SUPPLEMENT TO

PRELIMINARY OFFICIAL STATEMENT DATED JUNE 30, 2025

$43,310,000*
LAMMERSVILLE JOINT UNIFIED SCHOOL DISTRICT
COMMUNITY FACILITIES DISTRICT NO. 2024-1
(MOUNTAIN HOUSE SCHOOL FACILITIES)
SPECIAL TAX BONDS, SERIES 2025

PLEASE BE ADVISED that the above-referenced Preliminary Official Statement is hereby supplemented and amended to make the following changes:

Page 4, INTRODUCTION – Appraisal. The first sentence of the section on page 4 captioned "Appraisal" is amended and restated to read as follows:

> ***Appraisal.*** An appraisal of the property within the Community Facilities District dated May 12, 2025 (the "**Appraisal**"), was prepared by Integra Realty Resources, Sacramento, California (the "**Appraiser**") in connection with issuance of the 2025 Bonds.

APPENDIX I. The Appendix I attached to the Preliminary Official Statement is hereby deleted and the attached Appendix I, entitled "Appraisal Report and Appraisal Update Letter," is hereby substituted in its place.

The date of this Supplement is July 3, 2025.

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*Preliminary; subject to change.

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APPENDIX I

APPRAISAL REPORT AND APPRAISAL UPDATE LETTER

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Integra Realty Resources
Sacramento

Appraisal of Real Property

Lammersville Joint Unified School District CFD No. 2024-1 (Mountain House School Facilities)
2,968 SFR Lots and 1,131 HDR Units
N/O Byron Rd., S/O Great Valley Pkwy.
Mountain House, San Joaquin County, California 95391

Prepared For:
Lammersville Joint Unified School District

Date of the Report:
May 12, 2025

Report Format:
Appraisal Report

IRR - Sacramento
File Number: 193-2025-0117

Subject Photographs

Lammersville Joint Unified School District CFD No. 2024-1 (Mountain House School Facilities)
N/O Byron Rd., S/O Great Valley Pkwy.
Mountain House, California

Aerial Photograph

Integra Realty Resources
Sacramento

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Roseville, CA 95678

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May 12, 2025

Kirk Nicholas
Superintendent
Lammersville Joint Unified School District
111 S. De Anza Boulevard
Mountain House, CA 95391

SUBJECT: Market Value Appraisal
Lammersville Joint Unified School District CFD No. 2024-1 (Mountain House School Facilities)
N/O Byron Rd., S/O Great Valley Pkwy.
Mountain House, San Joaquin County, California 95391
IRR - Sacramento File No. 193-2025-0117

Dear Mr. Nicholas:

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, subject to a hypothetical condition, pertaining to the fee simple interest in the property, as well as the aggregate, or cumulative, value of the taxable properties within the boundaries of the Lammersville Joint Unified School District Community Facilities District No. 2024-1 (Mountain House School Facilities) (“Lammersville JUSD CFD No. 2024-1”). The client for the assignment is the Lammersville Joint Unified School District and the intended use of the report is for bond underwriting purposes.

The appraised properties consist of 2,968 single-family residential lots with typical lot sizes ranging from 3,600 to 15,000 square feet, and 11 sites/parcels proposed for 1,131 multifamily units (for-rent). Any properties within the boundaries of Lammersville JUSD CFD No. 2024-1 not subject to the Lien of the Special Tax securing the Bonds (e.g., public and quasi-public land use sites, as well as age-restricted units) are not a part of this Appraisal Report. The subject’s current development/ construction status is shown in the following table.

Appraised Property Summary by Ownership

Owner / Builder	Village	Project Name	Tract No. / Tract ID	Product Type	Lot Size	No. of Units	Estimated Opening Date	Multifamily Units	Unimproved SFR Lots	Finished SFR Lots	SFR Lots with Homes Under Construction	SFR Lots with Compeleted Homes
Century Communities	K	Malana	3926	Detached / All Age	3,600 (RM)	**61**	Aug-25	--	--	61	--	--
Century Communities	J	Lotus	3974	Detached / All Age	3,825 (RM)	**87**	Oct-25	--	--	87	--	--
Subtotal						***148***		--	--	*148*	--	--
Rurka Capital, LLC	J	Alserio	3973-74	Detached / All Age	5,500 (RL)	**74**	Apr-25	--	--	74	--	--
Rurka Homes	J	Bolsena	3974	Detached / All Age	5,000 (RL)	**89**	Aug-25	--	--	89	--	--
	K	TBD	3926	Detached / All Age	4,050 (RM)	**27**	Feb-26	--	--	27	--	--
Subtotal						***190***		--	--	*190*	--	--
Taylor Morrison	J	Silverleaf	3975	Detached / All Age	5,500 (RL)	**87**	May-25	--	--	87	--	--
Taylor Morrison	J	Trailview	3975	Detached / All Age	6,000 (RL)	**116**	May-25	--	--	116	--	--
Subtotal						***203***		--	--	*203*	--	--
Richmond American	K	Belleza	3926	Detached / All Age	4,050 (RM)	**55**	Aug-25	--	--	55	--	--
Richmond American												
Subtotal						***55***		--	--	*55*	--	--
Lennar	J	Lugano	3968, 69, 71	Detached / All Age	4,050 (RM)	**134**	Feb-25	--	--	105	27	2
Lennar	J	Maggiore	3968-71	Detached / All Age	5,000 (RL)	**113**	Feb-25	--	--	84	27	2
	J	Mezzano	3968, 70, 72	Detached / All Age	5,500 (RL)	**126**	Apr-25	--	--	102	22	2
	J	Turano	3968, 3972	Detached / All Age	6,000 (RL)	**130**	Feb-25	--	--	106	22	2
Subtotal						***503***		--	--	*397*	*98*	*8*
Mountain House Developers, LLC	K	--	3927	Detached / All Age	4,050 (RM)	**87**	--	--	87	--	--	--
Master Developer	K	--	3929	Detached / All Age	4,320 (RM)	**107**	--	--	107	--	--	--
	K	--	3928, 3929, 3933	Detached / All Age	5,000 (RL)	**233**	--	--	233	--	--	--
	K	--	3927, 3930, 3932	Detached / All Age	6,000 (RL)	**154**	--	--	154	--	--	--
	K	--	3931	Detached / All Age	6,500 (RL)	**71**	--	--	71	--	--	--
	I	--	4101, 4191, 4194 / I4, I7, I9	Detached / All Age	4,500 (RM)	**287**	--	--	287	--	--	--
	I	--	4193, 4195, 4202 / I5, I8, I12	Detached / All Age	5,000 (RL)	**295**	--	--	295	--	--	--
	I	--	4192, 4196, 4200 / I3, I6, I11	Detached / All Age	6,000 (RL)	**267**	--	--	267	--	--	--
	I	--	4197, 4199 / I2, I10	Detached / All Age	7,000 (RL)	**154**	--	--	154	--	--	--
	I	--	4198 / I1	Detached / All Age	7,500 (RL)	**119**	--	--	119	--	--	--
	I	--	4203 / I15	Detached / All Age	15,000 (VL)	**5**	--	--	5	--	--	--
	L	--	TBD / L5	Detached / All Age	4,050 (RM)	**90**	--	--	90	--	--	--
	K	--	K1	Multifamily / All Age	--	**76**	--	76	--	--	--	--
	K	--	K2	Multifamily / All Age	--	**135**	--	135	--	--	--	--
	K	--	K3	Multifamily / All Age	--	**53**	--	53	--	--	--	--
	K	--	K4	Multifamily / All Age	--	**104**	--	104	--	--	--	--
	I	--	I13	Multifamily / All Age	--	**89**	--	89	--	--	--	--
	I	--	I14	Multifamily / All Age	--	**96**	--	96	--	--	--	--
	L	--	L9	Multifamily / All Age	--	**120**	--	120	--	--	--	--
	L	--	L10	Multifamily / All Age	--	**286**	--	286	--	--	--	--
	L	--	L11	Multifamily / All Age	--	**52**	--	52	--	--	--	--
	L	--	L12	Multifamily / All Age	--	**48**	--	48	--	--	--	--
	L	--	L13	Multifamily / All Age	--	**72**	--	72	--	--	--	--
						3,000		*1,131*	*1,869*	*0*	*0*	*0*
TOTAL						**4,099**		**1,131**	**1,869**	**993**	**98**	**8**

We have been requested to provide a market value of the appraised properties by ownership, as well as a cumulative, or aggregate, value of the properties, as of the date of value. The market value accounts for the impact of the Lien of the Special Tax securing the Special Tax Bonds. 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 opinion(s) of value, as of the date of value, April 4, 2025, is as follows:

Value Conclusions

Appraisal Premise	Effective Date	Property Rights	Value Conclusion
Market Value, subject to a Hypothetical Condition	April 4, 2025	Fee Simple	
Century Communities			$ 62,952,000
Rurka Capital, LLC			$ 86,367,000
Taylor Morrison			$ 94,801,000
Richmond American			$ 23,650,000
Lennar			$ 193,769,000
Mountain House Developers, LLC			$ 301,230,000
Aggregate, or Cumulative, Appraised Value			$ 762,769,000

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 public improvements to be financed by the CFD No. 2024-1 Revenue Bonds, Series 2025, have been completed.

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

The opinions of value represent a "not-less-than" value due to the fact we were requested to provide a market value for the smallest floor plan in each community improved with a completed home.

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.

Respectfully submitted,

Integra Realty Resources - Sacramento

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Table of Contents

Executive Summary

Property Name	Lammersville Joint Unified School District CFD No. 2024-1 (Mountain House School Facilities)
Address	N/O Byron Rd., S/O Great Valley Pkwy. Mountain House, San Joaquin County, California 95391
Property Type	Land - Residential Development Land
Zoning Designation	RL, RM & RMH, Low Density, Medium Density, and Medium High Density Residential
Highest and Best Use	Residential use
Exposure Time; Marketing Period	12 months; 12 months
Date of the Report	May 12, 2025

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 Lammersville Joint Unified School District and the 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.

Value Conclusions

Appraisal Premise	Effective Date	Property Rights	Value Conclusion
Market Value, subject to a Hypothetical Condition	April 4, 2025	Fee Simple	
Century Communities			$ 62,952,000
Rurka Capital, LLC			$ 86,367,000
Taylor Morrison			$ 94,801,000
Richmond American			$ 23,650,000
Lennar			$ 193,769,000
Mountain House Developers, LLC			$ 301,230,000
Aggregate, or Cumulative, Appraised Value			$ 762,769,000

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 public improvements to be financed by the CFD No. 2024-1 Revenue Bonds, Series 2025, have been completed.

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

Identification of the Appraisal Problem

Subject Description

The appraised properties consist of 2,968 single-family residential lots with typical lot sizes ranging from 3,600 to 15,000 square feet, and 11 sites/parcels proposed for 1,131 multifamily units (for-rent). Any properties within the boundaries of Lammersville JUSD CFD No. 2024-1 not subject to the Lien of the Special Tax securing the Bonds (e.g., public and quasi-public land use sites, as well as age-restricted units) are not a part of this Appraisal Report.

Property Identification	
Property Name	Lammersville Joint Unified School District CFD No. 2024-1 (Mountain House School Facilities)
Address	N/O Byron Rd., S/O Great Valley Pkwy. Mountain House, California 95391
Tax ID	209-040-090; 209-160-010, -100; 209-170-030; 258-020-060, -070, -080, -110, -170, -180, -200, -300, -310, -320, -330, -340, -350, -360, -380, -390; 258-030-050, -130 through -390; 258-040-010l 258-050-010 through -520; 258-060-010 through -430; 258-070-010 through -490; 258-080-010 through --410; 258-090-010 through -510; 258-100-010 through -330; 258-110-010 through -340; 258-120-010 through -610; 258-130-010 through -590; 258-140-010 through -520; and 258-150-010 through -450
Owner of Record	Master Developer: Mountain House Developers, LLC; Merchant Builders: Century Communities; Rurka Capital, LLC (Rurka Homes); Taylor Morrison Homes; Richmond American; and Lennar Homes of California (Lennar)

Sale History

The most recent closed sales within the boundaries of the District are summarized as follows:

Sale History Summary

Village	Project Name	Tract No.	No. of Units	Builder	Sale Date	Sale Price	Price per Unit	Development Status
K	Malana	3926	61	Century Communities	Nov-24	$21,350,000	$350,000	Finished Lot
J	Belleza	3926	47	Richmond American	Nov-24	$23,124,000	$492,000	Finished Lot
J	Silverleaf & Trailview	3975	203	Taylor Morrison	Jan-25	$113,000,000	$556,650	Finished Lot
J	Lotus	3974	87	Century Communities	Jan-25	$34,800,000	$400,000	Finished Lot

The purchases are arm's-length transactions with no unusual motivations. Considering the condition of the lots at the time of the sale, the prior arm's-length transactions are reasonable indicators of the market value, as of the date of purchase. The prior sales are not consistent with current market value, given the improvements made after the sale. Furthermore, the hypothetical condition on which the valuation is premised reflects a project condition different from the conditions as of the date of the prior sale.

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.

It is not uncommon for a merchant builder to use a land bank when acquiring lots. The land bank relationship allows a merchant builder the option to acquire lots over time pursuant to a takedown schedule. The takedown schedules give the merchant builder the option (but not the obligation) to acquire lots over a specified time period. 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. These transactions are not considered arm's length transfers of the subject lots, as defined; thus, a separate valuation per owner (merchant builder and land bank) is not warranted. Valuation by owner is instead an allocation of estimated value between the merchant builder and land bank entity(ies). For purposes of analysis herein, there is no delineation between related merchant builders and land banks in the determination of market value, 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 CFD No. 2024-1, subject to the hypothetical condition certain proceeds from the 2025 Special Tax Bonds will be available to finance certain public improvements, as of the effective date of the appraisal, April 4, 2025. The date of the report is May 12, 2025. The appraisal is valid only as of the stated effective date. The home values are based on a "not-less-than" value for the smallest floor plans, without consideration for upgrades and lot premiums. Further, we have been asked to exclude any contributory value of unfinished homes, but consider the value of permits and impact fees paid for lots with either construction underway or not yet begun.

Value Type Definitions

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

Market Value

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

1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised, and acting in what they consider their own best interests;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and

5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. [1]

Property Rights Definitions

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

Fee Simple Estate

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

Client and Intended User(s)

The client is the Lammersville Joint Unified School District. The intended users are the Lammersville Joint Unified School District and the associated Finance Team. No party or parties beyond the client 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;
- 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.

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

[2] Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 7th ed. (Chicago: Appraisal Institute, 2022)

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 prepared appraisals of portions of the subject property for another client. We have provided no other 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
Sara Gilbertson, MAI	None	N/A
Kevin Ziegenmeyer, MAI	On-site	March 15, 2025
Eric Segal, MAI	None	N/A

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.

For the purpose of estimating the value of the subject's residential lots, we have identified benchmark lot categories of Medium Density, Low Density, and Very Low Density lots.

The market value of the majority of the residential lots (Medium Density and Low Density lots) were estimated by utilizing the sales comparison approach and land residual analysis to value. 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. Additionally, we utilized a land residual analysis (a variation of the cost approach and income capitalization approaches), in which all direct and indirect costs are deducted from an estimate of the anticipated gross sales price of the improved home product; the resultant net sales proceeds are then discounted to present value at an anticipated discount rate over the development and absorption period to indicate the residual value of the lots. The market value of the Very Low Density lots was estimated by utilizing the sales comparison approach and extraction technique to value, a form of the cost approach.

After reconciling the two approaches to value, we apply a lot size adjustment factor to account for differing lot sizes from the benchmark lot category. The final estimate of market value, in bulk, was estimated by employing a discounted cash flow analysis; whereby, the expected revenue, absorption period, expenses and discount rate associated with the sell-off of the lots held by the master developer was taken into account.

The market value estimates for the various taxable land use components described above were then assigned to the various assessor's parcels comprising the appraised properties in order to derive the cumulative, or aggregate, value of the CFD. It is not uncommon for a merchant builder to use a land bank when acquiring lots. The land bank relationship allows a merchant builder the option to acquire lots over time pursuant to a takedown schedule. The takedown schedules give the merchant builder the option (but not the obligation) to acquire lots over a specified time period. 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. These transactions are not considered arm's length transfers of the subject lots, as defined; thus, a separate valuation per owner (merchant builder and land bank) is not warranted. Valuation by owner is instead an allocation of estimated value between the merchant builder and land bank entity(ies). For purposes of analysis herein, there is no delineation between related merchant builders and land banks in the determination of market value, in bulk.

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 land residual analysis/extraction analysis and determination of financial feasibility. Given the limited, if any, income producing potential of the land, an income approach was not utilized.

Economic Analysis

Area Analysis – San Joaquin County

San Joaquin County is located in the north central part of the San Joaquin Valley, bordered by Sacramento County to the north, Stanislaus County to the south, Calaveras County to the east and Alameda County to the west. The Sierra Nevada Mountains line the county's eastern border, while the Pacific Coast Range and the Sacramento River Delta border the county on the west. The Stockton Metropolitan Statistical Area (MSA) includes all of San Joaquin County, and is made up of the communities of Stockton, Lodi, Manteca, Tracy, Ripon, Lathrop and Escalon. Stockton is the County Seat and is located on the San Joaquin River east of the Delta, a fertile agricultural area at the confluence of the San Joaquin and Sacramento Rivers, approximately 30 to 35 miles west. The County is 1,391 square miles in size and has a population density of 574 persons per square mile. San Joaquin County has historically been an agricultural region, but over the years, more industry and technology related businesses have located in the area.

Population

San Joaquin County has an estimated 2025 population of 798,270, which represents an average annual 0.5% increase over the 2020 census of 779,233. San Joaquin County added an average of 3,807 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, San Joaquin County's population is projected to increase at a 0.3% annual rate from 2025-2030, equivalent to the addition of an average of 2,221 residents per year. San Joaquin 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
California	39,538,223	38,870,482	38,763,700	-0.3%	-0.1%
San Joaquin County	779,233	798,270	809,376	0.5%	0.3%

Source: Claritas

Employment

Total employment in San Joaquin County was estimated at 288,244 jobs as of June 2024. Between year-end 2014 and 2024, employment rose by 70,360 jobs, equivalent to a 32.3% increase over the entire period. There were gains in employment in nine out of the past ten years. San Joaquin 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 San Joaquin County unemployment rate has been consistently higher than that of

California, with an average unemployment rate of 7.7% in comparison to a 5.9% rate for California. A higher unemployment rate is a negative indicator.

Recent data shows that the San Joaquin County unemployment rate is 6.4% in comparison to a 5.2% rate for California, a negative sign for the San Joaquin County economy but one that must be tempered by the fact that San Joaquin County has outperformed California in the rate of job growth over the past two years.

Employment Trends

	Total Employment (Year End)				Unemployment Rate (Ann. Avg.)	
Year	San Joaquin County	% Change	California	% Change	San Joaquin County	California
2014	217,884		16,089,814		10.6%	7.6%
2015	233,435	7.1%	16,606,038	3.2%	8.9%	6.3%
2016	243,294	4.2%	16,930,563	2.0%	8.1%	5.5%
2017	251,594	3.4%	17,263,084	2.0%	7.0%	4.8%
2018	255,290	1.5%	17,573,378	1.8%	6.1%	4.3%
2019	261,853	2.6%	17,857,719	1.6%	6.0%	4.1%
2020	257,400	-1.7%	16,401,290	-8.2%	11.5%	10.2%
2021	274,289	6.6%	17,641,250	7.6%	8.6%	7.3%
2022	281,000	2.4%	18,066,913	2.4%	5.4%	4.3%
2023	286,318	1.9%	18,146,497	0.4%	6.2%	4.8%
2024*	288,244	0.7%	18,193,549	0.3%	6.7%	5.4%
Overall Change 2014-2024	70,360	32.3%	2,103,735	13.1%		
Avg Unemp. Rate 2014-2024					7.7%	5.9%
Unemployment Rate - December 2024					6.4%	5.2%

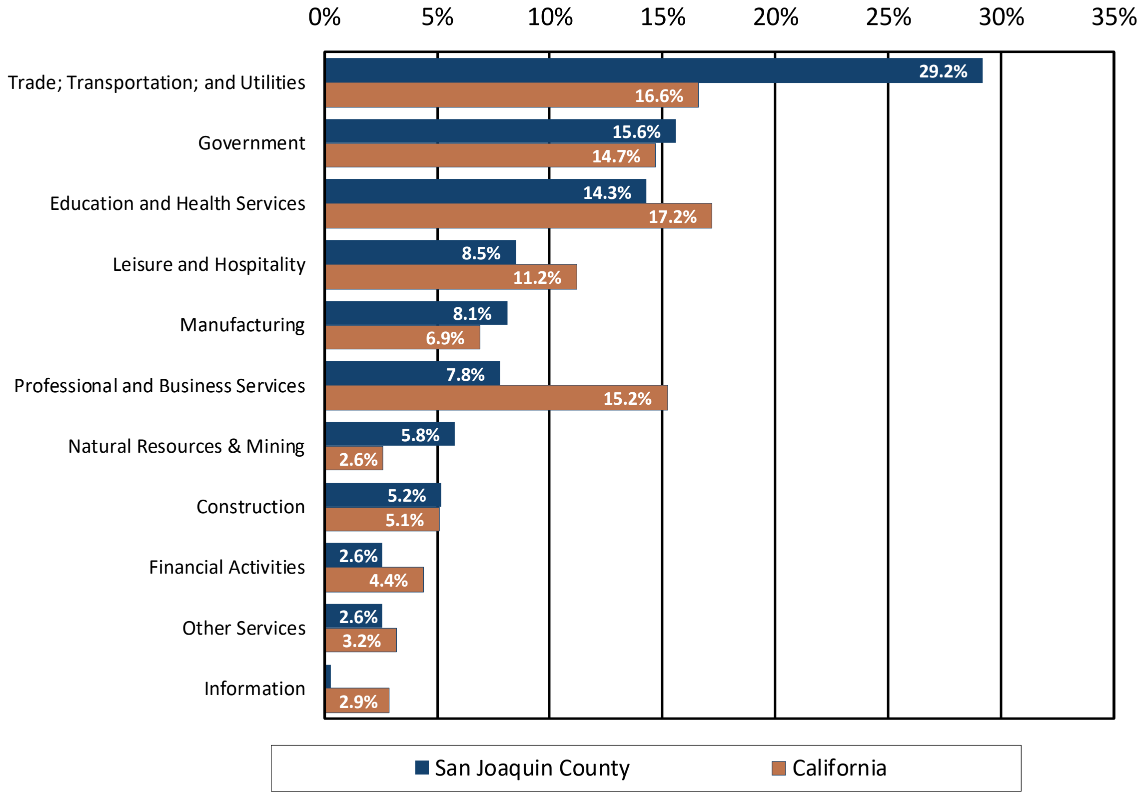
*Total employment data is as of June 2024.

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 San Joaquin 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 San Joaquin County jobs in each category.

Employment Sectors - 2024



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

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

1. Trade; Transportation; and Utilities, representing 29.2% of San Joaquin 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 15.6% of San Joaquin County payroll employment compared to 14.7% for California as a whole. This sector includes employment in local, state, and federal government agencies.
3. Manufacturing, representing 8.1% of San Joaquin 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.
4. Natural Resources & Mining, representing 5.8% of San Joaquin County payroll employment compared to 2.6% for California as a whole. Agriculture, mining, quarrying, and oil and gas extraction are included in this sector.

San Joaquin County is underrepresented in the following sectors:

1. Education and Health Services, representing 14.3% of San Joaquin 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 8.5% of San Joaquin 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. Professional and Business Services, representing 7.8% of San Joaquin 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. Financial Activities, representing 2.6% of San Joaquin 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.

Major Employers

Major employers in San Joaquin County are shown in the following table.

Major Employers - San Joaquin County

	Name	Number of Employees
1	Amazon Fulfillment Center	1,000-4,999
2	Ashley Lane LP	1,000-4,999
3	Blue Shield of California	1,000-4,999
4	Dameron Hospital Assn.	1,000-4,999
5	Leprino Foods Co.	1,000-4,999
6	Lodi Health Home Health Agency	1,000-4,999
7	NA Chaderjian Youth	1,000-4,999
8	O-G Packing & Cold Storage Co	1,000-4,999
9	Prima Fruta Packing Inc.	1,000-4,999
10	Safeway Distribution Warehouse	1,000-4,999
11	San Joaquin County Schools	1,000-4,999
12	San Joaquin General Hospital	1,000-4,999
13	SJGOV	1,000-4,999
14	St. Joseph's Regional Health	1,000-4,999
15	Stockton Unified School District	1,000-4,999
16	Waste Management - Lodi Transfer	1,000-4,999

Source: This list of major employers was extracted from the America's Labor Market Information System (ALMIS) Employer Database, 2025 1st Edition. Employer information is provided by Data Axel ®, Omaha, NE, 800/555-5211. © 2024. All Rights Reserved.

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 lower in San Joaquin County than California overall during the past decade. San Joaquin County has grown at a 2.7% average annual rate while the State of California has grown at a 3.3% rate. San Joaquin County continues to underperform California. GDP for San Joaquin County fell by 0.6% in 2023 while California's GDP rose by 2.0%.

San Joaquin County has a per capita GDP of $41,322, which is 50% less than California's GDP of $83,373. This means that San Joaquin County industries and employers are adding relatively less value to the economy than their counterparts in California.

Gross Domestic Product

Year	($,000s) San Joaquin County	% Change	($,000s) California	% Change
2013	25,277,469	–	2,340,335,300	–
2014	26,180,174	3.6%	2,428,675,700	3.8%
2015	27,471,639	4.9%	2,545,979,500	4.8%
2016	28,142,383	2.4%	2,623,711,700	3.1%
2017	29,141,656	3.6%	2,740,550,300	4.5%
2018	30,299,585	4.0%	2,850,970,300	4.0%
2019	31,274,535	3.2%	2,969,609,000	4.2%
2020	31,111,615	-0.5%	2,933,320,200	-1.2%
2021	33,640,343	8.1%	3,154,188,600	7.5%
2022	33,301,759	-1.0%	3,184,007,800	0.9%
2023	33,097,405	-0.6%	3,248,656,600	2.0%
Compound % Chg (2013-2023)		2.7%		3.3%
GDP Per Capita 2023	$41,322		$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

San Joaquin County has a lower level of household income than California. Median household income for San Joaquin County is $88,124, which is 7.0% less than the corresponding figure for California.

Median Household Income - 2025

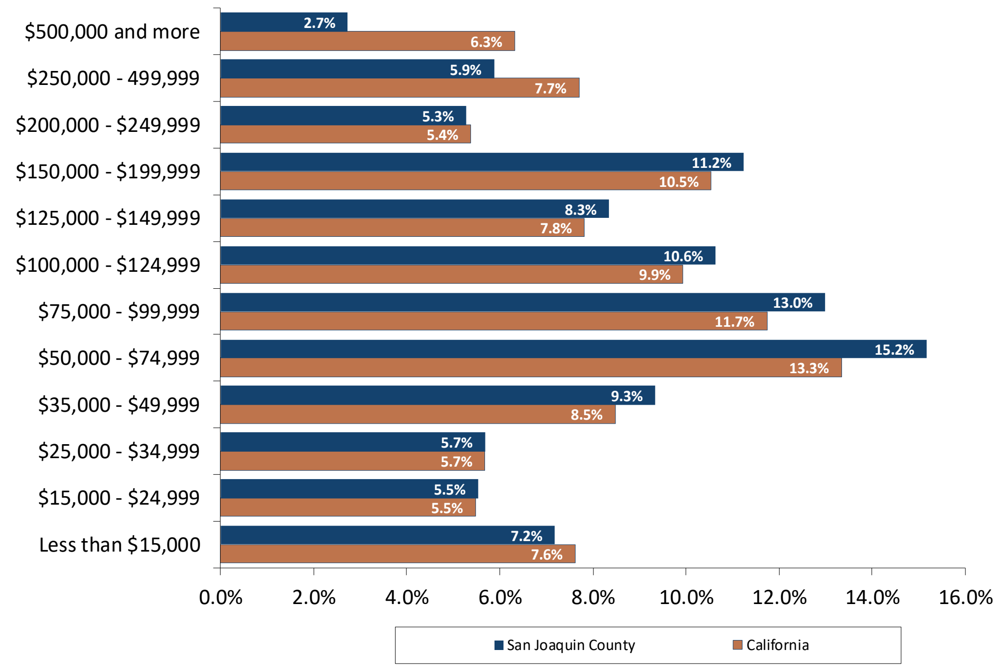
	Median
San Joaquin County	$88,124
California	$94,758
Comparison of San Joaquin County to California	- 7.0%

Source: Claritas

The following chart shows the distribution of households across twelve income levels. San Joaquin County has a greater concentration of households in the middle income levels than California.

Specifically, 47% of San Joaquin County households are between the $50,000 - $150,000 levels in household income as compared to 43% of California households. A lesser concentration of households is apparent in the higher income levels, as 25% of San Joaquin County households are at the $150,000 or greater levels in household income versus 30% of California households.

Household Income Distribution - 2025

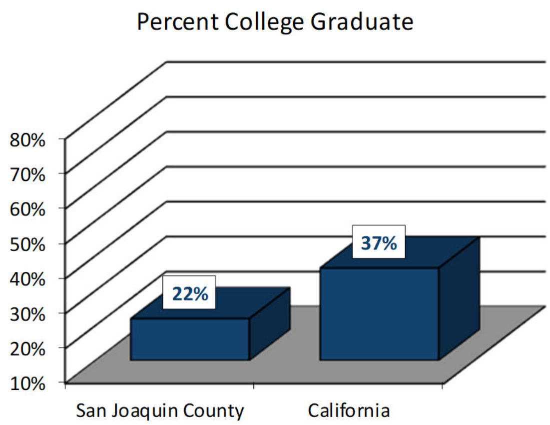


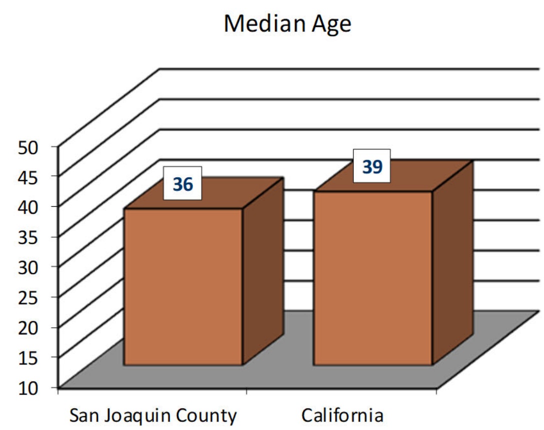
Source: Claritas

Education and Age

Residents of San Joaquin County have a lower level of educational attainment than those of California. An estimated 22% of San Joaquin County residents are college graduates with four-year degrees, versus 37% of California residents. People in San Joaquin County are younger than their California counterparts. The median age for San Joaquin County is 36 years, while the median age for California is 39 years.

Education & Age - 2025





Source: Claritas

Transportation

California's two main north-south arterials, Interstate 5 and Highway 99, travel through San Joaquin County. Interstate 5 travels the length of California from its southern border with Mexico north to Canada. State Highway 99 parallels Interstate 5, connecting Stockton to Fresno and Bakersfield to the south and Sacramento to the north. The city of Tracy, located less than 10 miles southeast of Mountain House, has good access to the San Francisco Bay Area. Interstate 580/205 extends from Tracy westward to the cities of Livermore, Pleasanton, Oakland, San Francisco and San Jose.

The region also has an extensive network of railways. Union Pacific, ACE Commuter Express and Amtrak all have stops in Stockton and connect with the rest of the nation. Burlington Northern Santa Fe (BNSF) operates an intermodal facility in southeastern Stockton, providing long haul transportation requirements. The Altamont Commuter Express (ACE) opened for commuter travel in June 1998. This train travels between Stockton, at its most eastern terminus, through Tracy to San Jose and the East Bay Area. This train provides alternate transportation for thousands of commuters who live in the valley but work in San Jose or the East Bay.

Air transportation facilities throughout California's Central Valley provide access to international freight, shipments and commercial access to major western markets. The main airport in San Joaquin County is Stockton Metropolitan Airport. In 2003, Emery Forwarding began offering six times per week cargo service from Stockton to Dayton, Ohio. Between 2001 and 2003, America West Express provided twice-daily passenger service to Phoenix but has since discontinued service in Stockton. In 2006, Allegiant Air began offering commercial flights from Stockton and currently offers flights to Las Vegas, Phoenix and Denver. The nearest international airports are located in Sacramento, Oakland, San Francisco and San Jose.

San Joaquin County has an excellent water transportation network. The city of Stockton is situated along the San Joaquin Delta, which connects to the San Francisco Bay and the Sacramento and San

Joaquin Rivers. The Port of Stockton is the third largest landholder port in California and has a Foreign Trade Zone designation. The Port operates on 2,100 acres, with berthing space for 17 vessels and more than 1.1 million square feet of dockside transit sheds. There are an additional 7.7 million square feet of warehouses available for dry bulk, break bulk and other materials. Stockton's deep-water channel has an average depth of 35 feet, which is deep enough to allow access to ships similar in size to those traveling through the Panama Canal.

Recreation & Community Facilities

San Joaquin County offers a variety of recreational activities. To the west, the San Joaquin River enters the maze of waterways and islands known as the Delta with approximately 1,000 miles of waterways, where boating and fishing activities are popular. The upper forks of the Stanislaus River offer some of the best whitewater rafting in the country. Regional parks are located throughout the valley in or near the larger cities. There are more than a dozen golf courses in the region, as well as numerous public tennis facilities, health clubs and sports fields. Stockton is home to a minor league baseball team, a symphony, ballet and opera, and hosts the nationally recognized Asparagus Festival annually. In 2006 a new minor league hockey team, the Stockton Thunder, took up residence in the county seat as well.

There are over 150,000 K-12 students enrolled in 254 public schools and public charter schools within 14 school districts in San Joaquin County. Both private and public schools meet higher education needs. The two-year San Joaquin Delta College in Stockton enrolls over 17,000 students, and the four-year University of the Pacific, also located in Stockton, has over 6,000 enrolled in both undergraduate and graduate programs. California State University Stanislaus-Stockton is enjoying rising enrollment and now offers an alternative to prospective college students in the county. Local private colleges include Humphreys College and School of Law, National University, Heald College - Stockton, ITT Technical Institute, St. Mary's College of California and University of Phoenix.

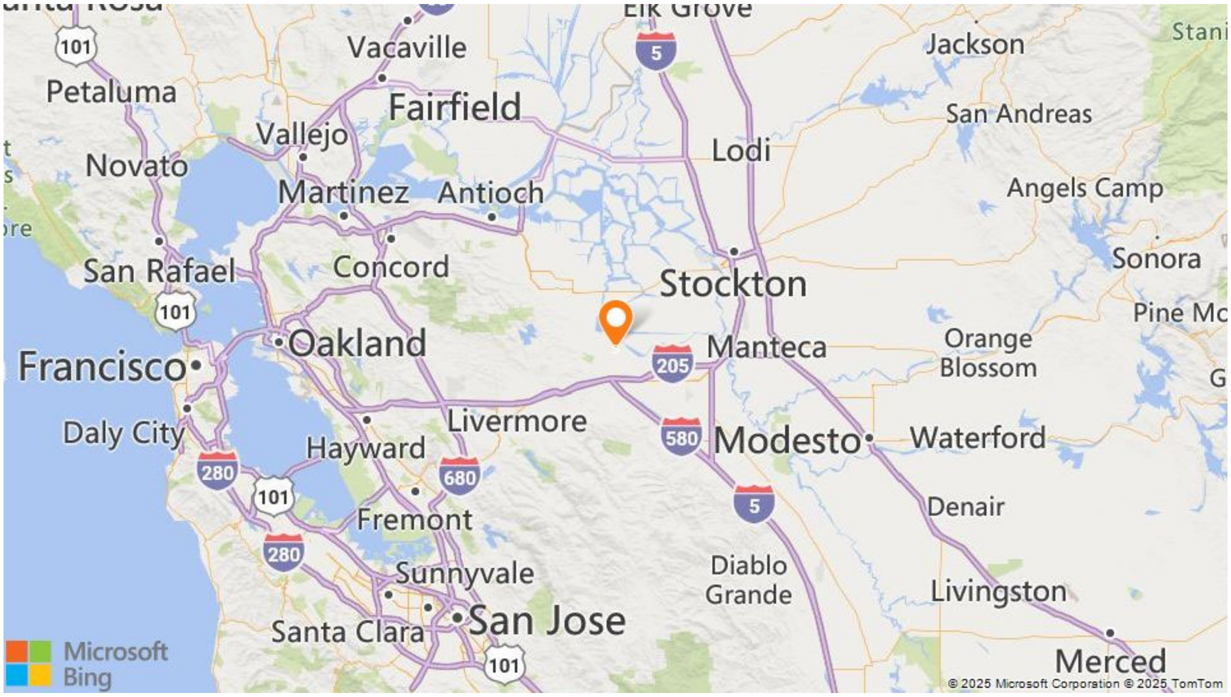
In terms of health care services, the county provides eight hospitals and dozens of skilled nursing facilities and convalescent hospitals.

Conclusion

San Joaquin County has a central location in the state of California and offers a good network of highway, water and rail transportation systems. Over the past decade, the county has experienced population growth, largely due to the proximity to the San Francisco Bay Area and the relative affordability of housing compared to the Bay Area and other parts of California.

The San Joaquin County economy will be affected by a stable to slightly growing population base and lower income and education levels. San Joaquin County experienced growth in the number of jobs over the past decade, and it is reasonable to assume that employment growth will occur in the future. It is anticipated that the San Joaquin County economy will improve and employment will grow, strengthening the demand for real estate.

Area Map


Vacaville
Elk Grove
Jackson
Petaluma
Fairfield
San Andreas
Vallejo
Novato
Lodi
Martinez
Antioch
Angels Camp
San Rafael
Concord
Stockton
Sonora
Oakland
Manteca
Orange Blossom
Francisco
Livermore
Daly City
Hayward
Modesto
Waterford
Fremont
Denair
Sunnyvale
Diablo Grande
Livingston
Santa Clara
San Jose
Merced
Microsoft Bing
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Surrounding Area Analysis

The subject is located in the community of Mountain House. In 1996 the master planned community was approved and in 2000 infrastructure development started. The first homes were started in 2003. The community covers approximately 4,784 acres in San Joaquin County which lie approximated five miles north of the city of Tracy. For purposes of the surrounding area analysis, the boundaries are the Mountain House community.

A map identifying the location of the property follows this section.

Access and Linkages

Primary access to the area is provided by Mountain House Parkway, a major north/south arterial along the eastern portion of the community. Byron Road is another major arterial in a northwest/southeast direction that provides access to Highway 205 and the nearby community of Tracy. Overall, vehicular access is good.

Public transportation is provided by San Joaquin Transit District and provides access within the Mountain House community and to nearby areas in San Joaquin County. The local market perceives public transportation as average compared to other areas in the region. However, the primary mode of transportation in this area is the automobile. The Stockton Metro Airport is located about 26 miles from the property and the Oakland International Airport is approximately 45 miles from the subject.

Demand Generators

One of the major employers in the area is Amazon, who operates two fulfillment centers in Tracy. Other major employers include the Safeway, Tracy Unified School District, Defense Distribution Depot San Joaquin and Deuel Vocational Institute. These are located within five to eight miles of the property and represent significant concentrations in the distribution and government industries.

These demand generators support the demographic profile described in the following section.

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	3-Mile Radius	5-Mile Radius	10-Mile Radius	San Joaquin County, CA	Stockton-Lodi, CA Metro
Population 2020	25,729	39,259	134,514	779,233	779,233
Population 2025	31,008	45,681	143,078	798,270	798,270
Population 2030	34,683	50,289	148,540	809,376	809,376
Compound % Change 2020-2025	3.8%	3.1%	1.2%	0.5%	0.5%
Compound % Change 2025-2030	2.3%	1.9%	0.8%	0.3%	0.3%
Households 2020	7,116	11,023	40,291	241,119	241,119
Households 2025	8,151	12,472	42,408	247,205	247,205
Households 2030	9,032	13,660	43,877	250,526	250,526
Compound % Change 2020-2025	2.8%	2.5%	1.0%	0.5%	0.5%
Compound % Change 2025-2030	2.1%	1.8%	0.7%	0.3%	0.3%
Median Household Income 2025	$174,403	$152,871	$131,004	$88,124	$88,124
Average Household Size	3.8	3.7	3.4	3.2	3.2
College Graduate %	52%	45%	32%	22%	22%
Owner Occupied %	72%	68%	67%	60%	60%
Renter Occupied %	28%	32%	33%	40%	40%
Median Owner Occupied Housing Value	$951,755	$918,489	$818,910	$584,127	$584,127
Median Year Structure Built	2011	2009	1998	1984	1984
Average Travel Time to Work in Minutes	54	49	45	35	35

Source: Claritas

As shown above, the current population within a 5-mile radius of the subject is 45,681, and the average household size is 3.7. Population in the area has grown since the 2020 census, and this trend is projected to continue over the next five years. Compared to San Joaquin County overall, the population within a 5-mile radius is projected to grow at a faster rate.

Median household income is $152,871, which is higher than the household income for San Joaquin County. Residents within a 5-mile radius have a considerably higher level of educational attainment than those of San Joaquin County, while median owner-occupied home values are considerably higher.

Land Uses

As Mountain House is a newer community, there are two grocery stores (Wicklund’s Market and Safeway) in the community. Most retail supportive services are located in Tracy, which is five miles south of the Mountain House area.

In mid-2022 Safeway completed their supermarket and gas station at the corner of Mountain House Parkway and Byron Road. The 55,000 square foot supermarket and gas station will be part of the larger 83,000 square foot retail center to be known as Market at Mountain House.

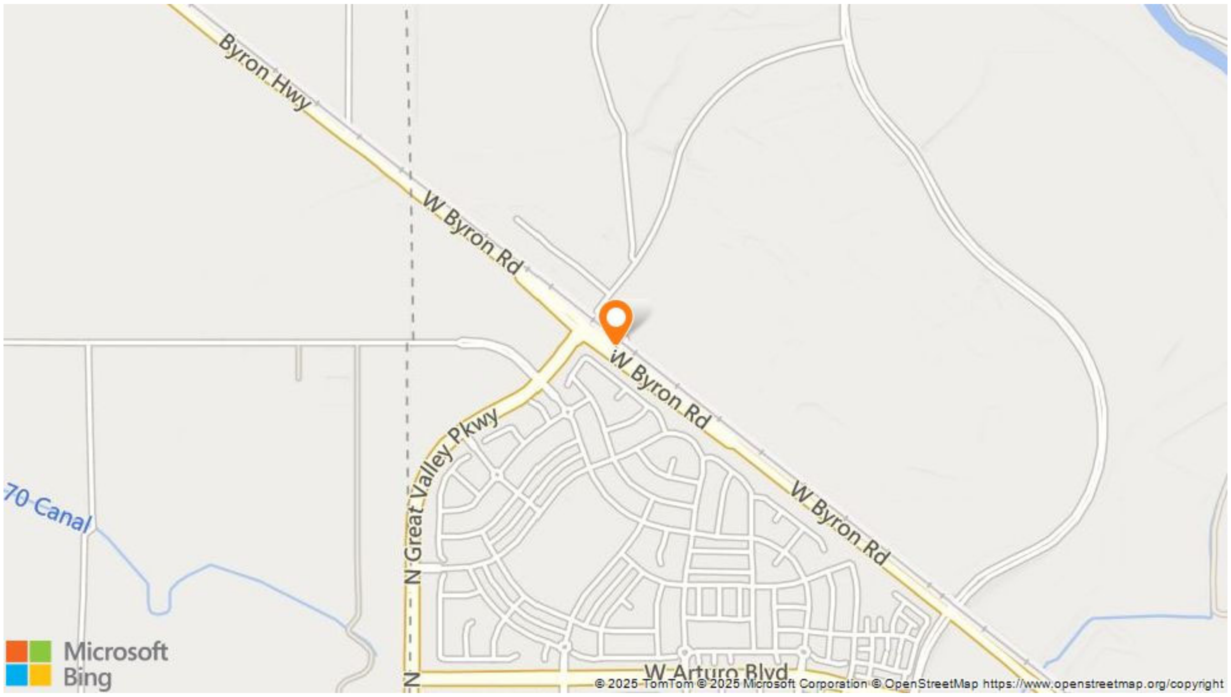
The nearest fire and police stations are within two miles of the property. The closest elementary/middle school is within one mile and the local high school is approximately two miles away. San Joaquin Delta College has a satellite campus in Mountain House as well. Proximity to parks, open space and other passive recreation is average.

Predominant land uses in the immediate vicinity of the subject include single-family residential uses. During the last five years, development has been predominantly of single-family residential uses including subdivisions. In addition, in March 2020 the Town Hall and Community Library were completed.

Outlook and Conclusions

The area is in the growth stage of its life cycle. Given the history of the area and the growth trends, it is anticipated that property values will see increases similar to other areas in western San Joaquin County, like Tracy.

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 located in the community of Mountain House. 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 suburban area that appeals to both local workers and commuters. Based on existing surrounding homes and new projects under development, the subject characteristics best support a project designed for a combination of entry-level and/or first-time move-up home buyers.

Single-Family Building Permits

Single-family building permit information for the city of Mountain House are not available. Therefore, we have utilized permit information for the adjacent city of Tracy, as well as areas of unincorporated San Joaquin County and San Joaquin 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 Tracy	% Change	Unincorporated Areas of San Joaquin	% Change	County of San Joaquin	% Change
2014	135	--	378	--	1,245	--
2015	193	42.96%	447	18.25%	1,708	37.19%
2016	286	48.19%	383	-14.32%	1,862	9.02%
2017	255	-10.84%	467	21.93%	2,107	13.16%
2018	644	152.55%	734	57.17%	2,920	38.59%
2019	597	-7.30%	616	-16.08%	2,628	-10.00%
2020	653	9.38%	663	7.63%	3,086	17.43%
2021	692	5.97%	558	-15.84%	3,718	20.48%
2022	509	-26.45%	275	-50.72%	3,163	-14.93%
2023	136	-73.28%	286	4.00%	2,167	-31.49%

Source: SOCDS Building Permits Monthly Request

Single-Family Building Permits: 2024 Preliminary Data

Month	City of Tracy	Unincorporated Areas of San Joaquin	County of San Joaquin
January	13	39	251
February	16	25	216
March	9	36	326
April	8	6	269
May	18	30	354
June	10	27	306
July	101	27	363
August	24	27	333
September	98	25	300
October	8	27	278
November	18	22	247
December	323	22	530
	646	313	3,773

Source: SOCDS Building Permits Monthly Request

New Home Pricing and Sales

The Gregory Group surveys active new home projects in California and Nevada. Below we present a table containing 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 Average Price	Average Home Size (SF)	Avg. Price / Avg. SF	% Change Price / SF	Quarter Sold	Number of Projects	Sold per Project per Month
1Q 2022	$726,212	--	2,388	$304.11	--	973	71	4.57
2Q 2022	$739,687	1.86%	2,376	$311.32	2.37%	707	68	3.47
3Q 2022	$721,809	-2.42%	2,354	$306.63	-1.50%	401	72	1.86
4Q 2022	$701,426	-2.82%	2,366	$296.46	-3.32%	203	69	0.98
1Q 2023	$694,958	-0.92%	2,363	$294.10	-0.80%	554	72	2.56
2Q 2023	$706,771	1.70%	2,396	$294.98	0.30%	897	71	4.21
3Q 2023	$707,253	0.07%	2,374	$297.92	1.00%	661	69	3.19
4Q 2023	$704,565	-0.38%	2,370	$297.28	-0.21%	509	65	2.61
1Q 2024	$717,073	1.78%	2,369	$302.69	1.82%	815	69	3.94
2Q 2024	$714,990	-0.29%	2,361	$302.83	0.05%	610	69	2.95
3Q 2024	$732,446	2.44%	2,379	$307.88	1.67%	667	73	3.05
4Q 2024	$753,903	2.93%	2,390	$315.44	2.46%	623	82	2.53

Source: The Gregory Group

In terms of the number of home sales in San Joaquin County, over the last 12 months, the average was 3.12 sales per month per project, which generally consistent with the average for the prior 12-month period of 3.14 sales per month per project.

Active New Home Projects Pricing and Absorption

There are 19 active projects in the cities of Mountain House and Tracy. These projects are considered to be most competitive with the subject property given their locations and lot sizes. These projects are summarized in the tables below, based on data from the Fourth Quarter of 2024.

Active Projects (as of 4Q 2024)

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
Langston II	Cordes Village	Mountain House	Shea Homes	$857,241	1,914	$447.88	Attached	302	302	286	16
Bergamo	Cordes Village	Mountain House	Shea Homes	$788,375	1,799	$438.23	3,300	137	137	137	0
Hillview	--	Tracy	Lennar Homes	$728,630	1,971	$369.68	2,925	214	158	154	4
Fairgrove	Tracy Hills	Tracy	Lennar Homes	$808,630	2,197	$368.06	5,400	149	95	90	5
Greenwood	Tracy Hills	Tracy	Lennar Homes	$916,380	2,650	$345.80	5,100	150	99	95	4
Parson Place	Creekside	Mountain House	Lennar Homes	$750,130	1,830	$409.91	Attached	144	60	57	3
Banbury Park	Creekside	Mountain House	Lennar Homes	$886,213	2,097	$422.61	2,400	110	69	65	4
Ashley Park	--	Tracy	Bright Homes	$815,000	2,162	$376.97	5,000	14	14	11	3
Boulder	Tracy Hills	Tracy	Lennar Homes	$915,880	2,542	$360.30	4,500	139	8	4	4
Cairnway	Tracy Hills	Tracy	Lennar Homes	$931,880	2,685	$347.07	5,000	115	14	7	7
Crestwick	Tracy Hills	Tracy	Lennar Homes	$959,213	2,783	$344.67	4,750	131	10	4	6
Rangewood	--	Tracy	Lennar Homes	$1,036,380	3,120	$332.17	Attached	97	11	7	4
Ridgerton	Tracy Hills	Tracy	Lennar Homes	$1,020,380	3,060	$333.46	6,300	89	9	5	4
Rockingham	Tracy Hills	Tracy	Lennar Homes	$1,096,380	3,289	$333.35	7,000	69	14	8	6
Slateshire	Tracy Hills	Tracy	Lennar Homes	$1,148,880	3,670	$313.05	7,000	86	12	8	4
Lugano	Lakeshore	Mountain House	Lennar Homes	$968,130	2,062	$469.51	4,050	113	5	4	1
Mezzano	Lakeshore	Mountain House	Lennar Homes	$1,202,880	2,831	$424.90	5,500	127	3	1	2
Turano	Lakeshore	Mountain House	Lennar Homes	$1,316,880	3,377	$389.96	6,000	130	9	4	5
Maggiore	Lakeshore	Mountain House	Lennar Homes	$1,131,213	2,595	$435.92	5,000	112	4	1	3
			Minimum	$728,630	1,799	$313.05	2,400				
			Maximum	$1,316,880	3,670	$469.51	7,000				
			Average	$962,037	2,560	$382.29	4,952				

Source: The Gregory Group

Absorption

Project Name	Master Plan	Community	Developer	Avg. Home Price (4Q 2024 Only)	Avg. Home Size (4Q 2024 Only)	Typical Lot Size (SF)	4Q 2024	3Q 2024	2Q 2024	1Q 2024	12-Month Total	Average per Quarter	Average per Month
Langston II	Cordes Village	Mountain House	Shea Homes	$857,241	1,914	Attached	2	8	15	13	38	9.5	**3.2**
Bergamo	Cordes Village	Mountain House	Shea Homes	$788,375	1,799	3,300	1	0	0	1	2	0.5	**0.2**
Hillview	--	Tracy	Lennar Homes	$728,630	1,971	2,925	18	24	12	11	65	16.3	**5.4**
Fairgrove	Tracy Hills	Tracy	Lennar Homes	$808,630	2,197	5,400	12	0	25	15	52	13.0	**4.3**
Greenwood	Tracy Hills	Tracy	Lennar Homes	$916,380	2,650	5,100	14	9	20	17	60	15.0	**5.0**
Parson Place	Creekside	Mountain House	Lennar Homes	$750,130	1,830	Attached	20	15	13	9	57	14.3	**4.8**
Banbury Park	Creekside	Mountain House	Lennar Homes	$886,213	2,097	2,400	24	15	13	13	65	16.3	**5.4**
Ashley Park	--	Tracy	Bright Homes	$815,000	2,162	5,000	4	4	3	0	11	2.8	**0.9**
Boulder	Tracy Hills	Tracy	Lennar Homes	$915,880	2,542	4,500	3	1	--	--	4	2.0	**0.7**
Cairnway	Tracy Hills	Tracy	Lennar Homes	$931,880	2,685	5,000	4	3	--	--	7	3.5	**1.2**
Crestwick	Tracy Hills	Tracy	Lennar Homes	$959,213	2,783	4,750	1	3	--	--	4	2.0	**0.7**
Rangewood	--	Tracy	Lennar Homes	$1,036,380	3,120	Attached	5	2	--	--	7	3.5	**1.2**
Ridgerton	Tracy Hills	Tracy	Lennar Homes	$1,020,380	3,060	6,300	1	4	--	--	5	2.5	**0.8**
Rockingham	Tracy Hills	Tracy	Lennar Homes	$1,096,380	3,289	7,000	6	2	--	--	8	4.0	**1.3**
Slateshire	Tracy Hills	Tracy	Lennar Homes	$1,148,880	3,670	7,000	6	2	--	--	8	4.0	**1.3**
Lugano	Lakeshore	Mountain House	Lennar Homes	$968,130	2,062	4,050	4	--	--	--	4	4.0	**1.3**
Mezzano	Lakeshore	Mountain House	Lennar Homes	$1,202,880	2,831	5,500	1	--	--	--	1	1.0	**0.3**
Turano	Lakeshore	Mountain House	Lennar Homes	$1,316,880	3,377	6,000	4	--	--	--	4	4.0	**1.3**
Maggiore	Lakeshore	Mountain House	Lennar Homes	$1,131,213	2,595	5,000	1	--	--	--	1	1.0	**0.3**
						Total	131	92	101	79			
						No. of Active Projects	19	15	8	8			
						Quarterly Pro-Rata	6.9	6.1	12.6	9.9			
						Monthly Pro-Rata	**2.3**	**2.0**	**4.2**	**3.3**			
										3.0	**Average Monthly Pro-Rata**		

Source: The Gregory Group

Eight of these 19 projects have been open for four quarters (or more), four within Mountain House and four within Tracy. Absorption rates for these projects over the past four quarters averaged 0.2 to

5.4 units per month. The lowest absorption reported (Bergamo) is nearing sellout and is given guarded reliance.

Absorption - Mountain House Projects

Project Name	Master Plan	Developer	Avg. Home Price (4Q 2024 Only)	Avg. Home Size (4Q 2024 Only)	Typical Lot Size (SF)	4Q 2024	3Q 2024	2Q 2024	1Q 2024	12-Month Total	Average per Quarter	Average per Month
Langston II	Cordes Village	Shea Homes	$857,241	1,914	Attached	2	8	15	13	38	9.5	**3.2**
Bergamo	Cordes Village	Shea Homes	$788,375	1,799	3,300	1	0	0	1	2	0.5	**0.2**
Lugano	Lakeshore	Lennar Homes	$968,130	2,062	4,050	4	--	--	--	4	4.0	**1.3**
Mezzano	Lakeshore	Lennar Homes	$1,202,880	2,831	5,500	1	--	--	--	1	1.0	**0.3**
Turano	Lakeshore	Lennar Homes	$1,316,880	3,377	6,000	4	--	--	--	4	4.0	**1.3**
Maggiore	Lakeshore	Lennar Homes	$1,131,213	2,595	5,000	1	--	--	--	1	1.0	**0.3**
					Total	13	8	15	14			
					No. of Active Projects	6	2	2	2			
					Quarterly Pro-Rata	2.2	4.0	7.5	7.0			
					Monthly Pro-Rata	**0.7**	**1.3**	**2.5**	**2.3**			
									1.7	**Average Monthly Pro-Rata**		

Source: The Gregory Group

In our analysis of base price and absorption, we will focus on the active detached projects in Mountain House. Additional details for these projects as provided by The Gregory Group are presented below and on the following pages.

PROJECT INFORMATION | **AT A GLANCE**

Project Name	Bergamo	**Average Price**	$788,375	**Qtr Sold**	1
Region	Central Valley	**Average Sq Ft**	1,799	**Qtr WSR**	0.08
County	San Joaquin	**Total Inventory**	0	**Tot WSR**	0.69
Community	Mountain House	**Standing Inventory**	0	**Avg Incentives**	$5,000
Master Plan	Cordes Village	**Open Date**	03/01/21	**Survey Date**	1/1/25
Age Restricted	No	**Developer Name**	Shea Homes	**Special Tax per Month**	$238.00
Project Phone	(209) 221-0936	**Developer Phone**		**HOA per Month**	$125.00
Sales Office Hours	N/A	**Product Type**	Detached	**Broker Coop**	$5,000
		Type Description	Courtyard	**Special Incentives**	$0
GPS Coordinates	**N** : 37.763740 **W** : 121.534310	**Lot Size**	3,300	**Project Density**	
Cross Street		**Lot Dimension**	55 x 60	**Model/Trailer**	N/A
Finished Lots	N/A	**Blue Top Lots**	N/A		

PLAN DETAILS

Plan	Home Size	Base Price	Price Sq Ft	Incentives	Net Price	Net Price/Sq Ft	Bed	Bath	Levels	Garage	Other Room
	1,663	$761,000	$457.61	$5,000	$756,000	$454.60	3	2.5	2	2	None
	1,717	$761,500	$443.51	$5,000	$756,500	$440.59	3	2.5	2	2	None
	1,881	$778,500	$413.88	$5,000	$773,500	$411.22	3	2.5	2	2	None
	1,938	$852,500	$439.89	$5,000	$847,500	$437.31	4	3	2	2	None

SURVEY INFORMATION

Survey Per	Units Planned	Units Offered	Units Sold	Qtr Sold	Tot Inv	Unoffrd Inv	Unsold Inv	Wkly Traffic	Tot WSR	Qtr WSR	Avg Price	% Change
Qtr 4/24	137	137	137	1	0	0	0	0	0.69	0.08	$788,375	0.00
Qtr 3/24	137	137	136	0	1	0	1	0	0.73	0.00	$788,375	0.00
Qtr 2/24	137	137	136	0	1	0	1	0	0.78	0.00	$788,375	0.00
Qtr 1/24	137	137	136	1	1	0	1	0	0.84	0.08	$788,375	0.00
Qtr 4/23	137	137	135	0	2	0	2	5	0.91	0.00	$788,375	0.00
Qtr 3/23	137	137	135	5	2	0	2	5	1.01	0.38	$788,375	0.00
Qtr 2/23	137	133	130	27	7	4	3	30	1.07	2.08	$788,375	-2.89
Qtr 1/23	137	109	103	10	34	28	6	30	0.95	0.77	$811,821	-5.01
Qtr 4/22	137	105	93	1	44	32	12	10	0.98	0.08	$854,661	0.00
Qtr 3/22	137	105	92	0	45	32	13	15	1.12	0.00	$854,661	-3.28
Qtr 2/22	137	101	92	3	45	36	9	10	1.41	0.23	$883,625	4.62
Qtr 1/22	137	89	89	19	48	48	0	30	1.59	1.46	$844,638	8.50
Qtr 4/21	137	73	70	16	67	64	3	30	1.63	1.23	$778,500	1.53
Qtr 3/21	137	58	54	9	83	79	4	50	1.80	0.69	$766,750	2.42
Qtr 2/21	137	45	45	33	92	92	0	50	2.65	2.54	$748,600	9.70
Qtr 1/21	137	12	12	12	125	125	0	80	3.00	0.92	$682,400	0.00

Bergamo opened in the First Quarter of 2021 and has been working on selling out the last units for the past few quarters. As of the Fourth Quarter of 2024 Bergamo has sold its last home. Over a 16-quarter period, this suggests an average absorption rate of 8.56 units per quarter or 2.85 units per month.

PROJECT INFORMATION		AT A GLANCE			
Project Name	Bradbury Park	Average Price	$886,213	Qtr Sold	24
Region	Central Valley	Average Sq Ft	2,097	Qtr WSR	1.85
County	San Joaquin	Total Inventory	45	Tot WSR	1.38
Community	Mountain House	Standing Inventory	0	Avg Incentives	$10,000
Master Plan	Creekside	Open Date	02/01/24	Survey Date	1/1/25
Age Restricted	No	Developer Name	Lennar Homes	Special Tax per Month	$260.00
Project Phone	N/A	Developer Phone		HOA per Month	$125.00
Sales Office Hours	N/A	Product Type	Detached	Broker Coop	
		Type Description	Small Lot, Detached	Special Incentives	$0
GPS Coordinates	N : 0.000000 W : 0.000000	Lot Size	2,400	Project Density	
Cross Street		Lot Dimension	40 x 60	Model/Trailer	N/A
Finished Lots	N/A	Blue Top Lots	N/A		

PLAN DETAILS

Plan	Home Size	Base Price	Price Sq Ft	Incentives	Net Price	Net Price/Sq Ft	Bed	Bath	Levels	Garage	Other Room
	1,840	$821,880	$446.67	$10,000	$811,880	$441.24	3	2.5	2	2	None
	1,915	$835,880	$436.49	$10,000	$825,880	$431.27	4	2.5	2	2	None
	2,024	$866,880	$428.30	$10,000	$856,880	$423.36	4	3	2	2	None
	2,041	$861,880	$422.28	$10,000	$851,880	$417.38	3	2.5	2	2	None
	2,136	$910,880	$426.44	$10,000	$900,880	$421.76	4	2.5	2	2	None
	2,628	$1,019,880	$388.08	$10,000	$1,009,880	$384.28	4	2.5	2	3	NGen

SURVEY INFORMATION

Survey Per	Units Planned	Units Offered	Units Sold	Qtr Sold	Tot Inv	Unoffrd Inv	Unsold Inv	Wkly Traffic	Tot WSR	Qtr WSR	Avg Price	% Change
Qtr 4/24	110	69	65	24	45	41	4	10	1.38	1.85	$886,213	1.43
Qtr 3/24	110	45	41	15	69	65	4	5	1.21	1.15	$873,713	0.23
Qtr 2/24	110	31	26	13	84	79	5	20	1.24	1.00	$871,713	0.33
Qtr 1/24	110	17	13	13	97	93	4	5	1.63	1.00	$868,880	0.00

Make note: the project is Banbury Park, not Bradbury Park

Banbury Park opened at the beginning of 2024. It is proposed for 110 homes and has sold 65 homes in its first four quarters (16.25 units per quarter or 5.42 units per month). While this is a small lot, detached project with significantly smaller lots than the subject's smallest lot size category, this new active project supports our conclusions of base price and typical home size estimates utilized in the land residual analysis in the valuation section of this report.

Four of the active Mountain House projects are within the boundaries of the District, and have only been open one quarter, but also offer support in our conclusions of base price and typical home size estimates utilized in the land residual analysis.

PROJECT INFORMATION		AT A GLANCE			
Project Name	Lugano	Average Price	$968,130	Qtr Sold	4
Region	Central Valley	Average Sq Ft	2,062	Qtr WSR	0.31
County	San Joaquin	Total Inventory	109	Tot WSR	0.50
Community	Mountain House	Standing Inventory	0	Avg Incentives	$10,000
Master Plan	Lakeshore	Open Date	11/01/24	Survey Date	1/1/25
Age Restricted	No	Developer Name	Lennar Homes	Special Tax per Month	$290.00
Project Phone	N/A	Developer Phone		HOA per Month	$125.00
Sales Office Hours	N/A	Product Type	Detached	Broker Coop	
		Type Description	Traditional	Special Incentives	$0
GPS Coordinates	N : 0.000000 W : 0.000000	Lot Size	5,000	Project Density	
Cross Street		Lot Dimension	50 x 100	Model/Trailer	N/A
Finished Lots	N/A	Blue Top Lots	N/A		

PLAN DETAILS

Plan	Home Size	Base Price	Price Sq Ft	Incentives	Net Price	Net Price/Sq Ft	Bed	Bath	Levels	Garage	Other Room
	1,829	$905,880	$495.29	$10,000	$895,880	$489.82	4	3	2	2	None
	1,992	$948,880	$476.35	$10,000	$938,880	$471.33	4	3	2	2	None
	2,140	$988,880	$462.09	$10,000	$978,880	$457.42	4	3	2	2	Loft
	2,289	$1,028,880	$449.49	$10,000	$1,018,880	$445.12	5	3	2	2	None

SURVEY INFORMATION

Survey Per	Units Planned	Units Offered	Units Sold	Qtr Sold	Tot Inv	Unoffrd Inv	Unsold Inv	Wkly Traffic	Tot WSR	Qtr WSR	Avg Price	% Change
Qtr 4/24	113	5	4	4	109	108	1	5	0.50	0.31	$968,130	0.00

Make note: the lot size if 4,050 square feet, not 5,000 square feet; there are a total of 134 planned units, not 113; and there is no HOA fee at Lakeshore for any Lennar homes

PROJECT INFORMATION		AT A GLANCE			
Project Name	Mezzano	Average Price	$1,202,880	Qtr Sold	1
Region	Central Valley	Average Sq Ft	2,831	Qtr WSR	0.08
County	San Joaquin	Total Inventory	126	Tot WSR	0.13
Community	Mountain House	Standing Inventory	0	Avg Incentives	$10,000
Master Plan	Lakeshore	Open Date	11/01/24	Survey Date	1/1/25
Age Restricted	No	Developer Name	Lennar Homes	Special Tax per Month	$360.00
Project Phone	N/A	Developer Phone		HOA per Month	$125.00
Sales Office Hours	N/A	Product Type	Detached	Broker Coop	
		Type Description	Traditional	Special Incentives	$0
GPS Coordinates	N : 0.000000 W : 0.000000	Lot Size	5,400	Project Density	
Cross Street		Lot Dimension	60 x 90	Model/Trailer	N/A
Finished Lots	N/A	Blue Top Lots	N/A		

PLAN DETAILS

Plan	Home Size	Base Price	Price Sq Ft	Incentives	Net Price	Net Price/Sq Ft	Bed	Bath	Levels	Garage	Other Room
	2,258	$1,058,880	$468.95	$10,000	$1,048,880	$464.52	4	2.5	1	2	Office
	2,514	$1,108,880	$441.08	$10,000	$1,098,880	$437.10	4	3	2	2	Loft
	2,965	$1,238,880	$417.83	$10,000	$1,228,880	$414.46	5	3	2	2	Loft
	3,097	$1,258,880	$406.48	$10,000	$1,248,880	$403.25	5	3.5	2	2	Loft
	3,324	$1,348,880	$405.80	$10,000	$1,338,880	$402.79	5	3.5	2	2	NextGen, Loft

SURVEY INFORMATION

Survey Per	Units Planned	Units Offered	Units Sold	Qtr Sold	Tot Inv	Unoffrd Inv	Unsold Inv	Wkly Traffic	Tot WSR	Qtr WSR	Avg Price	% Change
Qtr 4/24	127	3	1	1	126	124	2	5	0.13	0.08	$1,202,880	0.00

Make note: the lot size if 5,500 square feet, not 5,400 square feet; there are a total of 126 planned units, not 127; and there is no HOA fee at Lakeshore for any Lennar homes

PROJECT INFORMATION		AT A GLANCE			
Project Name	Turano	Average Price	$1,316,880	Qtr Sold	4
Region	Central Valley	Average Sq Ft	3,377	Qtr WSR	0.31
County	San Joaquin	Total Inventory	126	Tot WSR	0.50
Community	Mountain House	Standing Inventory	0	Avg Incentives	$10,000
Master Plan	Lakeshore	Open Date	11/01/24	Survey Date	1/1/25
Age Restricted	No	Developer Name	Lennar Homes	Special Tax per Month	$395.00
Project Phone	N/A	Developer Phone		HOA per Month	$125.00
Sales Office Hours	N/A	Product Type	Detached	Broker Coop	
		Type Description	Traditional	Special Incentives	$0
GPS Coordinates	N : 0.000000 W : 0.000000	Lot Size	6,500	Project Density	
Cross Street		Lot Dimension	65 x 100	Model/Trailer	N/A
Finished Lots	N/A	Blue Top Lots	N/A		

PLAN DETAILS

Plan	Home Size	Base Price	Price Sq Ft	Incentives	Net Price	Net Price/Sq Ft	Bed	Bath	Levels	Garage	Other Room
	2,710	$1,188,880	$438.70	$10,000	$1,178,880	$435.01	4	2.5	1	2	Office
	3,359	$1,318,880	$392.64	$10,000	$1,308,880	$389.66	4	3	2	2	Office, Loft
	3,525	$1,338,880	$379.82	$10,000	$1,328,880	$376.99	5	4.5	2	3	Loft
	3,584	$1,338,880	$373.57	$10,000	$1,328,880	$370.78	5	4.5	2	3	Loft
	3,711	$1,398,880	$376.95	$10,000	$1,388,880	$374.26	5	4.5	2	3	NextGen, Office, Loft

SURVEY INFORMATION

Survey Per	Units Planned	Units Offered	Units Sold	Qtr Sold	Tot Inv	Unoffrd Inv	Unsold Inv	Wkly Traffic	Tot WSR	Qtr WSR	Avg Price	% Change
Qtr 4/24	130	9	4	4	126	121	5	5	0.50	0.31	$1,316,880	0.00

Make note: the lot size if 6,000 square feet, not 6,500 square feet and there is no HOA fee at Lakeshore for any Lennar homes

PROJECT INFORMATION		AT A GLANCE			
Project Name	Maggiore	Average Price	$1,131,213	Qtr Sold	1
Region	Central Valley	Average Sq Ft	2,595	Qtr WSR	0.08
County	San Joaquin	Total Inventory	111	Tot WSR	0.13
Community	Mountain House	Standing Inventory	0	Avg Incentives	$10,000
Master Plan	Lakeshore	Open Date	11/01/24	Survey Date	1/1/25
Age Restricted	No	Developer Name	Lennar Homes	Special Tax per Month	$498.00
Project Phone	N/A	Developer Phone		HOA per Month	$125.00
Sales Office Hours	N/A	Product Type	Detached	Broker Coop	
		Type Description	Traditional	Special Incentives	$0
GPS Coordinates	N : 0.000000 W : 0.000000	Lot Size	5,000	Project Density	
Cross Street		Lot Dimension	50 x 100	Model/Trailer	N/A
Finished Lots	N/A	Blue Top Lots	N/A		

PLAN DETAILS

Plan	Home Size	Base Price	Price Sq Ft	Incentives	Net Price	Net Price/Sq Ft	Bed	Bath	Levels	Garage	Other Room
	2,356	$1,068,880	$453.68	$10,000	$1,058,880	$449.44	4	3	2	2	Loft
	2,658	$1,145,880	$431.11	$10,000	$1,135,880	$427.34	4	3	2	2	Loft
	2,772	$1,178,880	$425.28	$10,000	$1,168,880	$421.67	5	3	2	2	Loft

SURVEY INFORMATION

Survey Per	Units Planned	Units Offered	Units Sold	Qtr Sold	Tot Inv	Unoffrd Inv	Unsold Inv	Wkly Traffic	Tot WSR	Qtr WSR	Avg Price	% Change
Qtr 4/24	112	4	1	1	111	108	3	5	0.13	0.08	$1,131,213	0.00

Make note: there are a total of 113 planned units, not 112 and there is no HOA fee at Lakeshore for any Lennar homes

Resale Pricing

The following table shows historical resale data for more recently built homes (2010 and newer) in the city of Mountain House. We restricted our search to lot sizes with less than 20,000 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 (SF)	Sale Price	Last List Price	Sales Price/SF	Sale/List	Year Built	Days on Market	Lot Size (SF)
139 W Lucille Avenue	1/16/2025	1,777	$750,000	$768,950	$422	97.54%	2021	131	2,091
1018 S Fowler Lane	3/14/2025	2,145	$875,000	$900,000	$408	97.22%	2016	125	4,000
49 W Piazza Street	1/21/2025	1,881	$785,000	$795,900	$417	98.63%	2022	88	2,258
231 E Lawson Avenue	1/9/2025	2,236	$950,000	$975,000	$425	97.44%	2022	4	3,329
564 W Piedmont Drive	4/7/2025	2,781	$1,192,500	$1,200,000	$429	99.38%	2010	78	8,808
133 W Questa Trail	2/18/2025	2,174	$900,000	$919,000	$414	97.93%	2012	7	4,182
1280 S Central Parkway	2/10/2025	1,966	$955,500	$895,950	$486	106.65%	2019	7	10,751
167 W Alcala Court	3/31/2025	2,486	$1,185,000	$1,248,000	$477	94.95%	2013	14	9,503
332 E Liverno Avenue	3/14/2025	2,480	$990,000	$1,020,000	$399	97.06%	2018	7	4,112
1162 S Morning Glory Drive	3/17/2025	1,778	$825,000	$834,999	$464	98.80%	2021	22	3,450
41 E Calogero Glen	4/7/2025	3,490	$1,310,000	$1,329,500	$375	98.53%	2019	8	5,401
177 W Las Tablas Way	3/31/2025	1,957	$760,000	$749,000	$388	101.47%	2012	3	3,711
Total Sales	**12**	**2,263 (avg.)**	**$956,500 (avg.)**	**$969,692 (avg.)**	**$425 (avg.)**	**98.80% (avg.)**	**2017 (avg.)**	**41 (avg.)**	**5,133 (avg.)**

Source: Local Multiple Listing Service (MLS)

Ability to Pay

In this section, we will examine the ability to pay among prospective buyers for a representative price point of the two benchmark lot categories analyzed within this report, based on the indicators from the competing projects. The two benchmark lot categories have a representative price point for each benchmark of $970,000 and $1,275,000 , respectively.

