendment shall (i) extend the maturity of any Bond or reduce the interest rate thereon, or otherwise alter or impair the obligation of the City to pay the principal of, and the interest and any premium on, any Bond, without the express consent of the Owner of such Bond, or (ii) permit the creation by the City of any pledge or lien upon the Special Taxes superior to or on a parity with the pledge and lien created for the benefit of the Bonds (except as otherwise permitted by the Act, the laws of the State of California or the Agreement), or reduce the percentage of Bonds required for the amendment hereof. No such amendment may modify any of the rights or obligations of the Fiscal Agent without its written consent.

The Agreement and the rights and obligations of the City and of the Owners may also be modified or amended at any time by a Supplemental Agreement, without the consent of any Owners, only to the extent permitted by law and only for any one or more of the following purposes:

(A) to add to the covenants and agreements of the City in the Agreement contained, other covenants and agreements thereafter to be observed, or to limit or surrender any right or power in the Agreement reserved to or conferred upon the City;

(B) to make modifications not adversely affecting any outstanding series of Bonds of the City in any material respect, including to effectuate the issuance of Additional Bonds in accordance with the Agreement;

(C) to make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained in the Agreement, or in regard to questions arising under the Agreement, as the City and the Fiscal Agent may deem necessary or desirable, and which shall not adversely affect the rights of the Owners of the Bonds; or

(D) to make such additions, deletions or modifications as may be necessary or desirable to assure compliance with Section 148 of the Code relating to required rebate of excess investment earnings to the United States or otherwise as may be necessary to assure exclusion from gross income for federal income tax purposes of interest on the Bonds or to conform with the Regulations.

No such amendment may modify any of the rights or obligations of the Fiscal Agent without its written consent.

Owners' Meetings. The City may at any time call a meeting of the Owners. In such event the City is authorized to fix the time and place of said meeting and to provide for the giving of notice thereof and to fix and adopt rules and regulations for the conduct of said meeting.

Procedure for Amendment with Written Consent of Owners. The City and the Fiscal Agent may at any time enter into a Supplemental Agreement amending the provisions of the Bonds or of the Agreement or any Supplemental Agreement, to the extent that such amendment is permitted by the Agreement, to take effect when and as provided. A copy of such Supplemental Agreement, together with a request to Owners for their consent thereto, if such consent is required under the Agreement, shall be mailed by first class mail, by the Fiscal Agent to each Owner of Bonds Outstanding, but failure to mail copies of such Supplemental Agreement and request shall not affect the validity of the Supplemental Agreement when assented to as in the Agreement provided.

If consent of the Owners is required, such Supplemental Agreement shall not become effective unless there shall be filed with the Fiscal Agent the written consents of the Owners of at least 60% in aggregate principal amount of the Bonds then Outstanding (exclusive of Bonds disqualified as provided in the Agreement) and a notice shall have been mailed as hereinafter provided. Each such consent shall be effective only if accompanied by proof of ownership of the Bonds for which such consent is given, which proof shall be such as is permitted by the Agreement. Any such consent shall be binding upon the Owner of the Bonds giving such consent and on any subsequent Owner (whether or not such subsequent Owner has notice thereof) unless such consent is revoked in writing by the Owner giving such consent or a subsequent Owner by filing such revocation with the Fiscal Agent prior to the date when the notice hereinafter provided for has been mailed.

After the Owners of the required percentage of Bonds shall have filed their consents to the Supplemental Agreement, the City shall mail a notice to the Owners in the manner hereinbefore provided for the mailing of the Supplemental Agreement, stating in substance that the Supplemental Agreement has been consented to by the Owners of the required percentage of Bonds and will be effective as provided (but failure to mail copies of said notice shall not affect the validity of the Supplemental Agreement or consents thereto). Proof of the mailing of such notice shall be filed with the Fiscal Agent. A record, consisting of the papers required to be filed with the Fiscal Agent, shall be proof of the matters therein stated until the contrary is proved. The Supplemental Agreement shall become effective upon the filing with the Fiscal Agent of the proof of mailing of such notice, and the Supplemental Agreement shall be deemed conclusively binding (except as otherwise above specifically provided) upon the City and the Owners of all Bonds at the expiration of sixty (60) days after such filing, except in the event of a final decree of a court of competent jurisdiction setting aside such consent in a legal action or equitable proceeding for such purpose commenced within such sixty-day period.