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 6.25%, 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. 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			
Home Price	$970,000	$1,275,000	
Loan % of Price (Loan to Value)	80%	80%	
Loan Amount	$776,000	$1,020,000	
Interest Rate	6.25%	6.25%	
Mortgage Payment	$4,778	$6,280	
Property Taxes	$1,018	$1,286	Based on 1.053100% and direct charges of $2,000
Mountain House CFD No. 2024-1	$144	$236	
Lammersville JUSD CFD No. 2024-1	$162	$209	
Property Insurance	$202	$266	
Total Monthly Obligation	$6,303	$8,276	
Mortgage Payment % of Income	40%	40%	
Monthly Income	$15,758	$20,690	
Annual Income	$189,099	$248,281	

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: $970,000 Home

Household Income	Households	Percent of Households	Percent Able to Pay	Households	Households Able to Pay
< $15,000	12,179	23.4%	0.0%	0	0.0%
$15,000 - $24,999	1,530	2.9%	0.0%	0	0.0%
$25,000 - $34,999	1,226	2.4%	0.0%	0	0.0%
$35,000 - $49,999	1,177	2.3%	0.0%	0	0.0%
$50,000 - $74,999	1,865	3.6%	0.0%	0	0.0%
$75,000 - $99,999	4,258	8.2%	0.0%	0	0.0%
$100,000 - $124,999	4,867	9.3%	0.0%	0	0.0%
$125,000 - $149,999	5,104	9.8%	0.0%	0	0.0%
$150,000 - $199,999	4,686	9.0%	21.8%	1,022	2.0%
$200,000 - $249,999	6,869	13.2%	100.0%	6,869	13.2%
$250,000 - $499,999	3,615	6.9%	100.0%	3,615	6.9%
$500,000+	4,698	9.0%	100.0%	4,698	9.0%
	52,074	100.0%		16,204	31.1%

Household Ability: $1,275,000 Home					
Household Income	Households	Percent of Households	Percent Able to Pay	Households	Households Able to Pay
< $15,000	12,179	23.4%	0.0%	0	0.0%
$15,000 - $24,999	1,530	2.9%	0.0%	0	0.0%
$25,000 - $34,999	1,226	2.4%	0.0%	0	0.0%
$35,000 - $49,999	1,177	2.3%	0.0%	0	0.0%
$50,000 - $74,999	1,865	3.6%	0.0%	0	0.0%
$75,000 - $99,999	4,258	8.2%	0.0%	0	0.0%
$100,000 - $124,999	4,867	9.3%	0.0%	0	0.0%
$125,000 - $149,999	5,104	9.8%	0.0%	0	0.0%
$150,000 - $199,999	4,686	9.0%	0.0%	0	0.0%
$200,000 - $249,999	6,869	13.2%	3.4%	236	0.5%
$250,000 - $499,999	3,615	6.9%	100.0%	3,615	6.9%
$500,000+	4,698	9.0%	100.0%	4,698	9.0%
	52,074	100.0%		8,549	16.4%

Conclusions

Demand for homes in the subject’s market area is considered to be strong at the current time as indicated by the overall trend of building permit activity, new home sales prices and activity in recent quarters as well as the absorption rate within new home projects in the subject’s area.

Multifamily Market Analysis

Metro Area Overview

The subject is located in the Stockton metro area, which encompasses San Joaquin County, as defined by CoStar.

The Stockton multifamily market remains stable, with a low vacancy rate (4.23%), well below the national average of 8.1%. Demand has slowed over the course of the year, with 468 units absorbed, mostly in early 2024. The market continues to attract Bay Area commuters, especially in Tracy and Manteca/Lathrop, where shorter commute times boost demand. Rents increased modestly by 1.1% over the past year. No new projects are currently underway due to high construction and financing costs. Overall, the market remains balanced, with strong absorption offsetting deliveries, low supply-side pressure, and stable rent growth expected to accelerate to 4% by the end of 2025.

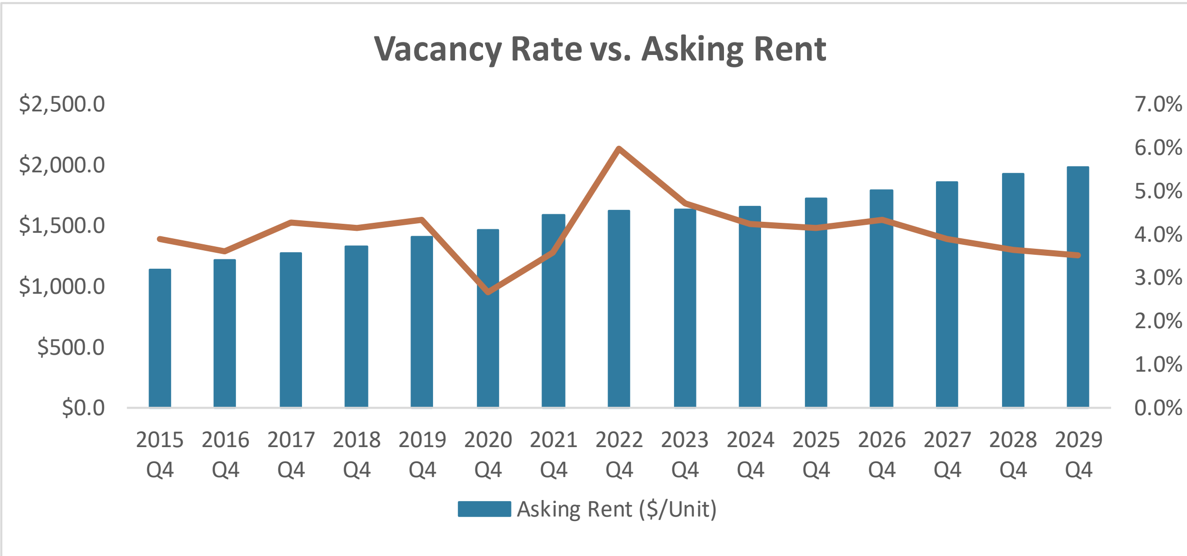
Trended supply and demand statistics, including inventory levels, absorption, vacancy, and rental rates for all classes of space are presented in the ensuing table.

All Multifamily Stockton Metro Trends

Period	Stock	Demand	Vacancy	Net Completions 12 Months	Under Construction Stock	Net Absorption 12 Months	Asking Rent	Rent Growth 12 Month	Price Growth	Cap Rate
2015 Q4	25,018	24,042	3.90%	0	348	180	$1,134	8.14%	9.94%	6.69%
2016 Q4	25,018	24,113	3.62%	0	581	71	$1,209	6.67%	4.94%	6.67%
2017 Q4	25,334	24,254	4.26%	316	774	142	$1,275	5.38%	7.33%	6.55%
2018 Q4	25,949	24,878	4.13%	615	835	623	$1,328	4.20%	11.87%	6.31%
2019 Q4	26,313	25,176	4.32%	364	923	298	$1,400	5.44%	6.54%	6.10%
2020 Q4	26,940	26,221	2.67%	627	608	1,046	$1,458	4.13%	11.93%	5.66%
2021 Q4	27,548	26,562	3.58%	608	476	341	$1,582	8.47%	15.96%	5.18%
2022 Q4	28,152	26,471	5.97%	604	573	-90	$1,613	2.00%	-3.18%	5.87%
2023 Q4	28,685	27,334	4.71%	533	344	863	$1,631	1.09%	-8.29%	6.61%
2024 Q4	29,029	27,802	4.23%	344	172	468	$1,649	1.10%	1.01%	6.75%
2025 Q4	29,025	27,820	4.15%	-4	0	18	$1,723	4.46%	5.09%	6.69%
2026 Q4	29,189	27,929	4.32%	164	0	109	$1,790	3.91%	6.73%	6.56%
2027 Q4	29,263	28,122	3.90%	74	0	192	$1,854	3.56%	5.40%	6.47%
2028 Q4	29,405	28,338	3.63%	142	0	216	$1,918	3.46%	5.40%	6.37%
2029 Q4	29,574	28,539	3.50%	169	0	200	$1,977	3.07%	5.35%	6.25%

Source: CoStar, Inc.; compiled by Integra Realty Resources, Inc.

Stockton Metro Trends and Forecasts



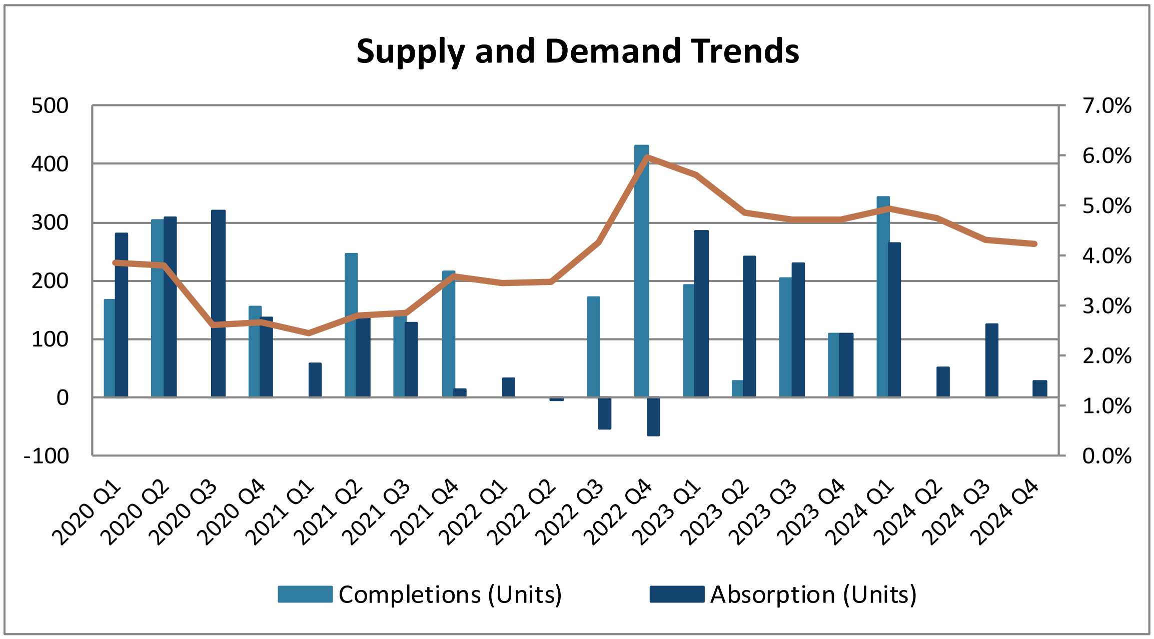
Source: CoStar, Inc.; compiled by Integra Realty Resources, Inc.

The current vacancy rate in the metro area is 4.23%; the vacancy rate has decreased by 174 bps from 2022 Q4.

Two-year Base Case forecasts project a 4.32% vacancy rate in the metro area, representing an increase of 9 bps by 2026 Q4.

Asking rent averages $1,649/unit in the metro area, and values have increased by 2.24% from 2022 Q4.

Two-year Base Case forecasts project a $1,790/unit asking rent in the metro area, representing an increase of 8.54% by 2026 Q4.



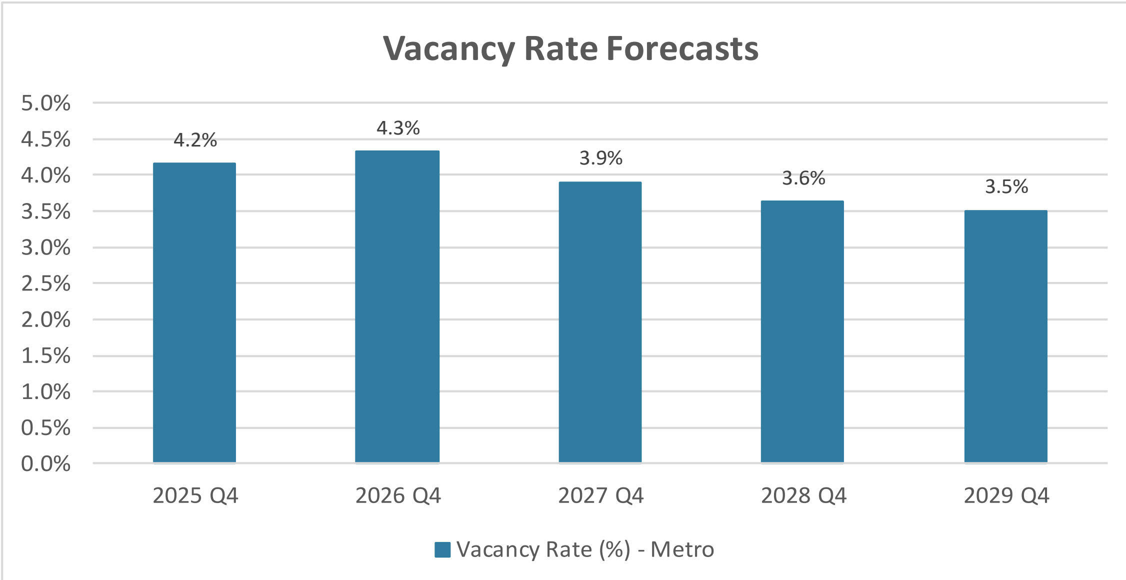
Source: CoStar, Inc.; compiled by Integra Realty Resources, Inc.

The total stock (units) has increased by 3.12% from 2022 Q4, while the demand has increased by 5.03%.

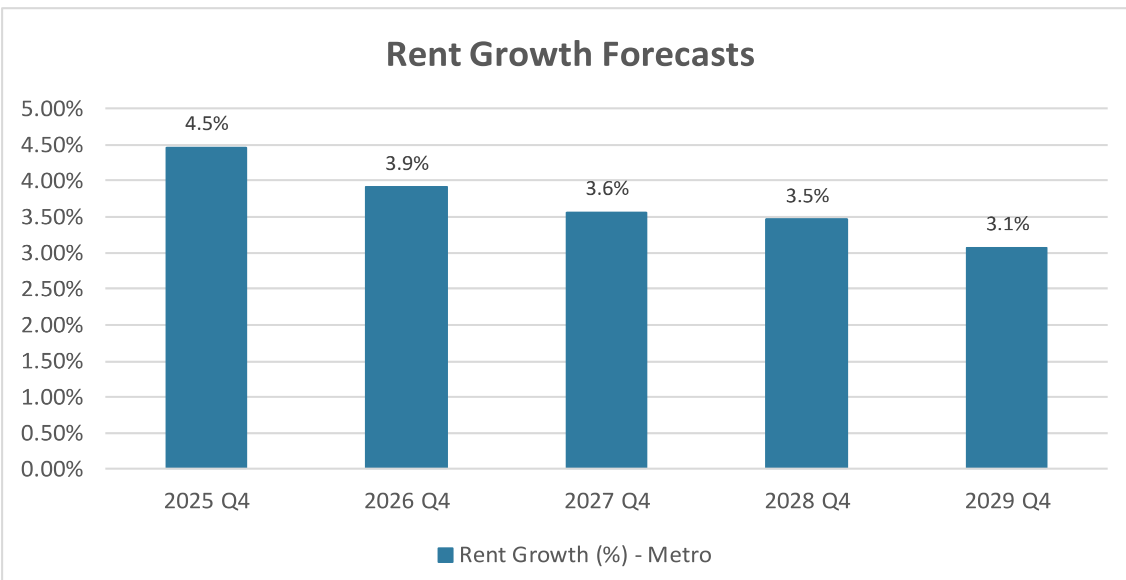
Between 2020 Q1 and 2024 Q4, net completions in the metro area have averaged 543 units annually, and reached a peak of 432 units in 2022 Q4.

Between 2020 Q1 and 2024 Q4, net absorption in the metro area has averaged 526 units annually, and reached a peak of 320 units in 2020 Q3.

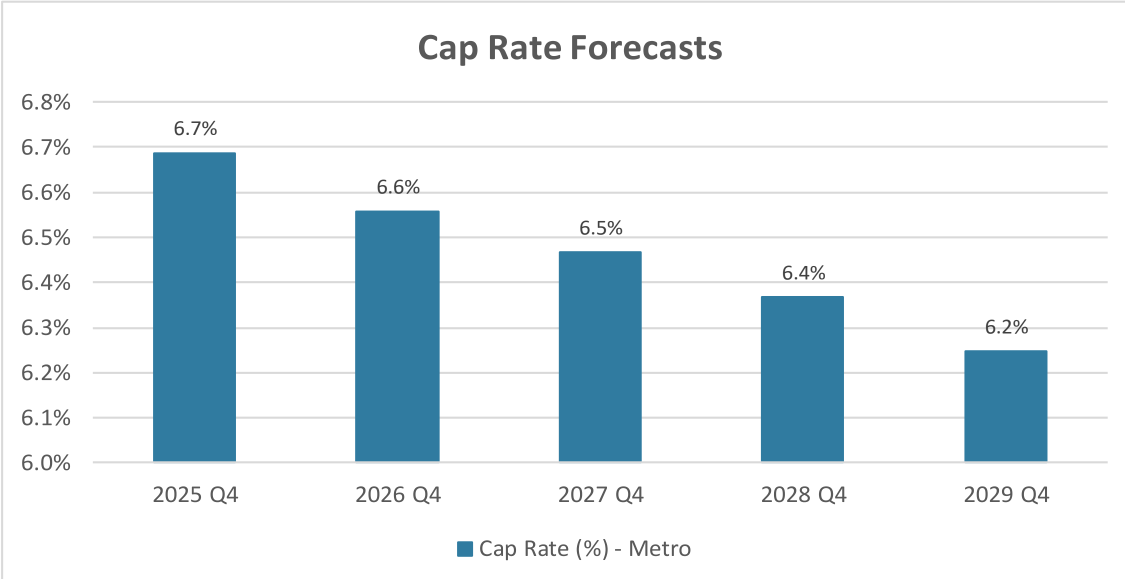
Multifamily Market Forecasts



Source: CoStar, Inc.; compiled by Integra Realty Resources, Inc.



Source: CoStar, Inc.; compiled by Integra Realty Resources, Inc.



Source: CoStar, Inc.; compiled by Integra Realty Resources, Inc.

Submarket Overview

Current quarter supply and demand statistics, including inventory levels, absorption, vacancy, and rental rates for the submarkets within the Stockton multifamily market are presented in the following table.

Submarket Trends

Submarket	Stock	Demand	Vacancy	Net Completions 12 Months	Under Construction Stock	Net Absorption 12 Months	Asking Rent	Rent Growth 12 Month
Bear Creek	567	549	3.1%	0	0	8	$1,553	1.4%
Country Club/Pacific	1,275	1,240	2.7%	0	0	23	$1,161	-0.1%
Downtown	2,632	2,414	8.3%	0	0	-17	$850	1.5%
Lakeview	8,718	8,441	3.2%	0	0	65	$1,554	2.1%
Lodi	4,458	4,319	3.1%	0	0	83	$1,619	2.3%
Manteca/Lathrop	3,926	3,753	4.4%	0	0	98	$2,013	1.3%
Outer San Joaquin County	695	669	3.7%	0	0	-8	$1,689	6.0%
Park District/Eastside	640	623	2.6%	0	0	-1	$940	1.4%
Seaport	822	793	3.6%	0	0	-1	$769	1.6%
Tracy	3,661	3,424	6.5%	344	172	233	$2,269	-1.2%
Valley Oak	1,635	1,576	3.6%	0	0	-13	$1,583	-2.1%
Total/Average	29,029	27,802	4.2%	344	172	468	$1,649	1.1%

Source: CoStar, Inc.; compiled by Integra Realty Resources, Inc.

The Stockton multifamily market exhibited varied performance across submarkets. Two smaller submarkets exhibited vacancy below 3%, and Lodi and Lakeview had vacancy rates at 3.1% and 3.2%, respectively, while Downtown Stockton had the highest vacancy at 8.3%, reflecting weaker absorption. Overall net absorption was positive at 468 units, concentrated in Tracy, Lathrop, and Lodi, while Valley Oak and Downtown saw slower leasing activity. Rental rates varied significantly, with Tracy commanding the highest rents at nearly $2,300/month, while Seaport and Downtown remained the most affordable, averaging $850/month and $769/month, respectively. New construction remains limited, with no major projects breaking ground, though recently completed units in Lathrop and Manteca are still being absorbed.

Multifamily Market Outlook and Conclusions

The outlook for the Stockton multifamily market remains stable, with moderate rent growth and sustained demand, particularly in Tracy and Manteca/Lathrop, where Bay Area commuter interest continues to drive leasing activity. Vacancy rates are expected to remain low, though weaker absorption in Downtown Stockton and Seaport may lead to localized challenges. New construction is stalled due to high financing costs and economic uncertainty, limiting future supply and likely supporting rent growth, projected to reach 4% by late 2025. Investors may remain cautious in the near term, but tight inventory, steady demand, and strong suburban fundamentals should keep the market balanced, with gradual appreciation in rental rates and occupancy stability over the next year.

Property Analysis

Land Description and Analysis

Location and Project Details

The property is located on the north side of Byron Road at N. Central Parkway, within the city of Mountain House, San Joaquin County, California.

The appraised properties consist of 2,968 single-family residential lots with typical lot sizes ranging from 3,600 to 15,000 square feet, and 11 sites/parcels proposed for 1,131 multifamily units (for-rent). Note there are also common area parcels throughout the community, but they are not considered to be a part of the appraised property.

Large lot tentative maps for the neighborhoods are approved, including Villages I, J K and L. Smaller lot final maps have been approved for all of Village J and a portion of Village K. The approval process for each of the small lot final maps is about 12 to 18 months. Final maps are usually done closer to the time of development as the architecture needs to be developed in tandem with the engineering of the final map.

Shape and Dimensions

The site is irregular in shape, yet functional for development under their respective land use and zoning designations.

Topography

The site is generally level and at street grade. The topography does not result in any particular development limitations.

Drainage

No particular drainage problems were observed or disclosed at the time of field inspection. This appraisal assumes that surface water collection, both on-site and in public streets adjacent to the subject, is adequate.

Flood Hazard Status

The following table provides flood hazard information.

Flood Hazard Status	
Community Panel Number	06077C0570F
Date	October 16, 2009
Zone	X
Description	Outside of 500-year floodplain
Insurance Required?	No

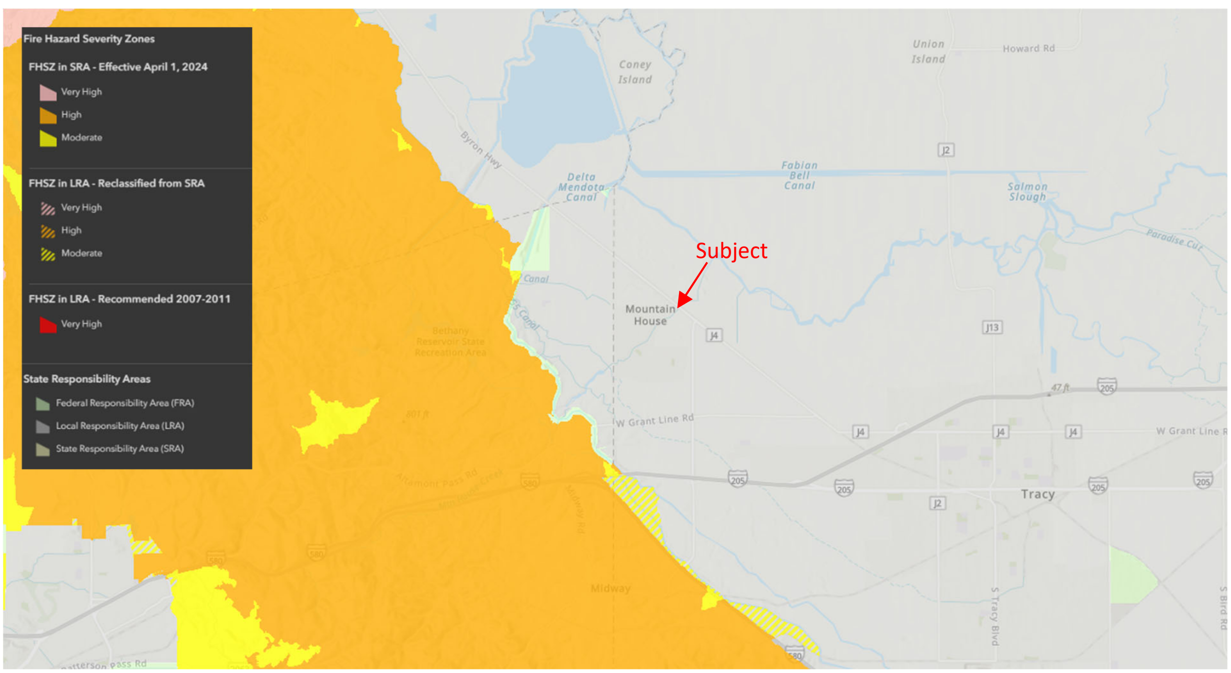
Seismic Hazards

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.

Based on the *Earthquake Zones of Required Investigation* map published by the State of California Department of Conservation, the subject is not located within an Earthquake Fault Zone as defined by the Alquist-Priolo Earthquake Fault Zoning Act. These maps indicate the subject has not been evaluated for Liquefaction Zone or Seismic Landslide 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 not been classified as an area of concern.



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.

Ground Stability

A soils report was not provided for our review. Based on our inspection of the subject and observation of development on nearby sites, there are no apparent ground stability problems. However, we are not experts in soils analysis. We assume that the subject's soil bearing capacity is sufficient to support the existing improvements.

Utilities

The availability of utilities to the subject is summarized in the following table.

Utilities

Service	Provider
Water	Mountain House Community Services District (MHCSD)
Sewer	Mountain House Community Services District (MHCSD)
Electricity	Modesto Irrigation District (MID)
Natural Gas	Pacific Gas & Electric (PG&E)
Local Phone	Various providers

Zoning

The subject is zoned RL, RM & RMH, Low Density, Medium Density, and Medium High Density Residential, by the City of Mountain House. The following table summarizes our understanding and interpretation of the zoning requirements that affect the subject.

Zoning Summary

Zoning Jurisdiction	City of Mountain House
Zoning Designation	RL, RM & RMH
Description	Low Density, Medium Density, and Medium High Density Residential
Legally Conforming?	Appears to be legally conforming
Zoning Change Likely?	No
Permitted Uses	Low Density Residential uses include a variety of single-family dwelling unit types. Product types may include large-lot single family homes, to zero lot line "patio" homes. Medium Density Residential provides for a wide variety of dwelling unit types, which include both detached and attached home and may include small-lot detached units, duplexes, triplexes, low density townhomes, or other housing types, such as second units. Medium High Density Residential provides for a mix of residential development, including single-family homes and potentially some smaller multi-family units, with a focus on medium-density housing.

According to the local planning department, there are no pending or prospective zoning changes. It appears that the current use of the site is a legally conforming use.

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.

Other Land Use Regulations

We are not aware of any other land use regulations that would affect the property.

Easements, Encroachments and Restrictions

We have reviewed a various preliminary title reports for portions of the subject property. The reports identify 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.

Development/Construction Status

The subject's current development/construction status from the information provided by the developer is shown in the following table.

Appraised Property Summary by Ownership

Owner / Builder	Village	Project Name	Tract No. / Tract ID	Product Type	Lot Size	No. of Units	Estimated Opening Date	Multifamily Units	Unimproved SFR Lots	Finished SFR Lots	SFR Lots with Homes Under Construction	SFR Lots with Compeleted Homes
Century Communities	K	Malana	3926	Detached / All Age	3,600 (RM)	**61**	Aug-25	--	--	61	--	--
Century Communities	J	Lotus	3974	Detached / All Age	3,825 (RM)	**87**	Oct-25	--	--	87	--	--
Subtotal						***148***		--	--	*148*	--	--
Rurka Capital, LLC	J	Alserio	3973-74	Detached / All Age	5,500 (RL)	**74**	Apr-25	--	--	74	--	--
Rurka Homes	J	Bolsena	3974	Detached / All Age	5,000 (RL)	**89**	Aug-25	--	--	89	--	--
	K	TBD	3926	Detached / All Age	4,050 (RM)	**27**	Feb-26	--	--	27	--	--
Subtotal						***190***		--	--	*190*	--	--
Taylor Morrison	J	Silverleaf	3975	Detached / All Age	5,500 (RL)	**87**	May-25	--	--	87	--	--
Taylor Morrison	J	Trailview	3975	Detached / All Age	6,000 (RL)	**116**	May-25	--	--	116	--	--
Subtotal						***203***		--	--	*203*	--	--
Richmond American	K	Belleza	3926	Detached / All Age	4,050 (RM)	**55**	Aug-25	--	--	55	--	--
Richmond American												
Subtotal						***55***		--	--	*55*	--	--
Lennar	J	Lugano	3968, 69, 71	Detached / All Age	4,050 (RM)	**134**	Feb-25	--	--	105	27	2
Lennar	J	Maggiore	3968-71	Detached / All Age	5,000 (RL)	**113**	Feb-25	--	--	84	27	2
	J	Mezzano	3968, 70, 72	Detached / All Age	5,500 (RL)	**126**	Apr-25	--	--	102	22	2
	J	Turano	3968, 3972	Detached / All Age	6,000 (RL)	**130**	Feb-25	--	--	106	22	2
Subtotal						***503***		--	--	*397*	*98*	*8*
Mountain House Developers, LLC	K	--	3927	Detached / All Age	4,050 (RM)	**87**	--	--	87	--	--	--
Master Developer	K	--	3929	Detached / All Age	4,320 (RM)	**107**	--	--	107	--	--	--
	K	--	3928, 3929, 3933	Detached / All Age	5,000 (RL)	**233**	--	--	233	--	--	--
	K	--	3927, 3930, 3932	Detached / All Age	6,000 (RL)	**154**	--	--	154	--	--	--
	K	--	3931	Detached / All Age	6,500 (RL)	**71**	--	--	71	--	--	--
	I	--	4101, 4191, 4194 / I4, I7, I9	Detached / All Age	4,500 (RM)	**287**	--	--	287	--	--	--
	I	--	4193, 4195, 4202 / I5, I8, I12	Detached / All Age	5,000 (RL)	**295**	--	--	295	--	--	--
	I	--	4192, 4196, 4200 / I3, I6, I11	Detached / All Age	6,000 (RL)	**267**	--	--	267	--	--	--
	I	--	4197, 4199 / I2, I10	Detached / All Age	7,000 (RL)	**154**	--	--	154	--	--	--
	I	--	4198 / I1	Detached / All Age	7,500 (RL)	**119**	--	--	119	--	--	--
	I	--	4203 / I15	Detached / All Age	15,000 (VL)	**5**	--	--	5	--	--	--
	L	--	TBD / L5	Detached / All Age	4,050 (RM)	**90**	--	--	90	--	--	--
	K	--	K1	Multifamily / All Age	--	**76**	--	76	--	--	--	--
	K	--	K2	Multifamily / All Age	--	**135**	--	135	--	--	--	--
	K	--	K3	Multifamily / All Age	--	**53**	--	53	--	--	--	--
	K	--	K4	Multifamily / All Age	--	**104**	--	104	--	--	--	--
	I	--	I13	Multifamily / All Age	--	**89**	--	89	--	--	--	--
	I	--	I14	Multifamily / All Age	--	**96**	--	96	--	--	--	--
	L	--	L9	Multifamily / All Age	--	**120**	--	120	--	--	--	--
	L	--	L10	Multifamily / All Age	--	**286**	--	286	--	--	--	--
	L	--	L11	Multifamily / All Age	--	**52**	--	52	--	--	--	--
	L	--	L12	Multifamily / All Age	--	**48**	--	48	--	--	--	--
	L	--	L13	Multifamily / All Age	--	**72**	--	72	--	--	--	--
						3,000		*1,131*	*1,869*	*0*	*0*	*0*
TOTAL						4,099		1,131	1,869	993	98	8

Permits and Fees

Based on information provided by the developers, typical permits and fees due at building permit are summarized in the following table. These figures are consistent with fees at other projects in the area.

Permits and Fees due at Building Permit			
Lot Size Categories	Medium Density (RM)	Low Density (RL)	Very Low Density (VL)
Gross Permits and Fees	$55,000 per unit	$70,000 per unit	$80,000 per unit

Site Development Costs

The major infrastructure costs provided are estimates for the entire development by phase, but service the entire master planned community as improvements are to be oversized to accommodate future development. This leads to an increased development cost up front relative to the remaining improvement areas, which is typical for an initial phase of a large development. Typically, when there are multiple ownership groups, a cost sharing agreement is utilized to reimburse the developer of early phases for the cost of oversizing that benefit later improvement areas. Therefore, the major infrastructure costs are allocated as applicable based on a pro rata share of the entire community of 3,642 single-family residential lots.

It is noted, there are other infrastructure/public improvement reimbursement programs the master developer will benefit from which total approximately $55,400 to $117,000 per lot (the Community Facilities Fee reimbursement, the Traffic Improvement Fee reimbursement, and the Wet Utility Program reimbursement). According to the master developer, reimbursement of certain infrastructure/public improvement costs spent will be recovered at various milestones of the development process, exact timing in which all reimbursements will be received is dependent on future development and unknown at this time. We are aware of transactions of master plan communities with similar fee credits/reimbursements that transferred with land, for which the buyer and seller agreed at fifty cents on the dollar of the credits/reimbursements upon transfer of the lots. Therefore, for the purposes of the analysis herein we have accounted for these future reimbursements consistent with known market transactions (50% of the cost amount).

Construction of horizontal improvements is under way at the subject. Based on the appraiser's on-site inspection, all lots with Village J are finished. However, information provided by Lennar indicates their 503 lots have $43,777,791 in development costs to complete which is allocated evenly amongst the Lennar lots exclusively, assumed net of the other infrastructure/public improvement reimbursements (the Community Facilities Fee reimbursement, the Traffic Improvement Fee reimbursement, and the Wet Utility Program reimbursement). These remaining costs are inclusive of street landscaping, street lighting, striping, all design engineers (civil, architecture, landscaping), stormwater protection measures, as well as offsite obligations including over 53 acres of a trail system, neighborhood park, playgrounds and landscaping corridors.

In addition, Village K comprises a total of 795 single-family residential lots, of which 143 lots are finished and the remaining 652 lots are remaining to be improved. Based on information provided by the master developer, costs associated with the remaining 652 lots to be improved in Village K are summarized as follows:

Village K Cost Calculation		
		Remaining Lots
No. of Lots		652
Budgeted Development Costs	$152,037 per lot	$99,128,155
Spent to Date	($18,726) per lot	($12,209,610)
Remaining Development Costs		$86,918,545
Other Reimbursements	($27,673) per lot	($18,042,767)
Net Remaining Development Costs		$68,875,778
		$105,638 per lot

According to the master developer, development costs are summarized in the following table, which are generally similar to other projects in the area.

Development Costs	Budgeted Costs	Spent to Date	Other Reimbursements	Remaining Costs
Village J*	N/Ap	N/Ap	N/Ap	$43,777,791
				$87,033 per lot
Village K**	N/Ap	N/Ap	N/Ap	$68,875,778
				$105,638 per lot
Village I	$163,489,437	($6,402,106)	($43,000,000)	$114,087,331
1,127 Lots	*$192,525 per lot*	*($30,604) per lot*	*($38,154) per lot*	*$101,231 per lot*
Village L***	$17,867,295	($46,728)	($5,301,047)	$12,519,520
90 Lots	*$198,526 per lot*	*($519) per lot*	*($58,901) per lot*	*$139,106 per lot*

* Village J comprises a total of 956 single-family lots, of which Lennar owns 503 lots. Lennar has reported they have $43,777,791 left in development cost exclusive to their 503 lots (assumed net of other reimbursements).

** Village K comprises 143 finished lots and 652 lots remaining to be improved; net remaining costs of $73,568,845 are exclusive to the 652 lot remaining to be improved.

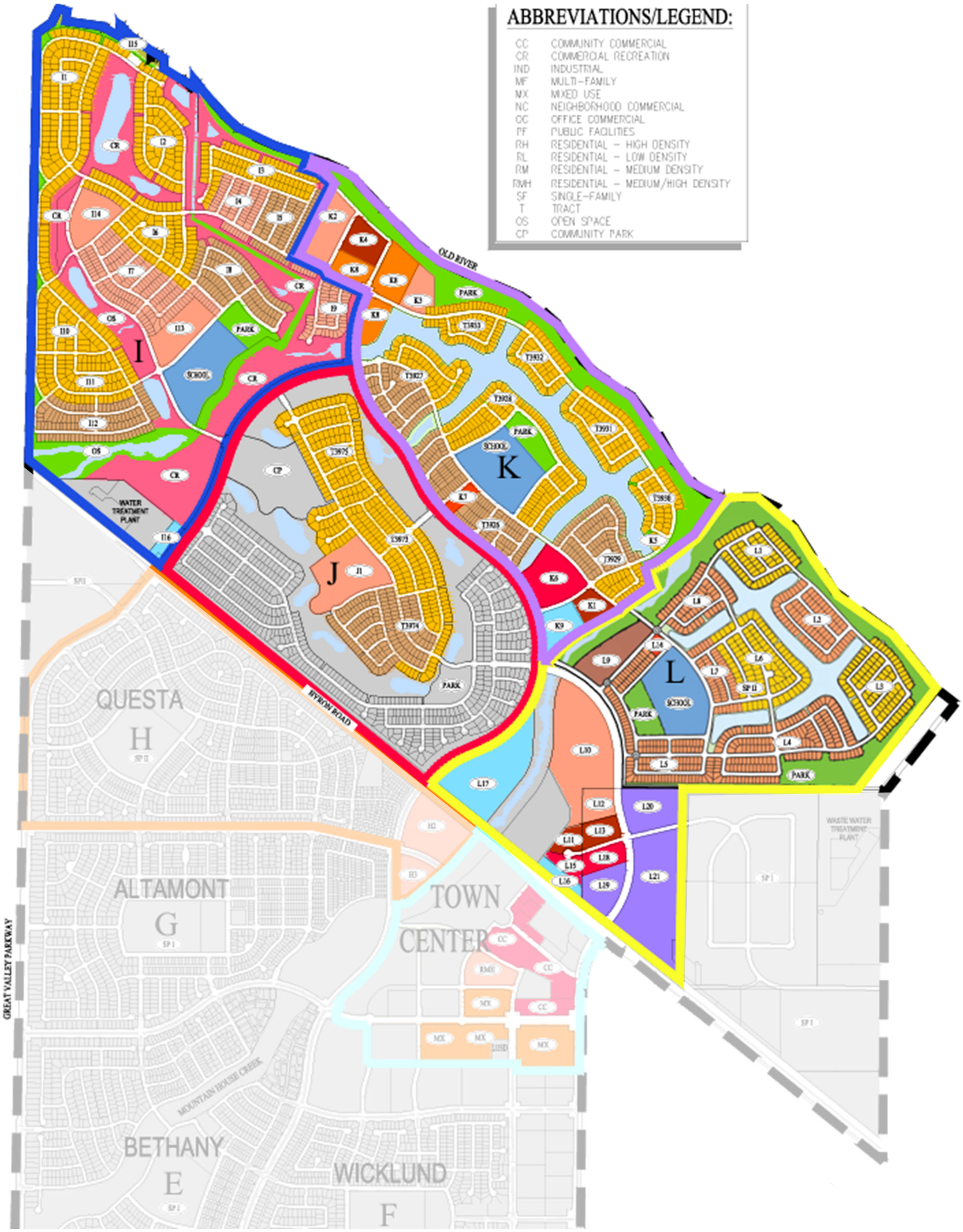
*** Village L comprises a total of 764 lots; however, only 90 lots are taxable (674 units are age-restricted and not taxable; thus, not included in this appraisal report).

Separate horizontal development costs for the multifamily land use components were not provided; however, it is typical for these costs to be included in community wide backbone infrastructure costs. Therefore, the horizontal development costs for the multifamily land is assumed to be inclusive in the budgeted costs reflected above.

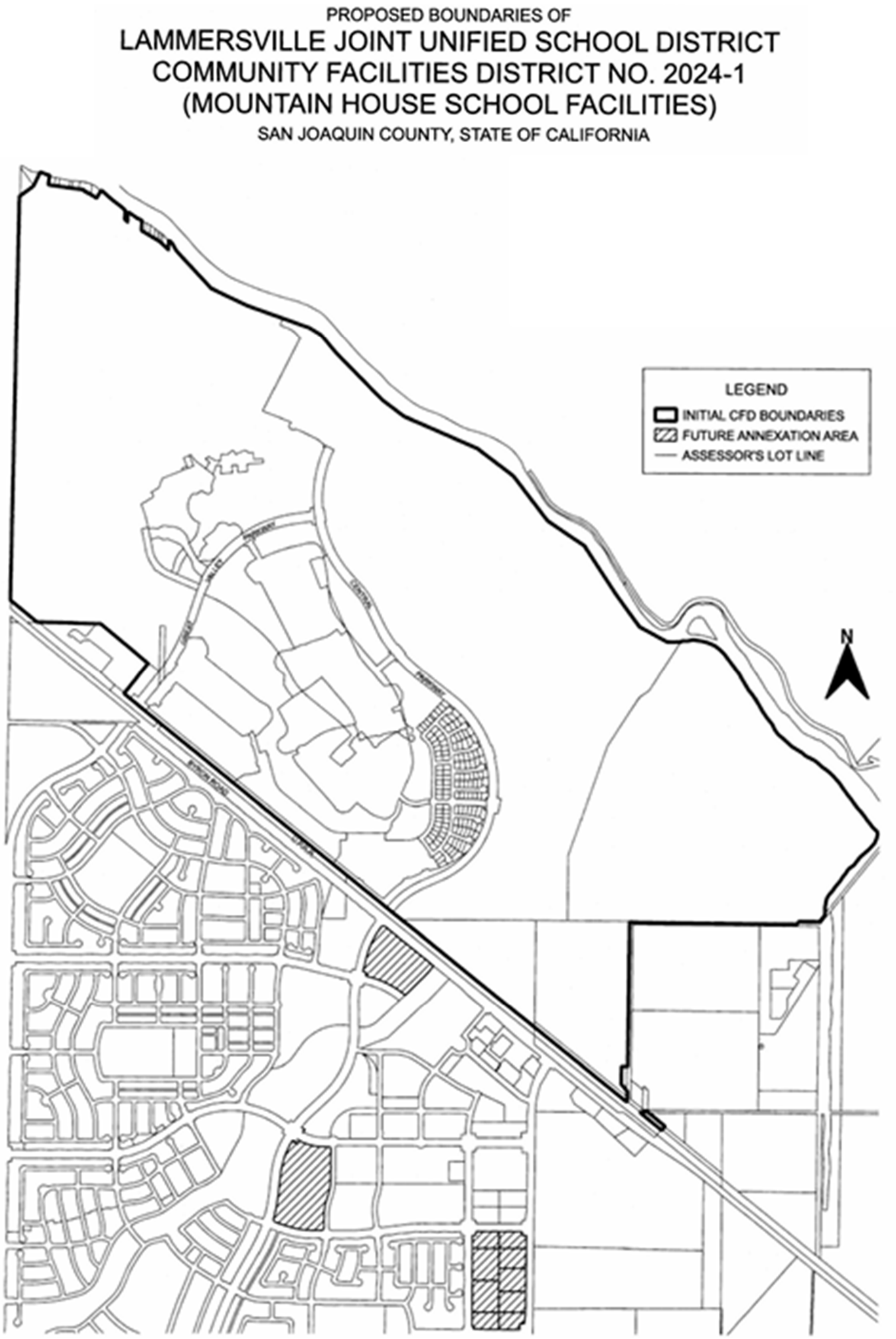
Conclusion of Site Analysis

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. Uses permitted by zoning include low and medium density residential uses. We are not aware of any other particular restrictions on development.

Site Plan

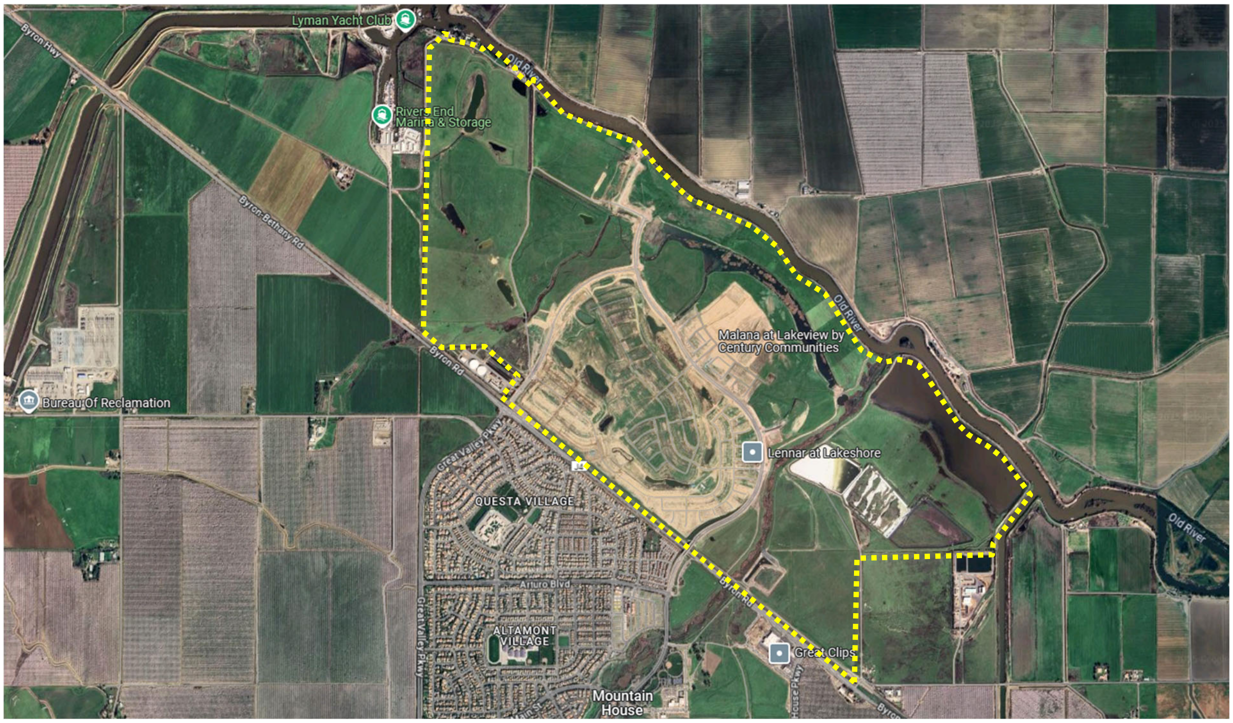

ABBREVIATIONS/LEGEND:
CC COMMUNITY COMMERCIAL
CR COMMERCIAL RECREATION
IND INDUSTRIAL
MF MULTI-FAMILY
MX MIXED USE
NC NEIGHBORHOOD COMMERCIAL
OC OFFICE COMMERCIAL
PF PUBLIC FACILITIES
RH RESIDENTIAL - HIGH DENSITY
RL RESIDENTIAL - LOW DENSITY
RM RESIDENTIAL - MEDIUM DENSITY
RMH RESIDENTIAL - MEDIUM/HIGH DENSITY
SF SINGLE-FAMILY
T TRACT
OS OPEN SPACE
CP COMMUNITY PARK
I
J
K
L
OLD RIVER
BYRON ROAD
QUESTA
H
ALTAMONT
G
TOWN
CENTER
BETHANY
E
WICKLUND
F
GREAT VALLEY PARKWAY
SCHOOL
PARK

Boundary Map



Aerial

The image below is dated from Google Maps and does not reflect the current condition of the property. Boundary lines of the District are approximate.



Proposed Improvements Description

The subject is being developed by multiple merchant homebuilders within a variety of product lines. A summary of the projects with final maps, exclusive to Villages J and K is presented on the following page. The interior finish profile of each proposed product line is considered to be of a typical quality for the area, which generally average to good overall quality. The properties will not have a Homeowner’s Association (HOA).

As of the effective appraisal date, April 4, 2025, only Lennar has completed homes. Therefore, an estimate of 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 is provided herein. The smallest floor plans being developed by Lennar by project are presented in the following table.

Smallest Floor Plan Summary

Project Name	Merchant Builder	Living Area (SF)	Bedroom	Bathroom	Stories	Garage	Typical Lot Size (SF)	Developer's Base Price
Lugano	Lennar	1,829	4	3.0	Two	2-Car	4,050	$905,880
Maggiore	Lennar	2,356	4	3.0	Two	2-Car	5,000	$1,048,880
Mezzano	Lennar	2,258	4	2.5	One	2-Car	5,500	$1,028,880
Turano	Lennar	2,710	4	2.5	One	2-Car	6,000	$1,158,880

Summary of Project with Final Maps

Project Name	Malana	Lotus	Alserio	Bolsena	Silverleaf	Trailview	Belleza	TBD	Lugano	Maggiore	Mezzano	Turano	Total/ Average
Village	K	J	J	J	J	J	K	K	J	J	J	J	
Tract No.	3926	3974	3973-74	3974	3975	3975	3926	3926	3968, 68, 71	3968-71	3968, 70, 72	3968, 3972	
Builder	Century Communities	Century Communities	Rurka Homes	Rurka Homes	Taylor Morrison	Taylor Morrison	Richmond American	Rurka Homes	Lennar	Lennar	Lennar	Lennar	
Product Type	Detached	Detached	Detached	Detached	Detached	Detached	Detached	Detached	Detached	Detached	Detached	Detached	
Typical Lot Size (SF)	3,600	3,825	5,500	5,000	5,500	6,000	4,050	4,050	4,050	5,000	5,500	6,000	
No. of Homes	61	87	74	89	87	116	55	27	134	113	126	130	1,099
Expected Opening Date	8/1/2025	10/1/2025	4/1/2025	8/1/2025	5/1/2025	5/1/2025	8/1/2025	2/1/2026	2/1/2025	2/1/2025	4/1/2025	2/1/2025	
Expected Escrow Closing	10/1/2025	12/1/2025	6/1/2025	10/1/2025	7/1/2025	7/1/2025	10/1/2025	4/1/2026	4/1/2025	4/1/2025	5/1/2025	4/1/2025	
Estimated Living Areas													
Plan #1	2,355	2,443	2,315	2,681	2,654	3,168	2,462	2,400	1,829	2,356	2,258	2,710	
Plan #2	2,616	2,628	2,769	2,925	2,813	3,255	2,550	2,600	1,992	2,514	2,965	3,355	
Plan #3	2,803	2,750	3,306	3,101	3,001	3,482	2,916	2,800	2,140	2,658	3,097	3,525	
Plan #4			3,500	3,366	3,067	3,590			2,289	2,772	3,324	3,711	
Plan #5			3,971										
Average	2,591	2,607	3,172	3,018	2,884	3,374	2,643	2,600	2,063	2,575	2,911	3,325	2,814
Estimated Base Prices	Estimated	Estimated	Estimated	Estimated	Builder	Builder	Estimated	Estimated	Builder	Builder	Builder	Builder	
Plan #1	$1,000,000	$1,060,000	$1,100,000	$1,200,000	$1,120,000	$1,230,000	$1,045,000	$1,074,000	$905,880	$1,048,880	$1,028,880	$1,158,880	
Plan #2	$1,070,000	$1,100,000	$1,200,000	$1,250,000	$1,115,000	$1,250,000	$1,043,000	$1,164,000	$948,880	$1,088,880	$1,213,880	$1,318,880	
Plan #3	$1,100,000	$1,130,000	$1,350,000	$1,300,000	$1,170,000	$1,285,000	$1,144,000	$1,254,000	$988,800	$1,118,880	$1,233,880	$1,343,880	
Plan #4			$1,400,000	$1,350,000	$1,210,000	$1,305,000			$1,028,880	$1,153,880	$1,323,880	$1,418,880	
Plan #5			$1,450,000										
Average	$1,056,667	$1,096,667	$1,300,000	$1,275,000	$1,153,750	$1,267,500	$1,077,333	$1,164,000	$968,110	$1,102,630	$1,200,130	$1,310,130	$1,164,326
Value Rations ($/SF)	$408	$421	$410	$422	$400	$376	$408	$448	$469	$428	$412	$394	$416

Source: Mountain House Community Facilities District No. 2024-1 Portions of Villages J & K - Draft Market Absorption Study, dated March 28, 2025, prepared by Empire Economics, Inc.







STOP




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 San Joaquin County Treasurer-Tax Collector's Office, the subject has a tax rate of 1.053100% for tax year 2024-2025 (latest available), based on assessed value.

In addition, the appraised properties are subject to direct charges. Based on information provided by the special tax consultant, it is estimated the subject would have direct charges of approximately $2,000 per lot.

Special Assessments

All of the appraised properties are encumbered by the Special Tax Lien of the Mountain House CFD No. 2024-1 (Public Facilities and Services), which increases 2% per year. Annual special taxes associated with the facilities range from $2,852 to $4,657 per lot, dependent on lot size, and the annual special tax for the services are $520 per lot.

In addition, the appraised properties are encumbered by the Special Tax Lien of the Lammersville Joint Unified School District Community Facilities District No. 2024-1 (Mountain House School Facilities), 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:

Special Tax Table (Fiscal Year 2024-25)

Land Use Class	Land Use Category	Assigned Special Tax
1	Single Family Detached Lots greater than or equal to 6,000 square feet	$2,506.26 per unit
2	Single Family Detached Lots less than 6,000 square feet	$1,938.76 per unit
3	Single Family Attached Property	$1,714.64 per unit
4	Multifamily Property	$1,013.54 per unit
5	Taxable Non-Residential Property	TBD
6	Age-Restricted Units	$0 per unit

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 site is zoned RL, RM and RMH, Low Density, Medium Density, and Medium High Density Residential. Permitted Low Density Residential uses include a variety of single-family dwelling unit types. Product types may include large-lot single family homes, to zero lot line “patio” homes. Medium Density Residential provides for a wide variety of dwelling unit types, which include both detached and attached home and may include small-lot detached units, duplexes, triplexes, low density townhomes, or other housing types, such as second units. Medium High Density Residential provides for a mix of residential development, including single-family homes and potentially some smaller multi-family units, with a focus on medium-density housing. To our knowledge, there are no legal restrictions such as easements or deed restrictions that would effectively limit the use of the property. The subject property has an approved tentative map for 2,968 single-family residential lots with typical lot sizes ranging from 3,600 to 15,000 square feet, and 11 sites/parcels proposed for 1,131 multifamily units (for-rent) with associated improvements. As of the effective appraisal date, the subject has final map approval for all of Village J and a portion of Village K. The subject's present entitlements are the result of significant planning and review, and any rezone or land use different than currently approved is unlikely. Given prevailing land use patterns in the area, only residential use is given further consideration in determining highest and best use of the site, as though vacant.

Physically Possible

The physical characteristics of a site that affect its possible use 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 single-family residential development; at this point the physical characteristics are examined to see if they are suited for the legally permissible use.

Based on our physical inspection of the subject property, we know of no reason why the property would not support development. All utilities are available to the perimeter of the site. The property is not located within an adverse earthquake, flood, or fire zone. Further, the subject is proximate to new development and development appears possible. Surrounding land uses are compatible and/or similar. Development on adjacent properties provides support that soils are adequate for development. Based on the physical characteristics of the subject property, residential development is considered physically possible and most appropriate

Financially Feasible

Financial feasibility depends on supply and demand influences. With respect to financial feasibility of single-family residential development, the continued elevated mortgage interest rate environment has resulted in homebuilders' continuing to offer financing incentives for new homebuyers in the form of interest rate buy downs. Further, recent macroeconomic conditions have, reportedly, prompted homebuilders to delay additional bulk lot acquisitions. Instead, opting to build on existing inventories.

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 their highest and best use as vacant is for near-term single-family residential development.

As Improved (Proposed)

As with the highest and best use as though vacant, the four tests of highest and best use must also be applied to the subject property considering the in-place improvements. Consideration must be given to the continued as-is use of the subject, as well as alternative uses for the subject. The potential alternative uses consist of demolition, expansion, conversion or renovation.

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 property as improved exceeds its value as vacant less demolition. The highest and best use of the subject property as improved is for continuing site development and construction of homes and apartments, as dictated by demand.

Most Probable Buyer

In conjunction with the definition of market value, this appraisal assumes a hypothetical sale of the subject properties to a probable buyer/user, as of the date of value. The subject is considered to have good appeal for production homes. The most probable buyer would be a developer/homebuilder for the partially improved lots, finished lots, and homes under construction. The most probable buyer for the unimproved residential lots is a land developer or merchant builder. The most probable buyer for the completed homes would be individual homeowner(s).

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 using the sales comparison approach to value.

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.

This approach is based on the economic principle of substitution. According to The Appraisal of Real Estate, 15th 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.

As of the effective appraisal date, April 4, 2025, only Lennar has completed homes. Please note, 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 smallest floor plans within the product lines being developed are shown in the following table.

Smallest Floor Plan Summary

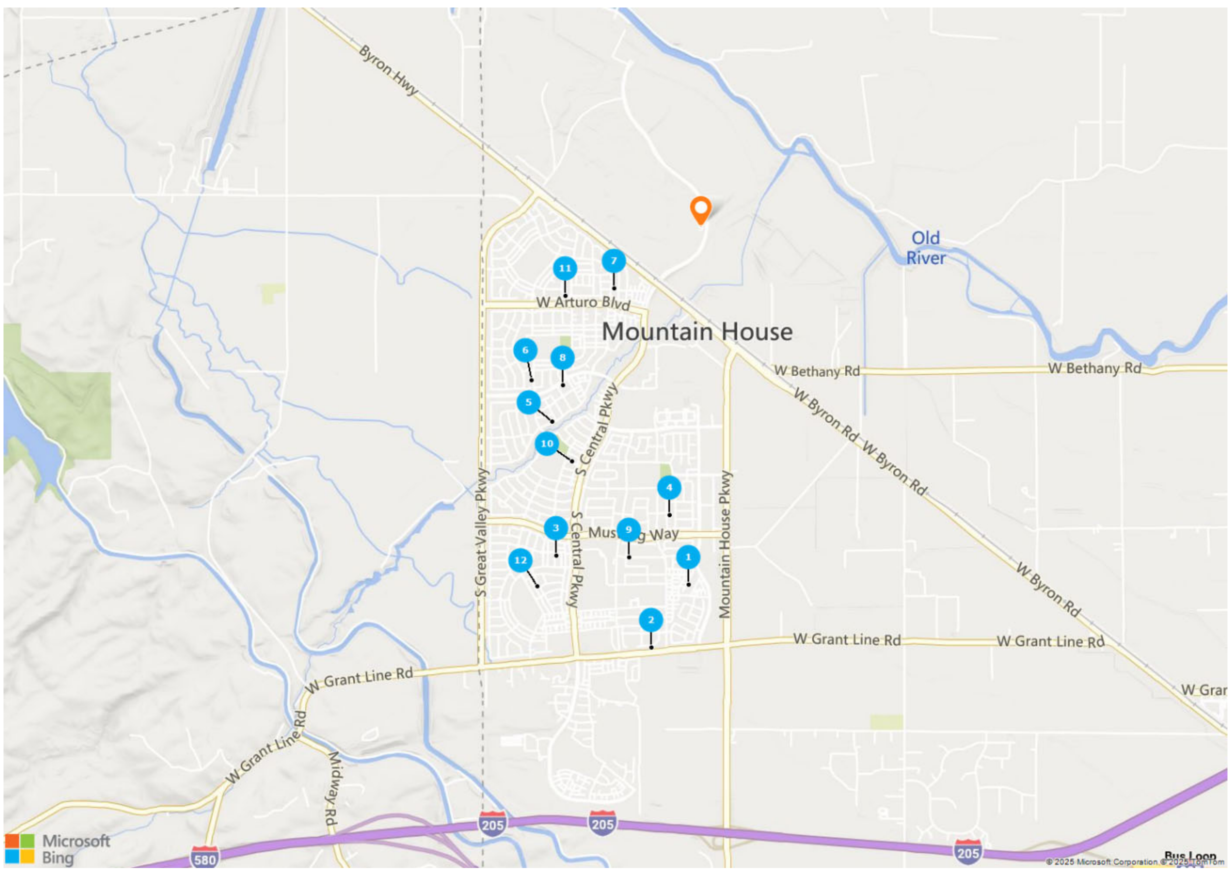
Project Name	Merchant Builder	Living Area (SF)	Bedroom	Bathroom	Stories	Garage	Typical Lot Size (SF)	Developer's Base Price
Lugano	Lennar	1,829	4	3.0	Two	2-Car	4,050	$905,880
Maggiore	Lennar	2,356	4	3.0	Two	2-Car	5,000	$1,048,880
Mezzano	Lennar	2,258	4	2.5	One	2-Car	5,500	$1,028,880
Turano	Lennar	2,710	4	2.5	One	2-Car	6,000	$1,158,880

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	1162 S Morning Glory Drive	2/28/2025	$825,000	3/17/2025	1,778	3	2.5	2-Car	2021	3,450
2	332 E Liverno Avenue	2/13/2025	$990,000	3/14/2025	2,480	3	2.5	2-Car	2018	4,112
3	1018 S Fowler Lane	2/4/2025	$875,000	3/14/2025	2,145	4	3.0	2-Car	2016	4,000
4	772 Shelli Street	2/4/2025	$925,000	2/25/2025	2,624	4	2.5	2-Car	2004	6,480
5	459 W Las Brisas Drive	1/19/2025	$970,000	2/18/2025	2,448	5	3.0	2-Car	2006	3,739
6	49 N Puente Drive	1/17/2025	$1,000,000	2/18/2025	2,781	4	2.5	2-Car	2008	6,329
7	133 W Questa Trail	1/16/2025	$900,000	2/18/2025	2,174	4	3.0	2-Car	2012	4,182
8	14 S Tranquilidad Court	12/16/2024	$710,000	1/7/2025	1,552	3	2.5	2-Car	2006	3,942
9	231 E Lawson Avenue	12/10/2024	$950,000	1/9/2025	2,236	4	3.0	2-Car	2022	3,329
10	151 La Rosa Lane	12/9/2024	$800,000	1/22/2025	2,136	4	2.5	2-Car	2005	4,007
11	391 W San Juan Drive	9/13/2024	$1,100,000	10/16/2024	2,859	5	3.0	2-Car	2014	6,725
12	1185 S Olson Avenue	8/30/2024	$1,165,000	9/23/2024	2,749	5	3.0	3-Car (tandem)	2016	4,635

Comparable Sales Map



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 similar bond encumbrances. Adjustments are not necessary.
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; no adjustments were necessary.
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	As demonstrated in the previous market analysis section, new home pricing on a dollar per square foot basis has been fluctuating over the past twelve months in the subject's market area, as well as within the region overall. Home pricing over

Adjustment Factor	Accounts For	Comments
	attention needs to be paid to assess changing market conditions. Significant monthly changes in price levels can occur in several areas of a neighborhood, while prices in other areas remain relatively stable. Although the adjustment for market conditions is often referred to as a time adjustment, time is not the cause of the adjustment.	the past 6 months has increased modestly. As such, based on the data presented in the *Residential Market Analysis* section, slight upward adjustments are made for market conditions.
Location	Location is a very important factor to consider when making comparisons. The comparables need not be in the same neighborhood but should be in neighborhoods that offer the same advantage and have, in general, the same overall desirability to the most probable buyer or user.	All of the comparables are located within Mountain House and no adjustment for location is necessary.
Community Appeal	Community characteristics that may influence sale prices include a gated amenity or the condition of surrounding development.	The subject property represents traditional detached single-family residential construction. Comparables with cluster or alley-loaded, detached single-family construction are considered inferior to the subject and adjustments are applied as applicable.
Lot Size	The lot size adjustment pertains to the differences between the subject's average lot size and comparables with either larger or smaller lots. It does not include any lot premium adjustments, which are adjusted for separately. The amount of the adjustment used in the comparison of the base lot sizes comes from a survey of premiums paid for larger lots.	Considering the average lot size adjustment factors indicated by the comparable sales utilized in this analysis, lot size adjustment factor of $15.00 per square foot 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/ Discounts	Properties sometimes achieve premiums for corner or cul-de-sac positioning, or proximity to open space or views. Adjustments for lot	Appropriate adjustments are applied based upon lot placement

Adjustment Factor	Accounts For	Comments
	position premiums would be in addition to lot size adjustments previously considered.	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 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 comparables represent resales and applicable upward adjustments are applied as warranted.
Functional Utility	Ability to adequately provide for its intended purpose.	Adjustments for this factor do not apply.
Room Count	For similar size units the differences between room count is a buyer preference. One buyer might prefer two bedrooms and a den versus a three-bedroom unit. Extra rooms typically result in additional building area and are accounted for in the size adjustment. Therefore, no adjustments are made for number of total rooms or bedrooms.	Because bathrooms are a functional item for each floor plan and add substantial cost due to the number of plumbing fixtures, an adjustment is made for the difference in the number of fixtures between the subject and the comparable sales. The adjustment is based on an amount of $12,500 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

Adjustment Factor	Accounts For	Comments
		generally range from $5,000 to over $25,000 for the various fixtures, the $12,500 per fixture, or half-bath, is supported. Consequently, a factor of $25,000 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 $115.00 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.
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 or three-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	As new home construction, the subject includes only front yard

Adjustment Factor	Accounts For	Comments
		landscaping, which is typical for the market. All of the comparables represent resales and included backyard landscaping and downward adjustments are applied.

Adjustment Grids

The following pages include grids reflecting the aforementioned adjustments.

Lugano

Project Information		Subject Property	Comparable 1		Comparable 3		Comparable 7		Comparable 8		Comparable 9		Comparable 10	
Address/Lot Number			1162 S Morning Glory Drive		1018 S Fowler Lane		133 W Questa Trail		14 S Tranquilidad Court		231 E Lawson Avenue		151 La Rosa Lane	
City/Area		Mountain House	Mountain House		Mountain House		Mountain House		Mountain House		Mountain House		Mountain House	
Price		N/Ap		$825,000		$875,000		$900,000		$710,000		$950,000		$800,000
Price Per SF		N/Ap	$464.00		$407.93		$413.98		$457.47		$424.87		$374.53	
Data Source			MLS		MLS		MLS		MLS		MLS		MLS	
Incentives		N/Ap	No	$0	No	$0	No	$0	No	$0	No	$0	No	$0
Upgrades		Base	No	$0	No	$0	No	$0	No	$0	No	$0	No	$0
Effective Base Sales Price				**$825,000**		**$875,000**		**$900,000**		**$710,000**		**$950,000**		**$800,000**
Adjustments:	**Factor**		**Description**	**+/(-)**	**Description**	**+/(-)**	**Description**	**+/(-)**	**Description**	**+/(-)**	**Description**	**+/(-)**	**Description**	**+/(-)**
Property Rights		Fee Simple	Similar		Similar		Similar		Similar		Similar		Similar	
Financing Terms		Cash Equivalent	Similar		Similar		Similar		Similar		Similar		Similar	
Conditions of Sale		Market	Market		Market		Market		Market		Market		Market	
Market Conditions														
Contract Date		4/4/2025	2/28/2025		2/4/2025		1/16/2025		12/16/2024	$7,100	12/10/2024	$9,500	12/9/2024	$8,000
Project Location		Mountain House	Mountain House		Mountain House		Mountain House		Mountain House		Mountain House		Mountain House	
Community Appeal		Average	Alley Loaded	$24,750	Alley Loaded	$26,250	Similar		5-Pack	$21,300	Similar		Alley Loaded	$24,000
Lot Size	$15.00	4,050	3,450	$9,000	4,000	$750	4,182	($1,980)	3,942	$1,620	3,329	$10,815	4,007	$645
Lot Premium		N/Ap	Similar		Similar		Similar		Similar		Similar		Similar	
Design and Appeal		Average	Similar		Similar		Similar		Similar		Similar		Similar	
Quality of Construction		Good	Similar		Similar		Similar		Similar		Similar		Similar	
Age (Total/Effective)		New	Inferior, 4%	$33,000	Inferior, 9%	$78,750	Inferior, 10%	$90,000	Inferior, 15%	$106,500	Inferior, 3%	$28,500	Inferior, 15%	$120,000
Condition		Good/New	Similar		Similar		Similar		Similar		Similar		Similar	
Functional Utility		Average	Similar		Similar		Similar		Similar		Similar		Similar	
Room Count														
Bedrooms		4	3		4		4		3		4		4	
Baths	$25,000	3.0	2.5	$12,500	3.0	$0	3.0	$0	2.5	$12,500	3.0	$0	2.5	$12,500
Living Area (SF)	$115.00	1,829	1,778	$5,865	2,145	($36,340)	2,174	($39,675)	1,552	$31,855	2,236	($46,805)	2,136	($35,305)
Number of Stories		Two	Two		Two		Two		Two		Two		Two	
Heating/Cooling		Central/Forced	Similar		Similar		Similar		Similar		Similar		Similar	
Garage	$15,000	2-Car	2-Car		2-Car		2-Car		2-Car		2-Car		2-Car	
Landscaping		Front	Superior	($24,750)	Superior	($26,250)	Superior	($27,000)	Superior	($21,300)	Superior	($28,500)	Superior	($24,000)
Pool/Spa		None	Similar		Similar		Similar		Similar		Similar		Similar	
Patios/Decks		Patio	Similar		Similar		Similar		Similar		Similar		Similar	
Fencing		Rear	Similar		Similar		Similar		Similar		Similar		Similar	
Fireplace(s)	N/A	None	None		None		None		None		None		None	
Kitchen Equipment		Average	Similar		Similar		Similar		Similar		Similar		Similar	
Other		None	Similar		Similar		Similar		Similar		Similar		Similar	
Gross Adjustments				$109,865		$168,340		$158,655		$202,175		$124,120		$224,450
Net Adjustments				**$60,365**		**$43,160**		**$21,345**		**$159,575**		**($26,490)**		**$105,840**
Adjusted Retail Value				**$885,365**		**$918,160**		**$921,345**		**$869,575**		**$923,510**		**$905,840**

Concluded Retail Value	**$905,000**
Indicated Value Per SF	**$494.81**

Adjustments were necessary to account for differences between these homes and the subject's floor plan. The sales provide a range of indicators of $869,575 to $923,510. The lowest and highest indicators of value represent the smallest and largest homes analyzed. Placing guarded reliance on these comparables, the balance of the data set, we have concluded an estimate of value of $905,000.

Maggiore

Project Information		Subject Property	Comparable 2		Comparable 3		Comparable 5		Comparable 6		Comparable 7		Comparable 10	
Address/Lot Number			332 E Liverno Avenue		1018 S Fowler Lane		459 W Las Brisas Drive		49 N Puente Drive		133 W Questa Trail		151 La Rosa Lane	
City/Area		Mountain House	Mountain House		Mountain House		Mountain House		Mountain House		Mountain House		Mountain House	
Price		N/Ap		$990,000		$875,000		$970,000		$1,000,000		$900,000		$800,000
Price Per SF		N/Ap	$399.19		$407.93		$396.24		$359.58		$413.98		$374.53	
Data Source			MLS		MLS		MLS		MLS		MLS		MLS	
Incentives		N/Ap	No	$0	No	$0	No	$0	No	$0	No	$0	No	$0
Upgrades		Base	No	$0	No	$0	No	$0	No	$0	No	$0	No	$0
Effective Base Sales Price				**$990,000**		**$875,000**		**$970,000**		**$1,000,000**		**$900,000**		**$800,000**
Adjustments:	**Factor**		**Description**	**+/(-)**	**Description**	**+/(-)**	**Description**	**+/(-)**	**Description**	**+/(-)**	**Description**	**+/(-)**	**Description**	**+/(-)**
Property Rights		Fee Simple	Similar		Similar		Similar		Similar		Similar		Similar	
Financing Terms		Cash Equivalent	Similar		Similar		Similar		Similar		Similar		Similar	
Conditions of Sale		Market	Market		Market		Market		Market		Market		Market	
Market Conditions														
Contract Date		4/4/2025	2/13/2025		2/4/2025		1/19/2025		1/17/2025		1/16/2025		12/9/2024	$8,000
Project Location		Mountain House	Mountain House		Mountain House		Mountain House		Mountain House		Mountain House		Mountain House	
Community Appeal		Average	Similar		Alley Loaded	$26,250	Similar		Similar		Similar		Alley Loaded	$24,000
Lot Size	$15.00	5,000	4,112	$13,320	4,000	$15,000	3,739	$18,915	6,329	($19,935)	4,182	$12,270	4,007	$14,895
Lot Premium		N/Ap	Similar		Similar		Similar		Similar		Similar		Similar	
Design and Appeal		Average	Similar		Similar		Similar		Similar		Similar		Similar	
Quality of Construction		Good	Similar		Similar		Similar		Similar		Similar		Similar	
Age (Total/Effective)		New	Inferior, 7%	$69,300	Inferior, 9%	$78,750	Inferior, 15%	$145,500	Inferior, 15%	$150,000	Inferior, 10%	$90,000	Inferior, 15%	$120,000
Condition		Good/New	Similar		Similar		Similar		Similar		Similar		Similar	
Functional Utility		Average	Similar		Similar		Similar		Similar		Similar		Similar	
Room Count														
Bedrooms		4	3		4		5		4		4		4	
Baths	$25,000	3.0	2.5	$12,500	3.0	$0	3.0	$0	2.5	$12,500	3.0	$0	2.5	$12,500
Living Area (SF)	$115.00	2,356	2,480	($14,260)	2,145	$24,265	2,448	($10,580)	2,781	($48,875)	2,174	$20,930	2,136	$25,300
Number of Stories		Two	Two		Two		Two		Two		Two		Two	
Heating/Cooling		Central/Forced	Similar		Similar		Similar		Similar		Similar		Similar	
Garage	$15,000	2-Car	2-Car		2-Car		2-Car		2-Car		2-Car		2-Car	
Landscaping		Front	Superior	($29,700)	Superior	($26,250)	Superior	($29,100)	Superior	($30,000)	Superior	($27,000)	Superior	($24,000)
Pool/Spa		None	Similar		Similar		Similar		Similar		Similar		Similar	
Patios/Decks		Patio	Similar		Similar		Similar		Similar		Similar		Similar	
Fencing		Rear	Similar		Similar		Similar		Similar		Similar		Similar	
Fireplace(s)	N/A	None	None		None		None		None		None		None	
Kitchen Equipment		Average	Similar		Similar		Similar		Similar		Similar		Similar	
Other		None	Similar		Similar		Similar		Similar		Similar		Similar	
Gross Adjustments				$139,080		$170,515		$204,095		$261,310		$150,200		$228,695
Net Adjustments				**$51,160**		**$118,015**		**$124,735**		**$63,690**		**$96,200**		**$180,695**
Adjusted Retail Value				**$1,041,160**		**$993,015**		**$1,094,735**		**$1,063,690**		**$996,200**		**$980,695**

Concluded Retail Value	**$1,045,000**
Indicated Value Per SF	**$443.55**

Adjustments were necessary to account for differences between these homes and the subject’s floor plan. The sales provide a range of indicators of $996,200 to $1,094,735. The comparables with similar lot configuration as the subject and are given primary reliance, suggesting a value towards the upper end of the range. We have concluded an estimate of value of $1,045,000.

Mezzano

Project Information		**Subject Property**	**Comparable 2**		**Comparable 3**		**Comparable 4**		**Comparable 5**		**Comparable 6**		**Comparable 7**		**Comparable 9**		**Comparable 10**	
Address/Lot Number			332 E Liverno Avenue		1018 S Fowler Lane		772 Shelli Street		459 W Las Brisas Drive		49 N Puente Drive		133 W Questa Trail		231 E Lawson Avenue		151 La Rosa Lane	
City/Area		Mountain House	Mountain House		Mountain House		Mountain House		Mountain House		Mountain House		Mountain House		Mountain House		Mountain House	
Price		N/Ap		$990,000		$875,000		$925,000		$970,000		$1,000,000		$900,000		$950,000		$800,000
Price Per SF		N/Ap	$399.19		$407.93		$352.52		$396.24		$359.58		$413.98		$424.87		$374.53	
Data Source			MLS		MLS		MLS		MLS		MLS		MLS		MLS		MLS	
Incentives		N/Ap	No	$0	No	$0	No	$0	No	$0	No	$0	No	$0	No	$0	No	$0
Upgrades		Base	No	$0	No	$0	No	$0	No	$0	No	$0	No	$0	No	$0	No	$0
Effective Base Sales Price				**$990,000**		**$875,000**		**$925,000**		**$970,000**		**$1,000,000**		**$900,000**		**$950,000**		**$800,000**
Adjustments:	**Factor**		**Description**	**+/(-)**	**Description**	**+/(-)**	**Description**	**+/(-)**	**Description**	**+/(-)**	**Description**	**+/(-)**	**Description**	**+/(-)**	**Description**	**+/(-)**	**Description**	**+/(-)**
Property Rights		Fee Simple	Similar		Similar		Similar		Similar		Similar		Similar		Similar		Similar	
Financing Terms		Cash Equivalent	Similar		Similar		Similar		Similar		Similar		Similar		Similar		Similar	
Conditions of Sale		Market	Market		Market		Market		Market		Market		Market		Market		Market	
Market Conditions																		
Contract Date		4/4/2025	2/13/2025		2/4/2025		2/4/2025		1/19/2025		1/17/2025		1/16/2025		12/10/2024	$9,500	12/9/2024	$8,000
Project Location		Mountain House	Mountain House		Mountain House		Mountain House		Mountain House		Mountain House		Mountain House		Mountain House		Mountain House	
Community Appeal		Average	Similar		Alley Loaded	$26,250	Similar		Similar		Similar		Similar		Similar		Alley Loaded	$24,000
Lot Size	$15.00	5,500	4,112	$20,820	4,000	$22,500	6,480	($14,700)	3,739	$26,415	6,329	($12,435)	4,182	$19,770	3,329	$32,565	4,007	$22,395
Lot Premium		N/Ap	Similar		Similar		Similar		Similar		Similar		Similar		Similar		Similar	
Design and Appeal		Average	Similar		Similar		Similar		Similar		Similar		Similar		Similar		Similar	
Quality of Construction		Good	Similar		Similar		Similar		Similar		Similar		Similar		Similar		Similar	
Age (Total/Effective)		New	Inferior, 7%	$69,300	Inferior, 9%	$78,750	Inferior, 15%	$138,750	Inferior, 15%	$145,500	Inferior, 15%	$150,000	Inferior, 10%	$90,000	Inferior, 3%	$28,500	Inferior, 15%	$120,000
Condition		Good/New	Similar		Similar		Similar		Similar		Similar		Similar		Similar		Similar	
Functional Utility		Average	Similar		Similar		Similar		Similar		Similar		Similar		Similar		Similar	
Room Count																		
Bedrooms		4	3		4		4		5		4		4		4		4	
Baths	$25,000	2.5	2.5	$0	3.0	($12,500)	2.5	$0	3.0	($12,500)	2.5	$0	3.0	($12,500)	3.0	($12,500)	2.5	$0
Living Area (SF)	$115.00	2,258	2,480	($25,530)	2,145	$12,995	2,624	($42,090)	2,448	($21,850)	2,781	($60,145)	2,174	$9,660	2,236	$2,530	2,136	$14,030
Number of Stories		One	Two	$29,700	Two	$26,250	One		Two	$29,100	Two	$30,000	Two	$27,000	Two	$28,500	Two	$24,000
Heating/Cooling		Central/Forced	Similar		Similar		Similar		Similar		Similar		Similar		Similar		Similar	
Garage	$15,000	2-Car	2-Car		2-Car		2-Car		2-Car		2-Car		2-Car		2-Car		2-Car	
Landscaping		Front	Superior	($29,700)	Superior	($26,250)	Superior	($27,750)	Superior	($29,100)	Superior	($30,000)	Superior	($27,000)	Superior	($28,500)	Superior	($24,000)
Pool/Spa		None	Similar		Similar		Similar		Similar		Similar		Similar		Similar		Similar	
Patios/Decks		Patio	Similar		Similar		Similar		Similar		Similar		Similar		Similar		Similar	
Fencing		Rear	Similar		Similar		Similar		Similar		Similar		Similar		Similar		Similar	
Fireplace(s)	N/A	None	None		None		None		None		None		None		None		None	
Kitchen Equipment		Average	Similar		Similar		Similar		Similar		Similar		Similar		Similar		Similar	
Other		None	Similar		Similar		Similar		Similar		Similar		Similar		Similar		Similar	
Gross Adjustments				$175,050		$205,495		$223,290		$264,465		$282,580		$185,930		$142,595		$236,425
Net Adjustments				**$64,590**		**$127,995**		**$54,210**		**$137,565**		**$77,420**		**$106,930**		**$60,595**		**$188,425**
Adjusted Retail Value				**$1,054,590**		**$1,002,995**		**$979,210**		**$1,107,565**		**$1,077,420**		**$1,006,930**		**$1,010,595**		**$988,425**

Concluded Retail Value	**$1,025,000**
Indicated Value Per SF	**$453.94**

Adjustments were necessary to account for differences between these homes and the subject's floor plan. The sales provide a range of indicators of $979,210 to $1,107,565. The comparables with similar lot configuration as the subject and are given primary reliance. We have concluded an estimate of value of $1,025,000.

Turano

Project Information	Subject Property	Comparable 2		Comparable 4		Comparable 5		Comparable 6		Comparable 11		Comparable 12	
Address/Lot Number		332 E Liverno Avenue		772 Shelli Street		459 W Las Brisas Drive		49 N Puente Drive		391 W San Juan Drive		1185 S Olson Avenue	
City/Area	Mountain House	Mountain House		Mountain House		Mountain House		Mountain House		Mountain House		Mountain House	
Price	N/Ap		$990,000		$925,000		$970,000		$1,000,000		$1,100,000		$1,165,000
Price Per SF	N/Ap	$399.19		$352.52		$396.24		$359.58		$384.75		$423.79	
Data Source		MLS		MLS		MLS		MLS		MLS		MLS	
Incentives	N/Ap	No	$0	No	$0	No	$0	No	$0	No	$0	No	$0
Upgrades	Base	No	$0	No	$0	No	$0	No	$0	No	$0	No	$0
Effective Base Sales Price			**$990,000**		**$925,000**		**$970,000**		**$1,000,000**		**$1,100,000**		**$1,165,000**

Adjustments:	Factor		Description	+/(-)	Description	+/(-)	Description	+/(-)	Description	+/(-)	Description	+/(-)	Description	+/(-)
Property Rights		Fee Simple	Similar		Similar		Similar		Similar		Similar		Similar	
Financing Terms		Cash Equivalent	Similar		Similar		Similar		Similar		Similar		Similar	
Conditions of Sale		Market	Market		Market		Market		Market		Market		Market	
Market Conditions														
Contract Date		4/4/2025	2/13/2025		2/4/2025		1/19/2025		1/17/2025		9/13/2024	$11,000	8/30/2024	$11,650
Project Location		Mountain House	Mountain House		Mountain House		Mountain House		Mountain House		Mountain House		Mountain House	
Community Appeal		Average	Similar		Similar		Similar		Similar		Similar		Alley Loaded	$34,950
Lot Size	$15.00	6,000	4,112	$28,320	6,480	($7,200)	3,739	$33,915	6,329	($4,935)	6,725	($10,875)	4,635	$20,475
Lot Premium		N/Ap	Similar		Similar		Similar		Similar		Similar		Similar	
Design and Appeal		Average	Similar		Similar		Similar		Similar		Similar		Similar	
Quality of Construction		Good	Similar		Similar		Similar		Similar		Similar		Similar	
Age (Total/Effective)		New	Inferior, 7%	$69,300	Inferior, 15%	$138,750	Inferior, 15%	$145,500	Inferior, 15%	$150,000	Inferior, 10%	$110,000	Inferior, 9%	$104,850
Condition		Good/New	Similar		Similar		Similar		Similar		Similar		Similar	
Functional Utility		Average	Similar		Similar		Similar		Similar		Similar		Similar	
Room Count														
Bedrooms		4	3		4		5		4		5		5	
Baths	$25,000	2.5	2.5	$0	2.5	$0	3.0	($12,500)	2.5	$0	3.0	($12,500)	3.0	($12,500)
Living Area (SF)	$115.00	2,710	2,480	$26,450	2,624	$9,890	2,448	$30,130	2,781	($8,165)	2,859	($17,135)	2,749	($4,485)
Number of Stories		One	Two	$29,700	One		Two	$29,100	Two	$30,000	Two	$33,000	Two	$34,950
Heating/Cooling		Central/Forced	Similar		Similar		Similar		Similar		Similar		Similar	
Garage	$15,000	2-Car	2-Car		2-Car		2-Car		2-Car		2-Car		3-Car (tandem)	($15,000)
Landscaping		Front	Superior	($29,700)	Superior	($27,750)	Superior	($29,100)	Superior	($30,000)	Superior	($33,000)	Superior	($34,950)
Pool/Spa		None	Similar		Similar		Similar		Similar		Similar		Similar	
Patios/Decks		Patio	Similar		Similar		Similar		Similar		Similar		Similar	
Fencing		Rear	Similar		Similar		Similar		Similar		Similar		Similar	
Fireplace(s)	N/A	None	None		None		None		None		None		None	
Kitchen Equipment		Average	Similar		Similar		Similar		Similar		Similar		Similar	
Other		None	Similar		Similar		Similar		Similar		Similar		Similar	
Gross Adjustments				$183,470		$183,590		$280,245		$223,100		$227,510		$273,810
Net Adjustments				**$124,070**		**$113,690**		**$197,045**		**$136,900**		**$80,490**		**$139,940**
Adjusted Retail Value				**$1,114,070**		**$1,038,690**		**$1,167,045**		**$1,136,900**		**$1,180,490**		**$1,304,940**

Concluded Retail Value	**$1,150,000**
Indicated Value Per SF	**$424.35**

Adjustments were necessary to account for differences between these homes and the subject's floor plan. The sales provide a range of indicators of $1,038,690 to $1,304,940. The comparables with similar lot configuration as the subject and are given primary reliance, suggesting a value towards the middle of the range. We have concluded an estimate of value of $1,150,000.

Conclusion of Home Values

Based on the analysis herein, the market value conclusions for the homes are summarized in the following table. The base retail value estimates are generally similar to the developer's base prices.

Floor Plan Value Conclusions

Project Name	Living Area (SF)	Bedroom	Bathroom	Stories	Garage	Typical Lot Size (SF)	Developer's Base Price	**Concluded Base Retail Value**
Lugano	1,829	4	3.0	Two	2-Car	4,050	$905,880	**$905,000**
Maggiore	2,356	4	3.0	Two	2-Car	5,000	$1,048,880	**$1,045,000**
Mezzano	2,258	4	2.5	One	2-Car	5,500	$1,028,880	**$1,025,000**
Turano	2,710	4	2.5	One	2-Car	6,000	$1,158,880	**$1,150,000**

Residential Lot Valuation

For the purpose of estimating the value of the subject's lots, we have identified the benchmark lot categories of 4,050 square feet for the Medium Density lots, 6,000 square feet for the Low Density lots, and 15,000 square feet for the Very Low Density lots. Following the conclusion of value for the benchmark lots we will address the differences between the benchmark lot categories compared to the remaining lot categories comprising the subject property. The following table presents all of the subject lots.

Lot Size Categories

Lot Size (SF)	Unimproved SFR Lots	Finished SFR Lots	Under Construction	SFR with Compeleted Homes	No. of Lots
3,600 (RM)	--	61	--	--	61
3,825 (RM)	--	87	--	--	87
4,050 (RM)	177	187	27	2	393
4,320 (RM)	107	--	--	--	107
4,500 (RM)	287	--	--	--	287
5,000 (RL)	528	173	27	2	730
5,500 (RL)	--	263	22	2	287
6,000 (RL)	421	222	22	2	667
6,500 (RL)	71	--	--	--	71
7,000 (RL)	154	--	--	--	154
7,500 (RL)	119	--	--	--	119
15,000 (VL)	5	--	--	--	5
TOTAL	**1,869**	**993**	**98**	**8**	**2,968**

We will utilize the sales comparison approach and a land residual analysis to estimate the market value of the Medium Density and Low Density benchmark lot categories. For the Very Low Density lot category, due to the number of subject lots (five) the sales comparison approach and an extraction analysis will be utilized to estimate market value. The estimates 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.

We will first analyze and conclude market values for the Medium Density and Low Density benchmark lot categories, then a separate valuation section for the Very Low Density lot category will follow.

Later in this report, we apply a lot size adjustment factor to account for differing lot sizes within the subject. Remaining development costs applicable to the subject property are accounted for in the *Market Value by Ownership* section.

Sales Comparison Approach

This approach develops an indication of value by researching, verifying, and analyzing sales of similar properties. Our sales research focused on transactions within the following parameters:

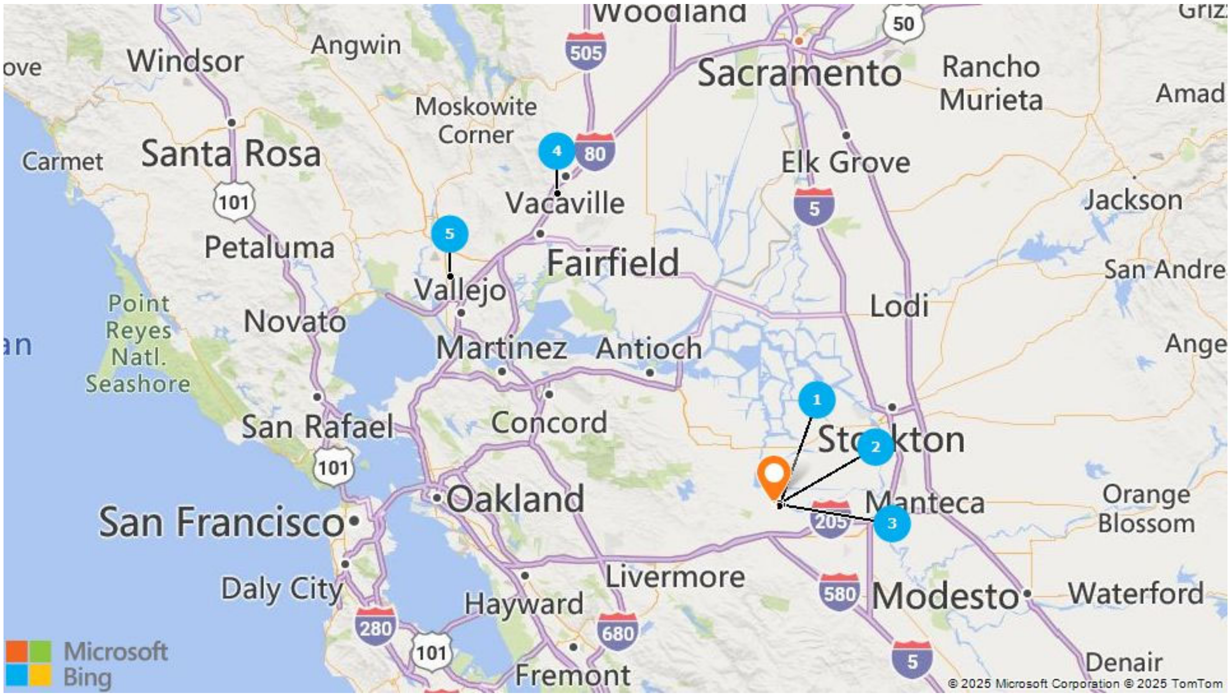
- Location: San Joaquin County and similar surrounding communities
- Typical Lot Size: 3,000 to 7,000 square feet
- Number of Lots: 40 to 250 lots
- Transaction Date: within the past 24 to 36 months

The bulk lot sales are analyzed on a loaded lot basis, which is the equivalent of underlying land, any remaining site development costs and all fees paid through the building permit for home construction. The most relevant sales are summarized in the following tables.

Summary of Comparable Land Sales - Medium Density

No.	Name/Address	Sale Date; Status	Sale Price; Bond Consideration/Lot	Typical Lot Size	Number of Lots	$/Lot	Expenditures After Purchase
1	Mountain House Tract 3974 N/O Byron Rd., S/O Great Valley Pkwy. Mountain House San Joaquin County	Jan-25 Closed	$34,800,000 $7,280	3,825	87	$400,000	$53,434
	Comments: Century Communities entered into contract in October 2024 to purchase 87 finished lots within Tract 3974 in Mountain House (3,825 SF lots). Escrow closed in January 2025. Average permits and fees per lot at approximately $53,434. The lots will be encumbered by bond debt, proceeds of which will finance certain public improvements. Annual special taxes are estimated at $3,640 per lot.						
2	Mountain House Tract 3926 N/O Byron Rd., S/O Great Valley Pkwy. Mountain House San Joaquin County	Nov-24 Closed	$21,350,000 $6,744	3,600	61	$350,000	$53,434
	Comments: Century Communities entered into contract on February 8, 2024 to purchase 61 finished lots within Tract 3926 in Mountain House (3,600 SF lots). Escrow closed on November 7, 2024. Average permits and fees per lot at approximately $53,434. The lots will be encumbered by bond debt, proceeds of which will finance certain public improvements. Annual special taxes are estimated at $3,372 per lot.						
3	Mountain House Tract 3926 N/O Byron Rd., S/O Great Valley Pkwy. Mountain House San Joaquin County	Nov-24 Closed	$23,124,000 $7,814	4,050	47	$492,000	$53,434
	Comments: Richmond American Homes entered into contract on May 16, 2024 to purchase 55 finished lots within Tract 3926 in Mountain House (4,050 SF lots). Escrow closed in November 2024. Average permits and fees per lot at approximately $53,434. The lots will be encumbered by bond debt, proceeds of which will finance certain public improvements. Annual special taxes are estimated at $3,907 per lot.						
4	Lagoon Valley - Neighborhood K-1 National Garden Ln. Vacaville Solano County	Jun-24 Closed	$14,960,000 $4,600	4,500	88	$170,000	$135,600
	Comments: This is a closed sale of neighborhood K-1 is the Lagoon Valley master plan, which represents 88 lots with a typical lot size of 4,500 square feet. The lots will transfer in finished condition and have an alley-loaded configuration. The lots transferred at the end of June 2024 for $170,000 per lot. There are also residual payments to be made by Lennar to the master developer in the form of a profit participation agreement as well as another residual payment. Considering time value of money, the estimated residual payment for total consideration is $44,000 per lot. Permits and fees are estimated at $91,600 per lot. The exact annual special taxes cannot be determined; however, based on the information provided, special taxes are estimated at $2,300 per lot. The lots also have a master marketing fee of 0.5% of the purchase price of each home closing.						
5	Harvest at Watson Ranch - Third Takedown S. Napa Junction Rd. American Canyon Napa County	Nov-23 Closed	$8,619,000 $8,198	3,720	24	$359,125	$18,995
	Comments: Sale of 24 finished lots within the Watson Ranch master planned community. This is the third of nine takedowns of 219 lots to occur between October 2022 and August 2025. The typical lot size for this takedown is approximately 3,720 square feet. Permits and impact fees are estimated at $18,995 per lot. The Developer is offering three floor plans from 1,583 to 1,874 square feet, with base pricing ranging from approximately $669,000 to $709,000. Bond financing is proposed for the project, though bonds were not in-place at the time of sale. Proposed Special Taxes are approximately $4,099 per lot and bond proceeds will be used to reimburse the master developer for infrastructure costs already completed.						

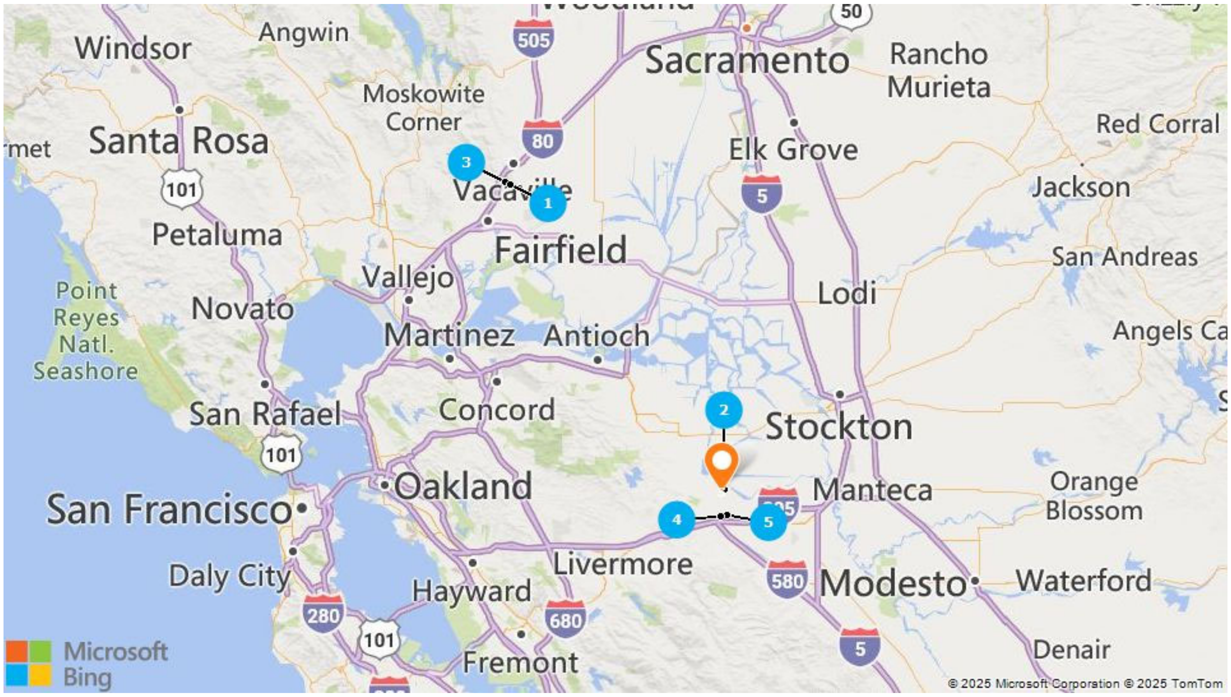
Comparable Land Sales Map – Medium Density



Summary of Comparable Land Sales - Low Density

No.	Name/Address	Sale Date; Status	Sale Price; Bond Consideration/Lot	Typical Lot Size	Number of Lots	$/Lot	Expenditures After Purchase
1	Lagoon Valley - Neighborhood E Pinnacles Pl. Vacaville Solano County	Aug-25 In-Contract	$17,640,000 $4,800	6,300	72	$245,000	$92,800
	Comments: This is a sale of 72 finished lots with a typical lot size of 6,300 square feet, which represent Neighborhood E within the Lagoon Valley master plan. The lots are configured as 4-pack courtyard lots. The property was under contract in late 2021 and is anticipated to close in August of 2025. There are also residual payments to be made by Tri Pointe to the master developer in the form of a profit participation agreement. The agreement is a 50% split on net profits that exceeds 12% of gross sales revenue. Permits and fees are estimated at $92,800 per lot. The exact annual special taxes cannot be determined; however, based on the information provided, special taxes are estimated at $2,400 per lot. The lots also have a master marketing fee of 0.5% of the purchase price of each home closing.						
2	Mountain House Tract 3975 N/O Byron Rd., S/O Great Valley Pkwy. Mountain House San Joaquin County	Jan-25 Closed	$113,000,000 $10,354	6,000	203	$556,650	$50,976
	Comments: Taylor Morrison Homes entered into contract on July 30, 2024 to purchase 203 finished lots within Tract 3975 in Mountain House (6,000 SF lots). Escrow closed in January 2025. Average permits and fees per lot at approximately $50,976. The lots will be encumbered by bond debt, proceeds of which will finance certain public improvements. Annual special taxes are estimated at $5,177 per lot.						
3	Lagoon Valley - Neighborhood K-2 National Garden Ln. Vacaville Solano County	Sep-24 Closed	$17,556,750 $5,400	5,600	81	$216,750	$164,100
	Comments: This is the sale of neighborhood K-2 is the Lagoon Valley master plan, which represents 81 lots with a typical lot size of 5,600 square feet. The lots transferred in finished condition and have a master marketing fee of 0.5% of the purchase price of each home closing. The lots transferred at the end of September 2024 for $216,750 per lot. There are also residual payments to be made by Lennar to the master developer in the form of a profit participation agreement as well as another residual payment. The profit participation agreement is a 50% split on net profits that exceeds 12% of gross sales revenue. The residual payments are calculated at 28% of home revenue less $6,000 site development fee and land costs. There is a $6,200,000 or $76,543 per lot maximum that could be collected in residual payments. The residual payments will be included within the total consideration of the report. Considering time value of money, the estimated residual payment for total consideration is $68,000 per lot. Permits and fees are estimated at $96,100 per lot. The exact annual special taxes cannot be determined; however, based on the information provided, special taxes are estimated at $2,700 per lot.						
4	The Knolls (143 Lots) South of W Grant Line Rd, West of Central Pkwy Mountain House San Joaquin County	Mar-24 Closed	$37,000,000 $12,600	5,000	143	$258,741	$160,780
	Comments: These 143 lots were purchases from land seller for $37,000,000. TriPointe is utilizing a Land Bank and will take down the lots over a scheduled three-year period. The average lot size is 50x100. The tentative map was approved in November 2022, and the final map is anticipated to be approved in March 2025. The lots will be encumbered by bond debt, proceeds of which will finance certain public improvements; net site development costs, including permits and fees, are approximately $160,780 per lot. Annual special taxes are estimated at $6,300 per lot.						
5	Avina (279 Lots) SWQ W Grant Line Rd & Mountain House Pkwy Mountain House San Joaquin County	Jan-24 Closed	$79,674,000 $6,620	5,350	279	$285,570	$171,037
	Comments: On January 12, 2024, Pulte's Land Banker closed escrow on this 279 lot property. The project was fully entitled at time of COE. Final Map and Improvement Plans were being reviewed by MHCSD. Purchase price was $79,674,000. Site development commenced in April 2024. Average permits and fees per lot at approximately $57,000. The lots will be encumbered by bond debt, proceeds of which will finance certain impact fees; net permits and fees are approximately $17,814. Site development costs are approximately $153,223 per lot. Annual special taxes are estimated at $3,310 per lot.						

Comparable Land Sales Map – Low Density



Loaded Lot Analysis

Prior to the application of adjustments, the following items are added to the per lot sale price.

Loaded Lot Analysis	
Remaining Site Dev. Cost	We apply adjustments for remaining site development costs (if any).
Permits and Fees	Permits and fees due upon building permit are included on a dollar-for-dollar basis.
Bond Encumbrance	If applicable, we consider the annual special tax and typical holding time for a developer (2 years) for each comparable (if bond debt exists).

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
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.	The continued elevated mortgage interest rate environment has resulted in homebuilders' continuing to offer financing incentives for new homebuyers in the form of interest rate buy downs. Further, recent macroeconomic conditions have, reportedly, prompted homebuilders to delay additional bulk lot acquisitions. Instead, opting to build on existing inventories. Based on the previous discussion and a further explanation of market conditions shown later in the analysis, we will make an adjustment for market conditions,

Adjustment Factor	Accounts For	Comments
		as necessary. As noted, several sales were negotiated prior to the dates of sale. The contract dates of each sale were accounted for in this analysis.
Location/Community Appeal	Market or submarket area influences on sale price; surrounding land use influences.	The subject is located in the city of Mountain House. The comparable transactions are located in Mountain House (San Joaquin County), Vacaville (Solano County), and American Canyon (Napa County). In an effort to determine a location/community appeal adjustment, we considered median home prices, community amenities, and proximity to employment centers (i.e., San Francisco/Bay Area and Sacramento, etc.). Overall, adjustments are applied as deemed applicable, with superior market areas being adjusted downward and inferior market areas upward.
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 40 and 250 lots. Comparable 5 of the Medium Density data set required a downward adjustment as it comprised 25 lots. No further adjustments for the number of lots are required.
Lot Size	Adjustments for differences in lot size between the comparables and subject are considered.	Those comparables with discernably larger lot sizes relative to the subject's lot sizes (4,050 and 6,000 square feet, respectively), are adjusted downward. Conversely, comparables with smaller lot sizes are adjusted upward.
Site Utility	Differences in contour, drainage, soil conditions, as well as project design, can affect the utility and	The subject property is considered to have average utility. Each of the comparables are considered to offer similar site utility as the subject and

Adjustment Factor	Accounts For	Comments
	therefore, the market value of the properties.	no additional adjustment for this characteristic are required.
Lot Premiums/ Discounts	Primary physical factors that affect desirability of lots.	The subject has average lot premiums/discounts. All of the comparables have similar lot premiums/discounts and no adjustments are warranted.

The tables on the following pages summarizes the required adjustments when considering the comparable sales relative to the subject.

Land Sales Adjustment Grid - Medium Density

	Subject	Comparable 1	Comparable 2	Comparable 3	Comparable 4	Comparable 5
Name	Lammersville Joint Unified School District CFD No. 2024-1 (Mountain House School Facilities)	Mountain House Tract 3974	Mountain House Tract 3926	Mountain House Tract 3926	Lagoon Valley - Neighborhood K-1	Harvest at Watson Ranch - Third Takedown
Address	N/O Byron Rd., S/O Great Valley Pkwy.	N/O Byron Rd., S/O Great Valley Pkwy.	N/O Byron Rd., S/O Great Valley Pkwy.	N/O Byron Rd., S/O Great Valley Pkwy.	National Garden Ln.	S. Napa Junction Rd.
City	Mountain House	Mountain House	Mountain House	Mountain House	Vacaville	American Canyon
County	San Joaquin	San Joaquin	San Joaquin	San Joaquin	Solano	Napa
Sale Date		Jan-25	Nov-24	Nov-24	Jun-24	Nov-23
Sale Status		Closed	Closed	Closed	Closed	Closed
Sale Price		$34,800,000	$21,350,000	$23,124,000	$14,960,000	$8,619,000
Number of Lots	100	87	61	47	88	24
Price per Lot		$400,000	$350,000	$492,000	$170,000	$359,125
Expenditures After Purchase		$53,434	$53,434	$53,434	$135,600	$18,995
Bond Consideration		$7,280	$6,744	$7,814	$4,600	$8,198
Price per Lot (Loaded)		**$460,714**	**$410,178**	**$553,248**	**$310,200**	**$386,318**
Property Rights		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
Adjustment		–	–	–	–	–
Conditions of Sale		Arm's-length	Arm's-length	Arm's-length	Arm's-length	Arm's-length
Adjustment		–	–	–	–	–
Market Conditions	4/4/2025	Jan-25	Nov-24	Nov-24	Jun-24	Nov-23
Adjustment		–	–	–	–	Inferior
Property Adjustments						
Location/Community	Mountain House	Mountain House	Mountain House	Mountain House	Vacaville	American Canyon
Adjustment		–	–	–	Very Inferior	Inferior
Number of Lots	100	87	61	47	88	24
Adjustment		–	–	–	–	Superior
Typical Lot Size	4,050	3,825	3,600	4,050	4,500	3,720
Adjustment		–	Inferior	–	Superior	–
Shape and Topography	Average	Similar	Similar	Similar	Similar	Similar
Adjustment		–	–	–	–	–
Lot Premiums/Discounts	Average	Similar	Similar	Similar	Similar	Similar
Adjustment		–	–	–	–	–
Overall Ranking		**Similar**	**Inferior**	**Similar**	**Inferior**	**Inferior**

Land Sales Adjustment Grid - Low Density

	Subject	Comparable 1	Comparable 2	Comparable 3	Comparable 4	Comparable 5
Name	Lammersville Joint Unified School District CFD No. 2024-1 (Mountain House School Facilities)	Lagoon Valley - Neighborhood E	Mountain House Tract 3975	Lagoon Valley - Neighborhood K-2	The Knolls (143 Lots)	Avina (279 Lots)
Address	N/O Byron Rd., S/O Great Valley Pkwy.	Pinnacles Pl.	N/O Byron Rd., S/O Great Valley Pkwy.	National Garden Ln.	South of W Grant Line Rd, West of Central Pkwy	SWQ W Grant Line Rd & Mountain House Pkwy
City	Mountain House	Vacaville	Mountain House	Vacaville	Mountain House	Mountain House
County	San Joaquin	Solano	San Joaquin	Solano	San Joaquin	San Joaquin
Sale Date		Aug-25	Jan-25	Sep-24	Mar-24	Jan-24
Sale Status		In-Contract	Closed	Closed	Closed	Closed
Sale Price		$17,640,000	$113,000,000	$17,556,750	$37,000,000	$79,674,000
Number of Lots	100	72	203	81	143	279
Price per Lot		$245,000	$556,650	$216,750	$258,741	$285,570
Expenditures After Purchase		$92,800	$50,976	$164,100	$160,780	$171,037
Bond Consideration		$4,800	$10,354	$5,400	$6,300	$3,310
Price per Lot (Loaded)		**$342,600**	**$617,980**	**$386,250**	**$425,821**	**$459,917**
Property Rights		Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Adjustment		–	–	–	–	–
Financing Terms		Cash to seller	Cash to seller	Cash to seller	Cash to seller	Cash to seller
Adjustment		–	–	–	–	–
Conditions of Sale		Arm's-length	Arm's-length	Arm's-length	Arm's-length	Arm's-length
Adjustment		–	–	–	–	–
Market Conditions	4/4/2025	Aug-25	Jan-25	Sep-24	Mar-24	Jan-24
Adjustment		–	–	–	Inferior	Inferior
Location/Community	Mountain House	Vacaville	Mountain House	Vacaville	Mountain House	Mountain House
Adjustment		Very Inferior	–	Very Inferior	–	–
Number of Lots	100	72	203	81	143	279
Adjustment		–	–	–	–	–
Typical Lot Size	6,000	6,300	6,000	5,600	5,000	5,350
Adjustment		–	–	Inferior	Inferior	Inferior
Shape and Topography	Average	Similar	Similar	Similar	Similar	Similar
Adjustment		–	–	–	–	–
Lot Premiums/Discounts	Average	Similar	Similar	Similar	Similar	Similar
Adjustment		–	–	–	–	–
Overall Ranking		**Very Inferior**	**Similar**	**Very Inferior**	**Very Inferior**	**Very Inferior**

Land Value Conclusion

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, remaining site costs and bonds encumbrances. After accounting for remaining site development costs, permits and fees and bond encumbrances, the comparables exhibit loaded lot ranges of $310,200 to $553,248 for the Medium Density lots, and $342,600 to $617,980 for the Low Density lots. The following tables summarize the loaded lot values (unadjusted) and our conclusion of loaded lot value for the subject benchmark lot categories.

Bulk Lot Ranking Summary - Medium Density

Comparable	$/ Loaded Lot (Unadjusted)	Net Adjustment	Estimated Value
4	$310,200	Inferior	
5	$386,318	Inferior	
2	$410,178	Inferior	
1	$460,714	Similar	
Subject			–
3	$553,248	Similar	
Estimated Unit Value			$485,000

Bulk Lot Ranking Summary - Low Density

Comparable	$/ Loaded Lot (Unadjusted)	Net Adjustment	Estimated Value
1	$342,600	Very Inferior	
3	$386,250	Very Inferior	
4	$425,821	Very Inferior	
5	$459,917	Very Inferior	
Subject			–
2	$617,980	Similar	
Estimated Unit Value			$540,000

Market participants have noted that current market values are similar to late First Quarter 2022, which represented the top of the market with land values subsequently declining due to the rising interest rates and other economic conditions. This has been short-lived, as recent market interviews suggest merchant builders are once again actively in the market for developable lots to satisfy increased homebuyer demand. While the indicated loaded lot ranges are relatively wide, primary reliance has been placed on the more recent transactions in Mountain House, suggesting loaded lot values for the subject benchmark lot categories towards the upper end of the ranges.

Deducting the subject’s net permits and fees due at building permit, which is reflective of the impact fees to be reimbursed and financed by the proposed Bonds, yields a finished lot value for the subject property as calculated below for each lot category.

Conclusion of Value: Sales Comparison Approach

Lot Size Categories	Medium Density (RM)	Low Density (RL)
Concluded Loaded Lot Value	$485,000	$540,000
Less: Permits & Fees	($55,000)	($70,000)
Estimated Finished Lot Value	$430,000	$470,000
Rounded	$430,000	$470,000

Land Residual Analysis

The land residual analysis is employed as an additional indicator of market value for the subject's lots, in which all direct and indirect costs are deducted from an estimate of the anticipated gross sales price of the improved (home) product; the resultant net sales proceeds are then discounted to present value at an anticipated rate over the development and absorption period to indicate the value of the land. The land residual analysis is conducted on a semiannual (six-month) basis. As a discounted cash flow analysis, the land residual analysis consists of four primary components summarized as follows:

Revenue – the gross income is based on the sale of completed homes.

Absorption Analysis – the time frame required for sell off. Of primary importance in this analysis is the allocation of the revenue over the absorption period – including the estimation of an appreciation factor (if any).

Expenses – the expenses associated with the sell-off are calculated in this section – including direct and indirect construction costs, administration, marketing, and commission costs, as well as taxes and special taxes (if any).

Discount Rate – an appropriate discount rate (present value factor) is selected employing a variety of data.

Discussions of these four concepts follows below, with the discounted cash flow analysis offered at the end of this section.

Revenue

The projected sales price for the average unit within the project will vary, as the ultimate sales price is affected by unit size, location within the project, site influences, construction costs, anticipated premiums achievable at the point of retail sale, as well as external influences such as adjacent land uses.

The benchmark lot categories are 4,050 square feet for the Medium Density lots and 6,000 square feet for the Low Density lots, which consists of 100 lots, respectively. Based on the *Residential Market Analysis* section of this report and considering current asking prices, we estimated a typical home size and corresponding base price for each benchmark lot category. For Medium Density and Low Density lots, we estimate a typical average-sized home on the subject would contain approximately 2,050 and 3,000 square feet, respectively, and would have a corresponding base price of $970,000 and $1,225,000, respectively. These estimates will be utilized in the analysis.

Closing Projections

The typical time required for the construction of units has been approximately three to six months from start to closing. It is assumed that initial closings will occur within three to six months of the date of sale. The premise is that the builder constructs efficiently as homes are sold. These assumptions are reflected in the projected construction schedule shown in the land residual models at the end of this section. Since the land residual analysis is conducted on a quarterly basis, closings are reflected in the following period, as most construction will be substantially completed prior to initiation of sales.

Changes in Market Conditions (Price Increases or Decreases)

The subject's market area has experienced rapid market appreciation in home prices for the past few years; however, since early 2022 the Federal Reserve Bank began raising the benchmark federal-funds rate (from near zero in March 2022) in an effort to manage rising inflation. The fed-funds rate is greater than 5%, which has resulted in a substantial rise in mortgage interest rates, which now exceed 7.0% and have moderated from 8.0% in October of 2023. The rise in mortgage interest rates has impacted the affordability of homes for a certain segment of the homebuyer market, which may impact pricing in the near term. Consequently, under current market conditions, forecasting home appreciation during the absorption period is speculative, and several homebuilders surveyed indicate they typically do not trend/forecast home appreciation during the sell-off period. Therefore, for purposes of this analysis, the home price revenue will be held constant during the sell-off period.

Absorption

Typically, multiple product lines would be marketed in a subdivision to create characteristics appealing to as many potential purchasers as possible. Offering home products within a subdivision to different market segments is done with the aim of increasing absorption and reducing the overall development holding period for a project.

Based on the typical marketing and absorption rate data presented in the *Residential Market Analysis* section, we estimate an absorption rate of approximately 3.5 and 3.0 units per month, or 21 and 18 units on a semi-annual basis for Medium Density and Low Density lots, respectively. For the Medium Density lots, home sales begin in Period 1 and the subject lots sell out in Period 5, with Period 6 needed to complete construction and close escrow. For the Low Density lots, home sales begin in Period 1 and the subject lots sell out in Period 6, with Period 7 needed to complete construction and close escrow. Market conditions are anticipated to remain stable over this time.

The Draft Market Study for Mountain House Community Facilities District No. 2024-1 Portions of Villages J & K, dated March 28, 2025, prepared by Empire Economics, Inc., estimates absorption rates as follows:

Market Study Conclusions

Lot Category	Lot Size (SF)	Value Rations ($/SF)	Monthly Absorption Rates*
Medium Density (RM)	3,600 - 4,050	$408 - $469	2.92 - 3.75
Low Density (RL)	5,000 - 6,000	$376 - $428	2.08 - 2.92

Source: Mountain House Community Facilities District No. 2024-1 Portions of Villages J & K - Draft Market Absorption Study, dated

* Calcualted based on the Market Study's estimated annual absorption rates

Our estimates, shown in the following table, are at the upper end of (or slightly above) the ranges indicated by the market study and considered to be supported.

Land Residual Analysis Estimates			
Lot Category	Lot Size	Value	Monthly
Medium Density (RM)	4,050	$473	3.50
Low Density (RL)	6,000	$408	3.00

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 % of Direct Costs	Permits & Fees/Unit	Profit % of Revenue
National	2025	172	Average	2,537	6,147	0.2%	0.4%	N/Av	N/Av	$66,600	14.50%
National	2024	862	Average	2,056	5,280	N/Av	N/Av	$99.56	N/Av	$60,400	N/Av
Regional	2024	87	Average	2,290	5,200	N/Av	N/Av	$115.00	N/Av	$59,832	8.13%
National	2024	120	Average	2,170	3,825	3.5%	3.5%	$129.00	N/Av	$63,700	13.00%
National	2024	85	Average	2,147	4,800	N/Av	4.5%	$95.47	10.24%	$96,000	N/Av
National	2023	606	Average	2,267	5,784	N/Av	N/Av	$109.88	N/Av	$50,798	N/Av
National	2023	435	Average	2,779	6,096	N/Av	N/Av	$100.15	N/Av	$84,203	N/Av
Local	2023	31	Good	2,560	3,695	2.5%	4.0%	$137.00	5.00%	$43,610	7.0%
National	2023	63	Average	2,200	3,995	2.0%	5.0%	N/Av	N/Av	$60,883	10.0%
Regional	2023	52	Average	2,607	6,200	N/Av	5.80%	$101.86	6.73%	$73,595	10.06%
National	2023	573	Average	2,327	5,232	N/Av	N/Av	$99.86	2.50%	$98,422	20.00%
Regional	2022	30	Average	2,090	5,200	3.0%	2.0%	$150.00	6.0%	$55,800	16.4%
Local	2022	99	Good	2,614	5,500	5.5%	1.2%	$95-$105	N/Av	$48,599	29.0%
Regional	2022	49	Average	2,062	6,600	3.0%	3.9%	$104.63	N/Av	$56,472	20.9%
Regional	2021	145	Average	2,109	5,775	4.2%	4.25%	$79.86	16.4%	$37,659	6.8%
Local	2021	36	Good	2,533	3,450	5.5%	6.6%	$112.26	4.9%	$55,497	15.0%
Regional	2021	147	Average	2,200	3,825	N/Av	N/Av	$76.00	7.0%	$48,197	N/Av
National	2021	49	Average	2,338	6,100	2.0%	N/Av	N/Av	N/Av	$60,500	N/Av
Regional	2021	72	Good	2,551	3,800	N/Av	7.4%	$88.00	N/Av	$63,610	9.5%
Minimum		30	Average	2,056	3,450	0.2%	0.4%	$76.00	2.50%	$37,659	6.77%
Maximum		862	Good	2,779	6,600	5.5%	7.4%	$150.00	16.38%	$98,422	29.00%
Average		195.421	Average	2,339	5,079	3.1%	4.0%	$106.57	7.34%	$62,336	13.87%

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.

Property Taxes (Ad Valorem and Special Taxes)

The subject is located within an area with an effective tax rate of 1.0531%. This amount is applied to the estimated market values and divided by the total number of units to yield an estimate of ad valorem taxes/unit/year. The tax amounts are applied to unclosed inventory over the sell-off period. Property taxes are increased by 2% per year.

In addition, the appraised properties are subject to direct charges. Based on information provided by the special tax consultant, it is estimated the subject would have direct charges of approximately $2,000 per lot.

All of the appraised properties are encumbered by the Special Tax Lien of the Mountain House CFD No. 2024-1 (Public Facilities and Services). Annual special taxes associated with the facilities range from $2,852 to $4,657 per lot, dependent on lot size, and the annual special tax for the services are $520 per lot.

In addition, the appraised properties are encumbered by the Special Tax Lien of the Lammersville Joint Unified School District Community Facilities District No. 2024-1 (Mountain House School Facilities). 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:

Special Tax Table (Fiscal Year 2024-25)

Land Use Class	Land Use Category	Assigned Special Tax
1	Single Family Detached Lots greater than or equal to 6,000 square feet	$2,506.26 per unit
2	Single Family Detached Lots less than 6,000 square feet	$1,938.76 per unit
3	Single Family Attached Property	$1,714.64 per unit
4	Multifamily Property	$1,013.54 per unit
5	Taxable Non-Residential Property	TBD
6	Age-Restricted Units	$0 per unit

Source: Rate and Method of Apportionment of Special Taxes

The total special tax, not including the aforementioned direct charges, associated with the Medium Density lots is $3,664 per unit ($1,206 for the Mountain House CFD No. 2024-1 Facilities and $519 for the Services, as well as $1,938.76 for the Lammersville JUSD CFD No. 2024-1), and $5,334 per unit for the Low Density lots ($2,309 for the Mountain House CFD No. 2024-1 Facilities and $519 for the Services, as well as $2,506.26 for the Lammersville JUSD CFD No. 2024-1). The special taxes escalate at

2% per year. The total tax expense is gradually reduced over the absorption period, as the land components are sold off.

HOA

There is no homeowner's association related to the subject property.

Permits and Fees

Based on the information provided, the estimate of net permits and fees for the subject are estimated as follows:

Permits and Fees due at Building Permit

Lot Size Categories	Medium Density (RM)	Low Density (RL)	Very Low Density (VL)
Gross Permits and Fees	$55,000 per unit	$70,000 per unit	$80,000 per unit

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.

Based on the cost comparables, and considering the product line under development, a direct cost estimate of $110.00 and $105.00 per square foot is applied the estimated home within the Medium Density and Low Density lot categories, respectively. These estimates are generally consistent with comparables in the market.

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

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

- Interest reserve

Conversations with homebuilders indicate the indirect costs generally range anywhere from 10% to 15% of the direct costs (excluding marketing, sales, general and administrative expenses, taxes, which are accounted for separately). An estimate of 10% is considered reasonable for the subject.

Model Complex

For the two benchmark lot category's, 2 model homes for each product line is considered to be reasonable. Model upgrade expenses can vary widely depending upon construction quality, targeted market and anticipated length of time on the market. These upgrades, exterior and interior, including furniture, can range from $20,000 per model to over $250,000 per model for executive homes.

Based on the quality of the subject's proposed improvements and the targeted buyer segment, a model upgrade cost of $90,000 and $100,000 per model is considered reasonable for the subject's lots. Of this amount approximately 30% will be recaptured with the sale of the models reflecting a recapture of $27,000 and $30,000 per model. Model costs will be incurred in the first period while the recapture amount will be applied evenly over the disposition period.

Summary

The following charts summarize the revenue and expenses discussed on the preceding pages.

Revenue & Expense Summary: Medium Density (RM) / 4,050 SF Lots

REVENUE SUMMARY

Floor Plan		No. of Units	Unit Size (SF)	$/SF	Base Retail Value Per Unit	Extension	
Average Unit		100	2,050	$473	$970,000	$97,000,000	
Lot Premiums					$0	$0	
Model Recapture	(@ 30% of cost)					$54,000	
		100	2,050 (weighted avg.)				
					Total Revenue Before Appreciation:	**$ 97,054,000**	
						$970,540	/unit
					Total Revenue After Appreciation:	**$ 97,054,000**	
						$970,540	/unit

EXPENSES SUMMARY

					Total Over Sell-Off Period		
General and Administrative	3.0%	of total revenue			$ 2,911,620		
Marketing and Sales	6.0%	of total revenue			$ 5,823,240		
Ad Valorem Taxes	$4,228	/unit/year			$ 620,967	(from cash flow)	
Direct Charges	$2,000	/unit/year			$ 293,727	(from cash flow)	
Special Taxes/Assessments	$3,664	/unit/year			$ 538,072	(from cash flow)	
Homeowner's Association Fees	$0	/unit/month			$ -	(from cash flow)	
Model Costs	2	models			$ 180,000	$90,000	(per model)
Permits and Fees					$ 5,500,000	$55,000	(per unit)
Subtotal:					$ 15,867,625		
Direct Construction Costs (Before Appreciation)	SF	Units	Cost/SF		Extension		
Average/Typical Floor Plan	2,050	100	$110.00		$ 22,550,000	$225,500	/unit
Indirect Construction Costs	10%	of Direct Costs			$ 2,255,000	$22,550	/unit
Subtotal:					$ 24,805,000		
			Total Expenses Before Appreciation:		**$ 40,672,625**		

Revenue & Expense Summary: Low Density (RL) / 6,000 SF Lots

REVENUE SUMMARY

Floor Plan		No. of Units	Unit Size (SF)	$/SF	Base Retail Value Per Unit	Extension	
Average Unit		100	3,000	$408	$1,225,000	$122,500,000	
Lot Premiums					$0	$0	
Model Recapture	(@ 30% of cost)					$60,000	
		100	3,000 (weighted avg.)				
					Total Revenue Before Appreciation:	**$ 122,560,000**	
						$1,225,600	/unit
					Total Revenue After Appreciation:	**$ 122,560,000**	
						$1,225,600	/unit

EXPENSES SUMMARY

				Total Over Sell-Off Period		
General and Administrative	3.0%	of total revenue		$ 3,676,800		
Marketing and Sales	6.0%	of total revenue		$ 7,353,600		
Ad Valorem Taxes	$4,602	/unit/year		$ 771,182	(from cash flow)	
Direct Charges	$2,000	/unit/year		$ 335,147	(from cash flow)	
Special Taxes/Assessments	$5,334	/unit/year		$ 893,881	(from cash flow)	
Homeowner's Association Fees	$0	/unit/month		$ -	(from cash flow)	
Model Costs	2	models		$ 200,000	$100,000	(per model)
Permits and Fees				$ 7,000,000	$70,000	(per unit)
Subtotal:				$ 20,230,610		
Direct Construction Costs (Before Appreciation)	SF	Units	Cost/SF	Extension		
Average/Typical Floor Plan	3,000	100	$105.00	$ 31,500,000	$315,000	/unit
Indirect Construction Costs	10%	of Direct Costs		$ 3,150,000	$31,500	/unit
Subtotal:				$ 34,650,000		
			Total Expenses Before Appreciation:	**$ 54,880,610**		

Internal Rate of Return and Discount Rate

Positive attributes of the subject property include steady demand in the market area and limited new construction. There are some “negative” attributes associated with the subject such as rising construction costs, in addition to the potential for deterioration in market conditions in the residential sector that would result from a change in macroeconomic factors (ex. continued high inflation, unemployment rates, interest rates, etc.).

Using a 5.00% present value factor, 12.00% for developer’s incentive for the Medium Density lots, and 15.00% for developer’s incentive for the Low Density lots, results in an implied internal rate of return (IRR) of 16.679% for the Medium Density lots and 19.725% for the Low Density lots.

Realty Rates provides expected Developer IRR for California developments as follows:

National: Subdivisions & PUDs

	Actual Rates			Pro-Forma Rates		
	Min	Max	Avg	Min	Max	Avg
Site-Built Residential	14.17%	49.78%	32.13%	13.60%	47.79%	30.85%
-100 Units	14.17%	42.92%	28.68%	13.60%	41.20%	27.54%
100-500 Units	14.52%	47.21%	31.02%	13.94%	45.32%	30.37%
500+ Units	14.87%	49.35%	32.27%	14.28%	47.38%	32.22%
Mixed Use	15.23%	49.78%	32.67%	14.62%	47.79%	32.61%
Manufactured Housing	14.60%	54.39%	35.36%	14.02%	52.21%	33.28%
-100 Units	14.60%	47.29%	31.72%	14.02%	45.40%	29.86%
100-500 Units	14.97%	52.02%	34.33%	14.37%	49.94%	32.96%
500+ Units	15.33%	54.39%	35.73%	14.72%	52.21%	34.97%
Business Parks	14.59%	51.95%	34.10%	14.00%	49.88%	32.10%
-100 Acres	14.59%	45.18%	30.63%	14.00%	43.37%	28.83%
100-500 Acres	14.95%	46.69%	33.13%	14.35%	47.71%	31.81%
500+ Acres	15.32%	51.95%	34.48%	14.70%	49.88%	33.74%
Industrial Parks	14.67%	43.84%	29.98%	14.08%	42.08%	28.84%
-100 Acres	14.67%	38.12%	27.05%	14.08%	36.59%	25.52%
100-500 Acres	15.04%	41.93%	29.20%	14.44%	40.25%	28.08%
500+ Acres	15.40%	43.84%	30.36%	14.79%	42.08%	28.63%

*3nd Quarter 2024 Data

Realty Rates Developers Survey 2024 Q4

California/Pacific Islands: Subdivisions & PUDs

	Actual Rates			Pro-Forma Rates		
	Min	Max	Avg	Min	Max	Avg
Site-Built Residential	17.52%	38.61%	26.04%	16.82%	37.06%	25.00%
-100 Units	17.52%	33.28%	24.89%	16.82%	31.95%	23.90%
100-500 Units	17.96%	36.61%	26.19%	17.24%	35.15%	25.15%
500+ Units	18.40%	38.27%	26.64%	17.66%	36.74%	25.57%
Mixed Use	18.84%	38.61%	26.42%	18.08%	37.06%	25.37%
Manufactured Housing	18.06%	42.18%	27.94%	17.34%	40.49%	26.82%
-100 Units	18.06%	36.68%	26.82%	17.34%	35.21%	25.75%
100-500 Units	18.51%	40.34%	28.25%	17.77%	38.73%	27.12%
500+ Units	18.97%	42.18%	28.74%	18.21%	40.49%	27.59%
Business Parks	18.04%	40.29%	27.08%	17.32%	38.68%	25.99%
-100 Acres	18.04%	35.04%	26.01%	17.32%	33.63%	24.97%
100-500 Acres	18.50%	38.54%	27.38%	17.76%	37.00%	26.28%
500+ Acres	18.95%	40.29%	27.84%	18.19%	38.68%	26.73%
Industrial Parks	18.15%	34.00%	24.28%	17.42%	32.64%	23.31%
-100 Acres	18.15%	29.56%	23.38%	17.42%	28.38%	22.44%
100-500 Acres	18.60%	32.52%	24.54%	17.86%	31.22%	23.56%
500+ Acres	19.05%	34.00%	24.93%	18.29%	32.64%	23.94%

*3nd Quarter 2024 Data

Realty Rates Developers Survey 2024 Q4

California/Pacific Islands: CA, Guam, HI

The survey above is primarily focused on raw land development; whereas, the subject property is analyzed herein as if improved (finished lot, or improved site, condition), which carries less risk. Furthermore, each implied IRR for the benchmark lot categories is at the lower end or below the minimum range presented by the RealtyRates California/Pacific Islands survey, which is skewed by higher rates in the Pacific Islands. Overall, the implied IRRs are considered to be reasonable considering the specifics of the subject property.