Disqualified Bonds. Bonds owned or held for the account of the City, excepting any pension or retirement fund, shall not be deemed Outstanding for the purpose of any vote, consent or other action or any calculation of Outstanding Bonds provided for in the Agreement, and shall not be entitled to vote upon, consent to, or take any other action provided for in the Agreement. Upon request, the City shall provide an Officer's Certificate to the Fiscal Agent listing those Bonds which are disqualified pursuant to the Agreement.

Effect of Supplemental Agreement. From and after the time any Supplemental Agreement becomes effective pursuant to the Agreement, the Agreement shall be deemed to be modified and amended in accordance therewith, the respective rights, duties and obligations under the Agreement of the City and all Owners of Bonds Outstanding shall thereafter be determined, exercised and enforced under the Agreement subject in all respects to such modifications and amendments, and all the terms and conditions of any such Supplemental Agreement shall be deemed to be part of the terms and conditions of the Agreement for any and all purposes.

Endorsement or Replacement of Bonds Issued After Amendments. The City may determine that Bonds issued and delivered after the effective date of any action taken as provided in the Agreement shall bear a notation, by endorsement or otherwise, in form approved by the City, as to such action. In that case, upon demand of the Owner of any Bond Outstanding at such effective date and presentation of his Bond for that purpose at the Principal Office of the Fiscal Agent or at such other office as the City may select and designate for that purpose, a suitable notation shall be made on such Bond. The City may determine that new Bonds, so modified as in the opinion of the City is necessary to conform to such Owners' action, shall be prepared, executed and delivered. In that case, upon demand of the Owner of any Bonds then Outstanding, such new Bonds shall be exchanged at the Principal Office of the Fiscal Agent without cost to any Owner, for Bonds then Outstanding, upon surrender of such Bonds.

## **Defeasance and Discharge**

If the City shall pay and discharge the entire indebtedness on all or any portion of the Bonds Outstanding in any one or more of the following ways:

(A) by well and truly paying or causing to be paid the principal of, and interest and any premium on, such Bonds Outstanding, as and when the same become due and payable;

(B) by depositing with the Fiscal Agent or other fiduciary, at or before maturity, money which, together with (in the event that all of the Bonds are to be defeased) the amounts then on deposit in certain funds and accounts provided for in the Agreement, is fully sufficient to pay such Bonds Outstanding, including all principal, interest and redemption premiums; or

(C) by irrevocably depositing with the Fiscal Agent or other fiduciary, cash and Federal Securities in such amount as the City shall determine as confirmed by an independent certified public accountant will, together with the interest to accrue thereon and (in the event that all of the Bonds are to be defeased) moneys then on deposit in certain fund and accounts provided for in the Agreement, be fully sufficient to pay and discharge the indebtedness on such Bonds (including all principal, interest and redemption premiums) at or before their respective maturity dates;

and if such Bonds are to be redeemed prior to the maturity thereof notice of such redemption shall have been given as in this Agreement provided or provision satisfactory to the Fiscal Agent shall have been made for the giving of such notice, then, at the election of the City, and notwithstanding that any Bonds shall not have been surrendered for payment, the pledge of the Special Taxes and other funds provided for in the Agreement and all other obligations of the City under this Agreement with respect to such Bonds Outstanding shall cease and terminate, except only the obligations of the City (i) under the Maintenance of Tax-Exemption provisions of the Agreement and (ii) to pay or cause to be paid to the Owners of the Bonds not so surrendered and paid all sums due thereon and all amounts owing to the Fiscal Agent pursuant to the Agreement; and thereafter Special Taxes shall not be payable to the Fiscal Agent.

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## APPENDIX G

### DTC AND THE BOOK-ENTRY ONLY SYSTEM

*The following description of the Depository Trust Company (“DTC”), the procedures and record keeping with respect to beneficial ownership interests in the 2025 Bonds, payment of principal, interest and other payments on the 2025 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 Direct Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the Securities, (b) certificates representing ownership interest in or other confirmation or ownership interest in the Securities, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Securities, or that they will so do on a timely basis, or that DTC, DTC Direct 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](http://www.dtcc.com). *The information contained on this Internet site is not incorporated herein by reference.*

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting



rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from Issuer or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to Issuer or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

10. Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

11. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that Issuer and Agent believe to be reliable, but neither Issuer nor Agent takes no responsibility for the accuracy thereof.

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