Conclusion

The land residual analysis is presented as follows:

Land Residual Analysis: Medium Density (RM) / 4,050 SF Lots

Semiannual (6 Months):	0	1	2	3	4	5	6	Total
ABSORPTION								
Sales		21	21	21	21	16	0	100
Close of Escrow (COE)		0	21	21	21	21	16	100
Unsold Inventory	100	79	58	37	16	0	0	
Sales Revenue (Before Appreciation)		$ 20,381,340	$ 20,381,340	$ 20,381,340	$ 20,381,340	$ 15,528,640	$ -	
Annual Appreciation Factor	0%	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	
Sales Revenue (After Appreciation)		$ 20,381,340	$ 20,381,340	$ 20,381,340	$ 20,381,340	$ 15,528,640	$ -	$ 97,054,000
Total Sales Revenue (at Close of Escrow)		**$ -**	**$ 20,381,340**	**$ 20,381,340**	**$ 20,381,340**	**$ 20,381,340**	**$ 15,528,640**	**$ 97,054,000**
EXPENSES AND CASH FLOWS								
General and Administrative	3.0%	$ (485,270)	$ (485,270)	$ (485,270)	$ (485,270)	$ (485,270)	$ (485,270)	$ (2,911,620)
Marketing and Sales	6.0%	$ -	$ (1,222,880)	$ (1,222,880)	$ (1,222,880)	$ (1,222,880)	$ (931,718)	$ (5,823,240)
Ad Valorem Taxes ($/unit/yr)	$4,228	$ (211,410)	$ (168,684)	$ (125,082)	$ (80,592)	$ (35,199)	$ -	$ (620,967)
Direct Charges ($/unit/yr)	$2,000	$ (100,000)	$ (79,790)	$ (59,166)	$ (38,121)	$ (16,650)	$ -	$ (293,727)
Special Taxes/Assessments ($/unit/yr)	$3,664	$ (183,188)	$ (146,166)	$ (108,385)	$ (69,833)	$ (30,500)	$ -	$ (538,072)
Homeowner's Association Fees ($/unit/mo)	$0	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Model Costs		$ (180,000)	$ -	$ -	$ -	$ -	$ -	$ (180,000)
Permits and Fees		$ (1,155,000)	$ (1,155,000)	$ (1,155,000)	$ (1,155,000)	$ (880,000)	$ -	$ (5,500,000)
Subtotal:		$ (2,314,868)	$ (3,257,790)	$ (3,155,783)	$ (3,051,697)	$ (2,670,499)	$ (1,416,988)	$(15,867,625)
Direct Construction Costs		$ (2,367,750)	$ (4,735,500)	$ (4,735,500)	$ (4,735,500)	$ (4,171,750)	$ (1,804,000)	
Annual Appreciation Factor	0%	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	
Direct Construction Costs (Appreciated)		$ (2,367,750)	$ (4,735,500)	$ (4,735,500)	$ (4,735,500)	$ (4,171,750)	$ (1,804,000)	$(22,550,000)
Indirect Construction Costs	10%	$ (236,775)	$ (473,550)	$ (473,550)	$ (473,550)	$ (417,175)	$ (180,400)	$ (2,255,000)
Subtotal:		$ (2,604,525)	$ (5,209,050)	$ (5,209,050)	$ (5,209,050)	$ (4,588,925)	$ (1,984,400)	$(24,805,000)
Total Expenses		**$ (4,919,393)**	**$ (8,466,840)**	**$ (8,364,833)**	**$ (8,260,747)**	**$ (7,259,424)**	**$ (3,401,388)**	**$(40,672,625)**
NET INCOME BEFORE DEVELOPER'S INCENTIVE		**$ (4,919,393)**	**$ 11,914,500**	**$ 12,016,507**	**$ 12,120,593**	**$ 13,121,916**	**$ 12,127,252**	**$ 56,381,375**
Developers Incentive	12.00%	$ -	$ (2,445,761)	$ (2,445,761)	$ (2,445,761)	$ (2,445,761)	$ (1,863,437)	$(11,646,480)
NET INCOME BEFORE DISCOUNTING		**$ (4,919,393)**	**$ 9,468,739**	**$ 9,570,746**	**$ 9,674,832**	**$ 10,676,155**	**$ 10,263,815**	**$ 44,734,895**
Present Value Factors								
Discount Rate	5.00%	0.97561	0.95181	0.92860	0.90595	0.88385	0.86230	
Discounted Cash Flow		$ (4,799,408)	$ 9,012,482	$ 8,887,389	$ 8,764,921	$ 9,436,165	$ 8,850,455	$ 40,152,005
Net Present Value (Rounded)								**$ 40,150,000**
							per unit:	$401,500
		$ (4,919,393)	$ 11,914,500	$ 12,016,507	$ 12,120,593	$ 13,121,916	$ 12,127,252	
Implied Internal Rate of Return (IRR)	16.679%	0.92303	0.85198	0.78640	0.72586	0.66999	0.61842	
	$ (40,150,000)	$ (4,540,726)	$ 10,150,875	$ 9,449,737	$ 8,797,904	$ 8,791,569	$ 7,499,725	$ (916)

Land Residual Analysis: Low Density (RL) / 6,000 SF Lots

Semiannual (6 Months):		0	1	2	3	4	5	6	7	Total
ABSORPTION										
Sales			18	18	18	18	18	10	0	100
Close of Escrow (COE)			0	18	18	18	18	18	10	100
Unsold Inventory	100		82	64	46	28	10	0	0	
Sales Revenue (Before Appreciation)			$ 22,060,800	$ 22,060,800	$ 22,060,800	$ 22,060,800	$ 22,060,800	$ 12,256,000	$ -	
Annual Appreciation Factor	0%		1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	
Sales Revenue (After Appreciation)			$ 22,060,800	$ 22,060,800	$ 22,060,800	$ 22,060,800	$ 22,060,800	$ 12,256,000	$ -	$ 122,560,000
Total Sales Revenue (at Close of Escrow)			**$ -**	**$ 22,060,800**	**$ 22,060,800**	**$ 22,060,800**	**$ 22,060,800**	**$ 22,060,800**	**$ 12,256,000**	**$ 122,560,000**
EXPENSES AND CASH FLOWS										
General and Administrative	3.0%		$ (525,257)	$ (525,257)	$ (525,257)	$ (525,257)	$ (525,257)	$ (525,257)	$ (525,257)	$ (3,676,800)
Marketing and Sales	6.0%		$ -	$ (1,323,648)	$ (1,323,648)	$ (1,323,648)	$ (1,323,648)	$ (1,323,648)	$ (735,360)	$ (7,353,600)
Ad Valorem Taxes ($/unit/yr)	$4,602		$ (230,102)	$ (190,571)	$ (150,226)	$ (109,054)	$ (67,045)	$ (24,184)	$ -	$ (771,182)
Direct Charges ($/unit/yr)	$2,000		$ (100,000)	$ (82,820)	$ (65,286)	$ (47,394)	$ (29,137)	$ (10,510)	$ -	$ (335,147)
Special Taxes/Assessments ($/unit/yr)	$5,334		$ (266,713)	$ (220,892)	$ (174,127)	$ (126,406)	$ (77,712)	$ (28,032)	$ -	$ (893,881)
Homeowner's Association Fees ($/unit/mo)	$0		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Model Costs			$ (200,000)		$ -	$ -	$ -	$ -	$ -	$ (200,000)
Permits and Fees			$ (1,260,000)	$ (1,260,000)	$ (1,260,000)	$ (1,260,000)	$ (1,260,000)	$ (700,000)	$ -	$ (7,000,000)
Subtotal:			$ (2,582,072)	$ (3,603,188)	$ (3,498,544)	$ (3,391,759)	$ (3,282,799)	$ (2,611,631)	$ (1,260,617)	$ (20,230,610)
Direct Construction Costs			$ (2,835,000)	$ (5,670,000)	$ (5,670,000)	$ (5,670,000)	$ (5,670,000)	$ (4,410,000)	$ (1,575,000)	
Annual Appreciation Factor	0%		1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	
Direct Construction Costs (Appreciated)			$ (2,835,000)	$ (5,670,000)	$ (5,670,000)	$ (5,670,000)	$ (5,670,000)	$ (4,410,000)	$ (1,575,000)	$ (31,500,000)
Indirect Construction Costs	10%		$ (283,500)	$ (567,000)	$ (567,000)	$ (567,000)	$ (567,000)	$ (441,000)	$ (157,500)	$ (3,150,000)
Subtotal:			$ (3,118,500)	$ (6,237,000)	$ (6,237,000)	$ (6,237,000)	$ (6,237,000)	$ (4,851,000)	$ (1,732,500)	$ (34,650,000)
Total Expenses			**$ (5,700,572)**	**$ (9,840,188)**	**$ (9,735,544)**	**$ (9,628,759)**	**$ (9,519,799)**	**$ (7,462,631)**	**$ (2,993,117)**	**$ (54,880,610)**
NET INCOME BEFORE DEVELOPER'S INCENTIVE			**$ (5,700,572)**	**$ 12,220,612**	**$ 12,325,256**	**$ 12,432,041**	**$ 12,541,001**	**$ 14,598,169**	**$ 9,262,883**	**$ 67,679,390**
Developers Incentive	15.00%		$ -	$ (3,309,120)	$ (3,309,120)	$ (3,309,120)	$ (3,309,120)	$ (3,309,120)	$ (1,838,400)	$ (18,384,000)
NET INCOME BEFORE DISCOUNTING			**$ (5,700,572)**	**$ 8,911,492**	**$ 9,016,136**	**$ 9,122,921**	**$ 9,231,881**	**$ 11,289,049**	**$ 7,424,483**	**$ 49,295,390**
Present Value Factors										
Discount Rate	5.00%		0.97561	0.95181	0.92860	0.90595	0.88385	0.86230	0.84127	
Discounted Cash Flow			$ (5,561,534)	$ 8,482,087	$ 8,372,378	$ 8,264,916	$ 8,159,638	$ 9,734,512	$ 6,245,959	$ 43,697,956
Net Present Value (Rounded)										**$ 43,700,000**
									per unit:	$437,000
			$ (5,700,572)	$ 12,220,612	$ 12,325,256	$ 12,432,041	$ 12,541,001	$ 14,598,169	$ 9,262,883	
Implied Internal Rate of Return (IRR)	19.725%		0.91023	0.82851	0.75414	0.68644	0.62481	0.56872	0.51767	
		$ (43,700,000)	$ (5,188,820)	$ 10,124,959	$ 9,294,935	$ 8,533,811	$ 7,835,793	$ 8,302,316	$ 4,795,095	$ (1,911)

Very Low Density Lots

The extraction analysis is employed to estimate the finished lot value of the Very Low Density lot size category. The extraction (residual) analysis 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 Very Low Density benchmark lot category has a typical lot size of 15,000 square feet. Based on a survey of the local Multiple Listing Service (MLS), we estimate a typical average-sized home on the subject would contain approximately 3,250 square feet and would have a corresponding base price of $1,275,000 ($392 per square foot). This estimate will be utilized in the extraction analysis.

Expense Projections

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.

Based on the cost comparables, and considering the product line under development, a direct cost estimate of $105.00 per square foot is applied to the 3,250 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 estimated to total $80,000 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 6.77% to 29.00%. 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.

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 14% for developer’s incentive.

Conclusion

Our estimates of finished lot value for the subject’s lots via the extraction analysis is presented on the as follows:

Extraction: Very Low Density (VL) / 15,000 SF Lots				
Revenue				
Average Floor Plan Size	3,250	SF		
Typical Home Price				$1,275,000
Expense Projections				
G & A Cost @	3.0%	of Retail Value	$38,250	
Marketing/Sales @	6.0%	of Retail Value	$76,500	
Average Direct Costs @	$105.00	/SF	$341,250	
Indirect Cost @	25.0%	of Direct Cost	$85,313	
Permits and Fees Due at BP	$80,000	/Lot	$80,000	
Developer's Incentive	14%	of Home Price	$178,500	
				$799,813
			Residual Lot Value:	$475,188
			Rounded:	$475,000

As support for the estimate of finished lot value concluded in the extraction analysis, we will utilize the sales comparison approach for the individual retail value of the Very Low Density lots. The underlying premise of the sales comparison approach is the market value of a property is directly related to the price of comparable, competitive properties in the marketplace. In the sales comparison approach, the market value of the subject lots will be estimated by a comparison to similar properties that have recently sold, are listed for sale or are under contract.

Due to the limited amount of recent retail lot sales in the subject’s immediate area, we expanded our search parameters to include properties throughout surrounding counties, including Stanislaus, Solano, Contra Costa, and Sacramento Counties. The comparable sales analyzed represent the most recent transactions considered reasonably similar to the subject property.

Retail Lot Sales: Very Low Density (VL) / 15,000 SF Lots

No.	Address	Contract Date	Sale Price	Close of Escrow	Lot Size	Comments
1	1170 Green Gables Court, Concord (APN 130-150-027-6)	2/13/2025	$405,950	3/17/2025	12,880	Court location in a developed neighborhood. All utilities nearby.
2	709 Oreno Circle, Folsom (APN 072-3280-004)	12/9/2024	$463,000	1/15/2025	10,380	Original list price was reduces for a quick sale (original list price $499,900). Flat lot located in the Lakeview Oaks subdivision, a gated community.
3	419 Cose Lane, Tracy (APN 248-690-050)	5/15/2024	$365,000	7/1/2024	11,264	Private cul-de-sac lot in Glenbriar Estates. Sewer, water, and utilities connected to the lot. Previous owner to the seller submitted plans to the city of Tracy for approval.
4	Camelia Drive, Tracy (APN 214-080-420)	4/5/2024	$345,000	4/8/2024	16,021	None
5	Saranap Avenue, Lafayette (APN 185-390-046)	3/18/2024	$425,000	6/5/2024	16,196	Features Mount Diablo views and in close proximity between Lafayette and downtown Walnut Creek. Located in the Acalanes School District.
6	1961 Risdon Road, Concord (APN 147-341-064-3)	1/3/2024	$440,000	1/23/2024	10,890	Approved architectural and structural plans and a building permit from the City of Concord. Ready to build opportunity: 2,300+ SF, 4 bedroom/2.5 bath single family home and 2-car garage. Current water connection plus permit for sewer connection.
7	418 Cose Lane, Tracy (APN 248-690-060)	5/18/2022	$366,000	5/20/2022	12,206	Private cul-de-sac lot in Glenbriar Estates. Sewer, water, and utilities connected to the lot. No plans were submitted to the City. Listing agent noted Seller would only consider offers at or above $370,000.
8	419 Cose Lane, Tracy (APN 248-690-050)	3/2/2022	$345,000	4/6/2022	11,264	Private cul-de-sac lot in Glenbriar Estates. Sewer, water, and utilities connected to the lot. Seller submitted plans to the city of Tracy for approval.
9	418 Cose Lane, Tracy (APN 248-690-060)	Listing	$425,000	Listing	12,206	Private cul-de-sac lot in Glenbriar Estates. Sewer, water, and utilities connected to the lot.
	Minimum		*$345,000*		*10,380*	
	Maximum		*$463,000*		*16,196*	
	Average		*$397,772*		*12,590*	

Sales 3 and 8 represent two sales of the same residential lot; Sale 3 corresponds to the most recent sale of the lot in May 2024, which was approximately 5.80% higher than the previous March 2022 sale (Sale 8). Similarly, Sale 9 is the current listing of a residential lot on the same street as Sale 3/Sale 8, and most recently sold in May 2022 (Sale 7). Based on the prior sale price of $366,000, utilizing a similar price appreciate rate as indicated by Sale 3/Sale 8, it is reasonable for the current listing to sell between $387,217 ($366,000 x 5.80%) and the current list price, $425,000.

Overall, the comparable retail lot sales suggest a market value within the range of $345,000 and $463,000. The subject lots are part of a new community within Mountain House and represent the largest lot offering within the immediate market area. Further, as a new community, the subject lots benefit from new public infrastructure and park systems. Considering the specifics of the subject, a finished lot value for the Very Low Density lots towards the upper end of the range or $425,000 is considered reasonable.

Reconciliation of Lot Value

The concluded estimates of lot value via each approach are shown on the following table.

In our opinion the land residual analysis is primarily a supportive indicator for the results of sales comparison approach for the Medium Density and Low Density benchmark lot size categories. For the Very Low Density lot size category, both the extraction analysis and sales comparison approach are considered to be good indicators of value, but primary emphasis is given to the extraction analysis. We conclude a finished lot value as follows:

Reconciliation of Finished Lot Value

Lot Size Categories	Medium Density (RM)		Low Density (RL)		Very Low Density (VL)	
Sales Comparison Approach	$430,000	per finished lot	$470,000	per finished lot	$425,000	per finished lot
Land Residual Analysis	$401,500	per finished lot	$437,000	per finished lot	N/A	
Extraction Analysis	N/A		N/A		$475,000	per finished lot
% Difference	7.10%		7.55%		-10.53%	
Average	$415,750		$453,500		$450,000	
Concluded Finished Lot Value	$430,000	per finished lot	$470,000	per finished lot	$475,000	per finished lot

The subject has additional lot categories with varying lot sizes. The details of each lot category are shown in the following table. 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 $15.00 per square foot of difference in lot area is applied to the benchmark lot values. In the following table, adjustments for differences in lot size are made to the above-concluded benchmark typical lot and applied to the subject's additional lot size categories.

Conclusion of Finished Lot Value

Lot Size (SF)		Benchmark Lot Value	Lot Size Adjustment	**Adjusted Finished Lot Value (Rounded)**
3,600 (RM)		$430,000	($6,750)	**$423,000**
3,825 (RM)		$430,000	($3,375)	**$427,000**
4,050 (RM)	Benchmark	$430,000		**$430,000**
4,320 (RM)		$430,000	$4,050	**$434,000**
4,500 (RM)		$430,000	$6,750	**$437,000**
5,000 (RL)		$470,000	($15,000)	**$455,000**
5,500 (RL)		$470,000	($7,500)	**$463,000**
6,000 (RL)	Benchmark	$470,000		**$470,000**
6,500 (RL)		$470,000	$7,500	**$478,000**
7,000 (RL)		$470,000	$15,000	**$485,000**
7,500 (RL)		$470,000	$22,500	**$493,000**
15,000 (VL)	Benchmark	$475,000		**$475,000**

High Density Residential Land Valuation

The subject's multifamily residential land component is summarized in the table below.

Multifamily Component Summary

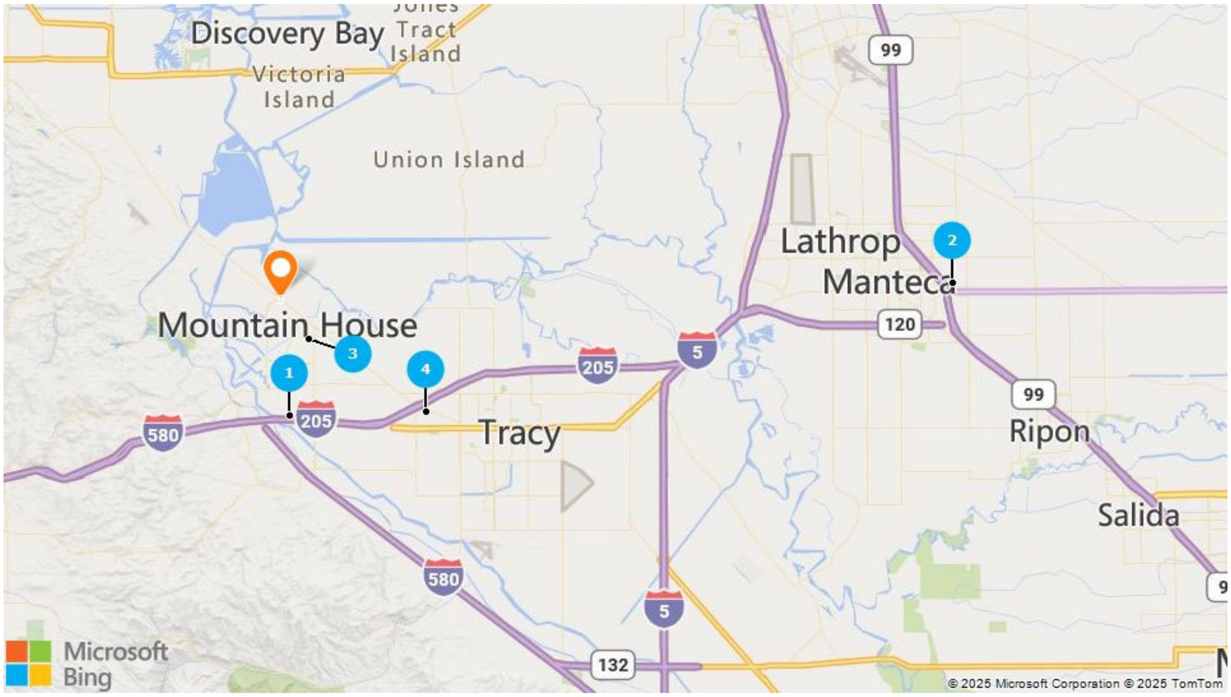
Village	Tract ID	No. of Units	Land Area	Density (Units/Acre)
K	K1	76	3.8	20.00
K	K2	135	11.2	12.05
K	K3	53	4.4	12.05
K	K4	104	5.2	20.00
I	I13	89	7.4	12.03
I	I14	96	8.0	12.00
L	L9	120	10.0	12.00
L	L10	286	19.0	15.05
L	L11	52	2.6	20.00
L	L12	48	4.0	12.00
L	L13	72	3.6	20.00
	Minimum	*48*	*2.6*	*12.00*
	Maximum	*286*	*19.0*	*20.00*
	Average	*103*	*7.2*	*15.20*

In the following table, we have arrayed comparable multifamily land sales that have occurred in the subject's market area and similar surrounding areas. For this analysis, we use price per unit as the appropriate unit of comparison because market participants typically compare sale prices and property values on this basis. The most relevant sales are summarized in the following table.

Summary of Comparable Land Sales

No.	Name/Address	Sale Date; Status	Sale Price	SF; Acres	Zoning	$/Unit
1	215 E Central Pkwy Site 215 E. Central Pky. Tracy San Joaquin County CA	May-22 Closed	$9,800,000	737,035 16.92	RH	$28,994
	Comments: Sale of a vacant site zoned for multifamily use. Buyer purchased with the intent of developing a 330-unit multifamily property in the future. The site sold without any entitlements. Timing of development was not known.					
2	339 Pestana Ave Manteca San Joaquin County CA	Feb-22 Closed	$1,300,000	136,778 3.14	R-3	$22,034
	Comments: Sale of 3.14 acres of vacant land zoned for multifamily residential development. The site allows for a maximum of 75 residential units. As of the date of sale, the site had a tentative map in place for 59 townhomes					
3	Mountain House Apartments Site 111 S. De Anza Blvd. Tracy San Joaquin County CA	Aug-21 Closed	$14,500,000	662,112 15.20	RH	$47,697
	Comments: Sale of a vacant site approved for development of a 304-unit Class A apartment property. The sale represent an off-market transaction where the buyer approaced the seller.					
4	3030 W Byron 3030 W. Byron Rd. Tracy San Joaquin County CA	Jan-20 Closed	$500,000	44,867 1.03	MDR	$41,667
	Comments: Sale of a vacant site zoned MDR for medium density residential. No entitlements were in place as of the date of sale. Zoning allows up to 12 units per acre.					

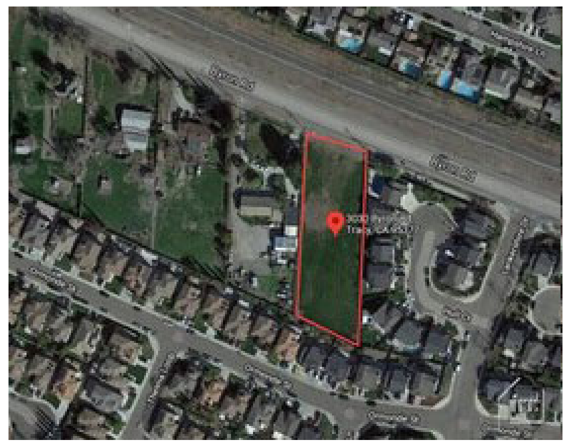
Comparable Land Sales Map



Sale 1
215 E Central Pkwy Site

Sale 2
339 Pestana Ave

Sale 3
Mountain House Apartments Site



Sale 4
3030 W Byron

Transactional Adjustments

Real Property Rights Conveyed

The opinion of value in this report is based on a fee simple estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power and escheat, as well as non-detrimental easements, community facility districts, and conditions, covenants and restrictions (CC&Rs). All the comparables represent fee simple estate transactions. Therefore, adjustments for property rights are not necessary.

Financing Terms

In analyzing the comparables, it is necessary to adjust for financing terms that differ from market terms. Typically, if the buyer retained third-party financing (other than the seller) for the purpose of purchasing the property, a cash price is presumed and no adjustment is required. However, in instances where the seller provides financing as a debt instrument, a premium may have been paid by the buyer for below-market financing terms, or a discount may have been demanded by the buyer if the financing terms were above market. The premium or discounted price must then be adjusted to a cash equivalent basis. The comparable sales represented cash-to-seller transactions and, therefore, do not require adjustment.

Conditions of Sale

Adverse conditions of sale can account for a significant discrepancy from the sale price actually paid, compared to that of the market. This discrepancy in price is generally attributed to the motivations of the buyer and the seller. Certain conditions of sale are considered non-market and may include the following:

- a seller acting under duress (e.g., eminent domain, foreclosure);
- buyer motivation (e.g., premium paid for assemblage, certain 1031 exchanges);
- a lack of exposure to the open market;
- an unusual tax consideration;
- a sale at legal auction.

None of the comparable sales had atypical or unusual conditions of sale. Thus, adjustments are not necessary.

Expenditures Made Immediately After Purchase

This category considers expenditures incurred immediately after the purchase of a property. There were no issues of deferred maintenance reported for any of the properties. No adjustments are required for expenditures after sale.

Market Conditions

A market conditions adjustment is applied when market conditions at the time of sale differ from market conditions as of the effective date of value. Adjustments can be positive when prices are rising, or negative when markets are challenged by factors such as a deterioration of the economy or adverse changes in supply and/or demand in the market area. Consideration must also be given to when the property was placed under contract, versus when the sale actually closed.

In evaluating market conditions, changes between the comparable sale date and the effective date of this appraisal may warrant adjustment; however, if market conditions have not changed, then no adjustment is required.

Market conditions for multifamily land has been relatively stable in recent periods; however, downward adjustments are considered necessary for Sales 3 and 4 which transferred prior to 2022.

Property Adjustments

Location

Factors considered in evaluating location include, but are not limited to, demographics, growth rates, surrounding uses and property values.

Sales 1, 3 and 4 have similar locations in Mountain House and Tracy as the subject and do not require adjustment. Sale 2 is located in an area with lower achievable rents than the subject's location and is adjusted upward for its inferior location.

Access/Exposure

Convenience to transportation facilities, ease of site access, and overall visibility of a property can have a direct impact on property value. High visibility, however, may not translate into higher value if it is not accompanied by good access. In general, high visibility and convenient access, including proximity to major linkages, are considered positive amenities when compared to properties with inferior attributes.

All comparables have similar access/exposure as the subject and do not require adjustment.

Size

Due to economies of scale, on a price per unit basis, larger properties tend to sell for a higher price per unit when compared to smaller properties, all else being equal.

Typically, to account for the inverse relationship that often exists between parcel size and unit value, comparables are adjusted downward when smaller and vice versa. However, in this case, the size of Sale 4 makes development into a multifamily property more cost prohibitive as it is cheaper per unit to develop larger projects. In other words, developers will often pay more for a larger site (up to a point) than for a small site when developing a multifamily project. As such, this comparable is adjusted slightly downward for size.

Density

The subject's multifamily land is proposed for development at approximately 12.0 or 20.0 units per acre. All of the comparables are similar to the subject and no adjustments for this element of comparison is warranted.

Shape and Topography

This category accounts for the shape of the site influencing its overall utility and/or development potential, as well as the grade of the land. All of the comparables are similar to the subject.

Zoning

This element of comparison accounts for government regulations that can affect the types and intensities of uses allowable on a site. Moreover, this category includes considerations such as allowable density or floor area ratio, structure height, setbacks, parking requirements, landscaping, and other development standards.

Each of the comparables allow for multifamily development and no differences besides density must be accounted for. As density was previously adjusted for, no further adjustments are warranted.

Entitlements

Entitlements consist of the specific level of governmental approvals attained pertaining to development of a site, which can include a bonus density or conditional use permit (CUP) that allows for uses not typically permitted under standard zoning.

Sales 2 and 3 were sold entitled and have been adjusted downward. Sales 1 and 4 were unentitled, like the subject, and do not require adjustment.

Adjustments Summary

The sales are compared to the subject and adjusted to account for material differences that affect value. The following table summarizes the adjustments applied to each sale.

Land Sales Adjustment Grid

	Subject	Comparable 1	Comparable 2	Comparable 3	Comparable 4
Address	Byron Rd.	215 E. Central Pky.	339 Pestana Ave.	111 S. De Anza Blvd.	3030 W. Byron Rd.
City	Mountain House	Tracy	Manteca	Tracy	Tracy
County	San Joaquin	San Joaquin	San Joaquin	San Joaquin	San Joaquin
State	California	CA	CA	CA	CA
Sale Date		May-22	Feb-22	Aug-21	Jan-20
Sale Status		Closed	Closed	Closed	Closed
Sale Price		$9,800,000	$1,300,000	$14,500,000	$500,000
Acres	2.6 - 19.0	16.92	3.14	15.20	1.03
Number of Units	48 - 286	338	59	304	12
Units Per Acre	12.0 or 20.0	19.98	18.79	20.00	11.65
Price per Unit		**$28,994**	**$22,034**	**$47,697**	**$41,667**
Property Rights		Fee Simple	Fee Simple	Fee Simple	Fee Simple
Ranking		–	–	–	–
Financing Terms		Cash to seller	Cash to seller	Cash to seller	Cash to seller
Ranking		–	–	–	–
Conditions of Sale		Arm's-length	Arm's-length	Arm's-length	Arm's-length
Ranking		–	–	–	–
Expenditures Made Immediately After Purchase		None	None	None	None
Ranking		–	–	–	–
Market Conditions	4/4/2025	May-22	Feb-22	Aug-21	Jan-20
Ranking		–	–	Superior	Superior
Location		–	Very Inferior	–	–
Access/Exposure		–	–	–	–
Size		–	–	–	Superior
Density		–	–	–	–
Shape and Topography		–	–	–	–
Zoning		–	–	–	–
Entitlements		–	Superior	Superior	–
Overall Ranking		**Similar**	**Inferior**	**Very Superior**	**Very Superior**

Value Indication

Prior to adjustment, the sales reflect a range of $22,038 - $47,697 per unit. Following adjustments, a conclusion lower than Sales 3 and 4, higher than Sale 2, and similar to Sale 1 is considered reasonable. Thus, a value conclusion slightly higher than Sale 1 is concluded as follows:

Ranking Analysis and Reconciliation

Comparable No.	Overall Comparability	Price per Unit	Estimated Value
2	Inferior	$22,034	
1	Similar	$28,994	
Subject			–
4	Very Superior	$41,667	
3	Very Superior	$47,697	
Estimated Unit Value			$30,000

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. A summary of the ownership group holdings along with the current development status is provided in the following table.

Appraised Property Summary by Ownership

Owner / Builder	Village	Project Name	Tract No. / Tract ID	Product Type	Lot Size	No. of Units	Estimated Opening Date	Multifamily Units	Unimproved SFR Lots	Finished SFR Lots	SFR Lots with Homes Under Construction	SFR Lots with Compeleted Homes
Century Communities	K	Malana	3926	Detached / All Age	3,600 (RM)	**61**	Aug-25	--	--	61	--	--
Century Communities	J	Lotus	3974	Detached / All Age	3,825 (RM)	**87**	Oct-25	--	--	87	--	--
Subtotal						***148***		--	--	*148*	--	--
Rurka Capital, LLC	J	Alserio	3973-74	Detached / All Age	5,500 (RL)	**74**	Apr-25	--	--	74	--	--
Rurka Homes	J	Bolsena	3974	Detached / All Age	5,000 (RL)	**89**	Aug-25	--	--	89	--	--
	K	TBD	3926	Detached / All Age	4,050 (RM)	**27**	Feb-26	--	--	27	--	--
Subtotal						***190***		--	--	*190*	--	--
Taylor Morrison	J	Silverleaf	3975	Detached / All Age	5,500 (RL)	**87**	May-25	--	--	87	--	--
Taylor Morrison	J	Trailview	3975	Detached / All Age	6,000 (RL)	**116**	May-25	--	--	116	--	--
Subtotal						***203***		--	--	*203*	--	--
Richmond American	K	Belleza	3926	Detached / All Age	4,050 (RM)	**55**	Aug-25	--	--	55	--	--
Richmond American												
Subtotal						***55***		--	--	*55*	--	--
Lennar	J	Lugano	3968, 69, 71	Detached / All Age	4,050 (RM)	**134**	Feb-25	--	--	105	27	2
Lennar	J	Maggiore	3968-71	Detached / All Age	5,000 (RL)	**113**	Feb-25	--	--	84	27	2
	J	Mezzano	3968, 70, 72	Detached / All Age	5,500 (RL)	**126**	Apr-25	--	--	102	22	2
	J	Turano	3968, 3972	Detached / All Age	6,000 (RL)	**130**	Feb-25	--	--	106	22	2
Subtotal						***503***		--	--	*397*	*98*	*8*
Mountain House Developers, LLC	K	--	3927	Detached / All Age	4,050 (RM)	**87**	--	--	87	--	--	--
Master Developer	K	--	3929	Detached / All Age	4,320 (RM)	**107**	--	--	107	--	--	--
	K	--	3928, 3929, 3933	Detached / All Age	5,000 (RL)	**233**	--	--	233	--	--	--
	K	--	3927, 3930, 3932	Detached / All Age	6,000 (RL)	**154**	--	--	154	--	--	--
	K	--	3931	Detached / All Age	6,500 (RL)	**71**	--	--	71	--	--	--
	I	--	4101, 4191, 4194 / I4, I7, I9	Detached / All Age	4,500 (RM)	**287**	--	--	287	--	--	--
	I	--	4193, 4195, 4202 / I5, I8, I12	Detached / All Age	5,000 (RL)	**295**	--	--	295	--	--	--
	I	--	4192, 4196, 4200 / I3, I6, I11	Detached / All Age	6,000 (RL)	**267**	--	--	267	--	--	--
	I	--	4197, 4199 / I2, I10	Detached / All Age	7,000 (RL)	**154**	--	--	154	--	--	--
	I	--	4198 / I1	Detached / All Age	7,500 (RL)	**119**	--	--	119	--	--	--
	I	--	4203 / I15	Detached / All Age	15,000 (VL)	**5**	--	--	5	--	--	--
	L	--	TBD / L5	Detached / All Age	4,050 (RM)	**90**	--	--	90	--	--	--
	K	--	K1	Multifamily / All Age	--	**76**	--	76	--	--	--	--
	K	--	K2	Multifamily / All Age	--	**135**	--	135	--	--	--	--
	K	--	K3	Multifamily / All Age	--	**53**	--	53	--	--	--	--
	K	--	K4	Multifamily / All Age	--	**104**	--	104	--	--	--	--
	I	--	I13	Multifamily / All Age	--	**89**	--	89	--	--	--	--
	I	--	I14	Multifamily / All Age	--	**96**	--	96	--	--	--	--
	L	--	L9	Multifamily / All Age	--	**120**	--	120	--	--	--	--
	L	--	L10	Multifamily / All Age	--	**286**	--	286	--	--	--	--
	L	--	L11	Multifamily / All Age	--	**52**	--	52	--	--	--	--
	L	--	L12	Multifamily / All Age	--	**48**	--	48	--	--	--	--
	L	--	L13	Multifamily / All Age	--	**72**	--	72	--	--	--	--
						3,000		*1,131*	*1,869*	*0*	*0*	*0*
TOTAL						**4,099**		**1,131**	**1,869**	**993**	**98**	**8**

In light of the fact the merchant builders possess 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.

As shown in the table above, the majority of the lots held by the merchant builders are finished. However, as previously discussed, information provided by Lennar indicates their 503 lots have $43,777,791 in development costs to complete which is allocated evenly amongst the Lennar lots exclusively, assumed net of the other infrastructure/public improvement reimbursements (the Community Facilities Fee reimbursement, the Traffic Improvement Fee reimbursement, and the Wet Utility Program reimbursement). Lennar also is the only merchant builder with lots with homes completed and/or under construction. Therefore, in addition to completed homes, permits and impact fees have been paid for homes under construction. These fees add dollar for dollar to each project's value and are included in the value by ownership.

The following table summarizes the market value by ownership for the merchant builders.

Market Value by Ownership

Lot Size (SF)	No. of Units	Finished Lot / Home Value	Remaining Site Development Costs	Profit @ 5% of Remaining Costs	Permits and Fees	Lot Value As Is (Rounded)	Extension	
Century Communities								
Finished SFR Lots								
3,600 (RM)	61	$423,000				$423,000	$ 25,803,000	
3,825 (RM)	87	$427,000				$427,000	$ 37,149,000	
TOTAL	**148**						**$ 62,952,000**	
Rurka Capital, LLC								
Finished SFR Lots								
5,500 (RL)	74	$463,000				$463,000	$ 34,262,000	
5,000 (RL)	89	$455,000				$455,000	$ 40,495,000	
4,050 (RM)	27	$430,000				$430,000	$ 11,610,000	
TOTAL	**190**						**$ 86,367,000**	
Taylor Morrison								
Finished SFR Lots								
5,500 (RL)	87	$463,000				$463,000	$ 40,281,000	
6,000 (RL)	116	$470,000				$470,000	$ 54,520,000	
TOTAL	**203**						**$ 94,801,000**	
Richmond American								
Finished SFR Lots								
4,050 (RM)	55	$430,000				$430,000	$ 23,650,000	
TOTAL	**55**						**$ 23,650,000**	
Lennar								
Finished SFR Lots								
4,050 (RM)	105	$430,000	($87,033)	($4,352)		$339,000	$ 35,595,000	
5,000 (RL)	84	$455,000	($87,033)	($4,352)		$364,000	$ 30,576,000	
5,500 (RL)	102	$463,000	($87,033)	($4,352)		$372,000	$ 37,944,000	
6,000 (RL)	106	$470,000	($87,033)	($4,352)		$379,000	$ 40,174,000	
	397						$ 144,289,000	
SFR Lots with Homes Under Construction								
4,050 (RM)	27	$430,000	($87,033)	($4,352)	$55,000	$394,000	$ 10,638,000	
5,000 (RL)	27	$455,000	($87,033)	($4,352)	$70,000	$434,000	$ 11,718,000	
5,500 (RL)	22	$463,000	($87,033)	($4,352)	$70,000	$442,000	$ 9,724,000	
6,000 (RL)	22	$470,000	($87,033)	($4,352)	$70,000	$449,000	$ 9,878,000	
	98						$ 41,958,000	
SFR Lots with Completed Homes								
4,050 (RM)	2	$905,000	($87,033)	($4,352)		$814,000	$ 1,628,000	(Not-Less-Than)
5,000 (RL)	2	$1,045,000	($87,033)	($4,352)		$954,000	$ 1,908,000	(Not-Less-Than)
5,500 (RL)	2	$1,025,000	($87,033)	($4,352)		$934,000	$ 1,868,000	(Not-Less-Than)
6,000 (RL)	2	$1,150,000	($87,033)	($4,352)		$1,059,000	$ 2,118,000	(Not-Less-Than)
	8						$ 7,522,000	
TOTAL	**503**						**$ 193,769,000**	

In order to estimate the market value of the master developer's holdings (Mountain House Developers, LLC), a discounted cash flow analysis will be employed; whereby, the expected revenue, absorption period, expenses and internal rate of return associated with the sell-off of the holdings will be taken into account. In this method of valuation, the Subdivision Development Method, the appraiser/analyst specifies the quantity, variability, timing and duration of the revenue streams and discounts each to its present value at a specified yield rate.

As a discounted cash flow analysis, the subdivision development method consists of four primary components summarized as follows:

Revenue – the gross income is based on the individual component values.

Absorption Analysis – the time frame required for sell off. Of primary importance in this analysis is the allocation of the revenue over the absorption period – including the estimation of an appreciation factor (if any).

Expenses – the expenses associated with the sell-off are calculated in this section – including infrastructure costs, administration, marketing and commission costs, as well as ad valorem taxes and special taxes.

Discount Rate – an appropriate internal rate of return is derived employing a variety of data.

Discussions of these four concepts follows below, with the discounted cash flow analysis offered at the end of this section.

Revenue

The revenue component associated with the subject includes the concluded lot value for the different single-family residential lot size categories within the development, as well as the high-density residential components. The value conclusion is based on the lots in an as finished state and therefore remaining development costs will be accounted for within the expenses. The revenue is summarized in the following table.

Discounted Cash Flow Revenue: Master Developer

Land Use Component	Lot Size (SF)	No. of Lots / Units	Value per Lot / Unit	Extension
Single Family Lots	3,600 (RM)	0	$423,000	$ -
	3,825 (RM)	0	$427,000	$ -
	4,050 (RM)	177	$430,000	$ 76,110,000
	4,320 (RM)	107	$434,000	$ 46,438,000
	4,500 (RM)	287	$437,000	$ 125,419,000
	5,000 (RL)	528	$455,000	$ 240,240,000
	5,500 (RL)	0	$463,000	$ -
	6,000 (RL)	421	$470,000	$ 197,870,000
	6,500 (RL)	71	$478,000	$ 33,938,000
	7,000 (RL)	154	$485,000	$ 74,690,000
	7,500 (RL)	119	$493,000	$ 58,667,000
	15,000 (VL)	5	$475,000	$ 2,375,000
Single Family Subtotal		**1,869**	**$ 457,864**	**$ 855,747,000**
Multifamily Properties		1,131	$30,000	$ 33,930,000
Multifamily Subtotal		**1,131**	**$ 30,000**	**$ 33,930,000**
TOTAL				**$ 889,677,000**

Absorption

A number of assumptions are made in the discounted cash flow analysis, not the least of which is the forecast of absorption, or disposition, of the residential land use components comprising the subject property. It is common for surveys of market participants to reveal different estimations of anticipated absorption periods for the sell-off of multiple components comprising a master planned development, with some developers preferring to hasten the holding period in favor of mitigating exposures to fluctuations in market conditions; whereas, other developers prefer to manage the sell-off of the property over an extended period of time so as to minimize direct competition of product within the master planned project.

Absorption rates are best measured by looking at historic absorption rates for similar properties in the region. In developing an appropriate absorption period for the disposition of the parcels, we have considered historic absorption rates for similar properties and also attempted to consider the impacts of present market conditions, as well as the anticipated changes in the market. Real estate is cyclical in nature, and it is difficult to accurately forecast specific demand over a projected absorption period.

In attempting to estimate the exposure time that would be required for the disposition of the lots comprising the subject, both historical exposure times and projected economic conditions have been considered. A number of assumptions are made in the discounted cash flow analysis, not the least of which is the forecast of absorption, or disposition, of the various land use components comprising the subject properties. It is common for surveys of market participants to reveal different estimations of anticipated absorption periods for the sell-off of multiple components comprising a master planned development, or large land holding, with some developers preferring to hasten the holding period in favor of mitigating exposures to fluctuations in market conditions; whereas, other developers prefer to manage the sell-off of the property over an extended period of time so as to minimize direct competition of product within the master planned project – most often associated with large residential developments.

In the analysis that follows, we estimate a total absorption (sell-off) period of six years for the holdings. The revenue will be evenly distributed over the sell-off period.

Expense Projections

General and Administrative

The general and administrative expense category covers the various administrative costs associated with managing the overall development. This would include management, legal and accounting fees and other professional services common to a development project. For purposes of this analysis, we have estimated this expense at 2.0% of the total gross sale proceeds. This expense is spread evenly over the entire sellout period.

Marketing and Sale

The costs associated with marketing, commissions and closing costs relative to the disposition of the subjects' components are estimated at 2.0% of the total gross sale proceeds. Although this rate is somewhat negotiable, it is consistent with current industry trends. Larger transactions, such as the subject, typically have a lower sales commission as a percentage of sale price.

Property Taxes (Ad Valorem and Special Taxes)

This appraisal is predicated on, and assumes, a sale of the appraised property in bulk. Interim ad valorem real estate taxes are based on a tax rate of 1.053100%. This rate is applied to the estimated market value (in bulk) and divided by the total number of lots to yield an estimate of ad valorem taxes/lot/year. The ad valorem taxes are appreciated by 2% per year and the total tax expense is gradually reduced over the absorption period, as the land components are sold off.

The subject is within the boundary of the Mountain House CFD No. 2024-1 (Public Facilities and Services) and the Lammersville Joint USD CFD No. 2024-1 (Mountain House School Facilities). Special taxes are not levied on undeveloped properties and are therefore not considered in this analysis. As parcels are sold off, the Special Tax obligations will be assumed by the buyer. The purpose of this analysis is to estimate the market value of the underlying land, which serves as the collateral to the Bond issuance. As components of the appraised properties are sold off in this analysis, the balance of the Special Tax obligations necessary to service the debt associated with the bonds are presumed to be collected from the new owners (buyers of the various land parcels) in the CFD. Direct costs are nominal and excluded.

The total tax expense is gradually reduced over the absorption period, as the land components are sold off.

Remaining Site Development Costs

The major infrastructure costs provided are estimates for the entire development by phase, but service the entire master planned community as improvements are to be oversized to accommodate future development. This leads to an increased development cost up front relative to the remaining improvement areas, which is typical for an initial phase of a large development. Typically, when there are multiple ownership groups, a cost sharing agreement is utilized to reimburse the developer of early phases for the cost of oversizing that benefit later improvement areas. Therefore, the major infrastructure costs are allocated as applicable based on a pro rata share of the entire community of 3,642 lots (956 lots in Neighborhood J, 795 lots in Neighborhood K, 1,127 in Neighborhood I and 764 lots in Neighborhood L).

It is noted, there are other infrastructure/public improvement reimbursement programs the master developer will benefit from which total approximately $40,950 per lot (the Community Facilities Fee reimbursement, the Traffic Improvement Fee reimbursement, and the Wet Utility Program reimbursement). According to the master developer, reimbursement of certain infrastructure/public improvement costs spent will be recovered at various milestones of the development process, exact timing in which all reimbursements will be received is dependent on future development and unknown at this time. We are aware of transactions of master plan communities with similar fee credits/reimbursements that transferred with land, for which the buyer and seller agreed at fifty cents on the dollar of the credits/reimbursements upon transfer of the lots. Therefore, for the purposes of the analysis herein, we have accounted for these future reimbursements consistent with known market transactions (50% of the cost amount).

The master developer's holdings are within Villages K, I and L. Minimal horizontal improvements have been completed in Villages I and L, as well as the master developer portion of Village K lots.

As previously discussed, Village K comprises a total of 795 lots, of which 143 lots are finished and the remaining 652 lots are remaining to be improved. Based on information provided by the master developer, costs associated with the remaining 652 lots to be improved in Village K are summarized as follows:

Village K Cost Calculation

		Remaining Lots
No. of Lots		652
Budgeted Development Costs	$152,037 per lot	$99,128,155
Spent to Date	($18,726) per lot	($12,209,610)
Remaining Development Costs		$86,918,545
Other Reimbursements	($27,673) per lot	($18,042,767)
Net Remaining Development Costs		$68,875,778
		$105,638 per lot

According to the master developer, development costs are summarized in the following table.

Development Costs

	Budgeted Costs	Spent to Date	Other Reimbursements	Remaining Costs
Village J*	N/Ap	N/Ap	N/Ap	$43,777,791 *$87,033 per lot*
Village K**	N/Ap	N/Ap	N/Ap	$68,875,778 *$105,638 per lot*
Village I 1,127 Lots	$163,489,437 *$192,525 per lot*	($6,402,106) *($30,604) per lot*	($43,000,000) *($38,154) per lot*	$114,087,331 *$101,231 per lot*
Village L*** 90 Lots	$17,867,295 *$198,526 per lot*	($46,728) *($519) per lot*	($5,301,047) *($58,901) per lot*	$12,519,520 *$139,106 per lot*

* Village J comprises a total of 956 single-family lots, of which Lennar owns 503 lots. Lennar has reported they have $43,777,791 left in development cost exclusive to their 503 lots (assumed net of other reimbursements).

** Village K comprises 143 finished lots and 652 lots remaining to be improved; net remaining costs of $73,568,845 are exclusive to the 652 lot remaining to be improved.

*** Village L comprises a total of 764 lots; however, only 90 lots are taxable (674 units are age-restricted and not taxable; thus, not included in this appraisal report).

For this analysis, all the remaining costs, excluding Village J, are considered and total $195,482,629 ($68,875,778 + $114,087,331 + $12,519,520).

Internal Rate of Return

The project yield rate is the rate of return on the total un-leveraged investment in a development, including both equity and debt. The leveraged yield rate is the rate of return to the "base" equity position when a portion of the development is financed. The "base" equity position represents the total equity contribution. The developer/builder may have funded all of the equity contribution, or a consortium of investors/builders as in a joint venture may fund it. Most surveys indicate that the threshold project yield requirement is about 20% to 30% for production home type projects. Instances in which project yields may be less than 20% often involve profit participation arrangements in master planned communities where the master developer limits the number of competing tracts.

According to a leading publication within the appraisal industry, the PwC Real Estate Investor Survey[1], discount rates for land development projects ranged from 12.00% to 30.00%, with an average of 17.00% during the Fourth Quarter 2024, which is 213 basis points lower than six months ago, and assumes entitlements are in place. Without entitlements in place, certain investors will increase the discount rate an average of 125 basis points.

According to the data presented in the survey prepared by PwC, the majority of those respondents who use the discounted cash flow (DCF) method do so free and clear of financing. Additionally, the participants reflect a preference in including the developer’s profit in the discount rate, versus a separate line item for this factor. As such, the range of rates presented above is inclusive of the developer’s profit projection.

The discount rates are based on a survey that includes residential, office, retail and industrial developments. Participants in the survey indicate the highest expected returns are on large-scale, unapproved developments. The low end of the range was extracted from projects where certain development risks had been lessened or eliminated. Several respondents indicate they expect slightly lower returns when approvals/entitlements are already in place.

Excerpts from recent PwC surveys are copied below.

> “Looking ahead to 2025, many of our development land participants plan to search for opportunities related to residential, industrial, and/or retail development… Growth rates for development expenses, such as amenities, real estate taxes, advertising, and administration, range from 2.00% to 7.00% and average 4.33%. For lot pricing, investors indicate a range from 2.00% to 10.00%; the average growth rate is 5.83%... The absorption period required to sell an entire project varies significantly depending on such factors as location, size, and property type. This quarter, the preferred absorption period among investors is one to five years, averaging three years... Over the next 12 months, investors expect property values to increase as much as 10.0% with an average expected value change of 3.8%.” (Fourth Quarter 2024)

> “Total spending on U.S. private construction was up 8.1% on a year-over-year basis in April 2024. When looking more closely at these figures, private residential spending was up 8.0% while private nonresidential spending was up 8.3%. In the non-residential sector, each segment reported year-over-year increases in spending as of April 2024 except lodging… The absorption period required to sell an entire project varies significantly depending on such factors as location, size, and property type. This quarter, the preferred absorption period among investors is one to five years, averaging three years… Over the next 12 months, investors expect property values to increase up to 10.0% with an average expected value change of +3.8%.” (Second Quarter 2024)

[1] PwC Real Estate Investor Survey, PricewaterhouseCoopers, 4th Quarter 2024.

"When looking at macro development prospects for the five major commercial real estate (CRE) sectors included in *Emerging Trends*, only the retail sector shows an improvement in its rating from last year…From a micro standpoint, the top five property types for development prospects in 2024 are data centers, single-family rental housing, lower-income apartments, manufacturing, and moderate income/workforce apartments." In terms of development issues, respondents stated that construction labor costs, construction material costs, construction labor availability, land costs, and operating costs were among the top 5 most important factors." (Fourth Quarter 2023)

"Development land investors continue to search for opportunities, especially in the apartment and industrial sectors of the industry. They note, however, that holding costs are dramatically higher due to the rise in interest rates over the past year, which could change their strategies for the near term and keep their acquisitions to a minimum. 'Deals are requiring further due diligence to meet projected returns,' states an investor. Unfortunately, the current stress in the financial sector is adding additional challenges. 'We are looking closely at our banking relationships,' says another. Growth rates for development expenses, such as amenities, real estate taxes, advertising, and administration, range from 0.00% to 10.00% and average 4.71%. For lot pricing, investors indicate a range from 2.00% to 5.00%; the average growth rate is 3.13%." (Second Quarter 2023)

"Confronted with inflation, rising interest rates, economic uncertainty, and a slowdown in tenant demand, it is not surprising that most surveyed investors expect property values to decline over the next 12 months…When looking at macro development prospects for the five major commercial real estate sectors included in *Emerging Trends*, only the hotel sector shows an improvement in its rating from last year... Although the industrial/distribution and multi-family sectors boast the highest ratings for 2023, they both slip this year among respondents… From a micro standpoint, the top-five property types for development prospects in 2023 are datacenters, fulfillment, moderate-income/workforce apartments, life-science facilities, and single-family rental housing." Labor costs and availability as well as material costs are among the top three reported development issues for 2023. (Fourth Quarter 2022)

"Based on our Survey results, the industrial and multifamily sectors of the U.S. commercial real estate industry offer the best development land investment opportunities due to strong tenant demand. Investors also see opportunities in the single-family residential sector…However, many are mindful that rising interest rates could dampen demand even though U.S. homebuilding unexpectedly rose in March 2022. Still, record low housing supply should continue to support homebuilding this year…Over the next 12 months, surveyed investors are mostly optimistic regarding value trends for the national development land market. Their expectations range from a decline of 5.0% to growth of 25.0% with an average expected value change of +7.0%. This average is better than where it is was both six months ago, as well as a year ago (+5.8% for both time periods)." (Second Quarter 2022)

"Compared to five years ago, both the apartment and industrial sectors show strong gains in their ratings, while the other three sectors [retail, office, hotel] see their ratings decline…From a micro standpoint, the top five property types for development prospects in 2022 are fulfillment, life science facilities, warehouse, single-family rental housing, and moderate-income/workforce apartments." Among the top five development issues as reported among *Emerging Trends* Respondents are construction material costs, construction labor costs, construction labor availability, land costs and state & local regulations. (Fourth Quarter 2021)

"2020 revealed that where people work and where people live can be very far apart," says a development land participant. This philosophy is a driving force behind a resurgence of new-home construction in the United States. In the nonresidential sector, each segment reported year-over-year declines in spending as of March 2021. Over the next 12 months, surveyed investors are most optimistic regarding value trends for the national development land market. Their expectations range from a decline of 5.0% to growth of 25.0% with an average expected value change of +5.8%. This average is better than where it was six months ago (+4.9%), as well as a year ago (-6.9%). (Second Quarter 2021)

Project Yield Rate Survey

Data Source	Yield / IRR Expectations (Inclusive of Profit)
PwC Real Estate Investor Survey - Fourth Quarter 2024 (updated semi-annually)	Range of 12.0% to 30.0%, with an average of 17.00%, on an unleveraged basis, for land development (national average)
National Builder	20% to 25% for entitled lots
Regional Builder	18% to 25%. Longer term, higher risk projects on higher side of the range, shorter term, lower risk projects on the lower side of the range. Long term speculation properties (10 to 20 years out) often closer to 30%.
National Builder	18% minimum, 20% target
Developer	Minimum IRR of 20-25%; for an 8 to 10 year cash flow, mid to upper 20% range
Developer	25% IRR for land development is typical (no entitlements); slightly higher for properties with significant infrastructure costs
Land Management Company	20% to 30% IRR for land development deals on an unleveraged basis
Land Developer	35% for large land deals from raw unentitled to tentative map stage, unleveraged or leveraged. 25% to 30% from tentative map to pad sales to merchant builders, unleveraged
Land Developer	18% to 22% for land with some entitlements, unleveraged. 30% for raw unentitled land
Real Estate Consulting Firm	Low 20% range yield rate required to attract capital to longer-term land holdings
Land Developer	Merchant builder yield requirements in the 20% range for traditionally financed tract developments. Larger land holdings would require 25% to 30%. Environmentally challenged or politically risky development could well run in excess of 35%.
Regional Builder	10% discount rate excluding profit for single-family subdivisions
National Builder	10% to 40% for single-family residential subdivisions with 1-2 year development timelines
Regional Builder	15% to 20% IRR
Regional Builder	No less than 20% IRR for land development, either entitled or unentitled
Land Developer	20% to 30% for an unentitled property; the lower end of the range would reflect those properties close to tentative maps
Regional Builder	No less than 30% when typical entitlement risk exists

Even though entitlement risk has been mitigated, there is risk associated with estimating the timing that the subject components will be sold off. In addition, there is risk associated with unforeseen factors such as broad economic declines and job losses. Considering these factors, and the positive and negative characteristics previously described, we estimate an internal rate of return of 20.00%. Responses to surveys by developers indicate a range of values which correspond to a development project without site development or completed entitlement work. As the subject is comprised of unimproved lots it is considered similar and therefore the rate is expected to be near the middle of the range of responses.

Conclusion

The subdivision development method is presented as follows:

Subdivision Development Method

Year:	0	1	2	3	4	5	6	Total
ABSORPTION								
Sales (Lots):		0	375	375	375	375	369	1,869
End of Period Inventory		1,869	1,494	1,119	744	369	0	
Total Period Inventory		1,869	1,869	1,494	1,119	744	369	
SFR Lot Revenue Unappreciated		$ -	$ 171,698,836	$ 171,698,836	$ 171,698,836	$ 171,698,836	$ 168,951,655	$ 855,747,000
Annual Appreciation Factor	0%	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	
SFR Lot Revenue Appreciated		$ -	$ 171,698,836	$ 171,698,836	$ 171,698,836	$ 171,698,836	$ 168,951,655	$ 855,747,000
Multifamily Revenue								
Sales (Units):		190	190	190	190	190	181	1,131
End of Period Inventory		941	751	561	371	181	0	
Total Period Inventory		1,131	941	751	561	371	181	
MF Revenue Unappreciated		$ 5,700,000	$ 5,700,000	$ 5,700,000	$ 5,700,000	$ 5,700,000	$ 5,430,000	$ 33,930,000
Annual Appreciation Factor	0%	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	
MF Revenue Appreciated		$ 5,700,000	$ 5,700,000	$ 5,700,000	$ 5,700,000	$ 5,700,000	$ 5,430,000	$ 33,930,000
Total Sales Revenue		**$ 5,700,000**	**$ 177,398,836**	**$ 177,398,836**	**$ 177,398,836**	**$ 177,398,836**	**$ 174,381,655**	**$ 889,677,000**
EXPENSES AND CASH FLOWS								
All Categories								
General & Administrative		$ (3,558,708)	$ (3,558,708)	$ (3,558,708)	$ (3,558,708)	$ (3,558,708)	$ -	$ (17,793,540)
Marketing/Commissions		$ (114,000)	$ (3,547,977)	$ (3,547,977)	$ (3,547,977)	$ (3,547,977)	$ (3,487,633)	$ (17,793,540)
Development Costs (% Complete)		20%	20%	20%	20%	20%	0%	100%
Development Costs ($ Incurred)		$ (39,096,526)	$ (39,096,526)	$ (39,096,526)	$ (39,096,526)	$ (39,096,526)	$ -	$ (195,482,629)
Single Family Lots								
Ad Valorem Taxes		$ (3,052,077)	$ (3,113,119)	$ (2,538,266)	$ (1,939,174)	$ (1,315,103)	$ (665,294)	$ (12,623,032)
Other Charges, Assmts. & Special Taxes		$ -	$ -	$ -	$ -	$ -	$ -	$ -
Multifamily Units								
Ad Valorem Taxes		$ (121,017)	$ (102,701)	$ (83,603)	$ (63,701)	$ (42,969)	$ (21,383)	$ (435,374)
Other Charges, Assmts. & Special Taxes		$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total Expenses		**$ (45,942,328)**	**$ (49,419,030)**	**$ (48,825,080)**	**$ (48,206,086)**	**$ (47,561,283)**	**$ (4,174,310)**	**$ (244,128,115)**
NET INCOME		**$ (40,242,328)**	**$ 127,979,807**	**$ 128,573,756**	**$ 129,192,751**	**$ 129,837,553**	**$ 170,207,345**	**$ 645,548,885**
Internal Rate of Return	20.00%	0.83333	0.69444	0.57870	0.48225	0.40188	0.33490	
Discounted Cash Flow		$ (33,535,273)	$ 88,874,866	$ 74,406,109	$ 62,303,603	$ 52,178,801	$ 57,002,096	$ 301,230,201
Net Present Value		$ 301,230,201						
Conclusion of Value by Discounted Cash Flow Analysis (Rounded)								**$ 301,230,000**

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 Conclusions

Appraisal Premise	Effective Date	Property Rights	Value Conclusion
Market Value, subject to a Hypothetical Condition	April 4, 2025	Fee Simple	
Century Communities			$ 62,952,000
Rurka Capital, LLC			$ 86,367,000
Taylor Morrison			$ 94,801,000
Richmond American			$ 23,650,000
Lennar			$ 193,769,000
Mountain House Developers, LLC			$ 301,230,000
Aggregate, or Cumulative, Appraised Value			$ 762,769,000

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 public improvements to be financed by the CFD No. 2024-1 Revenue Bonds, Series 2025, have been 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. As it relates to the completed home component of the subject, current market conditions indicate that 30-to-60-day exposure period is reasonable.

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 prepared appraisals of portions of the subject property for another client. We have provided no other 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. Sara Gilbertson, MAI, has not made a personal inspection of the property that is the subject of this report. Kevin Ziegenmeyer, MAI, has personally inspected the subject. Eric Segal, MAI, has not personally inspected the subject.
12. No one provided significant real property appraisal assistance to the person(s) signing this certification.
13. We have experience in appraising properties similar to the subject and are in compliance with the Competency Rule of USPAP.

14. As of the date of this report, Sara Gilbertson, MAI, Kevin Ziegenmeyer, MAI, and Eric Segal, MAI, have completed the continuing education program for Designated Members of the Appraisal Institute.

Sara Gilbertson, MAI
Certified General Real Estate Appraiser
California Certificate # 3002204

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

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

Assumptions and Limiting Conditions

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

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

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

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

covers the property as described in this report, and the areas and dimensions set forth are assumed to be correct.

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

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

18. The Americans with Disabilities Act (ADA) became effective January 26, 1992. We have not made a specific survey or analysis of the property to determine whether the physical aspects of the improvements meet the ADA accessibility guidelines. We claim no expertise in ADA issues, and render no opinion regarding compliance of the subject with ADA regulations. Inasmuch as compliance matches each owner’s financial ability with the cost to cure the non-conforming physical characteristics of a property, a specific study of both the owner’s financial ability and the cost to cure any deficiencies would be needed for the Department of Justice to determine compliance.

19. The appraisal report is prepared for the exclusive benefit of the Client, its subsidiaries and/or affiliates. It may not be used or relied upon by any other party. All parties who use or rely upon any information in the report without our written consent do so at their own risk.

20. No studies have been provided to us indicating the presence or absence of hazardous materials on the subject property or in the improvements, and our valuation is predicated upon the assumption that the subject property is free and clear of any environment hazards including, without limitation, hazardous wastes, toxic substances and mold. No representations or warranties are made regarding the environmental condition of the subject property. Integra Realty Resources – Sacramento, Integra Realty Resources, Inc., Integra Strategic Ventures, Inc. and/or any of their respective officers, owners, managers, directors, agents, subcontractors or employees (the “Integra Parties”), shall not be responsible for any such environmental conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because we are not experts in the field of environmental conditions, the appraisal report cannot be considered as an environmental assessment of the subject property.

21. The persons signing the report may have reviewed available flood maps and may have noted in the appraisal report whether the subject property is located in an identified Special Flood Hazard Area. We are not qualified to detect such areas and therefore do not guarantee such determinations. The presence of flood plain areas and/or wetlands may affect the value of the property, and the value conclusion is predicated on the assumption that wetlands are non-existent or minimal.

22. Integra Realty Resources – Sacramento is not a building or environmental inspector. Integra Sacramento does not guarantee that the subject property is free of defects or environmental problems. Mold may be present in the subject property and a professional inspection is recommended.

23. The appraisal report and value conclusions for an appraisal assume the satisfactory completion of construction, repairs or alterations in a workmanlike manner.

24. It is expressly acknowledged that in any action which may be brought against any of the Integra Parties, arising out of, relating to, or in any way pertaining to this engagement, the

appraisal reports, and/or any other related work product, the Integra Parties shall not be responsible or liable for any incidental or consequential damages or losses, unless the appraisal was fraudulent or prepared with intentional misconduct. It is further acknowledged that the collective liability of the Integra Parties in any such action shall not exceed the fees paid for the preparation of the appraisal report unless the appraisal was fraudulent or prepared with intentional misconduct. Finally, it is acknowledged that the fees charged herein are in reliance upon the foregoing limitations of liability.

25. Integra Realty Resources – Sacramento, an independently owned and operated company, has prepared the appraisal for the specific intended use stated elsewhere in the report. The use of the appraisal report by anyone other than the Client is prohibited except as otherwise provided. Accordingly, the appraisal report is addressed to and shall be solely for the Client's use and benefit unless we provide our prior written consent. We expressly reserve the unrestricted right to withhold our consent to your disclosure of the appraisal report or any other work product related to the engagement (or any part thereof including, without limitation, conclusions of value and our identity), to any third parties. Stated again for clarification, unless our prior written consent is obtained, no third party may rely on the appraisal report (even if their reliance was foreseeable).

26. The conclusions of this report are estimates based on known current trends and reasonably foreseeable future occurrences. These estimates are based partly on property information, data obtained in public records, interviews, existing trends, buyer-seller decision criteria in the current market, and research conducted by third parties, and such data are not always completely reliable. The Integra Parties are not responsible for these and other future occurrences that could not have reasonably been foreseen on the effective date of this assignment. Furthermore, it is inevitable that some assumptions will not materialize and that unanticipated events may occur that will likely affect actual performance. While we are of the opinion that our findings are reasonable based on current market conditions, we do not represent that these estimates will actually be achieved, as they are subject to considerable risk and uncertainty. Moreover, we assume competent and effective management and marketing for the duration of the projected holding period of this property.

27. All prospective value opinions presented in this report are estimates and forecasts which are prospective in nature and are subject to considerable risk and uncertainty. In addition to the contingencies noted in the preceding paragraph, several events may occur that could substantially alter the outcome of our estimates such as, but not limited to changes in the economy, interest rates, and capitalization rates, behavior of consumers, investors and lenders, fire and other physical destruction, changes in title or conveyances of easements and deed restrictions, etc. It is assumed that conditions reasonably foreseeable at the present time are consistent or similar with the future.

28. The appraisal is also subject to the following:

Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions. 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 public improvements to be financed by the CFD No. 2024-1 Revenue Bonds, Series 2025, have been completed.

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

Addendum A

Appraiser Qualifications

Sara Gilbertson, MAI

Integra Realty Resources - Sacramento

590 Menlo Drive
Suite 1
Rocklin, CA 95765

T 916.435.3883
F 916.435.4774

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Experience

Ms. Gilbertson is a licensed appraiser with Integra Realty Resources, a real estate appraisal firm that engages in a wide variety of real estate valuation and consultation assignments. After completing her bachelor's degree at California State University, Sacramento, Ms. Gilbertson began her career in real estate as a research analyst/appraiser trainee for Seevers Jordan Ziegenmeyer in 2011. She has experience in writing narrative appraisal reports covering a variety of commercial properties, as well as special use properties including self-storage facilities, hotels and mobile home parks. She also specialized in the appraisal of residential master planned communities and subdivision, as well as Mello Roos and Assessment Districts for land secured municipal financings. Ms. Gilbertson has developed the experience and background necessary to deal with complex assignments covering an array of property types.

Licenses

California, California Certified General Real Estate Appraiser, 3002204, Expires May 2026

Education

Academic:
Bachelor of Science in Business Administration (Concentration in Real Estate and Land Development), California State University, Sacramento

Appraisal Institute Courses:
Basic Appraisal Principles
Basic Appraisal Procedures
Uniform Standards of Professional Appraisal Practice
Real Estate Finance and Statistics and Valuation Modeling
Sales Comparison Approach
Report Writing and Case Studies
Market Analysis and Highest and Best Use
Site Valuation and Cost Approach
Basic Income Capitalization
Federal and California Statutory and Regulator Laws
Quantitative Analysis
Business Practices and Ethics
Advanced Market Analysis and Highest and Best Use
Advanced Income Capitalization
Advanced Concepts and Case Studies

sgilbertson@irr.com - 916.435.3883 x248

Business, Consumer Services & Housing Agency

BUREAU OF REAL ESTATE APPRAISERS

REAL ESTATE APPRAISER LICENSE

Sara A. Gilbertson

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: 3002204

Effective Date: May 30, 2024
Date Expires: May 29, 2026

Angela Jemmott

Angela Jemmott, Bureau Chief, BREA

3075321

Kevin Ziegenmeyer, MAI

Integra Realty Resources - Sacramento

590 Menlo Drive
Suite 1
Rocklin, CA 95765

T 916.435.3883
F 916.435.4774

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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. Mr. Ziegenmeyer is currently Senior Managing Director of the Integra-Sacramento office, and Managing Director of the Integra-Orange County, Integra-San Francisco and Integra-Los Angeles offices.

Licenses

California, California Certified General Real Estate Appraiser, AG013567, Expires June 2025

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

Kevin Ziegenmeyer, MAI

Education (Cont'd)

2005 Annual Fall Conference
General Comprehensive Exam Module I, II, III & IV
Advanced Income Capitalization
Advanced Sales Comparison & Cost Approaches
2004 Central CA Market Update
Computer-Enhanced Cash Flow Modeling
Forecast 2000, 2001, 2002, 2003 & 2004
Land Valuation Assignments
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, 2023
Date Expires: June 4, 2025

Angela Jemmott

Angela Jemmott, Bureau Chief, BREA

3070756

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

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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)

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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

Angela Jemmott, Bureau Chief, BREA

3079030

About IRR

Integra Realty Resources, Inc. (IRR) provides world-class commercial real estate valuation, counseling, and advisory services. Routinely ranked among leading property valuation and consulting firms, we are now the largest independent firm in our industry in the United States, with local offices coast to coast and in the Caribbean.

IRR offices are led by MAI-designated Senior Managing Directors, industry leaders who have over 25 years, on average, of commercial real estate experience in their local markets. This experience, coupled with our understanding of how national trends affect the local markets, empowers our clients with the unique knowledge, access, and historical perspective they need to make the most informed decisions.

Many of the nation's top financial institutions, developers, corporations, law firms, and government agencies rely on our professional real estate opinions to best understand the value, use, and feasibility of real estate in their market.

Local Expertise...Nationally!

irr.com

Addendum B

Definitions

Definitions

The source of the following definitions is the Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 6th ed. (Chicago: Appraisal Institute, 2015), unless otherwise noted.

As Is Market Value
The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date.

Disposition Value
The most probable price that a specified interest in property should bring under the following conditions:

1. Consummation of a sale within a specified time, which is shorter than the typical exposure time for such a property in that market.
2. The property is subjected to market conditions prevailing as of the date of valuation.
3. Both the buyer and seller are acting prudently and knowledgeably.
4. The seller is under compulsion to sell.
5. The buyer is typically motivated.
6. Both parties are acting in what they consider to be their best interests.
7. An adequate marketing effort will be made during the exposure time.
8. Payment will be made in cash in U.S. dollars (or the local currency) or in terms of financial arrangements comparable thereto.
9. The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

This definition can also be modified to provide for valuation with specified financing terms.

Effective Date
1. The date on which the appraisal or review opinion applies.
2. In a lease document, the date upon which the lease goes into effect.

Entitlement
In the context of ownership, use, or development of real estate, governmental approval for annexation, zoning, utility extensions, number of lots, total floor area, construction permits, and occupancy or use permits.

Entrepreneurial Profit
1. A market-derived figure that represents the amount an entrepreneur receives for his or her contribution to a project and risk; the difference between the total cost of a property (cost of

development) and its market value (property value after completion), which represents the entrepreneur's compensation for the risk and expertise associated with development. An entrepreneur is motivated by the prospect of future value enhancement (i.e., the entrepreneurial incentive). An entrepreneur who successfully creates value through new development, expansion, renovation, or an innovative change of use is rewarded by entrepreneurial profit. Entrepreneurs may also fail and suffer losses.

2. In economics, the actual return on successful management practices, often identified with coordination, the fourth factor of production following land, labor, and capital; also called entrepreneurial return or entrepreneurial reward.

Exposure Time

1. The time a property remains on the market.
2. The estimated length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective opinion based on an analysis of past events assuming a competitive and open market.

Fee Simple Estate

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

Floor Area Ratio (FAR)

The relationship between the above-ground floor area of a building, as described by the zoning or building code, and the area of the plot on which it stands; in planning and zoning, often expressed as a decimal, e.g., a ratio of 2.0 indicates that the permissible floor area of a building is twice the total land area.

Highest and Best Use

1. The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.
2. The use of an asset that maximizes its potential and that is possible, legally permissible, and financially feasible. The highest and best use may be for continuation of an asset's existing use or for some alternative use. This is determined by the use that a market participant would have in mind for the asset when formulating the price that it would be willing to bid. (ISV)
3. [The] highest and most profitable use for which the property is adaptable and needed or likely to be needed in the reasonably near future. (Uniform Appraisal Standards for Federal Land Acquisitions)

Investment Value

1. The value of a property to a particular investor or class of investors based on the investor's specific requirements. Investment value may be different from market value because it depends on a set of investment criteria that are not necessarily typical of the market.

2. The value of an asset to the owner or a prospective owner for individual investment or operational objectives.

Lease

A contract in which rights to use and occupy land, space, or structures are transferred by the owner to another for a specified period of time in return for a specified rent.

Leased Fee Interest

The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversionary right when the lease expires.

Leasehold Interest

The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease.

Liquidation Value

The most probable price that a specified interest in real property should bring under the following conditions:

1. Consummation of a sale within a short time period.
2. The property is subjected to market conditions prevailing as of the date of valuation.
3. Both the buyer and seller are acting prudently and knowledgeably.
4. The seller is under extreme compulsion to sell.
5. The buyer is typically motivated.
6. Both parties are acting in what they consider to be their best interests.
7. A normal marketing effort is not possible due to the brief exposure time.
8. Payment will be made in cash in U.S. dollars (or the local currency) or in terms of financial arrangements comparable thereto.
9. The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

This definition can also be modified to provide for valuation with specified financing terms.

Marketing Time

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

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

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

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

Prospective Opinion of Value
A value opinion effective as of a specified future date. The term does not define a type of value. Instead, it identifies a value opinion as being effective at some specific future date. An opinion of value as of a prospective date is frequently sought in connection with projects that are proposed, under construction, or under conversion to a new use, or those that have not yet achieved sellout or a stabilized level of long-term occupancy.

Addendum C

Comparable Data

Land Sales - Medium Density

Land Sale Profile

Sale No. 1

Location & Property Identification

Property Name:	Mountain House Tract 3974
Sub-Property Type:	Residential, Finished SFR Lots
Address:	N/O Byron Rd., S/O Great Valley Pkwy.
City/State/Zip:	Mountain House, CA 95391
County:	San Joaquin
Market Orientation:	Suburban
IRR Event ID:	3297654

Sale Information

Sale Price:	$34,800,000
Effective Sale Price:	$34,800,000
Sale Date:	01/01/2025
Recording Date:	01/01/2025
Contract Date:	10/01/2024
Sale Status:	Closed
$/Acre(Gross):	$34,800,000
$/Land SF(Gross):	$798.90
$/Building SF:	$9,098.04
$/Unit (Potential):	$400,000 /Improved Lot
Grantor/Seller:	Mountain House Developers, LLC
Grantee/Buyer:	Century Communities
Assets Sold:	Real estate only
Property Rights:	Fee Simple
Financing:	Cash to seller
Conditions of Sale:	Arm's-length
Verified By:	Sara Gilbertson, MAI
Verification Date:	11/01/2024
Confirmation Source:	David Sargent
Verification Type:	Confirmed-Seller

Sale Analysis

Expenditures After Purchase:	$53,434
Expenditures Description:	Permits and fees per lot
Other Adjustment:	$3,640
Adjustment Comments:	Annual Special Taxes per lot

Improvement and Site Data

Acres(Gross):	1.00
Land-SF(Gross):	43,560
Potential Building SF:	3,825
No. of Units (Potential):	87
Zoning Code:	RM
Zoning Desc.:	Medium Density Residential
Source of Land Info.:	Other

Comments

Century Communities entered into contract in October 2024 to purchase 87 finished lots within Tract 3974 in Mountain House (3,825 SF lots). Escrow is anticipated to close in January 2025. Average permits and fees per lot at approximately $53,434. The lots will be encumbered by bond debt, proceeds of which will finance certain public improvements. Annual special taxes are estimated at $3,640 per lot.

Land Sale Profile

Sale No. 2

Location & Property Identification

Property Name:	Mountain House Tract 3926
Sub-Property Type:	Residential, Finished SFR Lots
Address:	N/O Byron Rd., S/O Great Valley Pkwy.
City/State/Zip:	Mountain House, CA 95391
County:	San Joaquin
Market Orientation:	Suburban
IRR Event ID:	3297642

Sale Information

Sale Price:	$21,350,000
Effective Sale Price:	$21,350,000
Sale Date:	11/07/2024
Recording Date:	11/07/2024
Contract Date:	02/08/2024
Sale Status:	Closed
$/Acre(Gross):	$21,350,000
$/Land SF(Gross):	$490.13
$/Building SF:	$5,930.56
$/Unit (Potential):	$350,000 /Improved Lot
Grantor/Seller:	Mountain House Developers, LLC
Grantee/Buyer:	Century Communities
Assets Sold:	Real estate only
Property Rights:	Fee Simple
Financing:	Cash to seller
Conditions of Sale:	Arm's-length
Verified By:	Sara Gilbertson, MAI
Verification Date:	11/01/2024
Confirmation Source:	David Sargent
Verification Type:	Confirmed-Seller

Sale Analysis

Expenditures After Purchase:	$53,434
Expenditures Description:	Permits and fees per lot
Other Adjustment:	$3,372
Adjustment Comments:	Annual Special Taxes per lot

Improvement and Site Data

Acres(Gross):	1.00
Land-SF(Gross):	43,560
Potential Building SF:	3,600
No. of Units (Potential):	61
Zoning Code:	RM
Zoning Desc.:	Medium Density Residential
Source of Land Info.:	Other

Comments

Century Communities entered into contract on February 8, 2024 to purchase 61 finished lots within Tract 3926 in Mountain House (3,600 SF lots). Escrow closed on November 7, 2024. Average permits and fees per lot at approximately $53,434. The lots will be encumbered by bond debt, proceeds of which will finance certain public improvements. Annual special taxes are estimated at $3,372 per lot.

Land Sale Profile — Sale No. 3

Location & Property Identification

Property Name:	Mountain House Tract 3926
Sub-Property Type:	Residential, Finished SFR Lots
Address:	N/O Byron Rd., S/O Great Valley Pkwy.
City/State/Zip:	Mountain House, CA 95391
County:	San Joaquin
Market Orientation:	Suburban
IRR Event ID:	3297618

Sale Information

Sale Price:	$23,124,000
Effective Sale Price:	$23,124,000
Sale Date:	11/01/2024
Recording Date:	11/01/2024
Contract Date:	05/16/2024
Sale Status:	Closed
$/Acre(Gross):	
$/Land SF(Gross):	
$/Building SF:	
$/Unit (Potential):	$492,000 /Improved Lot
Grantor/Seller:	Mountain House Developers, LLC
Grantee/Buyer:	Richmond American Homes
Assets Sold:	Real estate only
Property Rights:	Fee Simple
Financing:	Cash to seller
Conditions of Sale:	Arm's-length
Verified By:	Sara Gilbertson, MAI
Verification Date:	04/28/2025
Confirmation Source:	David Sargent
Verification Type:	Confirmed-Seller

Sale Analysis

Expenditures After Purchase:	$53,434
Expenditures Description:	Permits and fees per lot
Other Adjustment:	$3,907
Adjustment Comments:	Annual Special Taxes per lot

Improvement and Site Data

Acres(Gross):	
Land-SF(Gross):	
Potential Building SF:	4,050
No. of Units (Potential):	47
Zoning Code:	RM
Zoning Desc.:	Medium Density Residential
Source of Land Info.:	Other

Comments

Richmond American Homes entered into contract on May 16, 2024 to purchase 47 finished lots within Tract 3926 in Mountain House (4,050 SF lots). Escrow is anticipated to close in November 2024. Average permits and fees per lot at approximately $53,434. The lots will be encumbered by bond debt, proceeds of which will finance certain public improvements. Annual special taxes are estimated at $3,907 per lot.

Land Sale Profile

Sale No. 4

Location & Property Identification

Property Name:	Lagoon Valley - Neighborhood K-1
Sub-Property Type:	Residential, Single Family Development Land
Address:	National Garden Ln.
City/State/Zip:	Vacaville, CA 95687
County:	Solano
Market Orientation:	Suburban
IRR Event ID:	3247290

Sale Information

Sale Price:	$14,960,000
Effective Sale Price:	$14,960,000
Sale Date:	06/28/2024
Sale Status:	Closed
$/Acre(Gross):	$1,645,765
$/Land SF(Gross):	$37.78
$/Building SF:	$3,324.44
$/Unit (Potential):	$170,000 /Unit
Grantor/Seller:	Triad Lagoon Valley LLC
Grantee/Buyer:	Lennar Homes of CA 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
Verified By:	Blake Fassler
Verification Date:	06/23/2024
Verification Type:	Confirmed-Seller

Sale Analysis

Expenditures After Purchase:	$135,600
Expenditures Description:	Permits and fees and residual payments

Other Adjustment:	$2,300
Adjustment Comments:	Estimated bond encumbrance

Improvement and Site Data

Legal/Tax/Parcel ID:	0128-111:114
Acres(Gross):	9.09
Land-SF(Gross):	395,960
Potential Building SF:	4,500
No. of Units (Potential):	88
Source of Land Info.:	Owner

Comments

This is a closed sale of neighborhood K-1 is the Lagoon Valley master plan, which represents 88 lots with a typical lot size of 4,500 square feet. The lots will transfer in finished condition and have an alley-loaded configuration. The lots transferred at the end of June 2024 for $170,000 per lot. There are also residual payments to be made by Lennar to the master developer in the form of a profit participation agreement as well as another residual payment. Considering time value of money, the estimated residual payment for total consideration is $44,000 per lot. Permits and fees are estimated at $91,600 per lot. The exact annual special taxes cannot be determined; however, based on the information provided, special taxes are estimated at $2,300 per lot. The lots also have a master marketing fee of 0.5% of the purchase price of each home

Comments (Cont'd)

closing.

Land Sale Profile

Sale No. 5

Location & Property Identification

Property Name:	Harvest at Watson Ranch - Third Takedown
Sub-Property Type:	Residential, Single Family Development Land
Address:	S. Napa Junction Rd.
City/State/Zip:	American Canyon, CA 94503
County:	Napa
Market Orientation:	Suburban
IRR Event ID:	3242836

Sale Information

Sale Price:	$8,619,000
Effective Sale Price:	$8,619,000
Sale Date:	11/17/2023
Sale Status:	Closed
$/Acre(Gross):	$4,204,390
$/Land SF(Gross):	$96.52
$/Acre(Usable):	$4,204,390
$/Land SF(Usable):	$96.52
$/Building SF:	$2,316.94
$/Unit (Potential):	$359,125 /Approved Lot
Grantor/Seller:	McGrath Properties American Canyon, LLC
Grantee/Buyer:	D.R. Horton Bay, Inc.
Assets Sold:	Real estate only
Property Rights:	Fee Simple
% of Interest Conveyed:	100.00
Financing:	Cash to seller
Document Type:	Deed
Recording No.:	2023.18657
Verified By:	Laura Diaz
Verification Date:	02/01/2024
Verification Type:	Confirmed-Seller

Sale Analysis

Expenditures After Purchase:	$18,995
Expenditures Description:	Permits and fees
Other Adjustment:	$4,099
Adjustment Comments:	Bond encumberance

Improvement and Site Data

MSA:	Napa, CA
Legal/Tax/Parcel ID:	059-472-004 to 014; 059-471-025 to 037
Acres(Usable/Gross):	2.05/2.05
Land-SF(Usable/Gross):	89,298/89,298
Usable/Gross Ratio:	1.00
Potential Building SF:	3,720
No. of Units (Potential):	24
Shape:	Rectangular
Topography:	Level
Corner Lot:	No
Frontage Desc.:	Datura St
Frontage Type:	2 way, 1 lane each way
Traffic Control at Entry:	None
Traffic Flow:	Low
Visibility Rating:	Average
Zoning Code:	TC-1, MDR-16
Zoning Desc.:	Town Center, Medium Density Residential
Flood Plain:	No
Flood Zone Designation:	X

Improvement and Site Data (Cont'd)

Comm. Panel No.:	06055C0650E
Date:	09/26/2008
Source of Land Info.:	Public Records

Comments

Sale of 24 finished lots within the Watson Ranch master planned community. This is the third of nine takedowns of 219 lots to occur between October 2022 and August 2025. The typical lot size for this takedown is approximately 3,720 square feet. Permits and impact fees are estimated at $18,995 per lot. The Developer is offering three floor plans from 1,583 to 1,874 square feet, with base pricing ranging from approximately $669,000 to $709,000. Bond financing is proposed for the project, though bonds were not in-place at the time of sale. Proposed Special Taxes are approximately $4,099 per lot and bond proceeds will be used to reimburse the master developer for infrastructure costs already completed.

Land Sales - Low Density

Land Sale Profile

Sale No. 1

Location & Property Identification

Property Name:	Lagoon Valley - Neighborhood E
Sub-Property Type:	Residential, Single Family Development Land
Address:	Pinnacles Pl.
City/State/Zip:	Vacaville, CA 95687
County:	Solano
Market Orientation:	Suburban
IRR Event ID:	3247280

Sale Information

Sale Price:	$17,640,000
Effective Sale Price:	$17,640,000
Sale Date:	08/31/2025
Contract Date:	11/24/2021
Sale Status:	In-Contract
$/Acre(Gross):	$1,531,250
$/Land SF(Gross):	$35.15
$/Building SF:	$2,800.00
$/Unit (Potential):	$245,000 /Unit
Grantor/Seller:	Triad Lagoon Valley LLC
Grantee/Buyer:	Tri Pointe Homes Holdings Inc
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
Verified By:	Blake Fassler
Verification Date:	06/23/2024
Verification Type:	Confirmed-Seller

Sale Analysis

Expenditures After Purchase:	$92,800
Expenditures Description:	Permits and Fees
Other Adjustment:	$2,400
Adjustment Comments:	Estimated bond encumbrance

Improvement and Site Data

Legal/Tax/Parcel ID:	0128-050-150 (portion of)
Acres(Gross):	11.52
Land-SF(Gross):	501,811
Potential Building SF:	6,300
No. of Units (Potential):	72
Source of Land Info.:	Public Records

Comments

This is a sale of 72 finished lots with a typical lot size of 6,300 square feet, which represent Neighborhood E within the Lagoon Valley master plan. The lots are configured as 4-pack courtyard lots. The property was under contract in late 2021 and is anticipated to close in August of 2025. There are also residual payments to be made by Tri Pointe to the master developer in the form of a profit participation agreement. The agreement is a 50% split on net profits that exceeds 12% of gross sales revenue. Permits and fees are estimated at $92,800 per lot. The exact annual special taxes cannot be determined; however, based on the information provided, special taxes are estimated at $2,400 per lot. The lots also have a master marketing fee of 0.5% of the purchase price of each home

Comments (Cont'd)

closing.

Land Sale Profile

Sale No. 2

Location & Property Identification

Property Name:	Mountain House Tract 3975
Sub-Property Type:	Residential, Finished SFR Lots
Address:	N/O Byron Rd., S/O Great Valley Pkwy.
City/State/Zip:	Mountain House, CA 95391
County:	San Joaquin
Market Orientation:	Suburban
IRR Event ID:	3297649

Sale Information

Sale Price:	$113,000,000
Effective Sale Price:	$113,000,000
Sale Date:	01/01/2025
Recording Date:	01/01/2025
Contract Date:	07/30/2024
Sale Status:	Closed
$/Acre(Gross):	
$/Land SF(Gross):	
$/Building SF:	
$/Unit (Potential):	$556,650 /Improved Lot
Grantor/Seller:	Mountain House Developers, LLC
Grantee/Buyer:	Taylor Morrison Homes
Assets Sold:	Real estate only
Property Rights:	Fee Simple
Financing:	Cash to seller
Conditions of Sale:	Arm's-length
Verified By:	Sara Gilbertson, MAI
Verification Date:	11/01/2024
Confirmation Source:	David Sargent
Verification Type:	Confirmed-Seller

Sale Analysis

Expenditures After Purchase:	$50,976
Expenditures Description:	Permits and fees per lot
Other Adjustment:	$5,177
Adjustment Comments:	Annual Special Taxes per lot

Improvement and Site Data

Acres(Gross):	26.60
Land-SF(Gross):	1,158,696
Potential Building SF:	6,000
No. of Units (Potential):	203
Zoning Code:	RL
Zoning Desc.:	Low Density Residential
Source of Land Info.:	Other

Comments

Taylor Morrison Homes entered into contract on July 30, 2024 to purchase 203 finished lots within Tract 3975 in Mountain House (6,000 SF lots). Escrow is anticipated to close in January 2025. Average permits and fees per lot at approximately $50,976. The lots will be encumbered by bond debt, proceeds of which will finance certain public improvements. Annual special taxes are estimated at $5,177 per lot.

Land Sale Profile — Sale No. 3

Location & Property Identification

Property Name:	Lagoon Valley - Neighborhood K-2
Sub-Property Type:	Residential, Single Family Development Land
Address:	National Garden Ln.
City/State/Zip:	Vacaville, CA 95687
County:	Solano
Market Orientation:	Suburban
IRR Event ID:	3247292

Sale Information

Sale Price:	$17,556,750
Effective Sale Price:	$17,556,750
Sale Date:	09/30/2024
Contract Date:	11/08/2023
Sale Status:	In-Contract
$/Acre(Gross):	$1,027,311
$/Land SF(Gross):	$23.58
$/Building SF:	$3,135.13
$/Unit (Potential):	$216,750 /Unit
Grantor/Seller:	Triad Lagoon Valley LLC
Grantee/Buyer:	Lennar Homes of CA 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
Verified By:	Blake Fassler
Verification Date:	06/23/2024
Verification Type:	Confirmed-Seller

Sale Analysis

Expenditures After Purchase:	$164,100
Expenditures Description:	Permits and fees and residual payments
Other Adjustment:	$2,700
Adjustment Comments:	Estimated bond encumbrance

Improvement and Site Data

Legal/Tax/Parcel ID:	0128-040-470
Acres(Gross):	17.09
Land-SF(Gross):	744,440
Potential Building SF:	5,600
No. of Units (Potential):	81
Source of Land Info.:	Public Records

Comments

This is a pending sale of neighborhood K-2 is the Lagoon Valley master plan, which represents 81 lots with a typical lot size of 5,600 square feet. The lots will transfer in finished condition and have a master marketing fee of 0.5% of the purchase price of each home closing. The lots are anticipated to transfer at the end of September 2024 for $216,750 per lot. There are also residual payments to be made by Lennar to the master developer in the form of a profit participation agreement as well as another residual payment. The profit participation agreement is a 50% split on net profits that exceeds 12% of gross sales revenue. The residual payments are calculated at 28% of home revenue less $6,000 site development fee and land costs. There is a

Comments (Cont'd)

$6,200,000 or $76,543 per lot maximum that could be collected in residual payments. The residual payments will be included within the total consideration of the report. Considering time value of money, the estimated residual payment for total consideration is $68,000 per lot. Permits and fees are estimated at $96,100 per lot. The exact annual special taxes cannot be determined; however, based on the information provided, special taxes are estimated at $2,700 per lot.

Land Sale Profile — Sale No. 4

Location & Property Identification

Property Name:	The Knolls (143 Lots)
Sub-Property Type:	Residential, Single Family Development Land
Address:	South of W Grant Line Rd, West of Central Pkwy
City/State/Zip:	Mountain House, CA 95391
County:	San Joaquin
Market Orientation:	Suburban
IRR Event ID:	3337664

Sale Information

Sale Price:	$37,000,000
Effective Sale Price:	$37,000,000
Sale Date:	03/27/2024
Sale Status:	Closed
$/Acre(Gross):	$1,032,654
$/Land SF(Gross):	$23.71
$/Building SF:	$7,400.00
$/Unit (Potential):	$258,741 /Approved Lot
Grantor/Seller:	Sanidhya Dhir; Suneha Holdings, LLC, et. al.
Grantee/Buyer:	KL LB BUY 2 LLC
Assets Sold:	Real estate only
Property Rights:	Fee Simple
Financing:	Cash to seller
Conditions of Sale:	Arm's-length
Verified By:	Sara Gilbertson, MAI
Verification Date:	03/11/2025
Confirmation Source:	Jackie Mast
Verification Type:	Confirmed-Buyer

Sale Analysis

Expenditures After Purchase:	$160,780
Expenditures Description:	Net site development costs, and permits and fees
Other Adjustment:	$6,300
Adjustment Comments:	Annual special tax per lot

Improvement and Site Data

Acres(Gross):	35.83
Land-SF(Gross):	1,560,755
Potential Building SF:	5,000
No. of Units (Potential):	143
Zoning Code:	RL
Zoning Desc.:	Low Density Residential
Source of Land Info.:	Other

Comments

These 143 lots were purchases from land seller for $37,000,000. TriPointe is utilizing a Land Bank and will take down the lots over a scheduled three-year period. The average lot size is 50x100. The tentative map was approved in November 2022, and the final map is anticipated to be approved in March 2025. The lots will be encumbered by bond debt, proceeds of which will finance certain public improvements; net site development costs, including permits and fees, are approximately $160,780 per lot. Annual special taxes are estimated at $6,300 per lot.

Land Sale Profile

Sale No. 5

Location & Property Identification

Property Name:	Avina (279 Lots)
Sub-Property Type:	Residential, Single Family Development Land
Address:	SWQ W Grant Line Rd & Mountain House Pkwy
City/State/Zip:	Mountain House, CA 95391
County:	San Joaquin
Market Orientation:	Suburban
IRR Event ID:	3337636

Sale Information

Sale Price:	$79,674,000
Effective Sale Price:	$79,674,000
Sale Date:	01/12/2024
Sale Status:	Closed
$/Acre(Gross):	$1,184,391
$/Land SF(Gross):	$27.19
$/Building SF:	$14,892.34
$/Unit (Potential):	$285,570 /Approved Lot
Grantor/Seller:	N/Av
Grantee/Buyer:	AG EHC II (PHM) CA 2, L.P.
Assets Sold:	Real estate only
Property Rights:	Fee Simple
Financing:	Cash to seller
Conditions of Sale:	Arm's-length
Verified By:	Sara Gilbertson, MAI
Verification Date:	02/18/2025
Confirmation Source:	Jon Cakus
Verification Type:	Confirmed-Buyer

Sale Analysis

Expenditures After Purchase:	$171,037
Expenditures Description:	Site development costs, & net permits and fees
Other Adjustment:	$3,310
Adjustment Comments:	Annual special taxes per lot

Improvement and Site Data

Acres(Gross):	67.27
Land-SF(Gross):	2,930,281
Potential Building SF:	5,350
No. of Units (Potential):	279
Zoning Code:	RM & RL
Zoning Desc.:	Medium & Low Density Residential
Source of Land Info.:	Public Records

Comments

On January 12, 2024, Pulte's Land Banker closed escrow on this 279 lot property. The project was fully entitled at time of COE. Final Map and Improvement Plans were being reviewed by MHCSD. Purchase price was $79,674,000. Site development commenced in April 2024. Average permits and fees per lot at approximately $57,000. The lots will be encumbered by bond debt, proceeds of which will finance certain impact fees; net permits and fees are approximately $17,814. Site development costs are approximately $153,223 per lot. Annual special taxes are estimated at $3,310 per lot.

Integra Realty Resources
Sacramento

Appraisal of Real Property

Lammersville Joint Unified School District CFD No. 2024-1 (Mountain House School Facilities)
2,968 SFR Lots and 1,131 HDR Units
N/O Byron Rd., S/O Great Valley Pkwy.
Mountain House, San Joaquin County, California 95391

Prepared For:
Lammersville Joint Unified School District

Report Format:
Appraisal Report – Bring Forward Letter

IRR - Sacramento
File Number: 193-2025-0117

June 23, 2025

Kirk Nicholas
Superintendent
Lammersville Joint Unified School District
111 S. De Anza Boulevard
Mountain House, CA 95391

SUBJECT: Market Value Appraisal – Bring Forward Letter
Lammersville Joint Unified School District CFD No. 2024-1 (Mountain House School Facilities)
N/O Byron Rd., S/O Great Valley Pkwy.
Mountain House, San Joaquin County, California 95391
IRR - Sacramento File No. 193-2025-0117

Dear Mr. Nicholas:

Integra Realty Resources – Sacramento has prepared an update to our Appraisal Report of the above-referenced property. The original Appraisal Report, dated May 12, 2025, was prepared conforming to the requirements set forth under Standards Rule 2-2(a) of the Uniform Standards of Professional Appraisal Practice (USPAP) and the Appraisal Standards for Land Secured Financing published by the California Debt and Investment Advisory Commission (CDIAC) (2004). The Original Appraisal Report provides the market values (*fee simple estate*), by ownership, of certain properties within the boundaries of the Lammersville Joint Unified School District CFD No. 2024-1 (Mountain House School Facilities) (the "CFD"), under the assumptions and conditions contained in such Appraisal Report, as of April 4, 2025. This Update Appraisal Report may only be used in conjunction with the Original Appraisal Report.

As an Update Appraisal Report, this document does not present a complete discussion of the data, reasoning and analyses used in the appraisal process to develop the appraiser's opinions of value. Supporting documentation concerning the data, reasoning and analyses is retained in the appraiser's work file.

We have been requested to ascertain, as of a current date of value (June 23, 2025), whether the cumulative, or aggregate, value of the appraised properties is not less than the cumulative, or aggregate, value estimated as of the original date of value April 4, 2025.

Since the original date of value April 4, 2025, additional homes have been completed and/or sold to individual homeowners, a number of homes have begun construction with building permits, impact fees paid, and continued development of remaining site improvements.

As a result of our analysis, it is our opinion the cumulative, or aggregate, value derived in the Original Appraisal Report, as of April 4, 2025, in accordance with the assumptions and conditions set forth in the attached document, as of June 23, 2025 (current date of value), is not less **$762,769,000**.

Type and Definition of Value:

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

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

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

Client and Intended Users:

The client is the Lammersville Joint Unified School District. The intended users are the Lammersville Joint Unified School District and its associated finance team.

Intended Use:

The intended use of the appraisal is for bond underwriting purposes. The appraisers understand and agree this Update Appraisal Report, and Original Appraisal Report, is expected to be, and may be, utilized in the marketing of the Bonds and to satisfy certain legal requirements in connection with issuing the Bonds.

Purpose:

The purpose of this Update Appraisal Report, dated June 23, 2025, is to ascertain whether the current estimate (June 23, 2025) of cumulative, or aggregate, value of the CFD is not less than the value derived in the Original Appraisal Report, dated May 12, 2025, with a date of value of April 4, 2025.

The cumulative, or aggregate, value of the appraised properties in the CFD account for the impact of the Lien of the Special Tax securing the Lammersville Joint Unified School District CFD No. 2024-1 (Mountain House School Facilities) Special Tax Bonds.

Scope of Work: In preparing this Update Appraisal Report, we analyzed market data presented in our Original Appraisal Report dated May 12, 2025 (as of the April 4, 2025 date of value). In addition, we analyzed current market conditions and considered any changes in the condition of the subject properties since the date of value above. This Update Appraisal Report sets forth only the appraiser's conclusions. Supporting documentation is retained in the appraiser's work file.

Date of Inspection: The subject was not re-inspected.

Current Date of Value: June 23, 2025

Date of Report: June 23, 2025

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

This Update Appraisal Report dated June 23, 2025, which contains 10 pages, must remain attached to the original appraisal dated May 12, 2025, which contains 133 pages, plus related exhibits and Addenda, in order for the value opinions set forth herein to be considered valid.

As of the date of value reported in the original appraisal, Lennar Homes had 8 completed model homes and 98 homes under construction. As of today, based on Lennar's website, at least half of that number have been sold to individuals. Another active builder, Rurka, had several homes under construction as of the original date of value, with no completed homes. As of today they have sold to new homeowner's 13 homes. Based on these examples of on-going development and construction at the subject properties, we have concluded that the subject's aggregate value as of June 23, 2025 is not less than the aggregate value estimate reported in the original appraisal report with a date of value of April 4, 2025 (report date of May 12, 2025). This is despite the fact Lennar has lowered their base prices in their Neighborhoods within the District. Overall, the project status as of June 23, 2025 supports an aggregate value estimate that is not less than reported in the original appraisal.

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 prepared appraisals of portions of the property that is the subject of this report for another client. We have provided no other 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 K. Ziegenmeyer, MAI, has made a personal inspection of the property that is the subject of this report. Eric Segal, MAI, and Sara Gilbertson, MAI, have not personally inspected the subject.
12. No one provided significant real property appraisal assistance to the person(s) signing this certification.
13. We have experience in appraising properties similar to the subject and are in compliance with the Competency Rule of USPAP.

14. As of the date of this report, Kevin Ziegenmeyer, MAI, Eric Segal, MAI, and Sara Gilbertson, MAI, have completed the continuing education program for Designated Members of the Appraisal Institute.

Sara Gilbertson, MAI
California Certified General Real Estate Appraiser #3002204

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

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

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.

Addendum A

Appraiser Qualifications

Sara Gilbertson, MAI

Integra Realty Resources - Sacramento

516 Gibson Drive
Suite 290
Roseville, CA 95678

T 916.435.3883
F 916.435.4774

irr.com

Experience

Ms. Gilbertson is a licensed appraiser with Integra Realty Resources, a real estate appraisal firm that engages in a wide variety of real estate valuation and consultation assignments. After completing her bachelor's degree at California State University, Sacramento, Ms. Gilbertson began her career in real estate as a research analyst/appraiser trainee for Seevers Jordan Ziegenmeyer in 2011. She has experience in writing narrative appraisal reports covering a variety of commercial properties, as well as special use properties including self-storage facilities, hotels and mobile home parks. She also specialized in the appraisal of residential master planned communities and subdivision, as well as Mello Roos and Assessment Districts for land secured municipal financings. Ms. Gilbertson has developed the experience and background necessary to deal with complex assignments covering an array of property types.

Licenses

California, California Certified General Real Estate Appraiser, 3002204, Expires May 2026

Education

Academic:
Bachelor of Science in Business Administration (Concentration in Real Estate and Land Development), California State University, Sacramento

Appraisal Institute Courses:
Basic Appraisal Principles
Basic Appraisal Procedures
Uniform Standards of Professional Appraisal Practice
Real Estate Finance and Statistics and Valuation Modeling
Sales Comparison Approach
Report Writing and Case Studies
Market Analysis and Highest and Best Use
Site Valuation and Cost Approach
Basic Income Capitalization
Federal and California Statutory and Regulator Laws
Quantitative Analysis
Business Practices and Ethics
Advanced Market Analysis and Highest and Best Use
Advanced Income Capitalization
Advanced Concepts and Case Studies

sgilbertson@irr.com - 916.435.3883 x248

Business, Consumer Services & Housing Agency

BUREAU OF REAL ESTATE APPRAISERS

REAL ESTATE APPRAISER LICENSE

Sara A. Gilbertson

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: 3002204

Effective Date: May 30, 2024
Date Expires: May 29, 2026

Angela Jemmott

Angela Jemmott, Bureau Chief, BREA

3075321

Eric Segal, MAI

Integra Realty Resources - Los Angeles (219)

12100 Wilshire Blvd
Suite 800
Los Angeles, CA 90025

T 916.435.3883
F 916.435.4774

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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

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

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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

Angela Jemmott, Bureau Chief, BREA

3079030

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. Mr. Ziegenmeyer is currently Senior Managing Director of the Integra-Sacramento office, and Managing Director of the Integra-Orange County, Integra-San Francisco and Integra-Los Angeles offices.

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

Integra Realty Resources - Sacramento

516 Gibson Drive
Suite 290
Roseville, CA 95678

T 916.435.3883
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Kevin Ziegenmeyer, MAI

Education (Cont'd)

Subdivision Valuation
2005 Annual Fall Conference
General Comprehensive Exam Module I, II, III & IV
Advanced Income Capitalization
Advanced Sales Comparison & Cost Approaches
2004 Central CA Market Update
Computer-Enhanced Cash Flow Modeling
Forecast 2000, 2001, 2002, 2003 & 2004
Land Valuation Assignments
Land Valuation Adjustment Procedures
Highest & Best Use and Market Analysis
Entitlements, Land Subdivision & Valuation
Real Estate Value Cycles
El Dorado Hills Housing Symposium
Federal Land Exchanges
M & S Computer Cost-Estimating, Nonresidential

Integra Realty Resources - Sacramento

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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

PRELIMINARY OFFICIAL STATEMENT DATED JUNE 30, 2025

NEW ISSUE **NOT RATED**

In the opinion of Jones Hall LLP, San Mateo, California, 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; however, such interest on the 2025 Bonds may be taken into account for the purpose of computing the alternative minimum tax imposed on certain corporations. In the further opinion of Bond Counsel, such interest is exempt from California personal income taxes. See "LEGAL MATTERS - Tax Exemption."

$43,310,000*
LAMMERSVILLE JOINT UNIFIED SCHOOL DISTRICT
COMMUNITY FACILITIES DISTRICT NO. 2024-1
(MOUNTAIN HOUSE SCHOOL FACILITIES)
SPECIAL TAX BONDS, SERIES 2025

Dated: Date of Delivery **Due: September 1, as shown on inside cover.**

Authority for Issuance. The bonds captioned above (the "2025 Bonds") are being issued by the Lammersville Joint Unified School District (the "School District") under the Mello-Roos Community Facilities Act of 1982, as amended (the "Act"), the Resolution of Issuance (as defined herein), and a Fiscal Agent Agreement dated as of July 1, 2025 (the "Fiscal Agent Agreement"), by and between the School District and The Bank of New York Mellon Trust Company, N.A., as fiscal agent (the "Fiscal Agent"). Under the Resolution of Issuance, the Governing Board (the "Board") of the School District, acting as legislative body of the Lammersville Joint Unified School District Community Facilities District No. 2024-1 (Mountain House School Facilities) (the "Community Facilities District"), has authorized the issuance of the 2025 Bonds in an aggregate principal amount not to exceed $90,000,000. See "THE 2025 BONDS – Authority for Issuance."

Security and Sources of Payment. The 2025 Bonds are payable from the net proceeds of Special Taxes (as defined herein) levied on certain property within the Community Facilities District according to the rate and method of apportionment of special tax approved by the Board and the eligible landowner voters in the Community Facilities District. The 2025 Bonds are secured by a first pledge of the revenues derived from the Special Taxes and the moneys on deposit in certain funds held by the Fiscal Agent under the Fiscal Agent Agreement, on a parity with any parity bonds that may be issued in the future upon compliance with the conditions set forth in the Fiscal Agent Agreement. See "SECURITY FOR THE 2025 BONDS." The 2025 Bonds and any Parity Bonds (as defined herein) are referred to herein as the "Bonds."

Use of Proceeds. The 2025 Bonds are being issued to (i) finance the acquisition and construction of certain public school facilities and improvements to be owned and operated by the School District, (ii) fund a debt service reserve fund for the 2025 Bonds (the "2025 Reserve Fund"), (iii) pay capitalized interest on the 2025 Bonds for a limited period, and (iv) pay the costs of issuing the 2025 Bonds. See "FINANCING PLAN."

Bond Terms. Interest on the 2025 Bonds is payable on each March 1 and September 1, commencing March 1, 2026. The 2025 Bonds will be issued in denominations of $5,000 or integral multiples of $5,000. The 2025 Bonds, when delivered, will be initially registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the 2025 Bonds. See "THE 2025 BONDS – General Bond Terms" and "APPENDIX D – DTC and the Book-Entry Only System."

Redemption. The 2025 Bonds are subject to optional redemption, mandatory sinking fund redemption and special redemption from prepaid Special Taxes. See "THE 2025 BONDS - Redemption."

The 2025 Bonds, the interest thereon, and any premiums payable on the redemption of any of the 2025 Bonds, are not an indebtedness of the School District (except to the limited extent described in this Official Statement), the State of California (the "State") or any of its political subdivisions, and neither the School District (except to the limited extent described in this Official Statement), the State nor any of its political subdivisions is liable for the 2025 Bonds. Neither the faith and credit nor the taxing power of the School District (except to the limited extent described in this Official Statement) or the State or any political subdivision thereof is pledged to the payment of the 2025 Bonds or interest thereon. Other than the Special Tax Revenues, no taxes are pledged to the payment of the 2025 Bonds. The 2025 Bonds are not a general obligation of the School District, but are limited obligations of the School District payable solely from the Special Tax Revenues as more fully described in this Official Statement.

MATURITY SCHEDULE
(see inside cover)

This cover page contains certain information for quick reference only. It is not a summary of the issue. Potential investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision. Investment in the 2025 Bonds involves risks which may not be appropriate for some investors. See "BONDOWNERS' RISKS" for a discussion of special risk factors that should be considered in evaluating the investment quality of the 2025 Bonds.

The 2025 Bonds are offered when, as and if issued and accepted by the Underwriter, subject to approval as to their legality by Jones Hall LLP, San Mateo, California, Bond Counsel, and subject to certain other conditions. Jones Hall LLP has served as disclosure counsel to the School District. Certain matters will be passed upon for the School District by Lozano Smith, Sacramento, California, its general counsel. Kutak Rock LLP, Irvine, California, is serving as counsel to the Underwriter. It is anticipated that the 2025 Bonds, in book-entry form, will be available for delivery through the facilities of DTC on or about July 31, 2025.

STIFEL

The date of this Official Statement is: _________, 2025

* *Preliminary; subject to change.*

MATURITY SCHEDULE

$________ Serial Bonds
(Base CUSIP†: _______)

Maturity (September 1)	Principal Amount	Interest Rate	Yield	CUSIP†

$________ _____% Term Bond due September 1, 20__, Yield: _____%
CUSIP† No. _____

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† CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by S&P Global Market Intelligence on behalf of The American Bankers Association. Neither the School District nor the Underwriter assumes any responsibility for the accuracy of CUSIP data.

LAMMERSVILLE JOINT UNIFIED SCHOOL DISTRICT

GOVERNING BOARD

Lisa Boulais, *President*
Stephanie Olsen, *Clerk*
Vanitha Daniel, *Member*
Samik Mody, *Member*
David Pombo, *Member*

DISTRICT ADMINISTRATION

Dr. Kirk Nicholas, *Superintendent*
Gloria Grijalva, *Assistant Superintendent of Business Services*
Alvina A. Keyser, *Director of Fiscal Services*

PROFESSIONAL SERVICES

BOND COUNSEL and DISCLOSURE COUNSEL

Jones Hall LLP
San Mateo, California

MUNICIPAL ADVISOR

California Financial Services
Ladera Ranch, California

SPECIAL TAX CONSULTANT

Goodwin Consulting Group, Inc.
Sacramento, California

APPRAISER

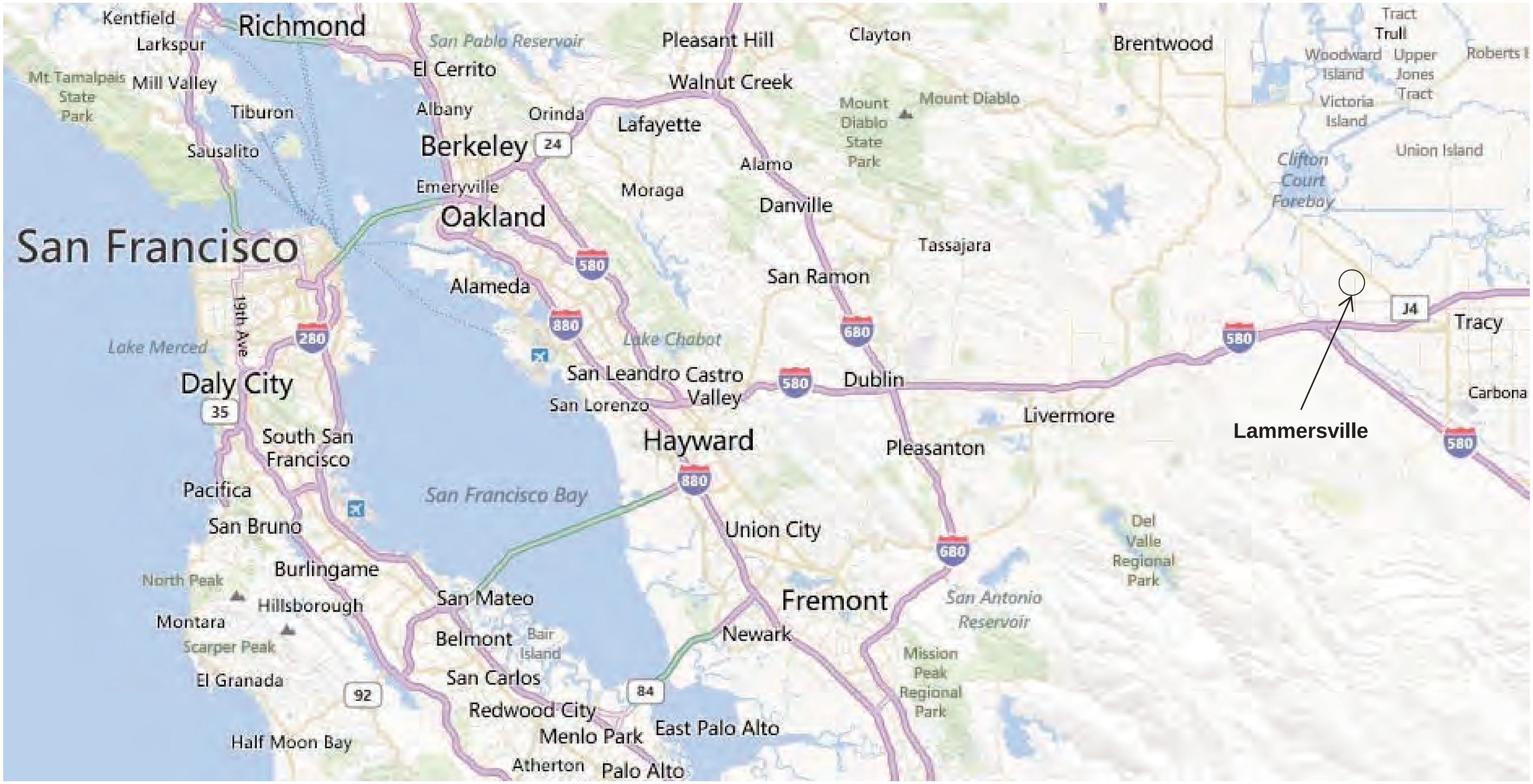
Integra Realty Resources
Sacramento, California

MARKET ABSORPTION CONSULTANT

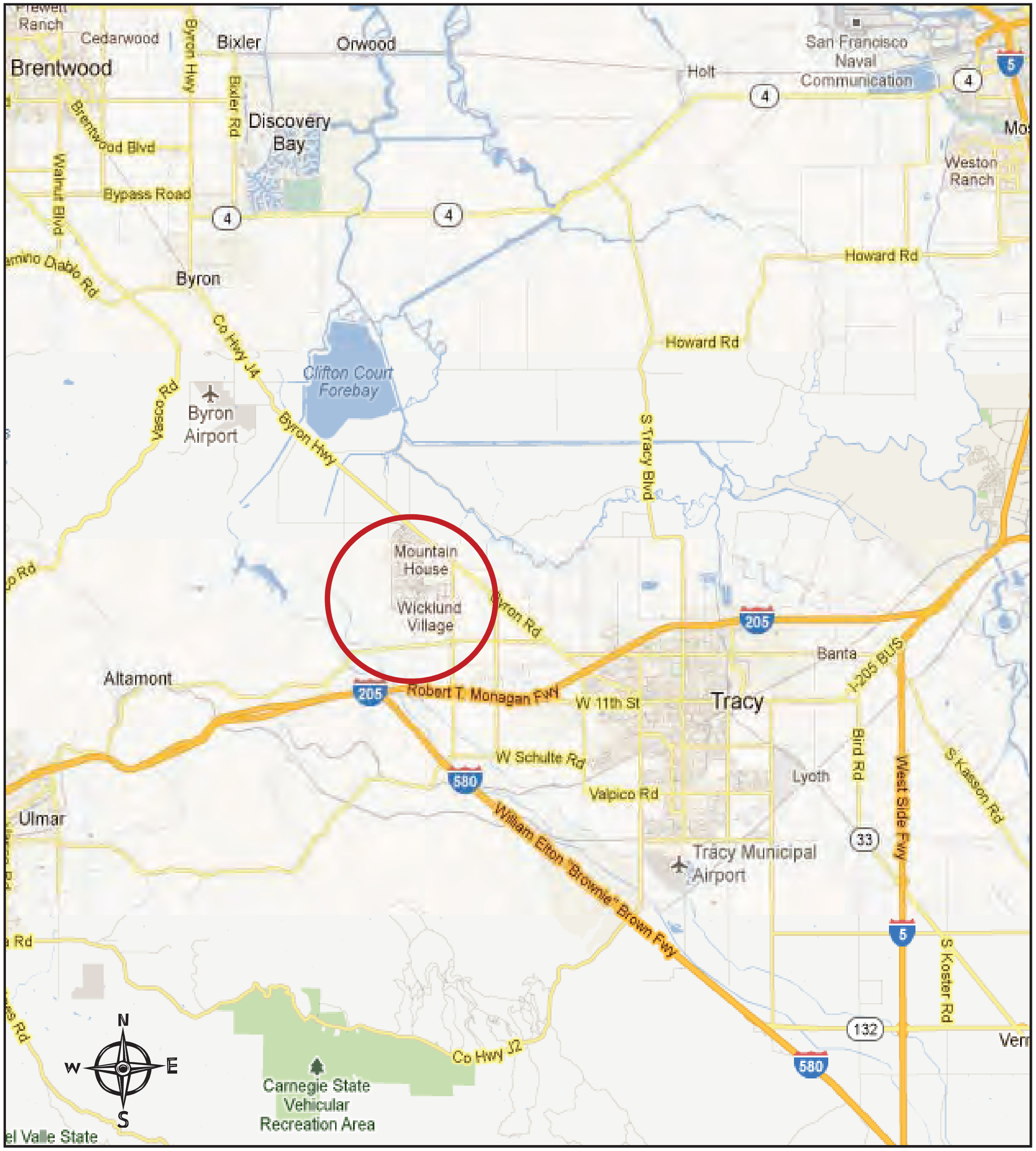
Empire Economics, Inc.
Capistrano Beach, California

FISCAL AGENT

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



Regional Map



Local Area Map

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GENERAL INFORMATION ABOUT THIS OFFICIAL STATEMENT

No Offering May Be Made Except by this Official Statement. No dealer, broker, salesperson or other person has been authorized to give any information or to make any representations with respect to the 2025 Bonds other than as contained in this Official Statement, and if given or made, such other information or representation must not be relied upon as having been authorized.

No Unlawful Offers or Solicitations. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy in any state in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

Effective Date. This Official Statement speaks only as of its date, and the information and expressions of opinion contained in this Official Statement are subject to change without notice. Neither the delivery of this Official Statement nor any sale of the 2025 Bonds will, under any circumstances, create any implication that there has been no change in the affairs of the School District, the Community Facilities District, any other parties described in this Official Statement, or in the condition of property within The Community Facilities District since the date of this Official Statement.

Use of this 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 a contract with the purchasers of the 2025 Bonds.

Preparation of this Official Statement. The information contained in this Official Statement has been obtained from sources that are believed to be reliable, but this information is not guaranteed as to accuracy or completeness.

The Underwriter has provided the following sentence for inclusion in this Official Statement: The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

Document References and Summaries. All references to and summaries of the Fiscal Agent Agreement or other documents contained in this Official Statement are subject to the provisions of those documents and do not purport to be complete statements of those documents.

Stabilization of and Changes to Offering Prices. The Underwriter may overallot or take other steps that stabilize or maintain the market prices of the 2025 Bonds at levels above those that might otherwise prevail in the open market. If commenced, the Underwriter may discontinue such market stabilization at any time. The Underwriter may offer and sell the 2025 Bonds to certain securities dealers, dealer banks and banks acting as agent at prices lower than the public offering prices stated on the inside cover page of this Official Statement, and those public offering prices may be changed from time to time by the Underwriter.

Bonds are Exempt from Securities Laws Registration. The issuance and sale of the 2025 Bonds have not been registered under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, in reliance upon exemptions for the issuance and sale of municipal securities provided under Section 3(a)(2) of the Securities Act of 1933 and Section 3(a)(12) of the Securities Exchange Act of 1934.

Estimates and Projections. Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as "plan," "expect," "estimate," "budget" or other similar words.

The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The School District does not plan to issue any updates or revisions to those forward-looking statements if or when its expectations, or events, conditions or circumstances on which such statements are based occur.

The School District maintains an Internet website, but the information on the website is not incorporated in this Official Statement.

OFFICIAL STATEMENT

$43,310,000*
LAMMERSVILLE JOINT UNIFIED SCHOOL DISTRICT
COMMUNITY FACILITIES DISTRICT NO. 2024-1
(MOUNTAIN HOUSE SCHOOL FACILITIES)
SPECIAL TAX BONDS, SERIES 2025

INTRODUCTION

This Official Statement, including the cover page, inside cover and attached appendices, is provided to furnish information regarding the bonds captioned above (the "**2025 Bonds**") to be issued by the Lammersville Joint Unified School District (the "**School District**") on behalf of the Lammersville Joint Unified School District Community Facilities District No. 2024-1 (Mountain House School Facilities) (the "**Community Facilities District**").

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, the inside cover 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.

Capitalized terms used but not defined in this Official Statement have the definitions given in the Fiscal Agent Agreement (as defined below).

The School District. The School District is located in the western part of San Joaquin County (the "**County**") and a portion of eastern Alameda County, near the City of Tracy. The School District provides public education within a 21.7-square-mile area. For economic and demographic information regarding the area in and around the School District, see APPENDIX A.

The administration headquarters of the School District is located at 111 South De Anza Boulevard, Mountain House, California.

The Community Facilities District. The Community Facilities District was formed and established on December 18, 2024, by the Governing Board of the School District (the "**Board**"), as legislative body of the Community Facilities District, under the Mello-Roos Community Facilities Act of 1982, as amended (the "**Act**"), pursuant to a resolution adopted by the Board following a public hearing, and a landowner election at which the qualified electors of the Community Facilities District authorized the School District to incur bonded indebtedness for the Community Facilities District See "THE COMMUNITY FACILITIES DISTRICT – Formation and Background."

Authority for Issuance of the 2025 Bonds. The 2025 Bonds are issued under the Act, resolutions adopted on December 18, 2024 and May 7, 2025 (collectively, the "**Resolution of Issuance**"), and a Fiscal Agent Agreement, dated as of July 1, 2025 (the "**Fiscal Agent Agreement**"), by and between the School District and The Bank of New York Mellon Trust Company, N.A., as fiscal agent (the "**Fiscal Agent**"). See "THE 2025 BONDS – Authority for Issuance." The Board, as legislative body of the Community Facilities District, has authorized the issuance of the 2025 Bonds in a maximum original principal amount of $90,000,000 pursuant to the Resolution of Issuance.

*Preliminary; subject to change.

Purpose of the 2025 Bonds. Proceeds of the 2025 Bonds will be used primarily to finance the acquisition and construction of certain school facilities to be owned and operated by the School District, including a new K-8 school serving the property in the Community Facilities District. Proceeds of the 2025 Bonds will also fund a debt service reserve for the 2025 Bonds, fund capitalized interest representing a portion of the interest due on the 2025 Bonds on March 1, 2026, and pay the costs of issuing the 2025 Bonds. See "FINANCING PLAN."

Redemption of 2025 Bonds Prior to Maturity. The 2025 Bonds are subject to optional redemption, mandatory sinking fund redemption and special redemption from prepaid Special Taxes. See "THE 2025 BONDS – Redemption."

Security and Sources of Payment for the 2025 Bonds. The County annually levies special taxes on certain property in the Community Facilities District (the "**Special Taxes**") in accordance with the Rate and Method of Apportionment of Special Tax for the Community Facilities District (the "**Rate and Method**"). The 2025 Bonds are secured by and payable from a first pledge of the net proceeds of the Special Taxes (as more particularly defined in the Fiscal Agent Agreement, the "**Special Tax Revenues**"), on a parity with any bonds that may be issued on a parity basis in the future upon compliance with the conditions set forth in the Fiscal Agent Agreement. The 2025 Bonds will be additionally secured by certain funds and accounts established and held under the Fiscal Agent Agreement. See "SECURITY FOR THE 2025 BONDS."

The School District may issue additional bonds secured by Special Tax Revenues on a parity with the 2025 Bonds, upon compliance with certain conditions set forth in the Fiscal Agent Agreement. See "THE 2025 BONDS – Issuance of Future Parity Bonds."

Debt Service Reserve Fund. In order to further secure the payment of principal of and interest on the 2025 Bonds, and any future series of Parity Bonds, the principal and interest of which is payable from amounts in the 2025 Reserve Fund ("**2025 Related Parity Bonds**"), certain proceeds of the 2025 Bonds will be deposited into the 2025 Reserve Fund in an amount equal to the Reserve Fund Reserve Requirement (as defined herein) for the 2025 Bonds. See "FINANCING PLAN – Estimated Sources and Uses of Funds" and "SECURITY FOR THE 2025 BONDS – 2025 Reserve Fund."

Covenant to Foreclose. The School District has covenanted in the Fiscal Agent Agreement to cause foreclosure proceedings to be commenced and prosecuted against certain parcels with delinquent installments of the Special Taxes. For a more detailed description of the foreclosure covenant see "SECURITY FOR THE 2025 BONDS - Covenant to Foreclose."

Property Ownership and Development Status. The Taxable Property within the Community Facilities District is currently designated for development of 4,099 single-family detached homes, single-family attached homes and multifamily units.

The master developer of the property in the Community Facilities District, Mountain House Developers, LLC, a Delaware limited liability company (the "**Master Developer**") acquired the land in the Community Facilities District between 2005 and 2007 for development and sale of finished lots to merchant builders.

Five merchant builders are currently developing the property within the Community Facilities District (collectively, the "**Merchant Builders**"):

- Lennar Homes of California, LLC, a California limited liability company ("**Lennar Homes**"), wholly-owned by U.S. Home, LLC, a Delaware limited liability company ("**U.S. Home**"),

• Century Communities of California, LLC, a Delaware limited liability company ("**Century Communities**"), a wholly owned subsidiary of Century Communities, Inc. ("**Century Inc.**"),

• Richmond American Homes of Maryland, Inc., a Maryland corporation ("**Richmond American**"), a wholly-owned subsidiary of M.D.C. Holdings, Inc., a Delaware corporation ("**MDC**"), which is a wholly-owned subsidiary of Sekisui House, Ltd., a Japanese kabushiki kaisha (or joint stock company) ("**Sekisui House**"),

• Taylor Morrison of California, LLC, a California limited liability company ("**Taylor Morrison**"), whose sole shareholder is Taylor Morrison Services, Inc., a Delaware corporation qualified in California ("**TMSI**"). TMSI is controlled by Taylor Morrison Home Corporation, a Delaware corporation ("**TMHC**"), and

• Rurka Homes, LLC, a Delaware limited liability company ("**Rurka Homes**"), through a servicing agreement with the Master Developer.

Century Communities, Taylor Morrison and Lennar Homes have entered into arrangements with third-party land banking entities that have acquired or will acquire lots from the Master Developer or Merchant Builders for sale to the respective Merchant Builders. See "PROPERTY OWNERSHIP AND DEVELOPMENT STATUS."

The table below summarizes the proposed development of the taxable property within the Community Facilities District, and the percentage share of the projected Fiscal Year 2025-26 Special Taxes allocated to the property being developed by each Merchant Builder, as of April 4, 2025.

Merchant Builders and Proposed Property Development By Share of Projected Fiscal Year 2025-26 Special Taxes[(1)]

Merchant Builder (2)	Number of Parcels(3)	Number of Anticipated Single Family Detached Units(4)	Number of Anticipated Single Family Attached and Multi-Family Units(4)	Total Units	Total Projected Fiscal Year 2025-26 Special Tax	Percent of Total Projected Fiscal Year 2025-26 Special Tax
Master Developer	16	1,869	1,131	3,000	$0	0.0%
Century Communities	148	148	0	148	315,830	12.7
Lennar Homes	503	503	0	503	1,152,147	46.2
Richmond American	55	55	0	55	115,711	4.6
Rurka Homes	190	190	0	190	406,411	16.3
Taylor Morrison	203	203	0	203	503,316	20.2
Total	**1,115**	**2,968**	**1,131**	**4,099**	**$2,493,415**	**100.0%**

(1) Based on the projected Fiscal Year 2025-26 Special Tax levy. Assumes the maximum Special Tax will be levied on Developed Property and Final Map Property in Fiscal Year 2025-26. Does not include any property in the Future Annexation Area.

(2) Based on ownership information included in the Appraisal. May not reflect recent sales. Century Communities, Taylor Morrison and Lennar Homes have entered into arrangements with third-party land banking entities that have acquired or will acquire lots from the Master Developer or Merchant Builders for sale to the respective Merchant Builders. See "PROPERTY OWNERSHIP AND DEVELOPMENT STATUS."

(3) Reflects the parcels that were included on the County Assessor's roll as of December 31, 2024. The count of parcels is expected to increase as additional final maps are recorded.

(4) Anticipated unit counts for future development were provided by the Master Developer and are subject to change as tentative maps are approved and final maps are recorded. Does not include units that are anticipated to be age-restricted, which are exempt from the levy of the Special Tax.

Sources: San Joaquin County Assessor's Office; the Master Developer; Goodwin Consulting Group, Inc.

For detailed information about the current development status and proposed development plans for the property in the Community Facilities District, see "PROPERTY OWNERSHIP AND DEVELOPMENT STATUS."

Assessed Valuation. The Fiscal Year 2024-25 secured assessed valuation of the taxable property within the Community Facilities District is $298,628,000. See "THE COMMUNITY FACILITIES DISTRICT."

Appraisal. An appraisal of the property within the Community Facilities District dated May 1, 2025 (the "**Appraisal**"), was prepared by Integra Realty Resources, Sacramento, California (the "**Appraiser**") in connection with issuance of the 2025 Bonds. The Appraisal was updated by a report entitled "Appraisal Report – Bring Forward Letter" dated June 23, 2025 (the "**Appraisal Update Letter**"). The purpose of the appraisal was to estimate the market value of the fee simple estate, subject to the lien of the Special Taxes, for all the taxable property within the Community Facilities District as of an April 4, 2025, date of value. Subject to the assumptions contained in the Appraisal, the Appraiser estimated that the taxable property within the Community Facilities District, subject to the lien of the Special Taxes and overlapping liens, had the following estimated values for the property being developed by each developer:

Century Communities	$62,952,000
Rurka Homes	86,367,000
Taylor Morrison	94,801,000
Richmond American	23,650,000
Lennar Homes	193,769,000
Master Developer	301,230,000
Total:	$762,769,000

The Appraisal Update Letter confirmed that the total estimated value of the Appraised Property was not less than $762,769,000 as of June 23, 2025. See "THE COMMUNITY FACILITIES DISTRICT – Appraised Property Value" and APPENDIX I for further information on the Appraisal.

Market Absorption Study. A market absorption study with respect to a portion of the proposed single-family detached homes in a portion of the Community Facilities District dated March 28, 2025, and revised on May 2, 2025 (the "**Market Absorption Study**"), was prepared by Empire Economics, Inc., Capistrano Beach, California (the "**Market Absorption Consultant**") in connection with issuance of the 2025 Bonds. The purpose of the Market Absorption Study was to provide an estimate of the probable absorption schedules for the proposed homes in a portion of the Community Facilities District consisting solely of properties in Neighborhood J and Neighborhood K that had received final subdivision maps as of the date of the Market Absorption Study, consisting of 1,099 single-family detached homes. The proposed single-family attached homes and multifamily homes in Neighborhood K, and the proposed homes in Neighborhood I and Neighborhood L, were not included in the Market Absorption Study. See "THE COMMUNITY FACILITIES DISTRICT – Market Absorption Study" and APPENDIX J.

Overlapping Special Taxes. The City of Mountain House previously formed a community facilities district known as the "City of Mountain House Community Facilities District No. 2024-1 (Public Facilities and Services)" ("**Mountain House CFD 2024-1**") and eight improvement areas ("**Improvement Areas**") therein, portions of which overlap the property in the Community Facilities District. To date, Mountain House CFD 2024-1 has issued $40,130,000 in bonds for Improvement Area No. 1 and $5,805,000 in bonds for Improvement Area No. 8, which overlap the Community Facilities District. See "THE COMMUNITY FACILITIES DISTRICT – Appraised Value-to-Debt Ratios" and "– Direct and Overlapping Governmental Obligations."

Risk Factors Associated with Purchasing the 2025 Bonds. Investment in the 2025 Bonds involves risks that may not be appropriate for some investors. See “BONDOWNERS' RISKS” for a discussion of certain risk factors which should be considered, in addition to the other matters set forth in this Official Statement, in considering the investment quality of the 2025 Bonds.

FINANCING PLAN

School Facilities Financing Plan

General. Under the Resolution of Formation adopted by the School District on December 18, 2024, the Community Facilities District is authorized to finance the costs of the following school facilities (collectively, the "**Facilities**"):

> The school facilities identified in the School District's Facilities/Economic Master Plan that are required to meet the demands caused by development of the portion of the development described in the Mountain House Master Specific Plan approved by the County Board of Supervisors on November 10, 1994 (as amended), that is located in the Community Facilities District. Such school facilities shall include the design, engineering, construction and/or expansion and start-up costs of K-8 schools and a high school, as well as portable facilities, support facilities, school buses, maintenance and delivery vehicles, a School District administration office, a support service center, and temporary contributions to School District facility planning costs.
>
> The Facilities to be financed shall also include the costs of the acquisition of right-of-way, the costs of design, engineering and planning, the costs of any environmental or traffic studies, (including right-of-way that is intended to be dedicated by the recording of a final map), surveys or other reports, costs related to landscaping and irrigation, soils testing, permits, plan check and inspection fees, insurance, legal and related overhead costs, coordination and supervision and any other costs or appurtenances related to any of the foregoing.

The School District currently intends to use a portion of the proceeds of the 2025 Bonds to pay a portion of the costs of acquiring and constructing a new K-8 school serving the property within the Community Facilities District.

Estimated Sources and Uses of Funds

The estimated proceeds from the sale of the 2025 Bonds will be deposited into the following funds established under the Fiscal Agent Agreement:

<u>SOURCES</u>	
Principal Amount of 2025 Bonds	$
Plus/Less: [Net] Original Issue [Premium/Discount]	
Total Sources	$
<u>USES</u>	
Deposit into Improvement Fund [1]	$
Deposit into 2025 Reserve Fund [2]	
Deposit into Costs of Issuance Fund [3]	
Deposit into Capitalized Interest Account [4]	
Underwriter's Discount	
Total Uses	$

[1] Currently intended to be used to finance a portion of the costs of acquiring and constructing Authorized School District facilities. See "–School Facilities Financing Plan" above.

[2] Equal to the Reserve Fund Reserve Requirement with respect to the 2025 Bonds as of their date of delivery.

[3] Includes, among other things, the fees and expenses of Bond Counsel, Disclosure Counsel, the Fiscal Agent, the Appraiser, the Market Absorption Consultant, the Municipal Advisor and the Special Tax Consultant, and the costs of printing the Preliminary and final Official Statements.

[4] To fund a portion of the interest due on the 2025 Bonds on March 1, 2026.

THE 2025 BONDS

This section generally describes the terms of the 2025 Bonds contained in the Fiscal Agent Agreement, which is summarized in more detail in APPENDIX C. Capitalized terms used but not defined in this section are defined in APPENDIX C.

Authority for Issuance

The 2025 Bonds are issued under the Act, the Resolution of Issuance and the Fiscal Agent Agreement. Under the Resolution of Issuance, the 2025 Bonds may be issued in a maximum principal amount of $90,000,000.

General Bond Terms

Dated Date, Maturity and Authorized Denominations. The 2025 Bonds will be dated their date of delivery (the "**Closing Date**") and will mature in the amounts and on the dates set forth on the inside cover page of this Official Statement. The 2025 Bonds will be issued in fully registered form in denominations of $5,000 each or any integral multiple of $5,000.

Calculation of Interest. Interest will be calculated on the basis of a 360-day year composed of twelve 30-day months. The 2025 Bonds will bear interest at the annual rates set forth on the inside cover page of this Official Statement, payable semiannually on each March 1 and September 1, commencing March 1, 2026 (each, an "**Interest Payment Date**").

Each 2025 Bond will bear interest from the Interest Payment Date next preceding its date of authentication 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 (as defined below) 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 Closing 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.

"**Record Date**" means the 15th day of the calendar month next preceding the applicable Interest Payment Date, whether or not such day is a Business Day.

DTC and Book-Entry Only System. DTC will act as securities depository for the 2025 Bonds. The 2025 Bonds will be issued as fully-registered securities registered initially in the name of Cede & Co. (DTC's partnership nominee). See APPENDIX D – "DTC AND THE BOOK-ENTRY ONLY SYSTEM."

Payments of Interest and Principal. *For so long as DTC is used as depository for the 2025 Bonds, principal of, premium, if any, and interest payments on the 2025 Bonds will be made solely to DTC or its nominee, Cede & Co., as registered owner of the 2025 Bonds, for distribution to the beneficial owners of the 2025 Bonds in accordance with the procedures adopted by DTC.*

Interest on the 2025 Bonds (including the final interest payment upon maturity or earlier redemption), is payable on the applicable Interest Payment Date by check of the Fiscal Agent mailed 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 Record Date preceding the Interest Payment Date, or by wire transfer made on such Interest Payment Date upon written instructions of any Owner of $1,000,000 or more in aggregate principal amount of 2025 Bonds delivered to the Fiscal Agent prior to the applicable Record Date, which will continue in effect until revoked in writing, or until such 2025 Bonds are transferred to a new Owner.

The principal of the 2025 Bonds and any premium on the 2025 Bonds are payable in lawful money of the United States of America upon surrender of the 2025 Bonds at the Principal Office of the Fiscal Agent.

Redemption*

Optional Redemption from any Source other than Prepayments. The 2025 Bonds are subject to optional call and redemption prior to maturity, as a whole or in part among such maturities as are selected by the School District and by lot within a maturity, on any Interest Payment Date on or after September 1, 2032, from funds derived by the School District from any source, at a redemption price (expressed as a percentage of the principal amount of the Bonds to be redeemed), as set forth below, together with accrued interest thereon to the date fixed for redemption:

Redemption Dates	Redemption Price
September 1, 2032, and 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

Mandatory Sinking Fund Redemption. The 2025 Bonds maturing on September 1, 20__ and September 1, 20__ (collectively, the "**Term Bonds**"), are subject to mandatory redemption in part by lot, from sinking fund payments made by the School District from the Bond Fund, at a redemption price equal to the principal amount thereof to be redeemed, without premium, in the aggregate respective principal amounts all as set forth in the following tables:

Sinking Fund Redemption Date (September 1)	Sinking Payments

However, if some but not all of the Term Bonds of a given maturity have been redeemed through optional redemption or mandatory prepayment redemption, the total amount of all future Sinking Fund Payments relating to such maturity will be reduced by the aggregate principal amount of Term Bonds of such maturity so redeemed, to be allocated among such Sinking Fund Payments on a *pro rata* basis in integral multiples of $5,000 as determined by the School District, notice of which will be given by the School District to the Fiscal Agent.

* Preliminary; subject to change.

Redemption from Special Tax Prepayments. Special Tax Prepayments and any corresponding transfers from the 2025 Reserve Fund under the Fiscal Agent Agreement will be used to redeem 2025 Bonds on the next Interest Payment Date for which notice of redemption can timely be given under the Fiscal Agent Agreement, among series and maturities so as to maintain substantially the same debt service profile for the 2025 Bonds as in effect prior to such redemption and by lot within a maturity, at a redemption price (expressed as a percentage of the principal amount of the 2025 Bonds to be redeemed), as set forth below, together with accrued interest to the date fixed for redemption:

Redemption Dates	Redemption Price
Any Interest Payment Date on or before 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

2025 Bonds shall be selected for redemption from special tax prepayments in such manner as shall be directed by the School District, or otherwise as nearly as practicable on a *pro rata* basis among maturities, in increments of $5,000.

Special Tax prepayments could be made by any of the owners of any of the property within the Community Facilities District including the Master Developer and any of the Merchant Builders, or any individual owner; and they could also be made from the proceeds of bonds issued by or on behalf of an overlapping special assessment district or community facilities district. The resulting redemption of Bonds that were purchased at a price greater than the applicable redemption price could reduce the otherwise expected yield on such Bonds. See "BONDOWNERS" RISKS – Extraordinary Redemption from Prepaid Special Taxes."

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 and any premium which would otherwise be due if such 2025 Bonds were to be redeemed in accordance with the Fiscal Agent Agreement.

Notice of Redemption. The Fiscal Agent will cause notice of any redemption to be emailed, or 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 Original Purchaser, the Securities Depositories, and to the respective registered Owners of any 2025 Bonds designated for redemption, at their addresses appearing on the 2025 Bond registration books in the Principal Office of the Fiscal Agent; but such mailing will not be a condition precedent to such redemption and failure to email or 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. In addition, the Fiscal Agent will file each notice of redemption with the MSRB through its EMMA system.

However, while the 2025 Bonds are subject to DTC's book-entry system, the Fiscal Agent will be required to give notice of redemption only to DTC as provided in the letter of representations executed by the School District and received and accepted by DTC. DTC and the Participants will have sole responsibility for providing any such notice of redemption to the Beneficial Owners of the 2025 Bonds to be redeemed. Any failure of DTC to notify any Participant, or any failure of Participants to notify the Beneficial Owner of any 2025 Bonds to be redeemed, of a notice of redemption or its content or effect *will not affect the validity of the notice of redemption, or alter the effect of redemption set forth in the Fiscal Agent Agreement.*

Conditional Redemption Notice and Rescission of Redemption. Any redemption notice may specify that redemption on the specified date will be subject to receipt by the School District of moneys sufficient to cause such redemption (and shall specify the proposed source of such moneys), and neither the School District nor the Fiscal Agent shall have any liability to the Owners or any other party as a result of its failure to redeem the 2025 Bonds as a result of insufficient moneys.

The School District has the right to rescind any notice of the optional redemption of 2025 Bonds by written notice to the Fiscal Agent on or prior to the date fixed for redemption. Any notice of redemption will 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, and such cancellation will not constitute a default under the Fiscal Agent Agreement.

The School District and the Fiscal Agent have no liability to the Owners or any other party related to or arising from such rescission of redemption. The Fiscal Agent will email or mail notice of such rescission of redemption in the same manner as the original notice of redemption was sent under the Fiscal Agent Agreement.

Selection of 2025 Bonds for Redemption. Whenever provision is made in the Fiscal Agent Agreement for the redemption of less than all the 2025 Bonds of any series or maturity or any given portion thereof, the Fiscal Agent will select the 2025 Bonds to be redeemed from all 2025 Bonds or such given portion thereof not previously called for redemption and notify the Fiscal Agent, and the Fiscal Agent shall select the 2025 Bonds or portions thereof to be redeemed by lot within a maturity and notify the School District.

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 called for redemption have been deposited in the Bond Fund, those 2025 Bonds 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 the notice of redemption.

Issuance of Future Parity Bonds

Parity Bonds. In addition to the 2025 Bonds, but subject to the $250,000,000 maximum bonded indebtedness limit for the Community Facilities District, the School District may issue one or more additional series of bonds or other indebtedness (collectively, "**Parity Bonds**") payable from the Special Tax Revenues on a parity with the 2025 Bonds, in such principal amount as may be determined by the School District, under a Supplemental Agreement entered into by the School District and the Fiscal Agent. Any such Parity Bonds will constitute Bonds under the Fiscal Agent Agreement and will be secured by a lien on the Special Tax Revenues and funds pledged for the payment of the 2025 Bonds under the Fiscal Agent Agreement on a parity with all other Bonds Outstanding thereunder.

The School District may issue such Parity Bonds subject to the specific conditions precedent set forth in the Fiscal Agent Agreement, including without limitation the following:

Debt Service Reserve Fund. The Supplemental Agreement providing for issuance of the Parity Bonds shall provide for (i) a deposit to the 2025 Reserve Fund in an amount necessary such that the amount deposited therein shall equal the 2025 Reserve Requirement following issuance of the Parity Bonds, (ii) a deposit to a reserve account for the Parity Bonds, in an amount defined in such Supplemental Agreement, as long as such Supplemental Agreement expressly declares that the Owners of such Parity Bonds will have no interest in or claim to the 2025 Reserve Fund and that the Owners of the 2025 Bonds covered by the 2025 Reserve Fund will have no interest in or claim to such other reserve account or (iii) no deposit to either the 2025 Reserve Fund or another reserve account as long as such Supplemental Agreement expressly declares that the Owners of such Parity Bonds will have no interest in or claim to the 2025 Reserve Fund or any other reserve account.

Value. The value of Taxable Property in the Community Facilities District, as measured by appraised value or assessed value, must be at least three times the sum of:

(i) the aggregate principal amount of all Bonds then Outstanding, plus

(ii) the aggregate principal amount of the series of Parity Bonds proposed to be issued, plus

(iii) the aggregate principal amount of any fixed assessment liens on the parcels in the Community Facilities District subject to the levy of Special Taxes, plus

(iv) a portion of the aggregate principal amount of any and all other community facilities district bonds then outstanding and payable at least partially from special taxes to be levied on parcels of land within the Community Facilities District (the "**Other District Bonds**") equal to the aggregate principal amount of the Other District Bonds multiplied by a fraction, the numerator of which is the amount of special taxes levied for the Other District Bonds on parcels of land within the Community Facilities District, and the denominator of which is the total amount of special taxes levied for the Other District Bonds on all parcels of land against which the special taxes are levied to pay the Other District Bonds (such fraction to be determined based upon the maximum special taxes which could be levied in the year in which maximum annual debt service on the Other District Bonds occurs), based upon information from the most recent available Fiscal Year.

Coverage. The amount of the Maximum Special Taxes that may be levied in each Fiscal Year under the Ordinance, the Fiscal Agent Agreement and any Supplemental Agreement must be at least (i) 110% of the total Annual Debt Service of the then-Outstanding Bonds and the proposed Parity Bonds, and (ii) 100% of the total Annual Debt Service of the then-Outstanding Bonds and the proposed Parity Bonds and the amount of the levy for Administrative Expenses in the current fiscal year. In addition, the aggregate Special Tax Prepayments that could occur after the issuance of the Parity Bonds will be not less than the principal amount of the Outstanding Bonds and the proposed Parity Bonds.

Refunding Bonds. Notwithstanding the foregoing, the School District may issue Refunding Bonds as Parity Bonds without the need to satisfy the value and coverage tests set forth above. Under the Fiscal Agent Agreement, the term "**Refunding Bonds**" is defined as bonds issued by the School District for the Community Facilities District with respect to the Community Facilities District, the net proceeds of which are used to refund all or a portion of the then-Outstanding Bonds; provided that the principal and interest on the Refunding Bonds to their final maturity date is less than the principal and interest on the Bonds being refunded to their final maturity date, and the final maturity of the Refunding Bonds is not later than the final maturity of the Bonds being refunded.

Subordinate Bonds. Nothing in the Fiscal Agent Agreement prohibits the School District from issuing any other bonds or otherwise incurring debt secured by a pledge of the Special Tax Revenues subordinate to the pledge thereof under the Fiscal Agent Agreement.

See APPENDIX C for additional details regarding the conditions for issuing Parity Bonds.

Registration, Transfer and Exchange

The following provisions regarding the exchange and transfer of the 2025 Bonds apply only during any period in which the 2025 Bonds are not subject to DTC's book-entry system. While the 2025 Bonds are subject to DTC's book-entry system, their exchange and transfer will be effected through DTC and the Participants and will be subject to the procedures, rules and requirements established by DTC. See APPENDIX D.

Registration. The Fiscal Agent will keep, or cause to be kept, at its Principal Office sufficient books for the registration and transfer of the 2025 Bonds, which will show the series number, date, amount, rate of interest and last known owner of each 2025 Bond and will at all times be open to inspection by the School District during regular business hours upon reasonable notice; and, upon presentation for such purpose, the Fiscal Agent will, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on said books, the ownership of the 2025 Bonds as provided in the Fiscal Agent Agreement.

The School District and the Fiscal Agent will treat the Owner of any 2025 Bond whose name appears on the Bond register as the absolute Owner of such 2025 Bond for any and all purposes, and the School District and the Fiscal Agent will not be affected by any notice to the contrary. The School District and the Fiscal Agent may rely on the address of the Bondowner as it appears in the Bond register for any and all purposes.

Registration of Exchange or Transfer. Any 2025 Bond may, in accordance with its terms, be transferred, upon the Bond register by the person in whose name it is registered, in person or by such person's duly authorized attorney, upon surrender of such 2025 Bond for cancellation, accompanied by delivery of a duly written instrument of transfer in a form acceptable to the Fiscal Agent.

2025 Bonds may be exchanged at the Principal Office of the Fiscal Agent solely 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 expenses incurred by the Fiscal Agent in connection with any such transfer or exchange will be paid by the School District. The Fiscal Agent will collect from the Owner requesting such transfer or exchange any tax or other governmental charge required to be paid with respect to such transfer or exchange. Whenever any 2025 Bond or 2025 Bonds are surrendered for transfer or exchange, the School District will execute and the Fiscal Agent will authenticate and deliver a new 2025 Bond or 2025 Bonds, for a like aggregate principal amount.

No transfers or exchanges of 2025 Bonds will be required to be made (i) 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; or (iii) between a Record Date and the succeeding Interest Payment Date.

DEBT SERVICE SCHEDULE

The following table presents the annual debt service on the 2025 Bonds (including sinking fund redemptions), assuming there are no optional redemptions or special redemptions from Special Tax prepayments.

Year Ending September 1	2025 Bonds Principal	2025 Bonds Interest [1]	2025 Bonds Total
Total:			

[1] A portion of the debt service on the 2025 Bonds due on March 1, 2026, is anticipated to be paid from proceeds of the 2025 Bonds to be deposited in the Capitalized Interest Account.

SECURITY FOR THE 2025 BONDS

This section generally describes the security for the 2025 Bonds set forth in the Fiscal Agent Agreement, which is summarized in more detail in APPENDIX C. Capitalized terms used but not defined in the section are defined in APPENDIX C.

General

The 2025 Bonds and any Parity Bonds (collectively, the "**Bonds**") are secured by a first pledge (which will be effected in the manner and to the extent provided in the Fiscal Agent Agreement) of all of the Special Tax Revenues and all moneys deposited in the Bond Fund (including the Capitalized Interest Account and the Special Tax Prepayments Account), and, until disbursed as provided therein, in the Special Tax Fund.

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, 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 until moneys or Federal Securities have been set aside irrevocably for that purpose under the Fiscal Agent Agreement.

The 2025 Bonds and all 2025 Related Parity Bonds will be secured by a first pledge (which pledge will be effected in the manner and to the extent provided in the Fiscal Agent Agreement) of all moneys deposited in the 2025 Reserve Fund. The moneys in the 2025 Reserve Fund (except as otherwise provided in the Fiscal Agent Agreement) are dedicated to the payment of the principal of, and interest and any premium on, the 2025 Bonds and all 2025 Related Parity Bonds as provided in the Fiscal Agent Agreement and in the Act until all of the 2025 Bonds and all 2025 Related Parity Bonds have been paid and retired or until moneys or Federal Securities have been set aside irrevocably for that purpose under the Fiscal Agent Agreement.

Amounts in the Improvement Fund, the Administrative Expense Fund and the Costs of Issuance Fund are not pledged to the repayment of the Bonds. The Project is not pledged to the repayment of the Bonds, nor are the proceeds of any condemnation or insurance award received by the School District with respect to the Project.

"**Special Tax Revenues**" are defined in the Fiscal Agent Agreement as the proceeds of the Special Taxes received by the School District, including any scheduled payments thereof and any Special Tax Prepayments, interest thereon and proceeds of the redemption or sale of property sold as a result of foreclosure of the lien of the Special Taxes to the amount of said lien and interest thereon.

However, Special Tax Revenues do not include any interest in excess of the interest due on the Bonds, or any penalties collected in connection with any such foreclosure.

Limited Obligation

The 2025 Bonds are neither a general obligation of the School District nor are they payable from the general fund of the School District; and are instead limited obligations of the School District payable from Special Tax Revenues as described herein. Except with respect to the Special Tax Revenues, neither the faith and credit nor the taxing power of the School District or the State or any political subdivision thereof is pledged for the payment of the 2025 Bonds or interest thereon, and no Owner of the 2025 Bonds may compel the exercise of the taxing power by the School District or the forfeiture of any of its property.

The principal of and interest on the 2025 Bonds, and premiums upon the redemption of any thereof, are not a debt of the School District (except to the limited extent described in this Official Statement), the State of California or any of its political subdivisions, within the meaning of any constitutional or statutory limitation or restriction. The 2025 Bonds are not a legal or equitable pledge, charge, lien or encumbrance, upon any property or income, receipts or revenues of the School District, except the Special Tax Revenues that are, under the terms of the Fiscal Agent Agreement, pledged for the payment of the 2025 Bonds and interest thereon. Neither the members of the Board nor any persons executing the 2025 Bonds are liable personally on the 2025 Bonds by reason of their issuance.

Special Taxes

Covenant to Levy Special Taxes. The Finance Director will fix and levy no less than the amount of Special Taxes within the Community Facilities District required for the payment of principal of and interest on any outstanding Bonds of the Community Facilities District with respect to the Community Facilities District becoming due and payable during the ensuing calendar year, including any necessary replenishment or expenditure of the 2025 Reserve Fund and any other reserve account for Parity Bonds that are not 2025 Related Parity Bonds, and an amount estimated to be sufficient to pay the Administrative Expenses, including amounts necessary to discharge any rebate obligation, during such year, and an amount for the other elements of the Special Tax Requirement (as defined in the Rate and Method), taking into account the balances in the applicable funds established under the Fiscal Agent Agreement, including funds in the Special Tax Fund.

The Special Taxes so levied may not exceed the authorized amounts as provided in the proceedings under the Resolution of Formation.

Manner of Collection. Except as set forth in the Ordinance, the Fiscal Agent Agreement provides that the Special Taxes will 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 time and in the same proportionate amounts and bear the same proportionate penalties and interest after delinquency as do the *ad valorem* taxes on real property.

Because the Special Tax levy is limited to the Maximum Special Tax rates set forth in the Rate and Method, no assurance can be given that, in the event of Special Tax delinquencies, the receipts of Special Taxes will, in fact, be collected in sufficient amounts in any given year to pay debt service on the 2025 Bonds. Further, under no circumstances will the Special Tax levied against any parcel of residential property for which an occupancy permit for private residential use has been issued be increased by more than 10% as a consequence of delinquency or default by the owner of any other parcel within the Community Facilities District. In addition, in no event shall Special Taxes be levied after Fiscal Year 2075-76.

Rate and Method

General. The Special Taxes will be levied and collected according to the Rate and Method, which provides the means by which the Board may annually levy the Special Taxes within the Community Facilities District, up to the maximum Special Tax rates, and to determine the amount of the Special Taxes that will need to be collected each Fiscal Year from the "**Taxable Property**" within the Community Facilities District.

The following is a summary of the provisions of the Rate and Method, which should be read in conjunction with the complete text of the Rate and Method, including its attachments, which is attached as APPENDIX B. Capitalized terms used but not defined in this section have the meanings as set forth in APPENDIX B. *This section provides only a summary of the Rate and Method, and is qualified by more complete and detailed information contained in the entire Rate and Method attached as APPENDIX B.*

Special Tax Requirement. Annually, at the time of levying the Special Tax for the Community Facilities District, the Administrator will determine the minimum amount of money to be levied on Taxable Property in the Community Facilities District (the "**Special Tax Requirement**"), which will be the amount required in any Fiscal Year for the following purposes:

(i) to pay principal and interest on bonds issued by the School District for the Community Facilities District which are due in the calendar year which begins in such Fiscal Year,

(ii) to create or replenish reserve funds,

(iii) to cure any delinquencies in the payment of principal or interest on bonds issued by the School District for the Community Facilities District which have occurred in the prior Fiscal Year or (based on delinquencies in the payment of Special Taxes which have already taken place) are expected to occur in the Fiscal Year in which the tax will be collected,

(iv) to pay Administrative Expenses, and

(v) to pay the costs of those facilities that are authorized to be funded by the Community Facilities District so long as such levy does not increase the Special Tax levied on Undeveloped Property.

The Special Tax Requirement may be reduced in any Fiscal Year by (i) interest earnings on or surplus balances in funds and accounts for the Bonds to the extent that such earnings or balances are available to apply against debt service, (ii) proceeds from the collection of penalties associated with delinquent Special Taxes, and (iii) any other revenues available to pay debt service on the bonds as determined by the Community Facilities District administrator (the "**Administrator**").

Annual Determination of Property Categories for Administration of Special Tax. Each Fiscal Year, the Administrator will (i) categorize each Parcel of Taxable Property as Developed Property, Final Map Property, Undeveloped Property, Taxable Welfare Exemption Property, or Public Property, and (ii) if the Parcel is identified as an Age-Restricted Unit, then the Parcel is an Age-Restricted Unit, otherwise assign each Parcel of Developed Property and Final Map Property to one of the Land Use Classes identified in Table 1 and 2 in the Rate and Method, as described below, or as an Age-Restricted Unit.

For Single Family Attached Property and Multi-Family Property, the number of Units will be determined by referencing the condominium plan, apartment plan, site plan or other development plan. The square footage of "**SFD Lots**" (generally defined in the Rate and Method to be an individual residential lot identified and numbered on a Final Map recorded at the San Joaquin County Recorder's Office on which a building permit could be issued for construction of a single family detached unit without further subdivision of the lot and for which no further subdivision of the lot is anticipated pursuant to the tentative map approved for the property) will be determined by reference to County Assessor's Parcel Maps or, to the extent those maps do not reflect square footage of the SFD Lots, by reference to the lot size summary provided by the engineering firm that produced the Final Map.

In addition, the Administrator will, on an ongoing basis, monitor whether changes in land use have been proposed that will affect the Expected Maximum Special Tax Revenues. If the Expected Maximum Special Tax Revenues will be reduced pursuant to a proposed land use change, the Administrator will apply the steps in the Rate and Method regarding changes in land uses. See "- Changes to Land Uses in the Community Facilities District."

In any Fiscal Year, if it is determined that:

(i) a parcel map for a portion of property in the Community Facilities District was recorded after January 1 of the prior Fiscal Year (or any other date after which the Assessor will not incorporate the newly-created Parcels into the then-current tax roll),

(ii) because of the date the parcel map was recorded, the Assessor does not yet recognize the new Parcels created by the parcel map, and

(iii) one or more of the newly-created Parcels is in a different Development Class than other parcels created by the subdivision,

the Administrator will calculate the Special Tax for the property affected by recordation of the parcel map by determining the Special Tax that applies separately to the property within each Development Class, then applying the sum of the individual Special Taxes to the Parcel that was subdivided by recordation of the parcel map.

"**Developed Property**" for any Fiscal Year means all Parcels of Taxable Property that are not Public Property or Taxable Welfare Exemption Property for which a Building Permit for new construction was issued prior to June 30 of the preceding Fiscal Year.

"**Undeveloped Property**" for any Fiscal Year means all Parcels of Taxable Property that are not Developed Property, Final Map Property, Public Property, or Taxable Welfare Exemption Property.

"**Final Map Property**" for any Fiscal Year means all SFD Lots for which a Final Map was recorded on or before June 30 of the preceding Fiscal Year and which are not yet Developed Property.

"**Public Property**" means any property within the boundaries of the Community Facilities District that is owned by the federal government, State, the School District, or other local governments or public agencies.

"**Taxable Welfare Exemption Property**" means in any Fiscal Year, any Parcel of Welfare Exemption Property that satisfies all three of the following conditions: (i) the Parcel had not been Welfare Exemption Property on the date of issuance of the first bond sale; (ii) the Parcel was not anticipated to be Welfare Exemption Property based on the Expected Land Uses, as determined by the Administrator; and (iii) if the Parcel were to be exempt from the Special Tax because it has become Welfare Exemption Property, the Expected Maximum Special Tax Revenues would be reduced to a point at which Required Coverage could not be maintained.

"**Welfare Exemption Property**" means, in any Fiscal Year, any Parcels in the Community Facilities District 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.

Maximum Special Tax. The Maximum Special Tax is defined in the Rate and Method as follows:

Developed Property. The Maximum Special Tax for Fiscal Year 2025-26 for each land use class is set forth in the table below, which shows the rates for the current Fiscal Year under the Rate and Method.

Developed Property
Maximum Special Tax
Fiscal Year 2025-26

Land Use Class	Description	Maximum Special Tax (Fiscal Year 2025-26)
1	SFD Lots greater than or equal to 6,000 square feet	$2,556.38 Per Unit
2	SFD Lots less than 6,000 square feet	$1,977.54 Per Unit
3	Single Family Attached Property	$1,748.94 Per Unit
4	Multi-Family Property	$1,033.82 Per Unit
5	Taxable Non-Residential Property	**
6	Age-Restricted Units	$0.00 per Unit

** The maximum Special Tax on Taxable Non-Residential Property will be the amount needed to replace revenues that were lost when the residential property was converted to non-residential uses. The Board will determine, or cause to be determined, the Maximum Special Tax for each Parcel of Taxable Non-Residential Property at the time of conversion to non-residential use.

Each July 1, the Maximum Special Taxes for Developed Property are increased by 2.0% of the amount in effect for the prior Fiscal Year.

Once a Special Tax has been levied and collected on a Parcel of Developed Property, the Maximum Special Tax applicable to that Parcel will not be reduced in future Fiscal Years regardless of changes in land use on the Parcel. However, the actual Special Tax levied on a Parcel of Developed Property in any Fiscal Year may be less than the Maximum Special Tax if a lower Special Tax is calculated under the Rate and Method, as described below. However, see “BONDOWNERS’ RISKS – Exempt Properties” for a discussion of certain possible exceptions to the foregoing provision of the Rate and Method.

Final Map Property. The Maximum Special Tax for Fiscal Year 2025-26 for each land use class is set forth in the table below, which shows the rates for the current Fiscal Year under the Rate and Method.

Final Map Property
Maximum Special Tax
Fiscal Year 2025-26

Land Use Class	Description	Maximum Special Tax (Fiscal Year 2025-26)
1	SFD Lots greater than or equal to 6,000 square feet	$2,556.38 Per SFD Lot
2	SFD Lots less than 6,000 square feet	$1,977.54 Per SFD Lot
3	Age-Restricted Units	$0.00 per Unit

Each July 1, the Maximum Special Taxes for Final Map Property are increased by 2.0% of the amount in effect for the prior Fiscal Year.

Undeveloped Property. The Maximum Special Tax for Undeveloped Property for Fiscal Year 2025-26 is $24,583.02 per acre. This rate represents the rate for the current Fiscal Year.

The maximum Special Taxes for Undeveloped Property are increased on each July 1 by 2.0% of the amount in effect for the prior Fiscal Year.

Changes to Land Uses in The Community Facilities District. If changes to the Expected Land Uses occur (including recordation of a condominium plan that reduces the number of expected Units on Single Family Attached Property), and such changes result in a reduction of the Expected Maximum Special Tax Revenues, the following steps will be applied:

Step 1: The Administrator will identify the Expected Maximum Special Tax Revenues for the Community Facilities District.

Step 2: The Administrator will calculate the Maximum Special Tax revenues that could be collected from property in the Community Facilities District if the land use change is approved.

Step 3: If (i) the revenues calculated in Step 2 are less than those calculated in Step 1, and (ii) such revenues are insufficient to maintain 110% coverage on the Bonds' debt service, the landowner of the property affected by the change in Expected Land Uses must prepay an amount sufficient to retire a portion of the Bonds and maintain 110% coverage on the Bonds' debt service. The required prepayment will be calculated using the formula set forth in the Rate and Method. If the mandatory prepayment has not been received by the School District prior to the issuance of the first Building Permit within the Parcel or Final Map on which the land use change has occurred, the Community Facilities District administrator may, in the next Fiscal Year, levy the amount of the mandatory prepayment on the Parcel or Parcels affected by the land use change.

If the revenues calculated in Step 2 are less than those calculated in Step 1, but the revenues calculated in Step 2 are sufficient to maintain 110% coverage on the Bonds' debt service, no such mandatory prepayment will be required. In addition, if the amount determined in Step 2 is higher than that calculated in Step 1, no such mandatory prepayment will be required.

Method of Special Tax Levy. Under the Rate and Method, commencing with Fiscal Year 2024-25 and for each following Fiscal Year, the Administrator will determine the Special Tax Requirement to be collected in that Fiscal Year. A Special Tax will then be levied according to the following steps:

<u>Step 1:</u> The Special Tax will be levied Proportionately on each Parcel of Developed Property in the Community Facilities District up to 100% of the Maximum Special Tax for Developed Property determined pursuant to the Rate and Method until the amount levied on Developed Property is equal to the Special Tax Requirement prior to applying Capitalized Interest.

<u>Step 2:</u> If additional revenue is needed after Step 1 in order to meet the Special Tax Requirement after Capitalized Interest has been applied to reduce the Special Tax Requirement, the Special Tax will be levied Proportionately on each Parcel of Final Map Property up to 100% of the Maximum Special Tax for such Final Map Property determined pursuant to the Rate and Method.

<u>Step 3:</u> If additional revenue is needed after Step 2 in order to meet the Special Tax Requirement, the Special Tax will be levied Proportionately on each Parcel of Undeveloped Property up to 100% of the Maximum Special Tax for such Undeveloped Property determined pursuant to the Rate and Method.

<u>Step 4:</u> If additional revenue is needed to meet the Special Tax Requirement after applying the first three steps, the Special Tax will be levied Proportionately on each Assessor's Parcel of Taxable Welfare Exemption Property, up to 100% of the Maximum Special Tax for the Land Use Class(es) of Developed Property which would otherwise apply if the Parcel were not Taxable Welfare Exemption Property for such Fiscal Year determined pursuant to the Rate and Method.

<u>Step 5:</u> If additional revenue is needed after applying Step 4, the Special Tax will be levied proportionately on each Assessor's Parcel of Public Property, exclusive of property exempt from the Special Tax as discussed below, up to 100% of the Maximum Special Tax for Undeveloped Property for such Fiscal year determined pursuant to the Rate and Method.

Exemptions. No Special Tax will be levied on the following:

(i) Public Property, except as otherwise provided in the Act and in Step 5 above,

(ii) Welfare Exemption Property unless such property is determined to be Taxable Welfare Exemption-Property,

(iii) Non-Residential Property unless such property is determined to be Taxable Non-Residential Property,

(iv) Age-Restricted Units, except as otherwise provided in " – *Changes to Land Uses in The Community Facilities District*" above,

(v) Second Units,

(vi) Parcels designated as permanent open space or common space on which no structure is permitted to be constructed,

(vii) Parcels owned by a public utility for an unmanned facility, or

(viii) Parcels that are subject to an easement that precludes any other use on the Parcels.

Prepayment of Special Tax. The Special Tax obligation applicable to an Assessor's Parcel may be prepaid and the obligation of the Assessor's Parcel to pay the Special Tax permanently satisfied, provided that the terms set forth under the Rate and Method are satisfied, including the following conditions:

- There are no delinquent Special Taxes with respect to such Assessor's Parcel at the time of prepayment.

- An owner of an Assessor's Parcel intending to prepay the Special Tax obligation is required to provide the School District with written notice of intent to prepay. Within 30 days of receipt of such written notice, the School District or its designee will notify such owner of the prepayment amount for such Assessor's Parcel. Prepayment must be made not less than 75 days prior to any redemption date for Bonds to be redeemed with the proceeds of such prepaid Special Taxes. Under no circumstance will a prepayment be allowed that would reduce the debt service coverage below the amount required pursuant to the Fiscal Agent Agreement.

The Prepayment Amount is calculated based on the Bond Redemption Amount plus Redemption Premium and other costs, all as specified in APPENDIX B.

A partial prepayment may be made in an amount equal to any percentage of full prepayment desired by the party making a partial prepayment. The Maximum Special Tax that can be levied on a Parcel after a partial prepayment is made is equal to the Maximum Special Tax that could have been levied prior to the prepayment, reduced by the percentage of the full prepayment that the partial prepayment represents, all as determined by or at the direction of the Administrator.

Covenant to Foreclose

Sale of Property for Nonpayment of Taxes. The Fiscal Agent Agreement provides that the Special Taxes are 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 below and in the Act, are to be subject to the same penalties and the same procedure, sale and lien priority in case of delinquency as is provided for *ad valorem* property taxes. Under these procedures, if taxes are unpaid for a period of five years or more, the property is subject to sale by the County.

Foreclosure Under the Act. Under Section 53356.1 of the Act, if any delinquency occurs in the payment of the Special Tax, the School District may order the institution of a Superior Court action to foreclose the lien therefor within specified time limits. In such an action, the real property subject to the unpaid amount may be sold at judicial foreclosure sale.

While judicial foreclosure is not mandatory under the Act, the School District will agree in the Fiscal Agent Agreement that on or about March 30 and July 30 of each Fiscal Year, the Finance Officer will compare the amount of Special Taxes previously levied in the Community Facilities District to the amount of Special Tax Revenues received by the School District, and if delinquencies have occurred, proceed as follows:

<u>Individual Delinquencies</u>. If the Finance Director determines that any single parcel subject to the Special Tax in the Community Facilities District is delinquent in the payment of four or more installments of Special Taxes, then the Finance Director will send or cause to be sent a notice of delinquency (and a demand for immediate payment thereof) to the property owner within 45 days

of such determination, and (if the delinquency remains uncured) foreclosure proceedings will be commenced by the School District within 90 days of such determination.

Notwithstanding the foregoing, the Finance Director may defer any such actions with respect to a delinquent parcel if (1) the Community Facilities District is then participating in the "Teeter Plan" (as defined and described below), or an equivalent procedure, (2) the amount in the 2025 Reserve Fund is at least equal to the 2025 Reserve Requirement, (3) the amount in the reserve account for any Parity Bonds that are not 2025 Related Parity Bonds is at least equal to the required amount and (4) the subject parcel is not delinquent with respect to more than $5,000 of Special Taxes.

Aggregate Delinquencies. If the Finance Director determines that (i) the total amount of delinquent Special Tax for the prior Fiscal Year for the entire Community Facilities District (including the total of delinquencies under subsection (A) above), exceeds 5% of the total Special Tax due and payable for the prior Fiscal Year, or (ii) there are 10 or fewer owners of real property within the Community Facilities District, determined by reference to the latest available secured property tax roll of the County, the Finance Director shall notify or cause to be notified property owners who are then delinquent in the payment of Special Taxes (and demand immediate payment of the delinquency) within 45 days of such determination, and shall commence foreclosure proceedings within 90 days of such determination against each parcel of land in the Community Facilities District with a Special Tax delinquency.

Individual Owner Delinquencies. As to any owner of more than one parcel within the Community Facilities District, if the Finance Director determines that the aggregate amount of delinquent Special Taxes for all preceding tax years on all parcels owned by such owner (whether such parcels are owned solely by such owner or jointly by such owner and one or more others) exceeds $10,000, then the Finance Director shall send or cause to be sent a notice of delinquency (and a demand for immediate payment thereof) to the property owner within 45 days of such determination, and (if the delinquency remains uncured) shall commence foreclosure proceedings within 90 days of such determination, regardless of when such delinquencies occurred.

Sufficiency of Foreclosure Sale Proceeds; Foreclosure Limitations and Delays. 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 School District to purchase or otherwise acquire any lot or parcel of property foreclosed upon if there is no other purchaser at such sale.

Section 53356.6 of the Act requires that property sold pursuant to foreclosure under the Act be sold for not less than the amount of judgment in the foreclosure action, plus post-judgment interest and authorized costs, unless the consent of the owners of 75% of the outstanding Bonds is obtained. However, under Section 53356.5 of the Act, the School District, as judgment creditor, is entitled to purchase any property sold at foreclosure using a "credit bid," where the School District could submit a bid crediting all or part of the amount required to satisfy the judgment for the delinquent amount of the Special Taxes. If the School District becomes the purchaser under a credit bid, the School District must pay the amount of its credit bid into the redemption fund established for the Bonds, but this payment may be made up to 24 months after the date of the foreclosure sale.

Foreclosure by court action is subject to normal litigation delays, the nature and extent of which are largely dependent on the nature of the defense, if any, put forth by the debtor and the Superior Court calendar. In addition, the ability of the School District to foreclose the lien of delinquent unpaid Special Taxes may be limited in certain instances and may require prior consent of the property owner if the property is owned by or in receivership of the Federal Deposit Insurance Corporation (the "**FDIC**"). See "BONDOWNERS' RISKS – Potential Delay and Limitations in Foreclosure Proceedings."

Teeter Plan. In 1949, the California Legislature enacted an alternative method for the distribution of property taxes to local agencies. This method, known as the "**Teeter Plan**," is found in Sections 4701-4717 of the California Revenue and Taxation Code. Upon adoption and implementation of this method by a county board of supervisors, local agencies for which the county collects property taxes and certain other public agencies and taxing areas located in the county receive annually the full amount of their shares of property taxes and other levies collected on the secured roll, including delinquent property taxes which have yet to be collected. While the county bears the risk of loss on unpaid delinquent taxes, it retains the penalties associated with delinquent taxes when they are paid. In turn, the Teeter Plan provides participating local agencies with stable cash flow and the elimination of collection risk.

Once adopted, a county's Teeter Plan will remain in effect in perpetuity unless the board of supervisors orders its discontinuance or unless, prior to the commencement of a fiscal year, a petition for discontinuance is received and joined in by resolutions of the governing bodies of not less than two-thirds of the participating districts in the county. An electing county may, however, decide to discontinue the Teeter Plan with respect to any levying agency in the county if the board of supervisors, by action taken not later than July 15 of a fiscal year, elects to discontinue the procedure with respect to such levying agency and the rate of secured tax delinquencies in that agency in any year exceeds 3% of the total of all taxes and assessments levied on the secured roll by that agency.

Under the Teeter Plan, a county must initially provide a participating local agency with 95% of the estimated amount of the then-accumulated tax delinquencies (excluding penalties) for that agency. After the initial distribution, each participating local agency receives annually 100% of the secured property tax levies to which it is otherwise entitled, regardless of whether the county has actually collected the levies.

If any tax or assessment which was distributed to a Teeter Plan participant is subsequently changed by correction, cancellation or refund, a *pro rata* adjustment for the amount of the change is made on the records of the treasurer and auditor of the county. Such adjustment for a decrease in the tax or assessment is treated by the county as an interest-free offset against future advances of tax levies under the Teeter Plan.

The Board of Supervisors of San Joaquin County adopted the Teeter Plan in Fiscal Year 1994-95. The County has elected to apply its Teeter Plan to the collection of the Special Taxes. To the extent that the County's Teeter Plan continues in existence and is carried out as adopted, and to the extent the County does not discontinue the Teeter Plan with respect to the School District or the Community Facilities District, the County's Teeter Plan may help protect owners of the 2025 Bonds from the risk of delinquencies in the payment of Special Tax.

On September 13, 2011, the County Auditor-Controller recommended to the Board of Supervisors that all direct assessments be removed from the Teeter Plan for fiscal year 2011-12 and thereafter. The County Auditor-Controller's recommendation did not apply to the collection of *ad valorem* taxes levied to pay general obligation bonds. The Board of Supervisors, at its September 13, 2011 meeting, postponed making a decision on the County Auditor-Controller's recommendation and directed the County Auditor-Controller to work with appropriate County officials and staff to recommend the appropriate method of removing direct assessments from the Teeter Plan. After discussions and surveys of the affected agencies and meetings with County officials and staff, the County Auditor-Controller recommended to the Board of Supervisors at its June 26, 2012, meeting to remove from the Teeter Plan certain direct assessments and special taxes levied by the City of Lathrop. The School District is not aware of any further changes to the Teeter Plan at this time.

There can be no assurance that the County will not modify or eliminate its Teeter Plan, or choose to remove the Community Facilities District from its Teeter Plan, while the 2025 Bonds are outstanding.

Special Tax Fund

Deposits. Under the Fiscal Agent Agreement, the Special Tax Fund is established as a separate fund to be held by the Fiscal Agent, to the credit of which the Fiscal Agent will deposit amounts received from or on behalf of the School District consisting of Special Tax Revenues and amounts transferred from the Administrative Expense Fund and the Bond Fund. The School District will promptly remit any Special Tax Revenues received by it to the Fiscal Agent for deposit by the Fiscal Agent to the Special Tax Fund.

Notwithstanding the foregoing,

(i) Special Tax Revenues in an amount not to exceed the amount included in the Special Tax levy for such Fiscal Year for Administrative Expenses shall be separately identified by the Finance Director and shall be deposited by the Fiscal Agent in the Administrative Expense Fund;

(ii) any Special Tax Revenues constituting the collection of delinquencies in payment of Special Taxes shall be separately identified by the Finance Director and shall be disposed of by the Fiscal Agent first, for transfer to the Bond Fund to pay any past due debt service on the Bonds; second, without preference or priority, for transfer to the 2025 Reserve Fund to the extent needed to increase the amount then on deposit in the 2025 Reserve Fund up to the then 2025 Reserve Requirement and for transfer to the reserve account for any Parity Bonds that are not 2025 Related Parity Bonds, as described below in "2025 Reserve Fund", to the extent needed to increase the amount then on deposit therein to the required level; and third, to be held in the Special Tax Fund for use as described in "- Disbursements" below; and

(iii) any proceeds of Special Tax Prepayments shall be separately identified by the Finance Director and shall be deposited by the Fiscal Agent as follows (as directed in writing by the Finance Director): (a) that portion of any Special Tax Prepayment constituting a prepayment of construction costs (which otherwise could have been included in the proceeds of Parity Bonds) shall be deposited by the Fiscal Agent to the Improvement Fund and (b) the remaining Special Tax Prepayment shall be deposited by the Fiscal Agent in the Special Tax Prepayments Account established pursuant to the Fiscal Agent Agreement.

Disbursements. At least 7 Business Days prior to each Interest Payment Date, the Fiscal Agent will withdraw from the Special Tax Fund and transfer the following amounts in the following order of priority:

(i) to the Bond Fund an amount, taking into account any amounts then on deposit in the Bond Fund and any expected transfers from the Improvement Fund, the 2025 Reserve Fund and any reserve account for Parity Bonds that are not 2025 Related Parity Bonds, the Capitalized Interest Account (and any other capitalized interest accounts established in the Bond Fund) and the Special Tax Prepayments Account to the Bond Fund such that the amount in the Bond Fund equals the principal (including any sinking payment), premium, if any, and interest due on the Bonds on such Interest Payment Date and any past due principal or interest on the Bonds not theretofore paid from a transfer described in the Fiscal Agent Agreement, and

(ii) without preference or priority (a) to the 2025 Reserve Fund an amount, taking into account amounts then on deposit in the 2025 Reserve Fund, such that the amount in the 2025 Reserve Fund is equal to the 2025 Reserve Requirement, and (b) to the reserve account for any Parity Bonds that are not 2025 Related Parity Bonds, taking into account amounts then on deposit in the such reserve account, such that the amount in such reserve account is equal to the amount required to be on deposit therein (and in the event that amounts in the Special Tax Fund are not sufficient for the purposes of this paragraph, such amounts will be applied to the 2025 Reserve Fund and any other reserve accounts ratably based on the then Outstanding principal amount of the Bonds).

Within 15 days after the end of each Bond Year, and after the foregoing transfers have been made, the Fiscal Agent will transfer all amounts remaining on deposit in the Special Tax Fund to the Administrative Expense Fund, to be used as set forth in the Fiscal Agent Agreement.

Bond Fund

Deposits. The Fiscal Agent will hold the moneys in the Bond Fund for the benefit of the School District and the Owners of the Bonds, and will disburse those funds for the payment of the principal of, and interest and any premium on, the Bonds as described below.

Under the Fiscal Agent Agreement, within the Bond Fund there is established a separate account designated as the "Capitalized Interest Account" to be held in trust by the Fiscal Agent for the benefit of the School District and the Owners of the Bonds into which will be deposited a portion of the proceeds of the 2025 Bonds. Amounts on deposit in the Capitalized Interest Account will be used and withdrawn by the Fiscal Agent solely for the payment of interest on the 2025 Bonds. When the amount in the Capitalized Interest Account is fully expended for the payment of interest, the account will be closed.

There is also created in the Bond Fund a separate account to be held by the Fiscal Agent, designated the "Special Tax Prepayments Account," to the credit of which deposits will be made as provided in the Fiscal Agent Agreement.

Disbursements. At least 10 Business Days before each Interest Payment Date, the Fiscal Agent will notify the Finance Director in writing as to the principal and premium, if any, and interest due on the Bonds on the next Interest Payment Date (whether as a result of scheduled principal of and interest on the Bonds, optional redemption of the Bonds or a mandatory sinking fund redemption). On each Interest Payment Date, the Fiscal Agent will withdraw from the Bond Fund and pay to the Owners of the Bonds the principal of, and interest and any premium, due and payable on such Interest Payment Date on the Bonds.

At least 5 Business Days prior to each Interest Payment Date, the Fiscal Agent will determine if the amounts then on deposit in the Bond Fund are sufficient to pay the debt service due on the Bonds on the next Interest Payment Date. In the event that amounts in the Bond Fund are insufficient for such purpose, the Fiscal Agent promptly will notify the Finance Director by telephone (and confirm in writing) of the amount of the insufficiency.

In the event that amounts in the Bond Fund are insufficient for the purpose set forth in the preceding paragraph with respect to any Interest Payment Date, the Fiscal Agent will do the following:

(i) Withdraw from the 2025 Reserve Fund, in accordance with the provisions of the Fiscal Agent Agreement, to the extent of any funds or Permitted Investments therein, amounts to cover the amount of such Bond Fund insufficiency related to the 2025 Bonds and any 2025 Related Parity Bonds. Amounts so withdrawn from the 2025 Reserve Fund will be deposited in the Bond Fund.

(ii) Withdraw from the reserve funds, if any, related to Parity Bonds that are not 2025 Related Parity Bonds, to the extent of any funds or Permitted Investments therein, amounts to cover the amount of such Bond Fund insufficiency related to such Parity Bonds. Amounts so withdrawn from any such reserve fund will be deposited in the Bond Fund.

If, after the foregoing transfers, there are insufficient funds in the Bond Fund to make the payments provided for in the second sentence of the first paragraph under "Bond Fund – Disbursements" above, the Fiscal Agent will 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, if any, and then to payment of principal due on the bonds by reason of sinking payments.

Disbursements from the Special Tax Prepayments Account. Moneys in the Special Tax Prepayments Account will be transferred by the Fiscal Agent to the Bond Fund on the next date for which notice of redemption of Bonds can timely be given under the Fiscal Agent Agreement, and notice to the Fiscal Agent can timely be given under the Fiscal Agent Agreement, and will be used (together with any amounts transferred pursuant to the Fiscal Agent Agreement) to redeem Bonds on the redemption date selected in accordance the Fiscal Agent Agreement.

2025 Reserve Fund

General. In order to further secure the payment of principal of and interest on the 2025 Bonds and any series of 2025 Related Parity Bonds, certain proceeds of the 2025 Bonds will be deposited into the 2025 Reserve Fund in an amount equal to the "**2025 Reserve Requirement**" for the 2025 Bonds (as defined below). See "FINANCING PLAN – Estimated Sources and Uses of Funds."

2025 Reserve Requirement. The "**2025 Reserve Requirement**" is defined in the Fiscal Agent Agreement to mean the sum of the following:

(i) $3,763,653.07*, which is the least of (a) Maximum Annual Debt Service on the 2025 Bonds as of the Closing Date, (b) 125% of average Annual Debt Service on the 2025 Bonds and 2025 Related Parity Bonds, if any and (c) 10% of the outstanding principal amount of the 2025 Bonds and 2025 Related Parity Bonds, if any; provided, however:

(A) that with respect to the calculation of clause (c) above, the issue price of the 2025 Bonds or any 2025 Related Parity Bonds excluding accrued interest shall be used rather than the outstanding principal, if (i) the net original issue discount or premium of the 2025 Bonds or any 2025 Related Parity Bonds was less than 98% or more than 102% of the original principal amount of the 2025 Bonds or any 2025 Related Parity Bonds and (ii) using the issue price would produce a lower result than using the outstanding principal amount;

(B) that in no event shall the amount calculated hereunder exceed the amount on deposit in the 2025 Reserve Fund on the date of issuance of the 2025 Bonds (if they are the only Bonds covered by the 2025 Reserve Fund) or the most recently issued series

* Preliminary; subject to change.

of 2025 Related Parity Bonds except in connection with any increase associated with the issuance of 2025 Related Parity Bonds; and

(C) that in no event shall the amount required to be deposited into the 2025 Reserve Fund in connection with the issuance of a series of 2025 Related Parity Bonds exceed the maximum amount under the Tax Code that can be financed with tax-exempt bonds and invested an unrestricted yield

Disbursements. Except as otherwise provided in the Fiscal Agent Agreement, all amounts deposited in the 2025 Reserve Fund will be used and withdrawn by the Fiscal Agent solely for the purpose of making transfers to the Bond Fund in the event of any deficiency at any time in the Bond Fund of the amount then required for payment of the principal of, and interest and any premium on, the 2025 Bonds and any 2025 Related Parity Bonds or, in accordance with the provisions of the Fiscal Agent Agreement, for the purpose of redeeming 2025 Bonds and any 2025 Related Parity Bonds from the Bond Fund. Whenever a transfer is made from the 2025 Reserve Fund to the Bond Fund due to a deficiency in the Bond Fund for payment of the principal of, and interest and any premium on, the 2025 Bonds and any 2025 Related Parity Bonds, the Fiscal Agent will provide written notice thereof to the Finance Director, specifying the amount withdrawn.

Qualified Reserve Fund Credit Instruments. The School District has the right at any time to direct the Fiscal Agent to release funds from the 2025 Reserve Fund, in whole or in part, by tendering to the Fiscal Agent: (i) a Qualified Reserve Account Credit Instrument (as defined in the Fiscal Agent Agreement), and (ii) an opinion of Bond Counsel stating that neither the release of such funds nor the acceptance of such Qualified Reserve Account Credit Instrument will cause interest on the 2025 Bonds or any Parity Bonds payable from the 2025 Reserve Fund the interest on which is excluded from gross income of the owners thereof for federal income tax purposes to become includable in gross income for purposes of federal income taxation.

The School District will have no obligation to replace a Qualified Reserve Account Credit Instrument or to fund the 2025 Reserve Fund with cash if, at any time that the 2025 Bonds are Outstanding, the Qualified Reserve Account Credit Instrument (or its provider) is downgraded or the provider becomes insolvent, if there is an unscheduled termination of the Qualified Reserve Account Credit Instrument or if for any reason insufficient amounts are available to be drawn upon under the Qualified Reserve Account Credit Instrument; provided, however, that the School District shall reimburse the provider, in accordance with the terms of the Qualified Reserve Account Credit Instrument, for any draws made thereon.

The School District and the Fiscal Agent shall comply with the terms of the Qualified Reserve Account Credit Instrument as shall be required to receive payments thereunder in the event and to the extent required under the Fiscal Agent Agreement.

See APPENDIX C for a complete description of the timing, purpose and manner of disbursements from the 2025 Reserve Fund.

Investment of Moneys in Funds

Moneys in any fund or account created or established by the Fiscal Agent Agreement and held by the Fiscal Agent will be invested by the Fiscal Agent in Permitted Investments, which in any event by their terms mature prior to the date on which such moneys are required to be paid out under the Fiscal Agent Agreement. See APPENDIX C for a definition of “Permitted Investments.”

THE COMMUNITY FACILITIES DISTRICT

Formation and Background

Formation Proceedings. The Community Facilities District was established by the Board under the Act on December 18, 2024, following a noticed public hearing. On the same date, an election was held in which the qualified electors within the Community Facilities District approved a ballot proposition authorizing the School District to incur bonded indebtedness for the Community Facilities District of up to $250,000,000 to finance the acquisition and construction of the authorized School District facilities, to levy the Special Taxes, and to establish an appropriations limit for the Community Facilities District.

The Community Facilities District is authorized to finance the construction of authorized School District facilities. See "FINANCING PLAN – School Facilities Financing Plan."

The Rate and Method for the Community Facilities District is attached as APPENDIX B.

Future Annexation Area. In connection with the formation of the Community Facilities District, the School District established a future annexation area (the "**Future Annexation Area"**) consisting of certain non-contiguous areas to the south of the Community Facilities District. The property in the Future Annexation Area may be annexed into the Community Facilities District through summary annexation proceedings under a procedure set forth in the Act with the unanimous consent of the owners of the property to be annexed. If annexed, any such property will become subject to the lien of the Special Taxes securing the Bonds.

The boundary map showing the boundaries of the Community Facilities District and the Future Annexation Area is attached as APPENDIX H.

Description and Location

Mountain House Community. The Community Facilities District consists of a portion of the larger Mountain House community, a master-planned community being developed in the southwestern portion of the County adjacent to the Alameda County line, approximately 3 miles northwest of the City of Tracy. The Community Facilities District specifically includes the residential portions of Neighborhood I, Neighborhood J, Neighborhood K, and Neighborhood L in the Mountain House community.

Mountain House consists of 4,784 acres or about 7.5 square miles located in southwestern San Joaquin County. Interstate 205 forms the southern boundary, the Old River forms the northern boundary, and the Alameda County line runs along the western boundary. Along the eastern edge is Mountain House Parkway and the Wicklund Cut.

Location. The Community Facilities District is located in the southwestern portion of the County in the newly incorporated City of Mountain House, and is bounded generally by Byron Road to the southwest, the Alameda County line to the west, and the Old River to the northeast. The Community Facilities District is located approximately 60 miles east of San Francisco and approximately 75 miles south of Sacramento. See APPENDIX A for demographic and other information regarding the area in and around the Community Facilities District.

The boundary map showing the boundaries of the Community Facilities District and the Future Annexation Area is attached as APPENDIX H.

Property Ownership and Development Status

The Master Developer, Mountain House Developers, LLC, has acted as master developer of the property in the Community Facilities District and has sold certain property in Neighborhood J and Neighborhood K to the Merchant Builders.

The table below summarizes proposed development of the taxable property within the Community Facilities District as of the April 4, 2025, date of value of the Appraisal, allocated by neighborhood.

Table 1
Property Summary by Neighborhood

Neighborhood	Acreage [1]	Number of Anticipated Single Family Detached Units ≥ 6,000 Sq. Feet	Number of Anticipated Single Family Detached Units < 6,000 Sq. Feet	Number of Single Family Attached and Multi-Family Units	Total Number of Lots/Units [2]	Share of Buildout Special Tax Liability [3]
Neighborhood I	452.6	545	582	185	1,312	34.2%
Neighborhood J	314.6	526	430	0	956	26.2%
Neighborhood K	418.1	225	570	368	1,163	26.5%
Neighborhood L	337.5	0	90	578	668	13.1%
Total	**1,522.8**	**1,296**	**1,672**	**1,131**	**4,099**	**100.0%**

(1) Reflects the parcels that were included on the County Assessor's roll for Fiscal Year 2024-25. May not reflect recently recorded final maps. Does not include any property in the Future Annexation Area.
(2) Based on current plans for development in the Community Facilities District. Subject to change as development plans change. Does not include any age-restricted units, which are exempt from the special tax. Does not include any units in the Future Annexation Area.
(3) As calculated by Goodwin Consulting Group, Inc., based on the expected development in the Community Facilities District. Subject to change as development plans change.
Source: Goodwin Consulting Group, Inc.

The table below summarizes the proposed development of the taxable property within the Community Facilities District, and the percentage share of the projected Fiscal Year 2025-26 Special Taxes allocated to the property being developed by each Merchant Builder, as of April 4, 2025.

Table 2
Merchant Builders and Proposed Property Development
By Share of Projected Fiscal Year 2025-26 Special Taxes (1)

Merchant Builder (2)	Number of Parcels(3)	Number of Anticipated Single Family Detached Units(4)	Number of Anticipated Single Family Attached and Multi-Family Units(4)	Total Units	Total Projected Fiscal Year 2025-26 Special Tax	Percent of Total Projected Fiscal Year 2025-26 Special Tax
Master Developer	16	1,869	1,131	3,000	$0	0.0% (5)
Century Communities	148	148	0	148	315,830	12.7
Lennar Homes	503	503	0	503	1,152,147	46.2
Richmond American	55	55	0	55	115,711	4.6
Rurka Homes	190	190	0	190	406,411	16.3
Taylor Morrison	203	203	0	203	503,316	20.2
Total	**1,115**	**2,968**	**1,131**	**4,099**	**$2,493,415**	**100.0%**

(1) Based on the projected Fiscal Year 2025-26 Special Tax levy. Assumes the maximum Special Tax will be levied on Developed Property and Final Map Property in Fiscal Year 2025-26. Does not include any property in the Future Annexation Area.
(2) Based on information included in the Appraisal. May not reflect recent sales. Century Communities, Taylor Morrison and Lennar Homes have entered into arrangements with third-party land banking entities that have acquired or will acquire lots from the Master Developer or Merchant Builders for sale to the respective Merchant Builders. See “PROPERTY OWNERSHIP AND DEVELOPMENT STATUS.”
(3) Reflects the parcels that were included on the County Assessor's roll as of December 31, 2024. The count of parcels is expected to increase as additional final maps are recorded.
(4) Anticipated unit counts for future development were provided by the Master Developer and are subject to change as tentative maps are approved and final maps are recorded. Does not include units that are anticipated to be age-restricted, which are exempt from the levy of the Special Tax.
(5) All Undeveloped Property in the Community Facilities District is owned by the Master Developer. The School District does not anticipate levying the special tax on Undeveloped Property in Fiscal Year 2025-26.
Sources: San Joaquin County Assessor's Office; the Master Developer; Goodwin Consulting Group, Inc.

The table below summarizes the anticipated home development in the Community Facilities District, and the percentage share of the projected Fiscal Year 2025-26 Special Taxes, allocated by neighborhood.

Table 3
Merchant Builders and Development Status by Neighborhood and Share of Projected Special Taxes
Fiscal Year 2025-26 Projection (1)

Neighborhood	Merchant Builder (2)	Number of Parcels (3)	Number of Single Family Detached Units	Number of Single Family Attached and Multi-family Units	Total Units	Total Projected Fiscal Year 2025-26 Special Tax	Percent of Total Projected Fiscal Year 2025-26 Special Tax
Neighborhood I	Master Developer	1	1,127	185	1,312	$0	0.0%
Neighborhood J	Century Communities	87	87	0	87	186,517	7.5%
	Lennar Homes	503	503	0	503	1,152,147	46.2%
	Rurka Homes	163	163	0	163	353,018	14.2%
	Taylor Morrison	203	203	0	203	503,316	20.2%
Subtotal - Neighborhood J		956	956	0	956	2,194,998	88.0%
Neighborhood K	Master Developer	11	652	368	1,020	0	0.0%
	Century Communities	61	61	0	61	129,313	5.2%
	Richmond American	55	55	0	55	115,711	4.6%
	Rurka Homes	27	27	0	27	53,394	2.1%
Subtotal - Neighborhood K		154	795	368	1,163	298,417	12.0%
Neighborhood L	Master Developer	4	90	578	668	$0	0.0%
Grand Total - Neighborhoods I, J, K, and L		**1,115**	**2,968**	**1,131**	**4,099**	**$2,493,415**	**100.0%**

(1) Based on the projected Fiscal Year 2025-26 Special Tax levy. Assumes the maximum Special Tax will be levied on Developed Property and Final Map Property in Fiscal Year 2025-26. Does not include any property in the Future Annexation Area or any property anticipated to be developed with age-restricted units.
(2) Based on information included in the Appraisal. May not reflect recent sales. Century Communities, Taylor Morrison and Lennar Homes have entered into arrangements with third-party land banking entities that have acquired or will acquire lots from the Master Developer or Merchant Builders for sale to the respective Merchant Builders. See "PROPERTY OWNERSHIP AND DEVELOPMENT STATUS."
(3) Reflects the parcels that were included on the County Assessor's roll as of December 31, 2024. The count of parcels is expected to increase as additional final maps are recorded. Does not include the property projected for 870 age-restricted senior units.

Sources: San Joaquin County Assessor's Office; the Master Developer; Goodwin Consulting Group, Inc.

See "PROPERTY OWNERSHIP AND DEVELOPMENT STATUS."

Projected Debt Service Coverage

The Rate and Method is structured to produce Special Tax revenues from the Maximum Special Tax which, when applied to the projected debt service on the 2025 Bonds, is anticipated to result in a debt service coverage ratio for Developed Property and Final Map Property of at least 110% for the life of the 2025 Bonds, as shown in the table below.

Table 4
Projected Debt Service Coverage
And Maximum Special Tax Projections Based on Projected Fiscal Year 2025-26 Special Tax Levy (1)

Year Ending	Maximum Special Tax Developed And Final Map Property (2)	Maximum Special Tax Undeveloped Property (3)	Total Maximum Special Tax Developed, Final Map, and Undeveloped Property	Less: Estimated Administrative Expense (4)	Net Total Maximum Special Tax Developed and Final Map Property	Net Total Maximum Special Tax Developed, Final Map, and Undeveloped Property	Series 2025 Bonds Net Debt Service	Coverage Based on Developed and Final Map Property	Coverage Based on Developed, Final Map, and Undeveloped Property (3)
2026	$2,493,415	$5,886,755	$8,380,170	($35,000)	$2,458,415	$8,345,170	$2,212,463	111.12%	377.19%
2027	$2,543,284	$6,004,483	$8,547,767	($35,700)	$2,507,584	$8,512,067	$2,278,500	110.05%	373.58%
2028	$2,594,143	$6,124,551	$8,718,695	($36,414)	$2,557,729	$8,682,281	$2,322,500	110.13%	373.83%
2029	$2,646,036	$6,247,064	$8,893,100	($37,142)	$2,608,894	$8,855,958	$2,369,000	110.13%	373.83%
2030	$2,698,952	$6,372,000	$9,070,952	($37,885)	$2,661,067	$9,033,067	$2,417,750	110.06%	373.61%
2031	$2,752,935	$6,499,447	$9,252,382	($38,643)	$2,714,292	$9,213,739	$2,463,500	110.18%	374.01%
2032	$2,807,985	$6,629,419	$9,437,403	($39,416)	$2,768,569	$9,397,988	$2,516,250	110.03%	373.49%
2033	$2,864,145	$6,762,014	$9,626,159	($40,204)	$2,823,941	$9,585,955	$2,565,500	110.07%	373.65%
2034	$2,921,439	$6,897,275	$9,818,714	($41,008)	$2,880,431	$9,777,705	$2,616,250	110.10%	373.73%
2035	$2,979,865	$7,035,213	$10,015,078	($41,828)	$2,938,037	$9,973,250	$2,668,250	110.11%	373.77%
2036	$3,039,457	$7,175,902	$10,215,360	($42,665)	$2,996,792	$10,172,695	$2,721,250	110.13%	373.82%
2037	$3,100,248	$7,319,432	$10,419,680	($43,518)	$3,056,730	$10,376,162	$2,775,000	110.15%	373.92%
2038	$3,162,260	$7,465,819	$10,628,080	($44,388)	$3,117,872	$10,583,691	$2,834,250	110.01%	373.42%
2039	$3,225,504	$7,615,149	$10,840,653	($45,276)	$3,180,228	$10,795,377	$2,888,500	110.10%	373.74%
2040	$3,290,013	$7,767,445	$11,057,458	($46,182)	$3,243,831	$11,011,277	$2,947,750	110.04%	373.55%
2041	$3,355,809	$7,922,790	$11,278,599	($47,105)	$3,308,703	$11,231,494	$3,006,500	110.05%	373.57%
2042	$3,422,924	$8,081,233	$11,504,157	($48,047)	$3,374,877	$11,456,109	$3,064,500	110.13%	373.83%
2043	$3,491,382	$8,242,851	$11,734,232	($49,008)	$3,442,373	$11,685,224	$3,126,500	110.10%	373.75%

2044	$3,561,203	$8,407,703	$11,968,906	($49,989)	$3,511,214	$11,918,917	$3,192,000	110.00%	373.40%
2045	$3,632,443	$8,575,882	$12,208,325	($50,988)	$3,581,455	$12,157,336	$3,255,500	110.01%	373.44%
2046	$3,705,091	$8,747,401	$12,452,492	($52,008)	$3,653,083	$12,400,484	$3,316,750	110.14%	373.87%
2047	$3,779,180	$8,922,335	$12,701,515	($53,048)	$3,726,131	$12,648,467	$3,385,500	110.06%	373.61%
2048	$3,854,764	$9,100,785	$12,955,550	($54,109)	$3,800,655	$12,901,440	$3,451,000	110.13%	373.85%
2049	$3,931,867	$9,282,818	$13,214,685	($55,191)	$3,876,675	$13,159,493	$3,523,000	110.04%	373.53%
2050	$4,010,498	$9,468,447	$13,478,946	($56,295)	$3,954,203	$13,422,650	$3,590,750	110.12%	373.81%
2051	$4,090,714	$9,657,826	$13,748,539	($57,421)	$4,033,292	$13,691,118	$3,664,000	110.08%	373.67%
2052	$4,172,524	$9,850,985	$14,023,509	($58,570)	$4,113,954	$13,964,939	$3,737,000	110.09%	373.69%
2053	$4,255,973	$10,047,989	$14,303,962	($59,741)	$4,196,232	$14,244,221	$3,814,250	110.01%	373.45%
2054	$4,341,093	$10,248,964	$14,590,058	($60,936)	$4,280,158	$14,529,122	$3,890,000	110.03%	373.50%
2055	$4,427,919	$10,453,951	$14,881,870	($62,155)	$4,365,764	$14,819,715	$3,963,750	110.14%	373.88%

* Preliminary; subject to change.
(1) Based on the status of development in the Community Facilities District as of April 4, 2025, and assumes no further development. Does not include any property from the Future Annexation Area.
(2) Includes 167 Developed Single Family Detached units and 932 Final Map lots as of April 4, 2025.
(3) Based on the buildout of anticipated unit counts for future development provided by the Master Developer. Subject to change as tentative maps are approved and final maps are recorded. Does not include units that are anticipated to be age-restricted, which are exempt from the levy of the special tax.
(4) Assumes annual administrative expenses of $35,000 in Fiscal Year 2025-26, escalating by 2% per year thereafter.
Sources: Stifel, Nicolaus & Company, Inc.; Goodwin Consulting Group, Inc.

It should be noted that the School District may in the future issue Parity Bonds on a parity with the 2025 Bonds upon the satisfaction of the conditions contained in the Fiscal Agent Agreement, but subject to the $250,000,000 maximum bonded indebtedness limit for the Community Facilities District. However, any Parity Bonds will be issued on the condition (among others) that the projected debt service coverage provided by Maximum Special Tax revenues on the 2025 Bonds and any Parity Bonds be at least 110%. See “THE 2025 BONDS – Issuance of Future Parity Bonds.”

Market Absorption Study

General. The purpose of the Market Absorption Study was to conduct a comprehensive analysis of the product mix characteristics, macroeconomic factors, and microeconomic factors as well as the potential risk factors that are expected to influence the absorption of the proposed homes in a portion of the Community Facilities District constituting solely of properties in Neighborhood J and Neighborhood K that had received final subdivision maps as of the date of the Market Absorption Study, consisting of 1,099 single-family detached homes. The proposed single-family attached homes and multifamily homes in Neighborhood K, and the proposed homes in Neighborhood I and Neighborhood L, were not included in the Market Absorption Study.

Development Projects. The Market Absorption Study summarized the status of development within Neighborhood J and Neighborhood K as follows, as of March 28, 2025:

• Malana by Century Communities is expected to have 61 detached homes with living areas of 2,355 to 2,803 square feet that have estimated prices of $1,000,000 to $1,100,000; models are anticipated to open in August 2025.

• Lotus by Century Communities is expected to have 87 detached homes with living areas of 2,443 to 2,750 square feet that have estimated prices of $1,060,000 to $1,130,000; models are anticipated to open in October 2025.

• Alserio by Rurka Homes is expected to have 74 detached homes with living areas of 2,315 to 3,971 square feet that have estimated prices of $1,100,000 to $1,450,000; models were anticipated to open in April 2025.

• Bolsena by Rurka Homes is expected to have 89 detached homes with living areas of 2,681 to 3,366 square feet that have estimated prices of $1,200,000 to $1,350,000; models are anticipated to open in August 2025.

• Silverleaf by Taylor Morrison is expected to have 87 detached homes with living areas of 2,654 to 3,067 square feet that have estimated prices of $1,120,000 to $1,210,000; models are anticipated to open in May 2025.

• Trailview by Taylor Morrison is expected to have 116 detached homes with living areas of 3,168 to 3,590 square feet that have estimated prices of $1,230,000 to $1,305,000; models are anticipated to open in May 2025.

• Belleza by Richmond American is expected to have 55 detached homes with living areas of 2,462 to 2,916 square feet that have estimated prices of $1,045,000 to $1,144,000; models are anticipated to open in August 2025.

• A future project by the Master Developer is expected to have 27 detached homes with living areas of 2,400 to 2,800 square feet that have estimated prices of $1,074,000 to $1,254,000; models are anticipated to open in February 2026.

• Lugano by Lennar Homes is expected to have 134 detached homes with living areas of 1,829 to 2,289 square feet that have builder prices of $905,880 to $1,028,880; models opened in February 2025.

• Maggiore by Lennar Homes is expected to have 113 detached homes with living areas of 2,356 to 2,772 square feet that have builder prices of $1,048,880 to $1,153,880; models opened in February 2025.

• Mezzano by Lennar Homes is expected to have 126 detached homes with living areas of 2,258 to 3,324 square feet that have builder prices of $1,028,880 to $1,323,880; models were expected to open in April 2025.

• Turano by Lennar Homes is expected to have 130 detached homes with living areas of 2,710 to 3,711 square feet that have builder prices of $1,158,880 to $1,418,880; models opened in February 2025.

Note that certain builder prices have declined since the date of the Market Absorption Study. See "PROPERTY OWNERSHIP AND DEVELOPMENT STATUS" for a more recent status of property ownership and development.

Risk Factors Related to Market Absorption Projections. The Market Absorption Study reflects the following factors affecting the current real estate market:

The critical components underlying the estimated absorption schedule with regards to the economy/employment, financial markets/mortgage rates and housing market conditions in Mountain House are as follows:

• Economy/employment growth expected to be moderate/slow but not decline. RISK FACTOR: recession.

• Financial market/mortgage rates are expected to be stable: RISK FACTOR: inflation rises due to tariffs and/or fiscal deficits.

• The Community Facilities District and comparable projects are expected to adjust to demand-supply conditions: RISK FACTOR: Builders increase the supply of homes, then lower prices due to high inventory.

Recent and Projected Absorption Rates. Based on a consideration of the characteristics of the active and forthcoming single-family detached projects in Neighborhood J and Neighborhood K that had received final subdivision maps, along with the expected economic and housing market conditions, and the other assumptions contained therein, the Market Absorption Study projected the following absorption rates.

• March-December 2025: 132 escrow closings

• 2026: 376 escrow closings

• 2027: 339 escrow closings

• 2028: 187 escrow closings

• 2029: Remaining two projects with 65 homes are closed-out.

The estimated absorption schedules set forth in the Market Absorption Study are subject to the assumptions and qualifications contained therein, and are subject to change due to potential shifts in economic and real estate market conditions and the development strategy of the various builders.

Neither the School District nor Underwriter makes any representation as to the accuracy or completeness of the Market Absorption Study. The Market Absorption Study is attached as APPENDIX J and should be reviewed in its entirety.

Assessed Values

Assessed Valuation Generally. As provided by Article XIII A of the California Constitution, county assessors' assessed values are to reflect market value as of the date the property was last assessed (or 1975, whichever is more recent), increased by a maximum of 2% per year. Properties may be reassessed by the County only upon a change of at least 51% ownership of existing property or upon new construction. The assessed values of parcels in the Community Facilities District thus reflect the estimate of the County Assessor (the "**Assessor**") of market value when acquired (or 1975, whichever is later), possibly increased by up to 2% per year, and for parcels on which construction has occurred since their date of acquisition, the Assessor's estimate of market value as of the time of construction, possibly increased by up to 2% per year.

Assessed Valuation History. The following table shows the Fiscal Year 2024-25 secured assessed valuations of the Taxable Property in the Community Facilities District.

Table 5
Secured Assessed Valuation of Taxable Property

Neighborhood	Fiscal Year 2024-25 Land Assessed Value	Fiscal Year 2024-25 Improvement Assessed Value	Fiscal Year 2024-25 Total Assessed Value
I	$60,528,000	$0	$60,528,000
J	152,070,000	0	152,070,000
K	70,000,000	0	70,000,000
L (1)	16,030,000	0	16,030,000
Total	**$298,628,000**	**$0**	**$298,628,000**

(1) A portion of Neighborhood L is anticipated to be developed with age-restricted units, which are exempt from the special tax. This number reflects the full value of the parcels within Neighborhood L as of Fiscal Year 2024-25.

Sources: San Joaquin County Assessor's Office; Goodwin Consulting Group, Inc.

The actual market value of land in the Community Facilities District, if sold at foreclosure, may be higher or lower than the Assessor's assessed values, depending upon the date of the Assessor's most recent assessment. The actual fair market value of any parcel may be more accurately established through an arms-length sale or an appraisal by an independent appraiser.

Appraised Values

General. The purpose of the Appraisal was to estimate the fee simple market value of the taxable property within the Community Facilities District, subject to the lien of the Special Taxes, by ownership, with the sum of values by ownership representing an aggregate value, as of an April 4, 2025, date of value. The market values contained in the Appraisal were confirmed by the Appraisal Update Letter dated June 23, 2025.

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

Hypothetical Conditions. In addition to the conditions described above, the value conclusions contained in the Appraisal are subject to the hypothetical condition that certain public improvements to be financed by the 2025 Bonds have been completed.

Value Estimates. The Appraiser estimated that, as of the April 4, 2025, date of value, the estimated market values of the taxable property in the Community Facilities District were as follows, for the property being developed by each Merchant Builder:

Century Communities	$62,952,000
Rurka Homes	86,367,000
Taylor Morrison	94,801,000
Richmond American	23,650,000
Lennar Homes	193,769,000.
Master Developer	301,230,000
Total:	$762,769,000

The foregoing opinions of value represent a "not-less-than" value due to the fact that the Appraiser was requested to provide a market value for the smallest floor plan in each community improved with a completed home.

Appraisal Update Letter. The Appraisal Update Letter confirmed that the estimated value of the Appraised Property was not less than $762,769,000 as of June 23, 2025.

Valuation Methods. The Appraisal initially employed 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.

For the purpose of estimating the value of the subject's residential lots, the Appraiser identified benchmark lot categories of Medium Density, Low Density, and Very Low Density lots.

The market value of the majority of the residential lots (Medium Density and Low Density lots) were estimated by utilizing the sales comparison approach and land residual analysis to value. 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. Additionally, the Appraiser utilized a land residual analysis (a variation of the cost approach and income capitalization approaches), in which all direct and indirect costs are deducted from an estimate of the anticipated gross sales price of the improved home product. The resultant net sales proceeds are then discounted to present value at an anticipated discount rate over the development and absorption period to indicate the residual value of the lots. The market value of the Very Low Density lots was estimated by utilizing the sales comparison approach and extraction technique to value, a form of the cost approach.

After reconciling the two approaches to value, the Appraiser applied a lot size adjustment factor to account for differing lot sizes from the benchmark lot category. The final estimate of market value, in bulk, was estimated by employing a discounted cash flow analysis, whereby, the expected revenue, absorption period, expenses and discount rate associated with the sell-off of the lots held by the Master Developer were taken into account.

The market value estimates for the various taxable land use components described above were then assigned to the various assessor's parcels comprising the appraised properties in order to derive the cumulative, or aggregate, value of the property in the Community Facilities District.

Neither School District nor the Underwriter makes any representation as to the accuracy or completeness of the Appraisal or the Appraisal Update Letter. See APPENDIX I for a complete copy of the Appraisal and the Appraisal Update Letter.

Appraised Value-to-Debt Ratios

General. In comparing the value of the real property within the Community Facilities District and the principal amount of the 2025 Bonds, it should be noted that only the real property upon which there is a delinquent Special Tax can be foreclosed upon, and the real property within the Community Facilities District cannot be foreclosed upon as a whole to pay delinquent Special Taxes of the owners of such parcels unless all of the property is subject to a delinquent Special Tax. In any event, individual parcels may be foreclosed upon separately to pay delinquent Special Taxes levied against such parcels.

Other public agencies whose boundaries overlap those of the Community Facilities District could, without the consent of the School District and in certain cases without the consent of the owners of the land within the Community Facilities District, impose additional taxes or assessment liens on the land within the Community Facilities District.

Property owners can also voluntarily add Property Assessed Clean Energy (PACE) assessment liens on their property to finance energy efficiency improvements. The lien created on the land within the Community Facilities District through the levy of such additional taxes or assessments may be on a parity with the lien of the Special Tax. In addition, construction loans may be obtained by the Master Developer and the Merchant Builders, and home loans may be obtained by ultimate homeowners. The deeds of trust securing such debt on property within the Community Facilities District, however, will be subordinate to the lien of the Special Tax.

Appraised Value-to-Debt Ratios by Ownership and Development Status. The following table sets forth the appraised values of the property in the Appraisal, maximum Special Taxes for Fiscal Year 2025-26, allocable debt, and value to debt ratios by ownership and development status.

No assurance can be given that the amounts shown in this table will conform to those ultimately realized in the event of a foreclosure action following delinquency in the payment of the Special Taxes.

Table 6A
Appraised Values and Value-to-Debt Ratios
By Neighborhood (1)

Neighborhood	Number of Anticipated Single Family Detached Units (2)	Number of Anticipated SFA and Multi-Family Units (2)	Number of Developed and Final Map SFD Lots	Projected Fiscal Year 2025-26 Special Taxes (3)	Percent of Projected Fiscal Year 2025-26 Special Taxes	Appraised Value (4)	Principal Amount of Bonds (5)*	Total Overlapping Debt (6)*	Total CFD and Overlapping Debt*	Average Value to Debt Ratio (CFD Debt)*	Average Value to Debt Ratio (CFD and Overlapping Debt) *
I (7)	1,127	185	0	$0	0.0%	$176,592,395	$0	$530,969	$530,969	N/A	332.6
J (7)	956	0	956	2,194,998	88.0	400,476,000	38,126,572	39,096,692	77,223,265	10.5	5.2
K	795	368	143	298,417	12.0	165,877,310	5,183,428	8,506,189	13,689,617	32.0	12.1
L (7)	90	578	0	0	0.0	19,823,295	0	59,604	59,604	N/A	332.6
Total	**2,968**	**1,131**	**1,099**	**$2,493,415**	**100.0%**	**$762,769,000**	**$43,310,000**	**$48,193,454**	**$91,503,454**	**17.6**	**8.3**

* *Preliminary, subject to change.*

(1) Based on the projected Fiscal Year 2025-26 special tax levy. Assumes the maximum Special Tax will be levied on Developed Property and Final Map Property in Fiscal Year 2025-26. Does not include any property in the Future Annexation Area or any property anticipated to be developed with age-restricted units.

(2) Anticipated unit counts for future development were provided by the Master Developer and are subject to change as tentative maps are approved and final maps are recorded. Does not include units that are anticipated to be age-restricted, which are exempt from the levy of the Special Tax.

(3) Based on the status of development in the Community Facilities District as of April 4, 2025, and assumes no further development. Assumes that the maximum Special Tax will be levied on Developed and Final Map Property in Fiscal Year 2025-26.

(4) Represents an allocation of the market values reported in the Appraisal. The allocated values may not be indicative of the market values of the groupings or the individual lots.

(5) Includes the par amount of the 2025 Bonds. Allocated based on the projected Special Tax levy for Fiscal Year 2025-26.

(6) Includes the outstanding overlapping general obligation bonds of the San Joaquin Delta Community College District and the School District, as reported by California Municipal Statistics, Inc. Also includes the $40,130,000 and $5,805,000 in bonds for Improvement Area Nos. 1 and 8, respectively, of Mountain House CFD 2024-1, which overlap the Community Facilities District. No additional bonds are authorized to be issued for Improvement Area No. 1 of Mountain House CFD 2024-1. Additional bonds are expected in the future for Improvement Area Nos. 2, 3, 4 and 8 of Mountain House CFD 2024-1, but amounts are unknown at this time.

(7) The School District does not anticipate levying a special tax on Undeveloped Property in fiscal year 2025-26.

Sources: Stifel, Nicolaus & Company, Inc.; Integra Realty Resources, Inc.; California Municipal Statistics, Inc.; Goodwin Consulting Group, Inc.

Table 6B
Appraised Values and Value-to-Debt Ratios
By Merchant Builder and Development Status (1)

Merchant Builder and Development Status	Number of Anticipated SFD Units (2)	Number of Anticipated SFA and Multi-Family Units (2)	Projected Fiscal Year 2025-26 Special Taxes (3)	Percent of Projected Fiscal Year 2025-26 Special Taxes	Appraised Value (4)	Principal Amount of Bonds (5)*	Total Overlapping Debt (6)	Total CFD and Overlapping Debt*	Average Value to Debt Ratio (CFD Debt) *	Average Value to Debt Ratio (CFD and Overlapping Debt) *
Century Communities										
Finished Lots	148	0	$315,830	12.7%	$62,952,000	$5,485,880	$9,244,300	$14,730,181	11.5	4.3
Rurka Homes										
Finished Lots	190	0	406,411	16.3	86,367,000	7,059,260	12,409,163	19,468,423	12.2	4.4
Taylor Morrison										
Finished Lots	203	0	503,316	20.2	94,801,000	8,742,482	16,192,825	24,935,307	10.8	3.8
Richmond American										
Finished Lots	55	0	115,711	4.6	23,650,000	2,009,868	3,088,829	5,098,697	11.8	4.6
Lennar Homes										
Completed Homes	8	0	20,451	0.8	7,522,000	355,229	210,730	565,959	21.2	13.3
Homes Under Construction	98	0	229,687	9.2	41,958,000	3,989,606	2,867,712	6,857,318	10.5	6.1
Finished Lots	397	0	902,009	36.2	144,289,000	15,667,674	3,274,173	18,941,846	9.2	7.6
Subtotal	503	0	1,152,147	46.2	193,769,000	20,012,509	6,352,615	26,365,124	9.7	7.3
Master Developer										
Undeveloped (7)	1,869	1,131	$0	0.0	301,230,000	0	905,723	905,723	N/A	332.6
Total	**2,968**	**1,131**	**$2,493,415**	**100.0%**	**$762,769,000**	**$43,310,000**	**$48,193,454**	**$91,503,454**	**17.6**	**8.3**

** Preliminary, subject to change.*

(1) Based on the ownership and construction status as presented in the Appraisal. Does not include any property in the Future Annexation Area or any property anticipated to be developed with age-restricted units. Century Communities, Taylor Morrison and Lennar Homes have entered into arrangements with third-party land banking entities that have acquired or will acquire lots from the Master Developer or Merchant Builders for sale to the respective Merchant Builders. See "PROPERTY OWNERSHIP AND DEVELOPMENT STATUS."

(2) Anticipated unit counts for future development were provided by the Master Developer, and are subject to change as tentative maps are approved and final maps are recorded. Does not include units that are anticipated to be age-restricted, which are exempt from the levy of the Special Tax.

(3) Based on the status of development in the Community Facilities District as of April 4, 2025, and assumes no further development. Assumes that the maximum Special Tax will be levied on Developed and Final Map Property in Fiscal Year 2025-26.

(4) Represents an allocation of the market values reported in the Appraisal. The allocated values may not be indicative of the market values of the groupings or the individual lots.

(5) Includes the par amount of the 2025 Bonds. Allocated based on the projected Special Tax levy for Fiscal Year 2025-26.

(6) Includes the outstanding overlapping general obligation bonds of the San Joaquin Delta Community College District and the School District, as reported by California Municipal Statistics, Inc. Also includes the $40,130,000 and $5,805,000 in bonds for Improvement Area Nos. 1 and 8, respectively, of Mountain House CFD 2024-1, which overlap the Community Facilities District. No additional bonds are authorized to be issued for Improvement Area No. 1 of Mountain House CFD 2024-1. Additional bonds are expected in the future for Improvement Area Nos. 2, 3, 4 and 8 of Mountain House CFD 2024-1, but amounts are unknown at this time.

(7) The School District does not anticipate levying the special tax on Undeveloped Property in Fiscal Year 2025-26.

Sources: Stifel, Nicolaus & Company, Inc.; Integra Realty Resources, Inc.; California Municipal Statistics, Inc.; Goodwin Consulting Group, Inc.

Stratification of Value to Debt Ratios. The following table sets forth ranges of value to debt ratios, based on appraised values, maximum Special Taxes for Fiscal Year 2025-26, and allocable debt in the Community Facilities District.

No assurance can be given that the amounts shown in this table will conform to those ultimately realized in the event of a foreclosure action following delinquency in the payment of the Special Taxes.

Table 6C
Summary Value to Debt Ratios
Allocated by Value-to-Debt Category[(1)]*

Value-to-Lien Category	Number of Anticipated SFD Units (2)	Number of Anticipated SFA and Multi-Family Units (2)	Projected Fiscal Year 2025-26 Special Tax (3)	Percent of Projected Fiscal Year 2025-26 Special Taxes	Appraised Value (4)	Principal Amount of Bonds (5)	Total Overlapping Debt (6)	Total CFD and Overlapping Debt	Average Value-to-Burden (CFD and Overlapping Debt)
Greater than 10:1	8	0	$20,451	0.8%	$7,522,000	$355,229	$210,730	$565,959	13.3
5:1 to 10:1	490	0	1,118,914	44.9%	184,366,000	19,435,262	5,958,264	25,393,525	7.3
3:1 to 5:1	601	0	1,354,050	54.3%	269,651,000	23,519,509	41,118,738	64,638,247	4.2
Undeveloped Property (7)	1,869	1,131	$0	0.0%	301,230,000	$0	905,723	905,723	332.6
Total	**2,968**	**1,131**	**$2,493,415**	**100.0%**	**$762,769,000**	**$43,310,000**	**$48,193,454**	**$91,503,454**	**8.3**

** Preliminary, subject to change.*
(1) Based on the projected Fiscal Year 2025-26 Special Tax levy. Assumes the maximum Special Tax will be levied on Developed Property and Final Map Property in Fiscal Year 2025-26. Does not include any property in the Future Annexation Area or any property anticipated to be developed with age-restricted units.
(2) Anticipated unit counts for future development were provided by the Master Developer, and are subject to change as tentative maps are approved and final maps are recorded. Does not include units that are anticipated to be age-restricted, which are exempt from the levy of the Special Tax.
(3) Based on the status of development in the Community Facilities District as of April 4, 2025, and assumes no further development. Assumes that the maximum Special Tax will be levied on Developed and Final Map Property in Fiscal Year 2025-26.
(4) Represents an allocation of the market values reported in the Appraisal. The allocated values may not be indicative of the market values of the groupings or the individual lots.
(5) Includes the par amount of the 2025 Bonds. Allocated based on the projected Special Tax levy for Fiscal Year 2025-26.
(6) Includes the outstanding overlapping general obligation bonds of the San Joaquin Delta Community College District and the School District, as reported by California Municipal Statistics, Inc. Also includes the $40,130,000 and $5,805,000 in bonds for Improvement Area Nos. 1 and 8, respectively, of Mountain House CFD 2024-1, which overlap the Community Facilities District. No additional bonds are authorized to be issued for Improvement Area No. 1 of Mountain House CFD 2024-1. Additional bonds are expected in the future for Improvement Area Nos. 2, 3, 4 and 8 of Mountain House CFD 2024-1, but amounts are unknown at this time.
(7) The School District does not anticipate levying the special tax on Undeveloped Property in Fiscal Year 2025-26.
Sources: Stifel, Nicolaus & Company, Inc.; Integra Realty Resources, Inc.; California Municipal Statistics, Inc.; Goodwin Consulting Group, Inc.

Direct and Overlapping Governmental Obligations

Contained within the boundaries of the Community Facilities District are certain overlapping local agencies providing public services. Many of these local agencies have outstanding debt. The direct and overlapping debt affecting the Community Facilities District as of April 1, 2025, is shown in the table below, a direct and overlapping debt report (the "**Debt Report**") prepared by California Municipal Statistics, Inc. The Debt Report is included for general information purposes only.

The Debt Report generally includes long-term obligations sold in the public credit markets by public agencies whose boundaries overlap the boundaries of the Community Facilities District in whole or in part. These long-term obligations are not payable from revenues of the Community Facilities District (except as indicated) nor are they necessarily obligations secured by land within the Community Facilities District. In many cases long-term obligations issued by a public agency are payable only from the general fund or other revenues of such public agency.

The contents of the Debt Report are as follows: (1) the first column indicates the public agencies that have outstanding debt as of the date of the Debt Report and whose territory overlaps the Community Facilities District; (2) the second column shows the percentage of the assessed valuation of the overlapping public agency identified in column 1 which is represented by property located within the Community Facilities District; and (3) the third column is an apportionment of the dollar amount of each public agency's outstanding debt (which amount is not shown in the table) to property in the Community Facilities District, as determined by multiplying the total outstanding debt of each agency by the percentage of the public agency's assessed valuation represented in column 2.

Neither the School District nor the Underwriter has reviewed the Debt Report for completeness or accuracy and neither makes any representation in connection therewith.

Table 7
Direct and Overlapping Governmental Obligations

2024-25 Assessed Valuation: $298,628,000

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	% Applicable	Debt 4/1/25	
San Joaquin Delta Community College District	0.238%	$ 352,979	
Lammersville Joint Unified School District	3.506	1,940,475	
Lammersville Unified School District Community Facilities District No. 2024-1	**100.**	**-**	(1)
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		$2,293,454	(2)
OVERLAPPING GENERAL FUND DEBT:			
San Joaquin County Certificates of Participation	0.256%	$ 110,751	
Lammersville Joint Unified School District General Fund Obligations	3.506	488,362	
Mountain House Community Services District	5.407	2,539,354	
TOTAL OVERLAPPING GENERAL FUND DEBT		$3,138,467	
COMBINED TOTAL DEBT		$5,431,921	(3)

(1) Excludes issue to be sold.
(2) Excludes the bonds issued and proposed to be issued by Mountain House CFD 2024-1.
(3) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Estimated Tax Burden on Single-Family Homes

The following table sets forth the estimated total tax burden on two representative developed single-family detached units in the Community Facilities District, based on special tax rates for Fiscal Year 2024-25.

Table 8
Fiscal Year 2024-25 Tax Rates
(Developed Single-Family Detached Units)

		Lots ≥ 6,000 sf	Lots < 6,000 sf
Net Taxable Value		**Amount**	**Amount**
Estimated Market Values [1]		$950,000	$1,250,000
Less: Homeowner's Exemption		(7,000)	(7,000)
Net Taxable Value		$943,000	$1,243,000
Ad Valorem Property Taxes	**Rate**	**Amount**	**Amount**
Base Property Tax	1.0000%	$9,430	$12,430
LAMMERSVL USD 2006 MEASURE E BOND	0.0092%	$87	$114
LAMMERSVL USD 2016 MEASURE L BOND	0.0317%	$299	$394
SJ DELTA COLL 2004 MEASURE L BOND	0.0122%	$115	$152
Total Ad Valorem Property Taxes	1.0531%	$9,931	$13,090
Parcel Charges, Assessments, and Special Taxes [2]		**Amount**	**Amount**
Mountain House - Parks & Rec [3]		$104	$106
Mountain House - Public Safety [3]		$595	$610
Mountain House - Public Works [3]		$109	$112
Mountain House - Road & Admin [3]		$1,174	$1,190
CSA No. 53 - Haz Waste		$4	$4
SJC Mosq & Vctr Contr - Ben Asmt		$10	$10
SJC Mosquito Abate		$1	$1
Water Zone 2		$2	$2
Mountain House CFD No. 2024-1 (Public Facilities and Services) - Services [5]		$519	$519
Mountain House CFD No. 2024-1 (Public Facilities and Services) - Facilities [4][5]		$2,852	$4,657
Lammersville USD CFD No. 2024-1 [5]		$1,939	$2,506
Total Parcel Charges, Assessments, and Special Taxes		$7,308	$9,717
Total Taxes		**$17,239**	**$22,807**
Total Effective Tax Rate		**1.81%**	**1.82%**

(1) Represents the estimated home prices provided by the Master Developer.
(2) Based on Fiscal Year 2024-25 charges identified on the County-issued property tax bills. Charges subject to change in future years.
(3) Not authorized to issue bonds.
(4) Improvement Area No. 1 is authorized to issue up to $74.2 million in bonds; Improvement Area No. 2 is authorized to issue up to $122 million in bonds; Improvement Area No. 3 is authorized to issue up to $240.2 million in bonds; Improvement Area No. 4 is authorized to issue up to $264.5 million in bonds; and Improvement Area No. 8 is authorized to issue up to $29.4 million in bonds. Mountain House CFD 2024-1 has issued $40,130,000 in bonds for Improvement Area No. 1 and $5,805,000 in bonds for Improvement Area No. 8, which overlap the Community Facilities District. No additional bonds are authorized to be issued for Improvement Area No. 1 of Mountain House CFD 2024-1. Additional bonds are expected in the future for Improvement Area Nos. 2, 3, 4 and 8 of Mountain House CFD 2024-1, but amounts are unknown at this time.
(5) Equal to the applicable Maximum Special Tax rate in Fiscal Year 2024-25.

Sources: San Joaquin County Tax Collector's Office; Goodwin Consulting Group, Inc.

Potential Consequences of Special Tax Delinquencies

General. The Community Facilities District was formed in December 2024 and, accordingly, the Special Taxes will first be levied in Fiscal Year 2025-26. Future delinquencies in the payment of property taxes (including the Special Taxes) with respect to property in the Community Facilities District could result in draws on the 2025 Reserve Fund established for the 2025 Bonds, and perhaps, ultimately, a default in the payment on the 2025 Bonds.

Special Tax Enforcement and Collection Procedures. The School District could receive additional funds for the payment of debt service through foreclosures sales of delinquent property, but no assurance can be given as to the amount of foreclosure sale proceeds or when foreclosure sale proceeds would be received. The School District has covenanted in the Fiscal Agent Agreement to take certain enforcement actions and commence and pursue foreclosure proceedings against delinquent parcels under the terms and conditions described herein. See "SECURITY FOR THE 2025 BONDS — Covenant to Foreclose" and "BONDOWNERS' RISKS – Concentration of Ownership."

Foreclosure actions would include, among other steps, formal Board action to authorize commencement of foreclosure proceedings, mailing multiple demand letters to the record owners of the delinquent parcels advising them of the consequences of failing to pay the applicable Special Taxes and contacting secured lenders to obtain payment. If these efforts were unsuccessful, they would be followed (as needed) by the filing of an action to foreclose in superior court against each parcel that remained delinquent.

Limitations on Increases in Special Tax Levy. If owners are delinquent in the payment of Special Taxes, the School District may not increase Special Tax levies to make up for delinquencies for prior Fiscal Years above the Maximum Special Tax rates specified for each category of property within the Community Facilities District. See "SECURITY FOR THE 2025 BONDS – Rate and Method." 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 2025 Bonds. See "BONDOWNERS' RISKS."

PROPERTY OWNERSHIP AND DEVELOPMENT STATUS

The information regarding development of the property contained under this caption has been provided by representatives of the Merchant Builders and Master Developer, and has not been independently confirmed or verified by the Underwriter or the School District. Neither the Underwriter nor the School District 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.

Development of the Mountain House Community

The City of Mountain House was established in July 2024 as an incorporation of a previously unincorporated area of San Joaquin County. In 1996 the master planned community was approved by the County and in 2000 infrastructure development started. The first homes were started in 2003. The community covers approximately 4,784 acres approximately directly north and northwest of the city of Tracy. As of the end of 2024, approximately 8,000 homes are within the City. In March 2020 a modern Town Hall and Community Library were completed.

Primary access to the area is provided by Mountain House Parkway, a major north/south arterial along the eastern portion of the City. Byron Road is another major arterial in a northwest/southeast direction that provides access to Highway 205 and the nearby community of Tracy and employment opportunities in the greater San Francisco Bay Area. The primary mode of transportation in this area is the automobile. The Stockton Metro Airport is located about 26 miles north and the Oakland International Airport is approximately 45 miles to the west.

Land uses in the City are predominantly single-family residential, with farmland largely surrounding the City. In late 2022 Safeway completed its full service grocery store and gas station at the corner of Mountain House Parkway and Byron Road as part of the larger 86,000 square foot Market at Mountain House retail center. Larger retail supportive services are located in Tracy, including Costco, Home Depot, auto dealers and other services typical of a larger city, with similar services in nearby Lathrop, Stockton and Livermore.

Active sales of homes in the City are ongoing, with homes currently offered by Lennar Homes, Rurka Homes, Taylor Morrison, Century Communities and others, with home pricing ranging from $800,000 to $1,500,000.

One of the major employers in the area is Amazon, who operates two fulfillment centers in Tracy. Other major employers include Safeway, Tracy Unified School District, Defense Distribution Depot San Joaquin, and Deuel Vocational Institute. These are located within five to eight miles of the City and represent significant concentrations in the distribution and government industries.

The City has a police substation and two fire stations. There are seven elementary/middle schools and a high school within the City. San Joaquin Delta College has a satellite campus in the City.

The land within the Community Facilities District begins a significant new development area of the City referred to internally as the area north of Byron Road. North of that major arterial is expected to include approximately 5,000 residential units at buildout.

Development of the Community Facilities District

The information provided in this section has been included because it may be considered relevant to an informed evaluation and analysis of the 2025 Bonds and the Community Facilities District. No *assurance can be given, however, that the proposed development of the property within the Community Facilities District will occur in a timely manner or in the configuration or to the density described herein, or that the Master Developer, the Merchant Builders (and their land banks), any owners or affiliates thereof, or any other property owner described herein will or will not retain ownership of its respective property within the Community Facilities District. Neither the 2025 Bonds nor any of the Special Taxes are personal obligations of any property owner within the Community Facilities District. The 2025 Bonds are secured solely by the Special Taxes levied on property within the Community Facilities District and amounts on deposit in certain of the funds and accounts maintained by the Fiscal Agent under the Fiscal Agent Agreement as described in this Official Statement. Neither the School District nor the Underwriter can provide any assurances as to the accuracy of the information in this section.*

The Lakes Project

Acquisition of Property. Mountain House Developers, LLC, a Delaware limited liability company (previously defined as the "**Master Developer**"), was originally a joint venture between Shea Homes and CalPERS. The Master Developer purchased the property in the Mountain House project from Trimark Homes in 2005 and in 2007. In 2008, CalPERS became the sole owner of the Master Developer. In 2023, Rurka Capital, LLC, a Delaware limited liability company ("**Rurka Capital**"), purchased all of CalPERS's interest in the Master Developer and is now the sole owner of the Master Developer.

General. The property in the Community Facilities District is being developed as the Lakes Project (the "**Lakes Project**"), which comprises four villages as follows:

Village	Name of Village	Projected Number of Units
I	Lakepoint	1,312
J	Lakeshore	956
K	Lakeview	1,163
L	Palm Lake	668*
		4,099

*Does not include 870 age-restricted Senior Units

The taxable property in the Community Facilities District is expected to be developed as a total of 4,099 residential units.

The Master Developer intends to carry out land development activities and (i) sell finished lots to homebuilders and (ii) construct and market homes through Rurka Homes, a related entity. See "– The Master Developer" below for more information about the Master Developer. In some cases, the Master Developer may sell land to third party homebuilders who will complete finished lots.

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

Amenities. The Lakes Project is anticipated to eventually include: (i) 3 K-8 schools to be constructed and operated by the School District; (ii) 4 neighborhood parks (approximately 5-acres each); (iii) the greenway loop park; (iv) Old River Regional Park; (v) Mountain House Creek Park; and (vi) the 20-acre North Community Park.

Lakes Project Diagram. A conceptual site plan which includes a depiction of the Lakes Project as provided by the Master Developer is shown below.

THE LAKES CONCEPTUAL SITE PLAN

Development Agreement

On December 10, 1994, the County and Trimark Communities ("**Trimark**") entered into a Development Agreement for the development of the Mountain House project (the "**1994 DA**"). The 1994 DA was amended several times, culminating in the execution of an Amended and Restated Master Development Agreement dated October 17, 2000, by and between the County and Trimark (the "**Amended and Restated DA**"). The Amended and Restated DA was subsequently amended (the "**Subsequent DA**"). In 2005 and 2007, the Master Developer acquired the property from Trimark and the Subsequent DA was assigned by Trimark to the Master Developer. The Subsequent DA was amended by the execution by the Master Developer and the County of the "First Amendment to the Subsequent Development Agreement PA-23000058 by and between the County and MHD, LLC related to the Development of Certain Property within the Mountain House Community," dated June 28, 2024 (the Subsequent DA, as amended, herein the "**Development Agreement**").

As of the July 1, 2024 date of incorporation of the City, the City became successor to the County with respect to the Development Agreement.

The Development Agreement governs the entitlement of the Mountain House project (including the Lakes Project) as a whole and it expires on February 8, 2035, unless extended. Reasonable extensions not to exceed five years each and not to exceed fifteen years in the aggregate may be granted.

Conditions of Approval

The Development Agreement, Conditions of Approval, and other entitlement documents (collectively, the "**Entitlement Documents**") require various conditions for the development of the Lakes Project. A summary of those conditions that have not yet been completed are described in the table below.

Conditions of Approval
(As of June 13, 2025)

Condition	Timing	Status
Construct Central Parkway and Great Valley Parkway	Prior to the first building permit beyond Tract 3926 (per Village K conditions) and within 3 months of completion of railroad overcrossing for Central Parkway and 3 months for Great Valley Parkway (per Village J conditions).	90% complete; expected completion by October 2025.
Traffic Signal – Central Parkway (7 signals total)	When 50% of building permits for Village K (i.e., 397 units), conduct traffic analysis (per Village K conditions) and when 50% of building permits for Tracts 3973, 3974, and 3975 conduct traffic analysis (per Village J conditions) and complete before final occupancy permits. Final occupancy permits anticipated to occur in May 2027.	90% complete on 6 of 7 signals; remaining signal not started yet.
Byron Road Widening (from Alameda County Line to Wicklund Road)	Start construction by March 2026 and complete within 24 months (per Village K conditions) and start in May 2026 and complete within 24 months (per Village J conditions).	Not yet started.
Byron Road RR Overcrossing (Byron Road and Great Valley)	Within 1 year of permit from CPUC and Union Pacific Railroad or prior to 1,300th building permit for Villages I, J, K, and L, whichever comes first.	Not yet started.
Byron Road RR Overcrossing (Byron Road and Mountain House Parkway)	Within 1 year of permit from CPUC and Union Pacific Railroad or prior to 2,700th building permit for Villages I, J, K, and L, whichever comes first.	Not yet started.

Fire Station	Improvements bonded for and must be complete within 18 months of commencement. Construction on the Fire Station commenced on February 14, 2024.	Improvements completed.
Traffic Signal – Main/Central	Construct signal before the 880th building permit issued in Neighborhoods J and K.	Not yet started.
Traffic Signal – Arturo/Central	Construct signal before the 330th building permit in Village J.	Not yet started.
Traffic Calming Improvements	Construct improvements prior to the 330th building permit in Neighborhoods J and K.	Not yet started.
Fiber Optic Improvements	Construction to be completed with the railroad crossing at Byron Road and Great Valley Parkway or May 2026, whichever comes first.	Conduits constructed in Great Valley Parkway; remainder to be completed in a timely manner; part of the Central Parkway/ Great Valley Parkway budget.
Security Cameras	Design and construct security cameras prior to issuance of 50% of building permits in Neighborhood K (per Village K conditions and 50% of building permits in Neighborhood J Tract 3973, 3974, and 3975 (per Village J conditions).	Not yet started. Waiting for specifications from City.
Pump Station Upgrade	Start construction by November 1, 2025 and complete by November 1, 2026.	Not yet started.
Riparian Water Rights Infrastructure and Water Supply Diversification	Riparian: Start construction of a new non-potable water reservoir at the Water Treatment Plant Site and an intake pump at Old River Parkway by December 2025 and complete by June 2027. Diversification: Start construction on new water line and pump station to provide a second source of water to the Water Treatment Plant by July 2025 and complete by July 2026.	Not yet started.
Two Mini Parks	Design and construct parks prior to the issuance of the 50% building permits in Neighborhood J Tracts 3973, 3974, and 3975.	Not yet started.
North Community Park	Constructed prior to the issuance of the 1,914th building permit in Neighborhoods I, J, and K.	Not required until after buildout of Neighborhoods J and K.
Entryways	Design and construct arterial entries at Central Parkway and Mountain House Parkway prior to issuance of 50% of building permits in Neighborhood J Tracts 3973, 3974, and 3975.	Not yet started.
Reservoir	Start construction by April 2026 and complete by April 2027.	Not yet started.
Water Treatment Admin. Building	Start construction by January 1, 2026 and complete by July 2027.	Not yet started.
Police Station	Prior to 1,000th building permit north of Byron Road, pay the City $1.6 million.	Not yet paid.

Source: Master Developer.

Public Infrastructure Improvements Required for the Lakes Project

For the Lakes Project as a whole, the Master Developer estimates that at the completion of the Lakes Project, it will expend approximately $500 million in infrastructure, consulting, and financing costs. As of April 15, 2025, the Master Developer has expended approximately $71 million.

The table below shows the infrastructure improvements and fees required for the development of the Lakes Project and the percentage of completion of these costs. All such improvements and fees are payable by the Master Developer.

Estimated Costs to be Incurred by Master Developer	Total Estimated Costs	Completed Costs	Percentage Complete of Costs	Remaining Costs
NEIGHBORHOOD J				
Tract 3973(1)	$ 3,235,144	$ 2,635,144	81%	$ 600,000
Tract 3974(1)	$ 8,605,431	$ 7,905,431	92%	$ 700,000
Tract 3975(1)	$ 11,440,575	$ 10,540,575	92%	$ 900,000
Wastewater Treatment Plant	$ 10,000,000	$ 9,000,000	90%	$ 1,000,000
Old River Pump Station	$ 4,716,003	$ 4,466,255	95%	$ 249,748
Village J Grading	$ 568,832	$ 565,521	99%	$ 3,311
Central Parkway/Great Valley Parkway	$ 18,337,731	$ 9,214,423	50%	$ 9,123,308
Traffic Signal – Central Pkwy	$ 1,500,000	$ 1,218,641	81%	$ 281,359
Byron Road Widening	$ 8,472,000	$ 34,225	0%	$ 8,437,775
Fire Station	$ 9,684,399	$ 6,471,997	67%	$ 3,212,402
Greenway Loop Park(2)	$ 2,656,825	$ -	0%	$ 2,656,825
Traffic Signal – Main/Central	$ 350,000	$ 20,000	6%	$ 330,000
Traffic Signal – Arturo/Central	$ 350,000	$ 20,000	6%	$ 330,000
Pump Station Upgrade	$ 1,300,000	$ 10,000	1%	$ 1,290,000
Riparian Water Rights Infrastructure	$ 1,400,000	$ -	0%	$ 1,400,000
Reservoir	$ 2,100,000	$ -	0%	$ 2,100,000
Water Treatment Plant Administration Building (Neigh	$ 4,559,170	$ -	0%	$ 4,559,170
Police Station	$ 1,600,000	$ -	0%	$ 1,600,000
NEIGHBORHOOD K				
Neighborhood K Directs/Intracts	$ 59,228,906	$ 11,630,909	20%	$ 47,597,997
K Grading	$ 17,762,908	$ 451,923	3%	$ 17,310,985
K Lake	$ 7,523,200	$ 125,180	2%	$ 7,398,020
Police Station	$ 1,600,000	$ -	0%	$ 1,600,000
Old River Regional Park Neigh K	$ 2,560,133	$ 733	0%	$ 2,559,401
Neighborhood K Park	$ 3,250,000	$ -	0%	$ 3,250,000
Pump Station Number 2 (K)	$ 5,941,327	$ -	0%	$ 5,941,327
MH Creek (Phase 3, north of Byron Rd)	$ 1,261,681	$ 866	0%	$ 1,260,815
NEIGHBORHOOD I				
Neighborhood I Directs/Intracts	$ 83,963,493	$ 3,155,479	4%	$ 80,808,014
I Grading	$ 11,090,471	$ 2,727,134	25%	$ 8,363,337
Pump Station Number 3 (I)	$ 5,941,327	$ 17,339	0%	$ 5,923,988
Railroad Crossing - Mountain House Pkwy	$ 600,000	$ 74,113	12%	$ 525,887
Railroad Crossing - Great Valley Parkway	$ 600,000	$ 45,089	8%	$ 554,911
Central Parkway & Great Valley Pkwy Phase 2	$ 19,300,600	$ -	0%	$ 19,300,600
Central Pkwy & Great Valley Pkwy Traffic Signals Phas	$ 1,400,000	$ -	0%	$ 1,400,000
Water Storage Tank #3 (Neigh. I)	$ 10,723,933	$ -	0%	$ 10,723,933
I Lake	$ 4,500,000	$ 309,454	7%	$ 4,190,546
Corporate Yard	$ 3,212,842	$ -	0%	$ 3,212,842
Old River Regional Park Neigh I	$ 1,080,945	$ -	0%	$ 1,080,945
Neighborhood I Park	$ 3,250,000	$ -	0%	$ 3,250,000
Neighborhood I & J Open Space (40% in J, 60% in I)	$ 14,441,499	$ 54,931	0%	$ 14,386,569
Dry Creek	$ 1,132,560	$ -	0%	$ 1,132,560
Kelso Road Homes Roadway	$ 908,150	$ -	0%	$ 908,150
Alameda County Line Fence and Landscape	$ 923,130	$ -	0%	$ 923,130
Dry Creek Pump Station (Neigh. I)	$ 420,487	$ 18,568	4%	$ 401,919
NEIGHBORHOOD L				
Neighborhood L Directs/Intracts	$ 56,919,351	$ 10,499	0%	$ 56,908,852
L Grading	$ 17,762,908	$ -	0%	$ 17,762,908
Old River Regional Park Neigh L	$ 2,048,107	$ -	0%	$ 2,048,107
Annexation (58 Acre Cunha Property)	$ 5,000,000	$ -	0%	$ 5,000,000
Habitat Fee (Cunha property, SJMSCP Program)	$ 1,116,790	$ -	0%	$ 1,116,790
Mountain House Parkway (Byron ro Central Pkwy)	$ 9,453,760	$ 335,246	4%	$ 9,118,514
Mountain House Parkway Traffic Signals	$ 1,302,000	$ 5,213	0%	$ 1,296,788
Bridge (Mountain House Parkway)	$ 4,677,379	$ 45,715	1%	$ 4,631,664
Bridge (Collector St.)	$ 3,588,900	$ -	0%	$ 3,588,900
Pump Station Number 4	$ 5,941,327	$ -	0%	$ 5,941,327
North Community Park	$ 12,785,894	$ -	0%	$ 12,785,894
Water Treatment Plant 20MGD Expansion	$ 4,144,700	$ -	0%	$ 4,144,700
L Lake	$ 7,523,200	$ -	0%	$ 7,523,200
Neighborhood L Park	$ 3,250,000	$ -	0%	$ 3,250,000
Amenity (Senior clubhouse)	$ 11,600,000	$ -	0%	$ 11,600,000
Totals	$ 500,608,018	$ 71,110,602	14%	$ 429,497,416

[footnotes on following page]

(1) These costs consist of subdivision improvements, such as entryway improvements, mass and finish grading, undergrounding wet and dry utilities, asphalt roadway, concrete curb and gutter, and landscaping. The cost to complete for these tracts is in part payment for work already started and the landscaping improvements which have not started yet.
(2) These costs include the costs of the mini parks required to be constructed.
Source: Master Developer.

Subdivision Mapping Status. Final Maps for 1,099 lots in the Community Facilities District have been recorded. Of the total lots in the Community Facilities District, 1,099 are in "finished lot" condition and home construction was underway on 226 lots as of March 30, 2025.

Nbhd	No. of Lots/ Units	Projected Development Type	Final Map	Final Map Recordation Date
J	54	Single Family Res.	3973	12/31/2024
J	196	Single Family Res.	3974	12/31/2024
J	203	Single Family Res.	3975	12/31/2024
J	136	Single Family Res.	3968	12/26/2023
J	91	Single Family Res.	3969	8/21/2024
J	62	Single Family Res.	3970	8/21/2024
J	119	Single Family Res.	3971	8/21/2024
J	95	Single Family Res.	3972	8/21/2024
K	143	Single Family Res.	3926	10/8/2024
K	142	Single Family Res.	3927	TBD
K	136	Single Family Res.	3928	TBD
K	135	Single Family Res.	3929	TBD
K	49	Single Family Res.	3930	TBD
K	71	Single Family Res.	3931	TBD
K	50	Single Family Res.	3932	TBD
K	69	Single Family Res.	3933	TBD
K	135	Multi-Family Res.	K2	TBD
K	53	Multi-Family Res.	K3	TBD
K	76	Multi-Family Res.	K1	TBD
K	104	Multi-Family Res.	K4	TBD
I	160	Single Family Res.	4191	TBD
I	98	Single Family Res.	4192	TBD
I	101	Single Family Res.	4193	TBD
I	61	Single Family Res.	4194	TBD
I	115	Single Family Res.	4195	TBD
I	87	Single Family Res.	4196	TBD
I	79	Single Family Res.	4197	TBD
I	119	Single Family Res.	4198	TBD
I	75	Single Family Res.	4199	TBD
I	82	Single Family Res.	4200	TBD
I	66	Single Family Res.	4201	TBD
I	79	Single Family Res.	4202	TBD
I	5	Single Family Res.	4203	TBD
I	89	Multi-Family Res.	I13	TBD
I	96	Multi-Family Res.	I14	TBD
L	66	Single Family Res.	L1	TBD
L	79	Single Family Res.	L2	TBD
L	90	Single Family Res.	L3	TBD
L	157	Single Family Res.	L4	TBD
L	62	Single Family Res.	L5	TBD
L	90	Single Family Res.	L5	TBD
L	111	Single Family Res.	L6	TBD
L	50	Single Family Res.	L7	TBD
L	59	Single Family Res.	L8	TBD
L	120	Multi-Family Res.	L9	TBD
L	286	Multi-Family Res.	L10	TBD
L	48	Multi-Family Res.	L12	TBD
L	52	Multi-Family Res.	L11	TBD
L	72	Multi-Family Res.	L13	TBD
L	196	Multi-Family Res.	L22	TBD
Total	4969			

* Note: The table above includes the projected 870 age-restricted senior units in Neighborhood L.
Source: Master Developer

Existing and Planned Sales to Merchant Builders

The Master Developer is both selling lots to national homebuilders who will build and market homes and, through a servicing agreement with Rurka Homes, a related entity, causing the construction and marketing of a number of homes in the Community Facilities District. Additionally, the Master Developer may sell raw land to homebuilders who will develop their own finished lots.

The Master Developer has identified the following Merchant Builders for the development and sale of homes in the Community Facilities District:

(i) Century Communities , both directly and through TPG AG EHC III (CCS) CA 4, L.P., a Delaware limited partnership (herein, the "**TPG 4 Land Bank**"), which is serving as a land bank for Century Communities,

(ii) Taylor Morrison, both directly and through KL LB BUY 3 LLC, a Delaware limited liability company (the "**KL Land Bank**"), which is serving as a land bank for Taylor Morrison,

(iii) Richmond American,

(iv) Lennar Homes, both directly and through AG EHC II (LEN) CA 2, L.P., a Delaware limited partnership (the "**AG CA 2 Land Bank**") and AG EHC II (LEN) CA 4B, L.P., a Delaware limited partnership (the "**AG CA 4B Land Bank**" and, collectively, the "**AG Land Banks**"), who are serving as land banks for Lennar Homes, and

(v) Rurka Homes, being developed through a servicing agreement with the Master Developer.

The current status of actual and projected lot sales to the Merchant Builders is summarized below.

Actual and Projected Lot Sales to Merchant Builders
As of June 13, 2025

Final Map	Village	Expected No. of Taxable Lots	Ownership/Merchant Builders as of April 15, 2025	Expected Merchant Builder
Master Developer				
3926	K	27	Master Developer	Rurka Homes (1)
Multiple Maps	K	1,020	Master Developer	TBA
Multiple Maps	I	1,312	Master Developer	TBA
Multiple Maps	L	668	Master Developer	TBA
Total		3,897		
Rurka Homes				
3973	J	54	Master Developer	Rurka Homes (1)
3974	J	109	Master Developer	Rurka Homes (1)
Total		163		
Century Communities				
3926	K	22	Century Communities	Century Communities
3926	K	39	TPG 4 Land Bank (2)	Century Communities
3974	J	14	Century Communities	Century Communities
3974	J	27	TPG 4 Land Bank (2)	Century Communities
3974	J	46	Master Developer	Century Communities
Total		148		
Taylor Morrison				
3975	J	48	Taylor Morrison	Taylor Morrison
3975	J	155	KL Land Bank (3)	Taylor Morrison
Total		203		
Richmond American				
3926	K	8	Master Developer (4)	Richmond American
3926	K	47	Richmond American	Richmond American
Total		55		
Lennar Homes				
3968	J	136	AG CA 2 Land Bank/Lennar Homes (5)	Lennar Homes
3969	J	91	AG CA 4B Land Bank/Lennar Homes (5)	Lennar Homes
3970	J	62	AG CA 4B Land Bank/Lennar Homes (5)	Lennar Homes
3971	J	119	AG CA 4B Land Bank/Lennar Homes (5)	Lennar Homes
3972	J	95	AG CA 2 Land Bank/Lennar Homes (5)	Lennar Homes
Total		503		
Grand Total		4,099 (6)		

(1) Through a servicing agreement with the Master Developer, Rurka Homes will be constructing the homes described in the table on behalf of the Master Developer and will convey the homes upon sale to a related entity and then to a homeowner in a double escrow. See "Rurka Homes" below.
(2) The TPG 4 Land Bank is the land bank for Century Communities. See "Century Communities" below.
(3) The KL Land Bank is the land bank for Taylor Morrison for these lots. See "Taylor Morrison" below.
(4) These 8 lots are under contract to be sold with Richmond American, but Richmond American has deferred the purchase of these lots until the FEMA 100-Year Flood Map has been revised to remove these 8 lots. See "Richmond American" below.
(5) The AG Land Banks, as the land banks for Lennar Homes, own a portion of the lots. See "Lennar Homes" below.
(6) Does not include the 870 projected age-restricted senior units to be developed in Neighborhood L.

Source: Master Developer.

Utilities

Utility services to the property within the Community Facilities District will be supplied by the following:

- Water: City of Mountain House
- Sewer: City of Mountain House
- Storm drain: City of Mountain House
- Electricity and gas: Modesto Irrigation District
- Telephone: AT&T
- Cable TV: Comcast
- Refuse collection: West Valley Disposal

Environmental Conditions

Flood Hazard Map Information. Approximately 1,900 lots within the Community Facilities District are currently within the Federal Emergency Management Association ("**FEMA**") 100-year flood plain, but are in the process of being mapped Zone X. The balance of the lots within the Community Facilities District are located in an area designated by FEMA as being within Zone X, with a 0.02% chance of flooding in any given year.

There are 12 final-mapped lots located in Village K that are at least partially located within the FEMA 100 year flood plain. Of these 12 lots, 8 are owned by the Master Developer but are under contract with Richmond American for acquisition once a FEMA Letter of Map Revision ("**LOMR**") is received and 4 are owned by the Master Developer but are not under contract with any Merchant Builder. For these 12 lots, the Master Developer is seeking to remove these lots from the FEMA 100-year flood plain by raising the housing pads with engineered fills and then processing a LOMR with FEMA to officially remove the lots from the FEMA 100-year flood plain. These 12 lots have already been raised with the engineered fill, and the Master Developer submitted an application to FEMA to remove these 12 lots from the 100-year flood plain in February 2025. The Master Developer anticipates the LOMR to be issued by December 2025.

Seismic Conditions. Like other areas of Northern California, the property in the Community Facilities District is subject to the risk of earthquake damage. Based on the Earthquake Zones of Required Investigation map published by the State of California Department of Conservation, none of the property expected to be developed in the Community Facilities District 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.

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. The Lakes Project has not been classified as an area of very high fire hazard severity zone.

Master Developer Financing Plan

The Master Developer purchased approximately 8,000 lots in 2005 and 2007 from Trimark Communities LLC. Since then, the Master Developer has built and sold over 3,000 residential lots to home builders.

As of April 15, 2025 the Master Developer has made significant investments of over $71 Million into the backbone infrastructure to service the lots within the Community Facilities District and the surrounding properties. The investments in backbone infrastructure include but are not limited to:

- $9 million to complete the expansion of the wastewater treatment plant which expanded the plant capacity to serve the Community Facilities District and the buildout of Mountain House project from its current 8,000 to 16,000 residential units;

- $4.4.6 million sewer pump station; and

- $9.2 million in improvements to Central Parkway and Great Valley Parkway that support access to the Community Facilities District.

The property owned by the Master Developer in the Community Facilities District (and in other areas of the Mountain House project) is subject to a deed of trust in favor of MH Lender, LLC ("**MH Lender**"). MH Lender was created by Avila Real Estate Capital to facilitate a loan of $285 million (the "**MH Loan**") to Rurka Capital to acquire the ownership interests in the Master Developer in August 2023. The MH Loan is secured by a deed of trust that was recorded on August 3, 2023. The MH Loan is due and payable in March 2026. Under the terms of the MH Loan, approximately 72% of the proceeds of the sales of land to merchant builders is used to pay the outstanding principal and interest on the MH Loan, and the percentage declines as additional payments are made. Eventually, the MH Lender will be entitled to approximately 52% of the proceeds of the sales of land to merchant builders until the loan is repaid. As of April 15, 2025, the principal balance remaining on the MH Loan was approximately $129 million. The MH Loan was a land loan only and is not available to finance infrastructure or home construction costs.

To finance the costs of infrastructure improvements for the project, the Master Developer has an arrangement with the MH Lender whereby the MH Lender holds funds in a working capital account (the "**Working Capital Account**") that is available to the Master Developer for development costs. The balance in the Working Capital Account as of April 15, 2025 was approximately $90 million. (Note: the Working Capital Account may be used by the Master Developer for development costs in the Community Facilities District and elsewhere in the Mountain House project outside the Community Facilities District; likewise, the Working Capital Account may be used by Rurka Homes for the development of Alserio and Bolsena in the Community Facilities District as well as ongoing projects in other parts of the Mountain House project outside of the Community Facilities District.) The Master Developer typically makes bi-monthly draws on the Working Capital Account to finance horizontal development costs for the Community Facilities District and other areas of the Mountain House project. The Master Developer believes that the Working Capital Account, when combined with lot sales and proceeds of Mountain House CFD 2024-1 bonds and special taxes, will be sufficient to finance the remaining costs of development in the Community Facilities District and the construction of homes by Rurka Homes.

The Master Developer's funds for the development of the property in the Community Facilities District and the construction, marketing and sales of homes by Rurka Homes within the Community Facilities District derives from various sources generated from the sales of land and homes, reimbursements, and the Working Capital Account for the Mountain House Project as a whole. Likewise, the Master Developer's anticipated expenses include costs outside of the Community Facilities District.

The table below shows the anticipated sources and uses of funds for the Mountain House Project as a whole over the next two years. The table below shows only those sources expected to be received after April 15, 2025 and does not include the lot sales made prior to April 15, 2025. Likewise, only the costs anticipated to be incurred for the Mountain House Project as a whole after April 15, 2025 are included in the table below.

	2025	2026
Sources:		
Cash Balance (1)	$90,000,000	$92,000,000
Lot Sales Proceeds (2)	61,440,000	257,360,000
Rurka Home Sales (3)	64,800,000	206,400,000
CFD Proceeds (4)	35,000,000	20,000,000
Public Agency Reimbursements (5)	13,200,000	16,600,000
Utility Reimbursements (6)	0	10,000,000
Total Sources	$264,440,000	$602,360.000
Uses:		
In-Tract Improvements (7)	$20,000,000	$16,000,000
Wastewater Plant	900,000	0
Pump Station	249,000	0
Grading	2,000,000	0
Streets (Central Pkwy/Great Valley Pkwy/Byron Rd.)	3,700,000	8,450,000
Traffic Signals	0	600,000
Fire Station	3,212,401	0
Parks (Greenway Loop Park and Central Park)	2,750,825	12,050,000
Pump Station	0	750,000
Riparian Improvements	0	500,000
Reservoir	500,000	1,250,000
Water Treatment Admin. Building	0	1,000,000
Police Station	0	1,600,000
MHD Loan	129,000,000	163,000,000
Rurka Home Construction Costs and Return	54,000,000	172,000,000
Total Uses	$216,312,226	$377,200,000
Net Cash Flow	$48,127,774	$225,160,000

(1) Includes the Working Capital Account.

(2) These sources include revenues from the sale of lots to merchant builders other than Rurka Homes for all lots within the Community Facilities District as well as property within the Mountain House Project but outside of the Community Facilities District. This number does not include any land sales that occurred prior to April 15, 2025.

(3) Because the Master Developer and Rurka Homes are affiliates and because the costs of constructing homes by Rurka Homes included as a use of funds, the revenue sources include the sales of homes to homebuyers. In the next two years, it is anticipated that Rurka Homes will build and close on at least 251 homes throughout the Mountain House Project, including, but not limited to, the Community Facilities District.

(4) These sources include the net proceeds of bonds issued and to be issued by Mountain House CFD 2024-1.

(5) These sources include reimbursements from the School District for various school facilities and Community Facilities Fees reimbursements from the City for various fire, police, and park improvements.

(6) These sources include reimbursements from the City for water and wastewater and storm drain improvements.

(7) These costs include all of the in-tract improvements for the Community Facilities District as well as property outside the Community Facilities District.

Source: Master Developer.

The Master Developer

The Master Developer is Mountain House Developers, LLC, a Delaware limited liability company, qualified to do business in California. The Master Developer is owned 100% by Rurka Capital, which is owned by members of the Sandhu family including Karnail Singh Sandhu (Manager) and Pulvy Sandhu (Vice President). Key individuals of the Master Developer include (i) David Sargent (Director of Operations) who has been with the Mountain House project since 2005 and has over 24 years of experience in overseeing and managing real estate projects throughout the State of California, and (ii) Bob Anders (Construction Manager), who has over 30 years of experience in real estate development and construction management industries.

Rurka Homes

***Rurka Homes Development Plan*.** Rurka Homes is owned by Rurka Holdings, LLC. Rurka Holdings, LLC is the sole member of the following two limited liability companies:

- RH Alserio at Lakeshore, LLC ("**Alserio, LLC**"); and
- RH Bolsena at Lakeshore, LC ("**Bolsena, LLC**" and together with Alserio, LLC, the "**Lakeshore LLCs**").

The Lakeshore LLCs and Rurka Homes will work under a servicing agreement with the Master Developer, allowing them to enter onto the property owned by the Master Developer to construct and sell homes. The Lakeshore LLCs will contract through a service agreement with Rurka Homes for construction and sale of homes to homebuyers. Ownership of the lots is maintained in the name of the Master Developer during construction, with the completed home transferred from the Master Developer to the applicable Lakeshore LLC and from the applicable Lakeshore LLC to the home buyer in a simultaneous double escrow.

Alserio, LLC is developing 74 55'x100' lots, planned for five floorplans ranging from 2,315 to 3,971 square feet in one and two stories, wood framed construction with tile roofs, and fire sprinklers. Four model homes will be built. Home construction started in early December, 2024. The Master Developer projects Rurka Homes to build and sell approximately 4 homes per month. The proposed product mix for the homes planned to be constructed by Rurka Homes within this neighborhood is set forth in the following table.

Rurka Homes – "Alserio at Lakeshore"
(Village J – 74 Lots)
(As of June 13, 2025)

Floor Plans	Approx. Square Footage	Total Units Planned	Completed Homes owned by Master Developer(1)(2)	Units Under Construction (2)	Finished Lots(3)	Estimated Base Price (4)
Plan 1	2,315	15	1	6	8	$1,020,000
Plan 2	2,769	12	1	8	3	$1,164,000
Plan 3	3,306	15	1	7	7	$1,280,000
Plan 4	3,500	17	1	4	12	$1,310,000
Plan 5	3,971	15	0	5	10	$1,450,000
		74	4	30	40	

(1) Represents 4 model homes built by Rurka Homes but owned by the Master Developer. The model homes will be transferred to Rurka Homes when they are sold to end users through the double escrow proceedings described above.
(2) 34 building permits had been received as of June 13, 2025.
(3) Represents lots without any vertical home construction. .
(4) Base sales prices are projected as of June 13, 2025. Base sales prices exclude lot premiums, options and extras and any incentives or price reductions. Base sales prices are subject to change.

Source: Master Developer.

Bolsena, LLC has 84 50'x100' lots, and is planned for four floorplans ranging from 2,681 to 3,366 square feet in two stories, wood framed construction with tile roofs, and fire sprinklers. Three model homes are planned. Home construction began in March 2025. The proposed product mix for the homes planned to be constructed by Rurka Homes within this neighborhood is set forth in the following table.

Rurka Homes – "Bolsena at Lakeshore"
(Village J – 89 Lots)
(As of June 13, 2025)

Floor Plans	Approx. Square Footage	Total Units Planned	Units Under Construction (1)	Finished Lots((2)	Estimated Base Price(3)
Plan 1	2,681	22	3	19	$1,200,000
Plan 2	2,925	23	3	20	$1,250,000
Plan 3	3,101	22	3	19	$1,300,000
Plan 4	3,366	22	4	18	$1,350,000
		89	13	76	

(1) Rurka Homes had received 13 building permits as of June 13, 2025. Rurka Homes intends to build 3 model homes.
(2) Represents lots without any vertical home construction.
(3) Base sales prices are projected as of June 13, 2025. Base sales prices exclude lot premiums, options and extras and any incentives or price reductions. Base sales prices are subject to change.

Source: Master Developer.

Although a portion of Village K is intended to be developed by Rurka Homes, no development or financing activities have yet begun.

Rurka Homes' development expectations described above are based on the Master Developer's and Rurka Homes' current plans. These plans may change due to changes in economic and market conditions or other factors. No assurance can be given that home construction and sales will be carried out on the schedule and according to the plans described 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. The Master Developer and Rurka Homes reserve the right to change their development plans at any time without notice. Additionally, homes under contract to be sold may not result in closed escrows as sales contracts are subject to cancellation by the homebuyer.

Financing Plan. Rurka Homes intends to finance the development of the lots using the Working Capital Account described above, as well as internal sources (which may include funding from its parent company and home sales proceeds). The Master Developer typically makes bi-monthly draws on the Working Capital Account to finance Rurka Homes construction costs. A summary of the costs spent to April 15, 2025 and the costs expected for the development of the property that Rurka Homes will be constructing is set forth below:

Financing Status
Alserio and Bolsena
(Village J)
(As of April 15, 2025)

	Total Budget	Costs Incurred Through April 15, 2025	April 15, 2025, through Buildout
Land	$78,965,600	$110,000	$78,895,600 (1)
Site Construction	3,328,331	590,000	3,036,387
Direct Construction	74,876,982	3,900,000	70,976,982
Sales and Marketing	14,802,769	735,000	14,067,769
Total Projected Costs	$171,973,682	$5,335,000	$166,638,682

(1) Sales of homes will occur in a double escrow, whereby the completed home will be sold to one of the Lakeshore LLCs and then to the homebuyer. A portion of the purchase price includes a land component that will be delivered to the Master Developer. These amounts are the estimated land components of the future sales.

No assurance can be given that amounts necessary to fund the planned development by Rurka Homes in the Community Facilities District will be available when needed. Neither Rurka Homes nor any other entity or person is under any legal obligation of any kind to expend funds for the development of the property as planned by Rurka Homes in the Community Facilities District. Any contributions by Rurka Homes or any other entity or person to fund the costs of such development are entirely voluntary. Rurka Homes has no legal obligation to 2025 Bondowners to make any such funds available for construction or development, or the payment of ad valorem property taxes or the Special Taxes.

If and to the extent that such funding sources, including but not limited to home sales revenues, is inadequate to pay the costs to complete the planned development by Rurka Homes in the Community Facilities District and other financing is not put into place, there could be a shortfall in the funds required to complete the proposed development by Rurka Homes or to pay ad valorem property taxes or Special Taxes related to Rurka Homes' property in the Community Facilities District and the remaining portions of such development may not be completed. Many factors beyond Rurka Homes' control, or a decision *by Rurka Homes to alter its current plans, may cause the actual sources and uses to differ from the projections.*

Century Communities

Ownership. As previously defined, the term "**Century Communities**" is Century Communities of California, LLC, a Delaware limited liability company. Century Communities is a subsidiary of Century Communities, Inc., a Delaware corporation ("**Century Parent**"). The Century Parent, and its subsidiaries including Century Communities, is engaged in the design, construction, and sale of master planned communities throughout the United States. Founded in 2002, the Century Parent is a Colorado based corporation and is a top-10 national home builder. Offering new homes under the Century Communities and Century Complete brands, the Century Parent is engaged in all aspects of homebuilding – including the acquisition, entitlement, and development of land, along with the construction, innovative marketing and sale of quality homes designed to appeal to a wide range of homebuyers. The Century Parent operates in 17 states across the U.S. and offers title, insurance, and lending services in select markets through its Parkway Title, IHL Home Insurance Agency, and Inspire Home Loan subsidiaries.

The Century Parent is a publicly traded company listed on the New York Stock Exchange under the ticker symbol "CCS." The Century Parent is subject to the informational requirements of the Securities Exchange Act of 1934, and in accordance therewith is obligated to file reports, proxy statements, and other information, including financial statements, with the Securities and Exchange Commission (the "**SEC**"). Such filings set forth, among other things, certain data relative to the consolidated results of operations and financial position of the Century Parent and its subsidiaries (including Century Communities). The SEC maintains an internet website that contains reports, proxy and information statements and other information regarding registrants that file electronically with the SEC, including the Century Parent. The address of such internet web site is www.sec.gov. All documents subsequently filed by the Century Parent pursuant to the requirements of the Securities Exchange Act of 1934 after the date of this Official Statement will be available for inspection in such manner as the SEC prescribes. Copies of the Century Parent's annual report, quarterly reports and current reports, including any amendments, are available from the Century Parent's website at www.investors.centurycommunities.com.

Century Communities PSA. The Master Developer and Century Communities entered into a purchase and sale agreement for 61 lots in Village K ("**Century Village K Lots**") of the Community Facilities District (the "**Century Village K Purchase Agreement**"). The Century Village K Purchase Agreement was assigned to the TPG 4 Land Bank (as defined herein), which is serving as the land bank to Century Communities for the Century Village K Lots. On November 17, 2024, the TPG 4 Land Bank closed on the 61 Century Village K Lots. As of June 13, 2025, Century Communities had acquired 22 of the Century Village K Lots from TPG 4 Land Bank.

The Master Developer and Century Communities also entered into a purchase and sale agreement for 87 lots in Village J of the Community Facilities District (the "**Century Village J Purchase Agreement**"). The Century Village J Purchase Agreement calls for the acquisition of the Century Village J lots in two tranches: 41 lots in tranche 1 (the "**Century Village J-1 Lots**") and 46 lots in tranche 2 (the "**Century Village J-2 Lots**"). The Century Village J Purchase Agreement was assigned in part to the TPG 4 Land Bank (as defined herein), which is serving as the land bank to Century Communities for the Century Village J-1 Lots. On January 10, 2025, the TPG 4 Land Bank closed on the 41 Century Village J-1 lots. As of June 13, 2025, Century Communities had acquired 14 of the Century Village J-1 Lots from TPG 4 Land Bank. There is no agreement with the TPG 4 Land Bank for land banking the remaining 46 Century Village J-2 Lots when they are acquired by Century Communities from the Master Developer, but Century Communities reserves the right to land bank such lots upon acquisition. The Century Village J-2 Lots are anticipated to be acquired by Century Communities in Q3 2025.

Under each purchase and sale agreement with the Master Developer, the lots will transfer in finished lot condition.

Century Communities Development Plan. Century Communities is developing (i) 61 Century Village K Lots to be developed as part of its planned "Malana" Village, (ii) 41 Century Village J-1 Lots to be developed as part of its planned "Lotus" Village, and (iii) when acquired by Century Communities under the Century Village J Purchase Agreement, 46 Century Village J-2 Lots to be developed as part of its planned "Lotus" Village. The Century Village K Lots and the Century Village J-1 Lots are the subject of separate land bank arrangements whereby Century Communities has the option – but not the obligation – to acquire lots pursuant to separate takedown schedules. See "– Century Communities' Land Bank Arrangements" below.

The proposed product mix for the homes planned to be constructed by Century Communities on the Century Village K Lots (assuming that Century Communities acquires all of the Century Village K Lots from the TPG 4 Land Bank) is set forth in the following table.

Century Communities – "Malana"
(Village K – 61 Lots)
(As of June 13, 2025)

Floor Plans	Approx. Square Footage	Total Units Planned	Units Under Construction[(1)]	Remaining Finished Lots[(2)]	Projected Approximate Base Price Range[(3)]
Plan 1	2,355	20	6	14	$1,000,000
Plan 2	2,616	20	6	14	$1,070,000
Plan 3	2,803	21	6	15	$1,100,000
		61	18	43	

(1) Century Communities commenced construction of 2 model units in February 2025; the first production homes to commenced construction in March 2025.
(2) Represents lots without any vertical home construction. 34 building permits had been received as of June 13, 2025.
(3) Base sales prices are as of June 13, 2025. Base sales prices exclude lot premiums, options and extras and any incentives or price reductions. Base sales prices are subject to change.
Source: Century Communities.

The proposed product mix for the homes planned to be constructed by Century Communities on the Century Village J-1 Lots (assuming that Century Communities acquires all of the Century Village J-1 Lots from the TPG 4 Land Bank) is set forth in the following table.

Century Communities – "Lotus"
(Village J-1 – 41 Lots)
(As of June 13, 2025)

Floor Plans	Approx. Square Footage	Total Units Planned	Units Under Construction(1)	Finished Lots(2)	Projected Approximate Base Price Range(3)
Plan 1	2,451	13	2	11	$1,060,000
Plan 2	2,635	14	2	12	$1,100,000
Plan 3	2,733	14	2	12	$1,200,000
		41	6	35	

(1) Century Communities commenced construction of 2 model units in April/May 2025; the first production homes commenced construction in May 2025.
(2) Represents lots without any vertical home construction. 20 building permits had been received as of June 13, 2025.
(3) Base sales prices are as of June 13, 2025. Base sales prices exclude lot premiums, options and extras and any incentives or price reductions. Base sales prices are subject to change.
Source: Century Communities.

Financing Plan. Century Communities intends to finance the development of the lots using internal sources (which may include funding from its parent company and home sales proceeds). A summary of the costs spent as of April 15, 2025 and the costs expected for the development of the property that Century Communities will be constructing is set forth below:

Financing Status
Malana and Lotus
(Villages J and K)
(As of April 15, 2025)

	Total Budget	Costs Incurred as of April 15, 2025	April 16, 2025, through Buildout
Land	$28,244,693	$6,482,380	$21,762,313
Professional Services	487,842	10,590	477,252
Site Construction	148,575	0	148,575
Direct Construction	12,297,345	3,988,518	8,308,827
Sales and Marketing	116,800	26,108	90,692
Total Projected Costs	$41,295,255	$10,507,596	$30,787,659

No assurance can be given that amounts necessary to fund the planned development by Century Communities in the Community Facilities District will be available when needed. Neither Century Communities nor any other entity or person is under any legal obligation of any kind to expend funds for the development of the property as planned by Century Communities in the Community Facilities District. Any contributions by Century Communities or any other entity or person to fund the costs of such development are entirely voluntary. Century Communities has no legal obligation to 2025 Bondowners to make any such funds available for construction or development, or the payment of ad valorem property taxes or the Special Taxes.

If and to the extent that internal funding, including but not limited to home sales revenues and corporate financing from Century Communities' parent company, is inadequate to pay the costs to complete the planned development by Century Communities in the Community Facilities District and other financing is not put into place, there could be a shortfall in the funds required to complete the proposed development by Century Communities or to pay ad valorem property taxes or Special Taxes related to Century Communities' property in the Community Facilities District and the remaining portions of such development may not be completed. Many factors beyond Century Communities' control, or a decision by Century Communities to alter its current plans, may cause the actual sources and uses to differ from the projections.

Century Communities Land Bank Arrangements

Village K Option. For the acquisition of the 61 Century Village K Lots in the Masala product line (the "**Century K Option Lots**"), Century Communities assigned the purchase agreement with the Master Developer to the TPG 4 Land Bank, which is serving as land bank to Century Communities for the Century K Option Lots. On November 7, 2024, the TPG 4 Land Bank acquired the Century K Option Lots from the Master Developer in order to set up a land banking structure. As of June 13, 2025, Century Communities has acquired 22 of the Century Village K Lots from TPG 4 Land Bank.

To facilitate the land banking structure for the Century K Option Lots, Century Communities and the TPG 4 Land Bank entered into that certain Option Agreement, dated November 7, 2024 (as amended, the "**Century K Option Agreement**") whereby Century Communities has the option, but not the obligation, to purchase the 61 Century K Option Lots from the TPG 4 Land Bank pursuant to a takedown schedule agreed upon between Century Communities and the TPG 4 Land Bank.

Village J-1 Option. For the acquisition of the 41 Village J-1 lots in the Lotus product line (the "**Century J-1 Option Lots**" and together with the Century K Option Lots, the "**Century Project Option Lots**"), Century Communities assigned the purchase agreement with the Master Developer in part to the TPG 4 Land Bank, which is serving as land bank to Century Communities for the Century J-1 Option Lots. On January 10, 2025, the TPG 4 Land Bank acquired the Century J-1 Option Lots from the Master Developer in order to set up a land banking structure.

To facilitate the land banking structure for the Century J-1 Option Lots, Century Communities and the TPG 4 Land Bank entered into that certain Option Agreement, dated January 10, 2025 (as amended, the "**Century J-1 Option Agreement**" and together with the Century K Option Agreement, the "**Century Project Option Agreements**") whereby Century Communities has the option, but not the obligation, to purchase the 41 Century J-1 Option Lots from the TPG 4 Land Bank pursuant to a takedown schedule agreed upon between Century Communities and the TPG 4 Land Bank. As of June 13, 2025, Century Communities has acquired 14 of the Century Village J-1 Lots from TPG 4 Land Bank.

General. Pursuant to the Century Project Option Agreements, Century Communities has the right to enter upon the Century Project Option Lots for the purpose of, among other things, constructing model homes, dwelling units and related improvements on the Century Project Option Lots before Century Communities acquires the Century Project Option Lots from the TPG 4 Land Bank.

Century Communities' planned development of the Century Project Option Lots includes the construction of single-family residential homes and the sale of such homes to individual homebuyers. During the term of the Century Project Option Agreements, Century Communities is obligated to pay all taxes on the Century Project Option Lots, including the Special Taxes, and other carrying costs on the Century Project Option Lots.

Under the terms of the Century Project Option Agreements, the TPG 4 Land Bank agreed to provide Century Communities the exclusive right and option to purchase the Century Project Option Lots in consideration for, among other things, (a) an initial option payment, which payment has been made to the TPG 4 Land Bank; and (b) upon exercise of the option, the payment of the purchase price for each set of lots acquired.

The Century Project Option Lots must be purchased in certain groups and in a specified order, although Century Communities may acquire more lots than scheduled and at earlier times so long as the identified lots are acquired by the applicable takedown date. In addition, pursuant to the Century Project Option Agreements, and with some limitations, the TPG 4 Land Bank has granted Century Communities a license to enter upon the property to construct homes before it acquires the lots from the TPG 4 Land Bank.

The failure to acquire the lots in the specified order will result in the payment of a premium in addition to the purchase price. Under the Century Project Option Agreements, the Century Project Option Lots must be acquired pursuant to the following schedule, although the Century Project Option Agreements contain provisions allowing for one-month extensions on acquisition of lots subject to the payment of an extension fee and other conditions.

TPG 4 Land Bank Takedown Schedule
(As of June 13, 2025)

Village K			Village J-1		
Acquisition Date	**Takedown Per Acquisition Date Village K**	**Cumulative Takedowns in Village K**	**Acquisition Date**	**Takedown Per Acquisition Date Village J-1**	**Cumulative Takedowns in Village J-1**
11-15-24	0	0			
12-15-24	0	0			
1-15-25	6	6	1-8-25	0	0
2-18-25	4	10	2-8-25	0	0
3-17-25	4	14	3-8-25	0	0
4-15-25	4	18	4-8-25	6	6
5-15-25	4	22	5-8-25	4	10
6-15-25	4	26	6-8-25	4	14
7-15-25	5	31	7-8-25	4	18
8-15-25	4	35	8-8-25	4	22
9-15-25	4	39	9-8-25	4	26
10-15-25	4	43	10-8-25	4	30
11-15-25	4	47	11-8-25	4	34
12-15-25	5	52	12-8-25	4	38
1-15-26	4	56	1-8-26	3	41
2-15-26	5	61		--	--

As of June 13, 2025, Century Communities has acquired 22 lots in Village K and 14 lots in Village J-1.

The option under each Century Project Option Agreement expires on the earlier of (i) the last date permitted for the final takedown specified on the takedown schedule in such Century Project Option Agreement and the expiration of any applicable cure period, or (ii) the date Century Communities has acquired all of the applicable Century Project Option Lots in accordance with the applicable Century Project Option Agreement. The failure to timely acquire lots under a particular Century Project Option Agreement could result in the termination of the option under that specific Century Project Option Agreement and Century Communities will no longer have a right to purchase any of the remaining units under that Century Project Option Agreement.

If Century Communities does not exercise its option on the Century Project Option Lots or the right to purchase the Century Project Option Lots expires or is terminated, the applicable TPG 4 Land Bank being an investor only and not a homebuilder, would likely attempt to sell such remaining Century Project Option Lots from the applicable Century Project Option Agreement to another merchant builder.

The TPG 4 Land Bank. The TPG 4 Land Bank is an affiliate of, and managed by, Angelo Gordon & Co., L.P. ("**Angelo Gordon**"). Angelo Gordon is a privately-held alternative investment firm founded in 1988 and headquartered in New York, with associated offices across the United States, Europe and Asia. Angelo Gordon manages approximately $73 billion across a broad range of credit and real estate strategies. Affiliates of the TPG 4 Land Bank have entered into land banking arrangements with Century Communities and its affiliated entities on more than 200 residential development projects. Neither the TPG 4 Land Bank nor Angelo Gordon are affiliated entities of Century Communities or the Master Developer.

Taylor Morrison

Ownership. Taylor Morrison is a California limited liability company whose sole shareholder is Taylor Morrison Services, Inc., a Delaware corporation qualified in California ("**TMSI**"). TMSI is controlled by Taylor Morrison Home Corporation, a Delaware corporation ("**TMHC**"), which is traded on the New York Stock Exchange as "TMHC." TMHC's principal executive offices are located in Scottsdale, Arizona. TMHC was created as a result of the July 2007 merger of two United Kingdom-based, publicly listed homebuilders, Taylor Woodrow plc and George Wimpey plc, the predecessor entities of which commenced homebuilding operations in the United States in 1936. The subsequent integration of Taylor Woodrow, Inc. and Morrison Homes, Inc. in the U.S. formed TMHC and Monarch Corporation in Canada, respectively.

TMHC is subject to the informational requirements of the Securities Exchange Act of 1934, as amended, and in accordance therewith files reports, proxy statements and other information with the SEC. Such filings, particularly the Annual Report on Form 10-K and its most recent Quarterly Report on Form 10-Q, may be inspected and copied at the public reference facilities maintained by the SEC at 450 Fifth Street, N.W., Washington, D.C. 20549 at prescribed rates. Such files can also be accessed over the Internet at the SEC's website at www.sec.gov. Copies of such material can be obtained from the public reference section of the SEC at 450 Fifth Street, N.W., Washington, D.C. 20549 at prescribed rates. In addition, the aforementioned material may also be inspected at the office of the NYSE at 20 Broad Street, New York, New York 10005. *The website address is given for reference and convenience only. The information on the website may be incomplete or inaccurate and has not been reviewed by the Authority or the Underwriter. Nothing on the website is a part of this Official Statement or incorporated into this Official Statement by reference.*

Taylor Morrison PSA. The Master Developer and Taylor Morrison entered into a purchase and sale agreement for 203 lots in Village J ("**TM Village J Lots**") of the Community Facilities District (the "**TM Village J Purchase Agreement**"). The TM Village J Purchase Agreement was assigned in part (i.e., for 179 of the 203 lots) to the KL Land Bank (as defined herein), which is serving as the land bank to Taylor Morrison for the 179 TM Village J Lots. On January 10, 2025, the KL Land Bank closed on 179 TM Village J Lots and Taylor Morrison closed on 24 TM Village J Lots.

Under the TM Village J Purchase Agreement with the Master Developer, the lots were transferred in finished lot condition.

Taylor Morrison Development Plan. The 203 TM Village J Lots were purchased in "finished lot" condition from the Master Developer and Taylor Morrison expects to develop those lots in the Community Facilities District into 203 single-family detached homes in two neighborhoods known as "Silverleaf at Lakeshore" and "Trailview at Lakeshore." As discussed below, 179 of the TM Village J Lots are the subject of a land bank arrangement whereby Taylor Morrison has the option – but not the obligation – to acquire lots pursuant to a takedown schedule. See "– Taylor Morrison Land Bank Arrangement" below.

As of June 13, 2025, in both Silverleaf and Trailview, model home construction had been completed, the first three phases of production homes began construction, and buildout was anticipated by the end of November 2026 (for Silverleaf) and the end of August 2027 (for Trailview).

The proposed product mix for the homes planned to be constructed by Taylor Morrison within these two neighborhoods is set forth in the following table. All of the lots were purchased from the Master Developer in "finished lot" condition.

For Silverleaf, Taylor Morrison purchased 12 TM Village J Lots directly from the Master Developer and the KL Land Bank purchased 75 TM Village J Lots. The table below assumes that Taylor Morrison acquires all of the Silverleaf lots that are the subject of the land banking arrangement from the KL Land Bank pursuant to the takedown schedule. See "– Taylor Morrison Land Bank Arrangement" below.

Taylor Morrison – "Silverleaf at Lakeshore"
(Village J – 87 Lots)
(As of June 13, 2025)

Floor Plans	Approx. Square Footage	Total Units Planned	Completed Homes owned by Taylor Morrison(1)	Units Under Construction	Finished Lots(2)	Estimated Base Price(3)
1	2,654	22	0	3	19	$1,115,000
2	2,835	22	1	3	18	$1,120,000
3	3,001	22	1	3	18	$1,170,000
4	3,063	21	1	3	17	$1,210,000
		87	3	12	72	

(1) Taylor Morrison built 3 model homes for Silverleaf, which were completed on April 15, 2025.
(2) Represents lots without any vertical home construction. 19 building permits had been received as of June 13, 2025.
(3) Base sales prices are projected as of June 13, 2025. Base sales prices exclude lot premiums, options and extras and any incentives or price reductions. Base sales prices are subject to change.
Source: Taylor Morrison.

For Trailview, Taylor Morrison purchased 12 TM Village J Lots directly from the Master Developer and the KL Land Bank purchased 104 TM Village J Lots. The table below assumes that Taylor Morrison acquires all of the Trailview lots that are the subject of the land banking arrangement from the KL Land Bank pursuant to the takedown schedule. See "– Taylor Morrison Land Bank Arrangement" below.

Taylor Morrison – "Trailview at Lakeshore"
(Village J – 116 Lots)
(As of June 13, 2025)

Floor Plans	Approx. Square Footage	Total Units Planned	Completed Homes owned by Taylor Morrison(1)	Units Under Construction	Finished Lots(2)	Estimated Base Price(3)
1	3,168	29		2	27	$1,230,000
2	3,255	30	1	3	26	$1,250,000
3	3,482	28	1	4	23	$1,285,000
4	3,590	29	1	3	25	$1,305,000
		116	3	12	101	

(1) Taylor Morrison built 3 model homes for Trailview, which were completed in April 15, 2025.
(2) Represents lots without any vertical home construction. 19 building permits had been received as of June 13, 2025.
(3) Base sales prices are projected as of June 13, 2025. Base sales prices exclude lot premiums, options and extras and any incentives or price reductions. Base sales prices are subject to change.
Source: Taylor Morrison.

Financing Plan. Taylor Morrison intends to finance the development of the lots using internal sources (which may include funding from its parent company and home sales proceeds). A summary of the costs spent to April 15, 2025 and the costs expected for the development of the property that Taylor Morrison will be constructing is set forth below:

Financing Status
Silverleaf and Trailview
(Village J)
(As of April 15, 2025)

	Total Budget	Costs Incurred Through April 15, 2025	April 16, 2025, through Buildout
Land	$115,461,220	27,281,604	$88,179,616
Site Construction	3,425,153	225,000	3,200,153
Direct Construction	64,020,000	4,364,267	59,655,733
Sales and Marketing	10,873,227	503,194	10,370,033
Total Projected Costs	$193,779,600	$32,374,065	$161,405,535

No assurance can be given that amounts necessary to fund the planned development by Taylor Morrison in the Community Facilities District will be available when needed. Neither Taylor Morrison nor any other entity or person is under any legal obligation of any kind to expend funds for the development of the property as planned by Taylor Morrison in the Community Facilities District. Any contributions by Taylor Morrison or any other entity or person to fund the costs of such development are entirely voluntary. Taylor Morrison has no legal obligation to 2025 Bondowners to make any such funds available for construction or development, or the payment of ad valorem property taxes or the Special Taxes.

If and to the extent that internal funding, including but not limited to home sales revenues and corporate financing from Taylor Morrison's parent company, is inadequate to pay the costs to complete the planned development by Taylor Morrison in the Community Facilities District and other financing is not put into place, there could be a shortfall in the funds required to complete the proposed development by Taylor Morrison or to pay ad valorem property taxes or Special Taxes related to Taylor Morrison's property in the Community Facilities District and the remaining portions of such development may not be completed. Many factors beyond Taylor Morrison's control, or a decision by Taylor Morrison to alter its current plans, may cause the actual sources and uses to differ from the projections.

Taylor Morrison Land Bank Arrangement

Option Agreement. Taylor Morrison assigned its right to acquire 179 of the 203 TM Village J Lots (herein, the "**TM J Option Lots**")to the KL Land Bank, which is serving as land bank to Taylor Morrison. On January 10, 2025, the KL Land Bank acquired the TM J Option Lots from the Master Developer in order to set up a land banking structure.

To facilitate the land banking structure for the TM J Option Lots, Taylor Morrison and the KL Land Bank entered into that certain Option Agreement, dated January 10, 2025 (as amended, the "**TM J Option Agreement**") whereby Taylor Morrison has the option, but not the obligation, to purchase the 179 TM J Option Lots from the KL Land Bank pursuant to a takedown schedule agreed upon between Taylor Morrison and the KL Land Bank.

General. Pursuant to the TM J Option Agreement, Taylor Morrison has the right to enter upon the TM J Option Lots for the purpose of, among other things, constructing model homes, dwelling units and related improvements on the TM J Option Lots before Taylor Morrison acquires the TM J Option Lots from the KL Land Bank.

Taylor Morrison's planned development of the TM J Option Lots includes the construction of single-family residential homes and the sale of such homes to individual homebuyers. During the term of the TM J Option Agreement, Taylor Morrison is obligated to pay all taxes on the TM J Option Lots, including the Special Taxes, and other carrying costs on the TM J Option Lots.

Under the terms of the TM J Option Agreement, the KL Land Bank agreed to provide Taylor Morrison the exclusive right and option to purchase the TM J Option Property in consideration for, among other things, (a) an initial option payment, which payment has been made to the KL Land Bank; (b) the covenants of Taylor Morrison to timely pay the option payments under the TM J Option Agreement on a monthly basis in arrears; (c) upon exercise of the option, the payment of the purchase price for each set of lots acquired; (d) one or more true-up payments to ensure the KL Land Bank receives its bargained-for return; and (e) the payment by Taylor Morrison of all property taxes levied against the TM J Option Property, including the Special Taxes.

The TM J Option Property must be purchased in certain groups, although Taylor Morrison may acquire more lots than scheduled and at earlier times so long as the identified lots are acquired by the applicable takedown date. Under the TM J Option Agreement, the TM J Option Property must be acquired pursuant to the agreed-upon takedown schedule by the fifth business day of the indicated month. The takedown schedule is subject to amendment from time to time.

KL Land Bank Takedown Schedule
(As of June 13, 2025)

	TM J Option Lots			
Acquisition Date	**Takedown Per Acquisition Date Silverleaf**	**Takedown Per Acquisition Date Trailview**	**Total Takedowns Per Acquisition Date**	**Cumulative Takedowns**
April 2025	12	12	24	24
July 2025	12	12	24	48
October 2025	12	12	24	72
January 2026	12	12	24	96
April 2026	12	12	24	120
July 2026	12	12	24	144
October 2026	3	12	15	159
January 2027	--	12	12	171
April 2027	--	8	8	179
Total	**75**	**104**	**179**	

Source: Taylor Morrison.

As of June 13, 2025, Taylor Morrison has acquired 12 Silverleaf lots and 12 Trailview lots from the KL Land Bank.

The option under the TM J Option Agreement expires on the earlier of (i) the last date permitted for the final takedown specified on the takedown schedule in the TM J Option Agreement and the expiration of any applicable cure period, or (ii) the date Taylor Morrison has acquired all of the applicable TM J Option Lots in accordance with the TM J Option Agreement, or (iii) at the KL Land Bank's option, upon a default by Taylor Morrison. The failure to timely acquire lots under the TM J Option Agreement could result in the termination of the option under the TM J Option Agreement and Taylor Morrison will no longer have a right to purchase any of the remaining units under the TM J Option Agreement.

If Taylor Morrison does not exercise its option on the TM J Option Lots or the right to purchase the TM J Option Lots expires or is terminated, the KL Land Bank being an investor only and not a homebuilder, would likely attempt to sell such remaining TM J Option Lots from the TM J Option Agreement to another merchant builder.

The KL Land Bank. The KL Land Bank is an affiliate of Kennedy Lewis Investment Management LLC ("**Kennedy Lewis**"). Kennedy Lewis is a credit focused alternative asset manager founded in 2017 by David Kennedy Chene and Darren Lewis Richman. Kennedy Lewis provides flexible senior secured capital solutions to middle market companies in the U.S. and Western Europe through its opportunistic credit, homebuilder finance, core lending and broadly syndicated loan strategies. The firm is headquartered in New York and has additional offices in Miami and Geneva.

Richmond American

Ownership. As previously defined in this Official Statement, Richmond American is Richmond American Homes of Maryland, Inc., a Maryland corporation. Richmond American is a wholly-owned subsidiary of M.D.C. Holdings, Inc., a Delaware corporation ("**MDC**"), which is a wholly-owned subsidiary of Sekisui House, Ltd., a Japanese kabushiki kaisha ("**Sekisui House**"). Richmond American and its predecessor entity have been building homes in California since 1986. The Northern California division of Richmond American based in Roseville, California, is responsible for the development of its project in the Community Facilities District.

MDC has two primary operations: homebuilding and financial services. MDC's homebuilding operations consist of wholly-owned subsidiary companies that build and sell homes under the name "Richmond American Homes." MDC's financial services operations include subsidiary companies that originate mortgage loans, provide title agency services, offer third-party insurance products for Richmond American's homebuyers, and provide insurance coverage for MDC subsidiaries and most of Richmond American's subcontractors.

MDC continues to voluntarily file public reports with the SEC setting forth certain data relative to the consolidated results of operations and financial position of MDC and its subsidiaries, including Richmond American, as of such date. There is no guarantee that MDC will continue to file such reports or information with the SEC or otherwise make them publicly available.

The SEC maintains an internet web site that contains reports, proxy and information statements and other information regarding registrants that file electronically with the SEC, including MDC. The address of such internet web site is www.sec.gov. All documents subsequently filed by MDC after the date of this Official Statement will be available for inspection in such manner as the SEC prescribes. *The internet address and references to filings with the SEC are included for reference only, and the information on these internet sites and on file with the SEC are not a part of this Official Statement and are not incorporated by reference into this Official Statement. No representation is made in this Official Statement as to the accuracy or adequacy of the information contained on the internet site or on file with the SEC.*

Development Plan. As of June 13, 2025 Richmond American owns 47 lots in the Community Facilities District, which it acquired on December 19, 2024, and is under contract to acquire an additional eight lots in the Community Facilities District from the Master Developer. The eight remaining lots under contract are currently within the FEMA 100-year flood plain and a condition to close of escrow is the issuance by FEMA of a Letter of Map Revision (LOMR) excluding the lots from the 100-year flood plain, which the Master Developer expects to complete by December 2025.

The 47 lots owned by Richmond American and eight additional lots under contract to be acquired by Richmond American are planned to be developed into single-family detached homes as part of its planned “Belleza at Lakeview” neighborhood. Construction of the models and first phase of production homes commenced on April 22, 2025, the model grand opening and release of the first homes for sale are expected in August 2025, and the first home closings are expected in October 2025.

All of the lots were purchased from the Master Developer in “finished lot” condition. The proposed product mix for the homes planned to be constructed by Richmond American within this neighborhood is set forth in the following table.

Richmond American – “Belleza at Lakeview”
(Village K – 55 Lots)
(As of June 13, 2025)

No. of Lots Owned	No. of Additional Lots Expected to be Acquired	Expected Acquisition Date	Total Units Planned	Finished Lots(1)	Building Permits Issued (2)	No. of Homes Under Construction(2)
47	8	December 2025	55	47	31	21

Floor Plans	No. of Units	Projected Approx. Square Footage	Projected Initial Base Price Range(3)
Fleming	19	2,382	$1,110,000 +/-
Foster	17	2,550	1,176,000 +/-
Bradford	19	2,916	1,337,000 +/-
TOTAL:	**55**		

(1) Includes all 47 lots owned by Richmond American as of June 13, 2025.
(2) Ten homes with building permits had not started construction as of June 13, 2025.Includes two model homes.
(3) Initial base sales prices have yet to be finalized, but are expected to be comparable to other builders within the local market. Base sales prices exclude lot premiums, options and extras and any incentives or price reductions. Base sales prices are subject to change.
Source: Richmond American.

Richmond American’s development expectations described above are based on Richmond American’s current plans. These plans may change due to changes in economic and market conditions or other factors. No assurance can be given that home construction and sales will be carried out on the schedule and according to the plans described 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. Richmond American reserves the right to change its development plans at any time without notice. Additionally, homes under contract to be sold may not result in closed escrows as sales contracts are subject to cancellation by the homebuyer.

Financing Plan. Richmond American intends to finance the development of its Belleza neighborhood in the Community Facilities District using internal sources (which may include funding from its parent company and home sales proceeds from its project in the Community Facilities District). However, home sales revenues from Richmond American’s activities in the Community Facilities District are not segregated and set aside for completing its development activities in the Community Facilities District.

Richmond American estimates that, as of April 15, 2025, it has spent approximately $24,910,670 on development of its project in the Community Facilities District, including land acquisition, professional services and sales and marketing costs. Richmond American expects to incur an additional approximately $27,935,000 between April 15, 2025 and full buildout of its project in the Community Facilities District, including land acquisition, site construction, direct home construction, and sales and marketing costs (exclusive of internal financing repayment, corporate overhead, and other carrying costs).

No assurance can be given that amounts necessary to fund the remaining land acquisition costs and planned development by Richmond American in the Community Facilities District will be available when needed. Neither Richmond American nor any other entity or person is under any legal obligation of any kind to expend funds for land acquisition costs or the development of the property as planned by Richmond American in the Community Facilities District. Any contributions by Richmond American or any other entity or person to fund such costs are entirely voluntary. Richmond American has no legal obligation to 2025 Bondowners to make any such funds available for land acquisition, construction or development, or the payment of ad valorem property taxes or the Special Taxes.

If and to the extent the aforementioned sources are inadequate to pay the costs to complete the remaining planned land acquisition costs or planned development by Richmond American in the Community Facilities District and other financing is not put into place, there could be a shortfall in the funds required to complete the proposed development by Richmond American or to pay ad valorem property taxes or Special Taxes related to Richmond American's property in the Community Facilities District and the remaining portions of such development may not be completed. Many factors beyond Richmond American's control, or a decision by Richmond American to alter its current plans, may cause the actual sources and uses to differ from the projections.

Lennar Homes

Ownership. As previously defined in this Official Statement, "Lennar Homes" refers to Lennar Homes of California, LLC, a California limited liability company. Lennar Homes is based in Irvine, California and has been in the business of developing residential real estate communities in California since 1996. Lennar Homes is wholly-owned by U.S. Home, LLC, a Delaware limited liability company ("**U.S. Home**"). U.S. Home is wholly-owned by Lennar Corporation, which is based in Miami, Florida ("**Lennar Corporation**"). Founded in 1954, Lennar Corporation completed its initial public offering in 1971 and listed its common stock on the New York Stock Exchange in 1972. Lennar Corporation's Class A and Class B common stock are listed on the New York Stock Exchange under the symbols "LEN" and "LEN.B." respectively. Lennar Corporation is one of the largest homebuilders in the United States based on home sales revenues and net earnings, and operates under a number of brand names, including Lennar Homes and U.S. Home. Lennar Corporation primarily develops residential communities both within the Lennar Corporation family of builders and through consolidated and unconsolidated partnerships in which Lennar Corporation maintains an interest.

Lennar Corporation is subject to the informational requirements of the Exchange Act, and, in accordance therewith, files reports, proxy statements, and other information, including financial statements, with the SEC. Such filings, particularly the Annual Report on Form 10-K and its most recent Quarterly Report on Form 10-Q, set forth, among other things, certain data relative to the consolidated results of operations and financial position of Lennar Corporation and its consolidated subsidiaries, including Lennar Homes, as of such dates.

The SEC maintains a website that contains reports, proxy and other information statements and other information regarding registrants that file electronically with the SEC, including Lennar Corporation. The address of such website is www.sec.gov. All documents filed by Lennar Corporation pursuant to the requirements of the Exchange Act after the date of this Official Statement will be available for inspection in such manner as the SEC prescribes.

Copies of Lennar Corporation's Annual Report and related financial statements, prepared in accordance with generally accepted accounting standards, are available from Lennar Corporation's website at www.lennar.com.

The foregoing website addresses and references to filings with the SEC are given for reference and convenience only, and the information on such websites and on file with the SEC does not form a part of this Official Statement and is not incorporated by reference herein. No representation is made in this Official Statement as to the accuracy or adequacy of the information contained on such websites. Lennar Corporation and Lennar Homes are not obligated to advance funds for construction or development or to pay ad valorem property taxes or the Special Taxes and investors should not rely on the information and financial statements contained on such websites in evaluating whether to buy, hold or sell the Bonds.

Lennar Homes PSA. The Master Developer and Lennar Homes entered into a Purchase and Sale Agreement and Joint Escrow Instructions, dated July 28, 2023 (the "**Lennar Village J Purchase Agreement**") for the 503 lots in Village J (the "**Lennar Village J Lots**"). Prior to the close of escrow on the Lennar Village J Lots, Lennar Homes assigned its rights under the Lennar Village J Purchase Agreement to the AG CA 2 Land Bank, resulting in the AG CA 2 Land Bank acquiring the Lennar Village J Lots in order to set up a land banking structure. The AG CA 2 Land Bank subsequently conveyed a portion of the Lennar Village J Lots to an affiliate, the AG CA 4B Land Bank. The AG Land Banks are not affiliates of Lennar Homes or the Master Developer.

Lennar Homes Development Plan. The Lennar Village J Lots were purchased in partially improved condition. As of April 15, 2025, all Lennar Village J Lots are in "finished lot" condition, with the exception of completing some landscaping and other perimeter work related thereto and the energization of two tracts planned for 276 units. Lennar Homes plans to develop the Lennar Village J Lots into 503 single-family detached homes in four product lines known as "Lugano at Lakeshore," "Maggiore at Lakeshore," "Mezzano at Lakeshore," and "Turano at Lakeshore." As discussed below, the Lennar Village J Lots are the subject of a land bank arrangement whereby Lennar Homes has the option – but not the obligation – to acquire lots pursuant to takedown schedules. See "Lennar Homes Land Bank Arrangements" below.

As of June 11, 2025, Lennar Homes had acquired 152 of the 503 Lennar Village J Lots from the AG Land Banks and had conveyed 26 completed homes to individual homebuyers. The remaining 477 Lennar Village J Lots consisted of 28 completed homes (including eight models), 141 homes under construction and 308 finished or partially improved lots without any vertical home construction thereon. Construction of production homes began in October 2024, initial sales occurred in February 2025, the model homes opened in March 2025, and initial home closings occurred in April 2025. As of June 11, 2025, 20 homes were under contract with individual homebuyers but had not closed escrow. Buildout or final home closings are anticipated by the end of August 2027.

Additional information regarding lot status, building permits issued, homes under construction, sales and base pricing for each product line is set forth in the following tables, which assume that Lennar Homes acquires all of the lots that are the subject of the land banking arrangement from the AG Land Banks pursuant to the takedown schedules, subject to Lennar Homes' election to accelerate or defer lot takedowns pursuant to the Lennar Option Agreements (defined below). Lennar Homes has elected to defer the May 20, 2025 takedown of 16 lots and the June 20, 2025 takedown of 16 lots. See "Lennar Homes Land Bank Arrangements" below.

Lennar Homes – Status of Development
"Lugano, Maggiore, Messano and Turano Lakeshore"
(Village J – 503 Lots)
As of June 11, 2025

Product Line	**Total Homes Planned**	**Building Permits Issued**	**Completed Homes Owned by Lennar Homes(1)**	**Homes Under Construction**	**Homes Under Contract**	**Homes Sold and Closed**
Lugano	134	50	9	32	4	9
Maggiore	113	49	10	31	4	8
Mezzano	126	42	7	34	6	1
Turano	130	54	2	44	6	8
TOTAL	**503**	195	28	141	20	26

(1) Includes 8 completed models.
Source: Lennar Homes.

Lennar Homes – Product Mix
"Lugano, Maggiore, Messano and Turano Lakeshore"
(Village J – 503 Lots)
As of June 30, 2025

Product Line	**Total Homes Planned**	**Approx. Square Footage Range**	**Estimated Base Price Range** (1)
Lugano	134	1,829 – 2,289	$859,880 - $979,880
Maggiore	113	2,356 – 2,772	$995,880 - $1,095,880
Mezzano	126	2,258 – 3,324	$997,880 - $1,255,880
Turano	130	2,710 – 3,711	$1,099,880 - $1,348,880
TOTAL	**503**		

(1) Base sales prices as of June 30, 2025. Base sales prices exclude lot premiums, options and extras and any incentives or price reductions. Base sales prices are subject to change. As of June 30, 2025, Lennar Homes was offering concessions to homebuyers.
Source: Lennar Homes.

As of April 15, 2025, all required backbone and in-tract infrastructure was substantially complete for the development and sale of all planned 503 single-family homes within the Lennar Village J Lots. Remaining backbone infrastructure and in-tract infrastructure needed for the development of the Lennar Village J Lots consists of completion of in-tract streets, curb, gutters and sidewalks, street landscaping, lighting, striping, and storm water protection measures. Lennar Homes expects to incur approximately $60,530,392 in remaining costs to complete the remaining backbone infrastructure and in-tract infrastructure for the Lennar Village J Lots.

Although the information in this Official Statement reflects the current development expectations of Lennar Homes, no assurance can be given that lot acquisition from the AG Land Banks or home construction and sales will be carried out on the schedule and according to the plans described herein, or that the lot acquisition from the AG Land Banks or home construction and sale plans or base prices set forth herein will not change after the date of this Official Statement. Lennar Homes reserves the right to change its development at any time without notice. Additionally, homes under contract to be sold may not result in closed escrows as sales contracts are subject to cancellation.

Financing Plan*.* To date, Lennar Homes has financed its various site development and homebuilding costs related to the development of the Lennar Village J Lots through internally generated funds (which may include funding from its parent company and home sales proceeds). However, home sales revenues from Lennar Homes' activities in the Community Facilities District are not segregated and set aside for completing its development activities in the Community Facilities District.

As of April 15, 2025, Lennar Homes has expended approximately $210,293,355 on land acquisition costs, site development costs, permits and fees, direct and indirect home construction costs, and marketing and sales costs and expenses related to the development of the Lennar Village J Lots. Lennar Homes expects to incur approximately $185,121,291 on remaining land acquisition costs, site development costs, permits and fees, direct and indirect home construction costs, and marketing and sales costs for the Lennar Village J Lots. Lennar Homes expects to use internally generated funds (which may include funding from its parent company and home sales proceeds) to complete its development within the community Facilities District, and believes that it will have sufficient funds available to complete its planned development as described in this Official Statement.

Although Lennar Homes expects to have sufficient funds available to complete its development in the Community Facilities District as described in this Official Statement, no assurance can be given that amounts necessary to fund the planned land acquisition and development by Lennar Homes in the Community Facilities District will be available when needed. Neither Lennar Homes nor any other entity or person is under any legal obligation of any kind to expend funds for land acquisition and the development of the property as planned by Lennar Homes in the Community Facilities District. Any contributions by Lennar Homes or any other entity or person to fund the costs of such land acquisition and development are entirely voluntary. Lennar Homes has no legal obligation to 2025 Bondowners to make any such funds available for land acquisition, construction or development, or the payment of ad valorem property taxes or the Special Taxes.

If and to the extent that internal funding, including but not limited to home sales revenues and corporate financing from Lennar Homes' parent company, is inadequate to pay the costs to complete the planned land acquisition and development by Lennar Homes in the Community Facilities District and other financing is not put into place, there could be a shortfall in the funds required to complete the proposed development by Lennar Homes or to pay ad valorem property taxes or Special Taxes related to Lennar Homes' property in the Community Facilities District and the remaining portions of such development may not be completed. Many factors beyond Lennar Homes' control, or a decision by Lennar Homes to alter its current plans, may cause the actual sources and uses to differ from the projections.

Lennar Homes Land Bank Arrangements

Lennar Homes and the Master Developer entered into the Lennar Village J Purchase Agreement for the purchase by Lennar Homes of the Lennar Village J Lots, comprising Tract Nos. 3968, 3969, 3970, 3071, and 3972. Prior to the applicable close of escrow under the Lennar Village J Purchase Agreement, Lennar Homes assigned its rights thereunder to the AG CA 2 Land Bank pursuant to that certain Nomination Agreement between the AG CA 2 Land Bank, as nominee, and Lennar Homes, dated August 22, 2023 (the "**PSA Assignment**").

The PSA Assignment resulted in AG CA 2 Land Bank acquiring the land subject to the Lennar Village J Purchase Agreement (*i.e*. the Lennar Village J Lots), in order to set up a land banking structure. The AG CA 2 Land Bank subsequently conveyed a portion of the Lennar Village J Lots to an affiliate, the AG CA 4B Land Bank. The AG Land Banks are not affiliates of Lennar Homes or the Master Developer.

To facilitate the land banking structure, Lennar Homes and the AG CA 2 Land Bank entered into an Option Agreement (Mountain House 2, California), dated August 22, 2023 (as amended, the "**AG 2 Option Agreement**") whereby Lennar Homes has the option, but not the obligation, to purchase the 231 residential lots within Tract Nos. 3968 and 3972 from the AG CA 2 Land Bank pursuant to a takedown schedule.

Additionally, Lennar Homes and the AG CA 2 Land Bank entered into an Option Agreement (Mountain House 3, California), dated August 22, 2023 (as amended, the "**AG 3 Option Agreement**" and, together with the AG 2 Option Agreement, the "**Lennar Option Agreements**") whereby Lennar Homes has the option, but not the obligation, to purchase the 272 residential lots within Tract Nos. 3969, 3970 and 3971 from the AG CA 2 Land Bank. The AG CA 2 Land Bank subsequently assigned the AG 3 Option Agreement to an affiliate, the AG CA 4B Land Bank.

In addition to the Lennar Option Agreements, Lennar Communities, Inc. (the "**Contractor**"), a Lennar Homes affiliate, and the AG Land Banks entered into separate Construction Agreements (the "**Lennar Construction Agreements**") granting Contractor the right to enter upon the land subject to the Lennar Option Agreements, for the purpose of, among other things, constructing related subdivision improvements thereon before Lennar Homes acquires the land subject to the Lennar Option Agreements from the AG Land Banks. Pursuant to the Lennar Option Agreements, Lennar Homes has the right to enter upon the land subject to the Lennar Option Agreements for the purpose of constructing homes thereon before Lennar Homes acquires the subject land.

Pursuant to the Lennar Option Agreements, Lennar Homes is required to, among other things, cause the completion and satisfaction of the certain on-site and offsite improvements.

During the term of the Lennar Option Agreements, Lennar Homes is obligated to pay all taxes on the subject land, including the Special Taxes. Upon termination or expiration thereof, the AG Land Banks would be solely responsible for the payment of taxes, including the Special Taxes, for any land that they own.

Under the terms of the Lennar Option Agreements, the AG Land Banks granted Lennar Homes the exclusive right and option to purchase all 503 residential lots subject to the Lennar Option Agreements in consideration for (a) the covenants of Lennar Homes to timely pay monthly option payments; and (b) upon exercise of the option, the payment of the purchase price for each set of lots acquired.

The Lennar Village J Lots are scheduled to be acquired by Lennar Homes pursuant to two takedown schedules, typically on the 20th calendar day of each month beginning June 20, 2024, through December 20, 2026, for the residential lots subject to AG 2 Option Agreement, and beginning August 20, 2024, through December 20, 2026, for the residential lots subject to the AG 3 Option Agreement, subject to Lennar Homes' right to acquire more lots than scheduled and at earlier times so long as the lots identified in the takedown schedule are acquired by the applicable takedown date and Lennar Homes complies with the terms under the applicable Lennar Option Agreement for such accelerated closings, and further subject to Lennar Homes' right to defer acquisition of a limited number of lots for a period of one month at a time so long as Lennar Homes pays a per lot hiatus fee each time Lennar Homes elects to defer such acquisition and complies with the terms under the applicable Lennar Option Agreement for such deferred lots. The failure to timely acquire lots according to the Lennar Option Agreements could result in a termination of the Option Agreements, as applicable, which could result in Lennar Homes no longer having a right to purchase any of the remaining lots under the Lennar Option Agreements, as applicable.

Through June 20, 2025, Lennar Homes has acquired a total of 152 lots comprising the first 20 takedowns under the Lennar Option Agreements. Lennar Homes has deferred the 21st takedown comprising 16 lots that was scheduled to be acquired by May 20, 2025, and the 22nd takedown comprising 16 lots that was scheduled to be acquired by June 20, 2025, pursuant to the takedown schedules. Lennar Homes plans to commence home construction on the deferred lots, and acquire such lots closer to completion of home construction thereon. No assurance can be given that the acquisition of the remaining 351 residential lots Lennar Homes plans to acquire under the Lennar Option Agreements will occur as expected.

As of the date of this Official Statement, Lennar Homes is in good standing under the Lennar Option Agreements and the Lennar Construction Agreements.

The following tables reflect Lennar Homes' takedown schedules for acquiring the remaining Lennar Village J Lots:

Lennar Homes Takedown Schedule
AG 2 Option Agreement
(As of June 20, 2025)

AG 2 Option Period	Date Option Period Expires	Lugano	Maggiore	Turano	Mezzano	Cumulative Total [1]
1-20	Through 4/20/25	2	2	38	38	80
21	5/20/25[2]	2	2	42	42	88
22	6/20/25[2]	2	2	46	46	96
23	7/20/25	2	2	50	50	104
24	8/20/25	2	2	52	54	110
25	9/20/25	2	2	52	58	114
26	10/20/25	2	2	52	62	118
27	11/20/25	2	2	52	66	122
28	12/20/25	2	2	52	70	126
29	1/20/26	2	2	52	74	130
30	2/20/26	2	2	52	78	134
31	3/20/26	2	2	52	82	138
32	4/20/26	2	2	56	86	146
33	5/20/26	2	2	60	90	154
34	6/20/26	2	2	64	94	162
35	7/20/26	2	2	68	98	170
36	8/20/26	2	2	72	102	178
37	9/20/26	2	2	76	106	186
38	10/20/26	2	2	80	110	194
39	11/20/26	2	2	84	114	202
40	12/20/26	2	2	97	130	231

Lennar Homes Takedown Schedule
AG 3 Option Agreement
(As of June 20, 2025)

AG 3 Option Period	Date Option Period Expires	Lugano	Maggiore	Turano	Cumulative Total (1)
1-20	Through 4/20/25	36	36	0	72
21	5/20/25(2)	40	40	0	80
22	6/20/25(2)	44	44	0	88
23	7/20/25	48	48	0	96
24	8/20/25	52	52	2	106
25	9/20/25	56	56	6	118
26	10/20/25	60	60	10	130
27	11/20/25	64	64	14	142
28	12/20/25	68	68	18	154
29	1/20/26	72	72	22	166
30	2/20/26	76	76	26	178
31	3/20/26	80	80	29	189
32	4/20/26	84	84	29	197
33	5/20/26	88	88	29	205
34	6/20/26	92	92	29	213
35	7/20/26	96	96	29	221
36	8/20/26	100	100	29	229
37	9/20/26	104	104	29	237
38	10/20/26	108	108	29	245
39	11/20/26	112	111	29	252
40	12/20/26	132	111	29	272

(1) As of June 20, 2025, all scheduled lots through the 20th takedowns have been taken down as scheduled, and the 21st takedowns (totaling 16 lots) and 22nd takedown (totaling 16 lots) have both been deferred.
(2) As of June 20, 2025, Lennar Homes has elected to defer the 21st takedowns and 22nd takedowns under the Lennar Option Agreements.
Source: Lennar Homes.

The AG Land Banks are serving as the land banks for Lennar Homes and are not homebuilders. In the event Lennar Homes does not acquire the lots owned by the AG Land Banks, the AG Land Banks expect to market and sell such lots to another homebuilder.

The AG Land Banks. According to the AG Land Banks, the AG Land Banks are affiliates of, and managed by, Angelo Gordon. Angelo Gordon is a privately-held alternative investment firm founded in 1988 and headquartered in New York, with associated offices across the United States, Europe and Asia. Angelo Gordon manages approximately $73 billion across a broad range of credit and real estate strategies. Affiliates of the AG Land Banks have entered into land banking arrangements with Lennar Corporation and its affiliated entities on more than 200 residential development projects. Neither the AG Land Banks nor Angelo Gordon are affiliated entities of Lennar Homes or the Master Developer.

BONDOWNERS' RISKS

Investment in the 2025 Bonds involves risks that may not be appropriate for certain investors. The following is a discussion of certain risk factors that should be considered, in addition to other matters set forth herein, in evaluating the 2025 Bonds for investment. The information set forth below does not purport to be an exhaustive listing of the risks and other considerations that may be relevant to an investment in the 2025 Bonds. In addition, the order in which the following information is presented is not intended to reflect the relative importance of any such risks.

Risks of Real Estate Secured Investments Generally

The 2025 Bondowners will be subject to the risks generally incident to an investment secured by real estate, including, without limitation, (i) adverse changes in local market conditions, such as changes in the market value of real property in the vicinity of the Community Facilities District, the supply of or demand for competitive properties in such area, and the market value of residential property in the event of sale or foreclosure; (ii) changes in real estate tax rate and other operating expenses, governmental rules (including, without limitation, zoning laws and laws relating to endangered species and hazardous materials) and fiscal policies; and (iii) natural disasters (including, without limitation, earthquakes, landslides, wildfires, floods, droughts and pandemics), which may result in uninsured losses; and (iv) increased delinquencies due to rising mortgage costs and other factors.

Special Taxes Are Not Personal Obligations

The current and future owners of land within the Community Facilities District are not personally liable for the payment of the Special Taxes. Rather, the Special Tax is an obligation only of the land in the Community Facilities District. If the value of the land within the Community Facilities District is not sufficient to fully secure the Special Tax, then the Community Facilities District has no recourse against the landowner under the laws by which the Special Tax has been levied and the Bonds have been issued.

The Bonds Are Limited Obligations of the Community Facilities District

The Community Facilities District has no obligation to pay principal of and interest on the Bonds in the event Special Tax collections are delinquent or insufficient, other than from amounts, if any, on deposit in the Reserve Fund or funds derived from the tax sale or foreclosure and sale of parcels on which levies of the Special Tax are delinquent, nor is the Community Facilities District obligated to advance funds to pay such debt service on the Bonds.

Concentration of Ownership

As of April 4, 2025, the date of value of the Appraisal, the Merchant Builders and their respective land banks owned 100% of the Taxable Property in the Community Facilities District, and the Master Developer owned all of the remaining property. Until the construction and sale of the homes in the Community Facilities District to individual homeowners occurs, the receipt of the Special Taxes is dependent in part on the willingness and the ability of the Master Developer and the Merchant Builders, or any successor homebuilding entity, to pay their respective Special Taxes when due. Failure of the Master Developer or any Merchant Builder, or any successor(s), to pay its annual Special Taxes when due could result in a draw on the Reserve Fund, and potentially a default in payments of the principal of, and interest on, the 2025 Bonds, when due. No assurance can be given that the Master Developer or the Merchant Builders, or any successors, will complete the remaining intended construction and development of the property in the Community Facilities District.

The actual allocation of the annual Special Tax levy will depend on the sale of completed homes to individual homeowners. No assurance can be given that the Master Developer and the Merchant Builders, or their successors, will pay Special Taxes for which each is responsible in the future or that each will be able to pay such Special Taxes on a timely basis. See "– Bankruptcy and Foreclosure Delay" below for a discussion of certain limitations on the Community Facilities District's ability to pursue judicial proceedings with respect to delinquent parcels. See "SECURITY FOR THE 2025 BONDS – Special Tax Fund" and "PROPERTY OWNERSHIP AND DEVELOPMENT STATUS."

Future Property Development

Continuing development of the property in the Community Facilities District may be adversely affected by changes in general or local economic conditions, fluctuations in or a deterioration of the real estate market, increased construction costs, development, financing, and marketing capabilities of the Merchant Builders, water or electricity shortages, discovery on the undeveloped property of any plants or animals in their habitat that have been listed as endangered species, and other similar factors. Development in the Community Facilities District may also be affected by development in surrounding areas, which may compete with the development in the Community Facilities District.

In addition, partially developed land is less valuable than developed land and provides less security for the Bonds (and therefore to the owners of the Bonds) should it be necessary for the Community Facilities District to foreclose on undeveloped property due to the nonpayment of Special Taxes. Moreover, failure to complete future development on a timely basis could adversely affect the land values of those parcels which have been completed. Lower land values result in less security for the payment of principal of and interest on the Bonds and lower proceeds from any foreclosure sale necessitated by delinquencies in the payment of Special Taxes.

Property Value and Property Development

The value of the property within the Community Facilities District is a critical factor in determining the investment quality of the Bonds. If a property owner is delinquent in the payment of Special Taxes, the Community Facilities District's only remedy is to commence foreclosure proceedings against the delinquent parcel in an attempt to obtain funds to pay the Special Taxes. Reductions in property values due to a downturn in the economy, physical events such as earthquakes, fires, outbreaks of disease, wildfires or floods, stricter land use regulations, delays in development or other events will adversely impact the security underlying the Special Taxes.

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

The actual market value of the property is subject to future events such as a downturn in the economy, occurrences of certain acts of nature and the decisions of various governmental agencies as to land use, all of which could adversely impact the value of the land in the Community Facilities District which is the security for the Bonds. As discussed herein, many factors could adversely affect property values within the Community Facilities District.

No assurance can be given that any bid will be received for a parcel with delinquent Special Taxes offered for sale at foreclosure or, if a bid is received, that such bid will be sufficient to pay all delinquent Special Taxes. See "SECURITY FOR THE 2025 BONDS — Covenant to Foreclose."

Appraised Values

The Appraisal Report and Appraisal Update Letter attached as APPENDIX I estimated the fee simple interest market value of the Taxable Property within the Community Facilities District. This appraised value is merely the present opinion of the Appraiser and is qualified by the Appraiser as stated in the Appraisal Report. Other than the Appraisal Update Letter, the School District has not sought the present opinion of any other appraiser of the value of the Taxable Property within the Community Facilities District. A different present opinion of such value might be rendered by a different appraiser or by using a different appraisal methodology. The opinion of value relates to sale by a willing seller to a willing buyer, each having similar information, and neither being forced by other circumstances to sell nor 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 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, if any of the Taxable Property in the Community Facilities District should become delinquent in the payment of Special Taxes and be foreclosed upon, such property could be sold for the amount of estimated market value or assessed value thereof.

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 Bonds should it be necessary for the School District to foreclose on undeveloped or partially developed property due to the nonpayment of Special Taxes.

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

Risks of Real Estate Investment Generally

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

Value-to-Debt Ratios

Value-to-burden ratios have traditionally been used in land-secured bond issues as a measure of the "collateral" supporting the willingness of property owners to pay their special taxes and assessments (and, in effect, their general property taxes as well). The value-to-burden ratio is mathematically a fraction, the numerator of which is the value of the property (usually either the assessed value or a market value as determined by an appraiser) and the denominator of which is the "lien" of the assessments or special taxes, as represented by the principal amount of bonds repaid by such assessment or special tax. A value-to-burden ratio should not, however, be viewed as a guarantee of credit-worthiness. Land values are especially sensitive to economic cycles. A downturn of the economy may depress land values and hence the value-to-burden ratios. Further, the value-to-burden ratio cited for a bond issue is an average. Individual parcels in a community facilities district may fall above or below the average, sometimes even below a 1:1 ratio. (With a ratio below 1:1, the land is worth less than the debt on it.) Although judicial foreclosure proceedings can be initiated rapidly, the process can take several years to complete, and the bankruptcy courts may impede the foreclosure action. Finally, local agencies may form overlapping community facilities districts or assessment districts, and typically do not coordinate their bond issuances. Debt issuance by an entity other than the Community Facilities District can therefore dilute value-to-burden ratios. See "THE COMMUNITY FACILITIES DISTRICT – Direct and Overlapping Governmental Obligations."

Burden of Parity Liens, Taxes and Other Special Assessments on the Taxable Property

While the Special Taxes are secured by the Taxable Property, the security only extends to the value of such Taxable Property that is not subject to priority and parity liens and similar claims.

The sections above entitled "THE COMMUNITY FACILITIES DISTRICT – Direct and Overlapping Governmental Obligations" and "THE COMMUNITY FACILITIES DISTRICT – Estimated Tax Burden on Single-Family Homes" set forth the outstanding amount of governmental obligations (with stated exclusions), the tax or assessment for which is or may become an obligation of one or more of the parcels of Taxable Property as of the date of the information presented and furthermore states the additional amount of general obligation bonds the tax for which, if and when issued, may become an obligation of one or more of the parcels of Taxable Property. Those sections do not specifically identify which of the governmental obligations are secured by liens on one or more of the parcels of Taxable Property.

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 levied on the parcels in the Community Facilities District securing the Bonds.

In general, as long as the Special Tax on the parcels in the Community Facilities District is collected on the County tax roll, the Special Tax and all other taxes, assessments and charges also collected on the tax roll are on a parity, that is, are of equal priority. Questions of priority become significant when collection of one or more of the taxes, assessments or charges is sought by some other procedure, such as foreclosure and sale. In the event of proceedings to foreclose for delinquency of Special Taxes securing the Bonds, the Special Tax will be subordinate only to existing prior governmental liens, if any. Otherwise, in the event of such foreclosure proceedings, the Special Taxes will generally be on a parity with the other taxes, assessments, and charges, and will share the proceeds of such foreclosure proceedings on a *pro rata* basis. 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.

While governmental taxes, assessments and charges are a common claim against the value of a parcel of Taxable Property, other less common claims may be relevant. One of the most serious in terms of the potential reduction in the value that may be realized to pay the Special Tax is a claim with regard to a hazardous substance. See " – Factors Affecting Parcel Values and Aggregate Values – *Hazardous Substances*" below.

Risks Related to Rising Interest Rates; Recent Bank Failures

On December 14, 2022, the Federal Reserve Board raised interest rates by 50 basis points, following four consecutive 75 basis point increases and the seventh rate increase in 2022. On February 1, 2023, March 22, 2023, and May 3, 2023, the Federal Reserve Board raised interest rates by 25 basis points. Increasing interest rates may increase unemployment, may affect mortgage interest rates, and may result in other economic impacts that result in lower home values. Declines in home values in the Community Facilities District could result in a property owner's unwillingness or inability to pay mortgage payments, as well as *ad valorem* property taxes and Special Taxes, when due. Under such circumstances, bankruptcies could occur. Bankruptcy by homeowners with delinquent Special Taxes would delay the commencement and completion of foreclosure proceedings to collect delinquent Special Taxes.

Rising interest rates have resulted in unexpected runs on deposits of certain regional banks resulting in the Federal Deposit Insurance Corporation (the "**FDIC**") being appointed as receiver for Silicon Valley Bank ("**SVB**") on March 10, 2023, Signature Bank ("**Signature Bank**"), on March 12, 2023, and First Republic Bank ("**First Republic Bank**") on May 1, 2023. At the time of appointment as receiver, SVB, a large California based bank, was the 16th largest bank in the United States, Signature Bank, a large New York based bank, was the 29th largest bank in the country, and as of the end of 2022, First Republic Bank, a large California based bank, was the 14th largest bank in the United States. With First Republic Bank's failure, the failures constituted the third, fourth, and second largest bank failures, respectively, in United States history. In each case, the FDIC indicated that all deposits at each institution would be honored, regardless of the dollar amount. The Community Facilities District cannot predict whether future changes in financial markets may occur which may impact interest rates, availability of mortgage loans, or availability of funding which impact development in the Community Facilities District.

Availability of Property and Casualty Insurance

On May 26, 2023, State Farm General Insurance Company ("**State Farm**") announced that it would cease accepting certain new applications, including all business and personal lines property and casualty insurance effective May 27, 2023. State Farm indicated in its release that the decision was due to historic increases in construction costs outpacing inflation, rapidly growing catastrophe exposure, and a challenging reinsurance market. State Farm indicated it would work constructively with the California Department of Insurance and State policy makers to help build market capacity in California. However, it was taking this action to improve the company's financial strength and would continue to evaluate its approach based on changing market conditions. State Farm independent contractor agents licensed and authorized in California would continue to serve existing customers for these products and new customers for products not impacted by the decision. Any adverse impact of the foregoing on the homeowners in the Community Facilities District and the real estate market in general cannot be predicted. The School District cannot predict whether future changes in insurance markets may occur which adversely impact insurance costs or availability of property and casualty insurance, which may impact home values or the willingness of prospective buyers to purchase homes in the Community Facilities District. In November 2022, Allstate Corporation stopped issuing property and casualty coverage to new California customers. In the summer of 2023, Allstate Corporation announced the company would stop accepting insurance applications for all business and personal property in California. As of July 2024, seven of California's largest property insurers including State Farm, Allstate Corporation, Farmers, USAA, Travelers, Nationwide and Chubb have decided to limit new homeowners policies in the State.

Disclosure to Future Purchasers

The Community Facilities District has recorded a Notice of Special Tax Lien with respect to the Community Facilities District in the Office of the County Recorder. While title companies normally refer to such notices in title reports, there can be no guarantee that such reference will be made or, if made, that a prospective purchaser or lender will consider such Special Tax obligation in the purchase of a parcel of land or a home in the Community Facilities District or the lending of money thereon. The Act requires the subdivider (or its agent or representative) of a subdivision to notify a prospective purchaser or long-term lessor of any lot, parcel, or unit subject to a Mello-Roos special tax of the existence and maximum amount of such special tax using a statutorily prescribed form. California Civil Code Section 1102.6b requires that in the case of transfers, other than those covered by the above requirement, the seller must at least make a good faith effort to notify the prospective purchaser of the special tax lien in a format prescribed by statute. Failure by an owner of the property to comply with the above requirements, or failure by a purchaser or lessor to consider or understand the nature and existence of the Special Tax, could adversely affect the willingness and ability of the purchaser or lessor to pay the Special Tax when due.

Billing of Special Taxes

A special tax formula can result in a substantially heavier property tax burden being imposed upon properties within a community facilities district than elsewhere in a city or county, and this in turn can lead to problems in the collection of the special tax. In some community facilities districts the taxpayers have refused to pay the special tax and have commenced litigation challenging the special tax, the community facilities district and the bonds issued by such community facilities district.

Under provisions of the Act, the Special Taxes are billed to the properties in the Community Facilities District which were entered on the Assessment Roll of the County Assessor by January 1 of the previous fiscal year 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 non-payment, as do regular property tax installments. These 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 installment payments of Special Taxes in the future. See ""SECURITY FOR THE 2025 BONDS — Covenant to Foreclose," for a discussion of the provisions which apply, and procedures which the Community Facilities District is obligated to follow, in the event of delinquency in the payment of installments of Special Taxes.

Inability to Collect Special Taxes

In order to pay debt service on the Bonds, it is necessary that the Special Tax levied against land in the Community Facilities District be paid in a timely manner. The Community Facilities District will covenant in the Fiscal Agent Agreement under certain conditions to institute foreclosure proceedings against property with delinquent Special Tax in order to obtain funds to pay debt service on the Bonds. If foreclosure proceedings were instituted, any mortgage or deed of trust holder could, but would not be required to, advance the amount of the delinquent Special Tax to protect its security interest. In the event such superior court foreclosure is necessary, there could be a delay in principal and interest payments to the owners of the Bonds pending prosecution of the foreclosure proceedings and receipt of the proceeds of the foreclosure sale, if any. No assurances can be given that the real property subject to foreclosure and sale at a judicial foreclosure sale will be sold or, if sold, that the proceeds of such sale will be sufficient to pay any delinquent Special Tax installment. Although the Act authorizes the Board, as the Legislative Body of the Community Facilities District, to cause such an action to be commenced and diligently pursued to completion, the Act does not specify the obligations of the Board with regard to purchasing or otherwise acquiring any lot or parcel of property sold at the foreclosure sale if there is no other purchaser at such sale. See “SECURITY FOR THE 2025 BONDS — Covenant to Foreclose”

Insufficiency of the Special Tax

The principal source of payment of principal of and interest on the Bonds is the proceeds of the annual levy and collection of the Special Tax against property in the Community Facilities District. The annual levy of the Special Tax is subject to the maximum tax rates authorized. 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 Bonds. Other funds which might be available include funds derived from the payment of penalties on delinquent Special Taxes and funds derived from the tax sale or foreclosure and sale of parcels on which levies of the Special Tax are delinquent.

The levy of the Special Tax will rarely, if ever, result in a uniform relationship between the value of particular Taxable Property and the amount of the levy of the Special Tax against such parcels. Thus, there will rarely, if ever, be a uniform relationship between the value of such parcels and the proportionate share of debt service on the Bonds, and certainly not a direct relationship.

The Special Tax levied in any particular tax year on a Taxable Property is based upon the revenue needs and the application of the Rate and Method, including the effects of the Annual Special Tax Requirement. Application of the Rate and Method will, in turn, be dependent upon certain development factors with respect to each Taxable Property by comparison with similar development factors with respect to the other Taxable Property in the Community Facilities District. Thus, in addition to annual variations of the revenue needs from the Special Tax, the following are some of the factors which might cause the levy of the Special Tax on any particular Taxable Property to vary from the Special Tax that might otherwise be expected:

(1) Reduction in the amount of Taxable Property, for such reasons as acquisition of Taxable Property by a government 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 parcels of Taxable Property; or

(2) Failure of the owners of Taxable Property to pay the Special Tax and delays in the collection of or inability to collect the Special Tax by tax sale or foreclosure and sale of the delinquent parcels, thereby resulting in an increased tax burden on the remaining parcels of Taxable Property.

Except as set forth above under “SECURITY FOR THE 2025 BONDS – Special Tax Fund” and “ – Rate and Method” herein, the Fiscal Agent Agreement 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 FOR THE 2025 BONDS – Covenant to Foreclose” 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 *ad valorem* property taxes. Pursuant to these procedures, if taxes are unpaid for a period of five years or more, the property is subject to sale by the County.

In the event that sales or foreclosures of property are necessary, there could be a delay in payments to Owners of the Bonds pending such sales or the prosecution of foreclosure proceedings and receipt by the Community Facilities District of the proceeds of sale if the Reserve Fund is depleted. See “SECURITY FOR THE 2025 BONDS – Covenant to Foreclose.”

In addition, the Rate and Method limits the increase of Special Taxes levied on parcels of Developed Property to cure delinquencies of other property owners in the Community Facilities District. See "SECURITY FOR THE 2025 BONDS – Rate and Method."

Exempt Properties

Certain properties are exempt from the Special Tax in accordance with the Rate and Method (see "SECURITY FOR THE 2025 BONDS – Rate and Method"). In addition, the Act provides that properties or entities of the state, federal or local government are exempt from the Special Tax; *provided, however*, that property in the Community Facilities District acquired by a public entity subsequent to adoption of the Resolution of Formation 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. It is possible that property acquired by a public entity following a tax sale or foreclosure based upon failure to pay taxes could become exempt from 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. In the event that additional property is dedicated to the School District or other public entities, this additional property might 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.

Depletion of Reserve Fund

The 2025 Reserve Fund is to be maintained at an amount equal to the 2025 Reserve Requirement (see "SECURITY FOR THE 2025 BONDS – 2025 Reserve Fund"). Funds in the 2025 Reserve Fund may be used to pay principal of and interest on the 2025 Bonds in the event the proceeds of the levy and collection of the Special Tax against property in the Community Facilities District is insufficient. If funds in the 2025 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 owners of the 2025 Bonds 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 in the Community Facilities District at the maximum tax rates, together with other available funds, remains insufficient to pay all such amounts. Thus, it is possible that the 2025 Reserve Fund will be depleted and not be replenished by the levy of the Special Tax.

Potential Delay and Limitations in Foreclosure Proceedings

The payment of property owners' taxes and the ability of the Community Facilities District to foreclose the lien of a delinquent unpaid Special Tax pursuant to its covenant to pursue judicial foreclosure proceedings, may be limited by bankruptcy, insolvency or other laws generally affecting creditors' rights or by the laws of the State relating to judicial foreclosure. See "SECURITY FOR THE 2025 BONDS – Covenant to Foreclose" and "BONDOWNERS' RISKS – Bankruptcy and Foreclosure Delay." In addition, the prosecution of a foreclosure could be delayed due to many reasons, including crowded local court calendars or lengthy procedural delays.

The ability of the Community Facilities District 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 FDIC, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Drug Enforcement Agency, the Internal Revenue Service (the "**IRS**") or other similar federal governmental agencies has or obtains an interest. See "BONDOWNERS' RISKS – Payments by FDIC, Fannie Mae, Freddie Mac and Other Federal Agencies."

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 Service Members Civil Relief Act (SCRA) of 2003 affords protections such as a stay in enforcement of the foreclosure covenant, a six-month period after termination of such 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 the military service if the court concludes the ability to pay such taxes or assessments is materially affected by reason of such service.

The Community Facilities District and the School District are unable to predict what effect the application of a policy statement by the FDIC regarding payment of state and local real property taxes would have in the event of a delinquency on a parcel in the Community Facilities District in which the FDIC has or obtains an interest, although prohibiting the lien of the FDIC to be foreclosed at a judicial foreclosure sale would likely reduce or eliminate the persons willing to purchase a parcel at a foreclosure sale.

In addition, potential investors should be aware that judicial foreclosure proceedings are not summary remedies and can be subject to significant procedural and other delays caused by crowded court calendars and other factors beyond the control of the Community Facilities District or the School District. Potential investors should assume that, under current conditions, it is estimated that a judicial foreclosure of the lien of Special Taxes may take up to two or three years from initiation to the lien foreclosure sale. At a Special Tax lien foreclosure sale, each parcel will be sold for not less than the "minimum bid amount" which is equal to the sum of all delinquent Special Tax installments, penalties and interest thereon, costs of collection (including reasonable attorneys' fees), post-judgment interest and costs of sale. Each parcel is sold at foreclosure for the amounts secured by the Special Tax lien on such parcel and multiple parcels may not be aggregated in a single "bulk" foreclosure sale. If any parcel fails to obtain a "minimum bid," the Community Facilities District may, but is not obligated to, seek superior court approval to sell such parcel at an amount less than the minimum bid. Such superior court approval requires the consent of the Owners of 75% of the aggregate principal amount of the outstanding Bonds.

Delays and uncertainties in the Special Tax lien foreclosure process create significant risks for Bondowners. High rates of special tax payment delinquencies which continue during the pendency of protracted Special Tax lien foreclosure proceedings, could result in the rapid, total depletion of the Reserve Fund prior to replenishment from the resale of property upon foreclosure. In that event, there could be a default in payment of the principal of, and interest on, the Bonds. See "– Special Taxes Are Not Personal Obligations" above.

If a judgment of foreclosure and order of sale is obtained, the judgment creditor (the Community Facilities District) must cause a Notice of Levy to be issued. Under current law, a judgment debtor (property owner) has 120 days (or in some cases a shorter period) from the date of service of the Notice of Levy and 20 days from the subsequent notice of sale in which to redeem the property to be sold. If a judgment debtor fails to so redeem and the property is sold, his 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 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. The constitutionality of the aforementioned legislation, which repeals the former one-year redemption period, has not been tested; and there can be no assurance that, if tested, such legislation will be upheld. Any parcel subject to foreclosure sale must be sold at the minimum bid price unless a lesser minimum bid price is authorized by the Owners of 75% of the aggregate principal amount of the Bonds Outstanding.

No assurances can be given that the real property subject to sale or foreclosure 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 School District or the Community Facilities District to purchase or otherwise acquire any lot or parcel of property offered for sale or subject to foreclosure if there is no other purchaser at such sale. The Act does specify that the Special Tax will have the same lien priority in the case of delinquency as do *ad valorem* property taxes.

If the Reserve Fund is depleted and delinquencies in the payment of Special Taxes exist, there could be a default or delay in payments to the Bondowners pending prosecution of foreclosure proceedings and receipt by the Community Facilities District of foreclosure sale proceeds, if any. However, within the limits of the Rate and Method and the Act, the Community Facilities District may adjust the Special Taxes levied on all property in the Community Facilities District in future Fiscal Years to provide an amount, taking into account such delinquencies, required to pay debt service on the Bonds and to replenish the Reserve Fund. There is, however, no assurance that the Maximum Special Tax rates will be at all times sufficient to pay the amounts required to be paid on the Bonds by the Fiscal Agent Agreement. The levy of Special Taxes is subject to the maximum annual amount of Special Taxes authorized by the qualified voters of the Community Facilities District and the limitation imposed by Section 53321 of the Act as applied to the Community Facilities District and the Resolution of Formation provides that under no circumstances will the Special Taxes levied against any parcel in the Community Facilities District be increased as a consequence of delinquency or default by the owner of any parcel or parcels in the Community Facilities District by more than 10% in any fiscal year. See "SECURITY FOR THE 2025 BONDS – Rate and Method."

Bankruptcy and Foreclosure Delay

The payment of Special Taxes and the ability of the Community Facilities District to foreclose the lien of delinquent Special Taxes as discussed in the section herein entitled "SECURITY FOR THE 2025 BONDS" may be limited by bankruptcy, insolvency, or other laws generally affecting creditors' rights or by the laws of the State relating to judicial foreclosure. In addition, the prosecution of a judicial foreclosure may be delayed due to congested local court calendars or procedural delays.

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

Although bankruptcy proceedings would not cause the obligation to pay the Special Tax to become extinguished, bankruptcy of a property owner in the Community Facilities District or of a partner or other equity owner of a property owner, could result in a stay of enforcement of the lien for the Special Taxes, a delay in prosecuting superior court foreclosure proceedings or adversely affect the ability or willingness of a property owner in the Community Facilities District to pay the Special Taxes and could result in the possibility of delinquent Special Taxes not being paid in full. In addition, the amount of any lien on property securing the payment of delinquent Special Taxes could be reduced if the value of the property were determined by the bankruptcy court to have become less than the amount of the lien, and the amount of the delinquent Special Taxes in excess of the reduced lien could then be treated as an unsecured claim by the court. Any such stay of the enforcement of the lien for the Special Tax, or any such delay or non-payment, would increase the likelihood of a delay or default in payment of the principal of and interest on the Bonds and the possibility of delinquent Special Taxes not being paid in full. Moreover, amounts received upon foreclosure sales may not be sufficient to fully discharge delinquent installments. To the extent that a significant percentage of the property in the Community Facilities District is owned by any one property owner, and Special Taxes have been levied on such property, and such owner is the subject of bankruptcy proceedings, the payment of the Special Tax and the ability of the Community Facilities District to foreclose the lien of a delinquent unpaid Special Tax could be extremely curtailed by bankruptcy, insolvency, or other laws generally affecting creditors' rights or by the laws of the State relating to judicial foreclosure.

In 1992, the United States Court of Appeals for the Ninth Circuit issued its opinion in a bankruptcy case entitled *In re Glasply Marine Industries.* In that case, the court held that *ad valorem* property taxes levied by Snohomish County in the State of Washington after the date that the property owner filed a petition for bankruptcy were not entitled to priority over a secured creditor with a prior lien on the property. The court upheld the priority of unpaid taxes imposed after the filing of the bankruptcy petition as "administrative expenses" of the bankruptcy estate, payable after all secured creditors. As a result, the secured creditor was to foreclose on the property and retain all of the proceeds of the sale except the amount of the pre-petition taxes.

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

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

It should also be noted that on October 22, 1994, Congress enacted 11 U.S. C. Section 362(b)(18), which added a new exception to the automatic stay for *ad valorem* property taxes imposed by a political subdivision after the filing of a bankruptcy petition. Pursuant to this new provision of law, in the event of a bankruptcy petition filed on or after October 22, 1994, the lien for *ad valorem* taxes in subsequent fiscal years will attach even if the property is part of the bankruptcy estate. Bondowners should be aware that the potential effect of 11 U.S. C. Section 362(b)(18) on the Special Taxes depends upon whether a court were to determine that the Special Taxes should be treated like *ad valorem* taxes for this purpose.

Payments by FDIC, Fannie Mae, Freddie Mac and Other Federal Agencies

The ability of the Community Facilities District to collect interest and penalties specified by State law and to foreclose the lien of delinquent Special Taxes may be limited in certain respects with regard to properties in which the FDIC, Fannie Mae, Freddie Mac, the Drug Enforcement Agency, the IRS, or other similar federal governmental agencies has or obtains an interest.

FDIC. Specifically, with respect to the FDIC, on June 4, 1991, the FDIC issued a Statement of Policy Regarding the Payment of State and Local Property Taxes (the "**1991 Policy Statement**"). The 1991 Policy Statement was revised and superseded by a new Policy Statement, effective January 9, 1997 (the "**Policy Statement**"). The Policy Statement provides that real property owned by the FDIC is subject to state and local real property taxes only if those taxes are assessed according to the property's value, and that the FDIC is immune from real property taxes assessed on any basis other than property value. According to the Policy Statement, the FDIC will pay its property tax obligations when they become due and payable and will pay claims for delinquent property taxes as promptly as is consistent with sound business practice and the orderly administration of the institution's affairs, unless abandonment of the FDIC's interest in the property is appropriate. The FDIC will pay claims for interest on delinquent property taxes owed at the rate provided under state law, to the extent the interest payment obligation is secured by a valid lien. The FDIC will not pay any amounts in the nature of fines or penalties and will not pay nor recognize liens for such amounts. If any property taxes (including interest) on FDIC-owned property are secured by a valid lien (in effect before the property became owned by the FDIC), the FDIC will pay those claims. The Policy Statement further provides that no property of the FDIC is subject to levy, attachment, garnishment, foreclosure, or sale without the FDIC's consent. In addition, the FDIC will not permit a lien or security interest held by the FDIC to be eliminated by foreclosure without the FDIC's consent.

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

The Community Facilities District is unable to predict what effect the application of the Policy Statement would have in the event of a delinquency in the payment of Special Taxes on a parcel in the Community Facilities District in which the FDIC has or obtains an interest, although prohibiting the lien of the FDIC to be foreclosed at a judicial foreclosure sale could reduce or eliminate the number of persons willing to purchase a parcel at a foreclosure sale. Owners of the Bonds should assume that the Community Facilities District will be unable to collect Special Taxes or to foreclose on any parcel in the Community Facilities District owned by the FDIC. Such an outcome could cause a draw on the Reserve Fund and perhaps, ultimately, a default in payment on the Bonds. Based upon the secured tax roll as of January 1, 2025, the FDIC did not own any of the property in the Community Facilities District. The Community Facilities District expresses no view concerning the likelihood that the risks described above will materialize while the Bonds are outstanding.

Mortgage Interests. Similarly, in the event a parcel of taxable property is owned by a federal government entity or federal government sponsored entity, such as Fannie Mae or Freddie Mac, or a private deed of trust secured by a parcel of taxable property is owned by a federal government entity or federal government sponsored entity, such as Fannie Mae or Freddie Mac, the ability to foreclose on the parcel or to collect delinquent Special Taxes may be limited. Federal courts have held that, based on the supremacy clause of the United States Constitution ("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"), 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. This means that, unless Congress has otherwise provided, if a federal government entity owns a parcel of taxable property 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 Community Facilities District wishes to foreclose on the parcel as a result of delinquent Special Taxes, the property cannot be sold at a foreclosure sale unless it can be sold for an amount sufficient to pay delinquent taxes and assessments on a parity with the Special Taxes and preserve the federal government's mortgage interest. For a discussion of risks associated with taxable parcels in the Community Facilities District becoming owned by the federal government, federal government entities or federal government sponsored entities, see " − Exempt Properties" above.

Factors Affecting Parcel Values and Aggregate Value

***Geologic, Topographic and Climatic Conditions**.* The value of the Taxable Property in the Community Facilities District can be adversely affected by a variety of additional factors, particularly those which may affect infrastructure and other public improvements and private improvements on the parcels of Taxable Property and the continued habitability and enjoyment of such private improvements. Such additional factors include, without limitation, geologic conditions such as earthquakes and volcanic eruptions, topographic conditions such as earth movements, landslides, liquefaction, floods or fires, climatic conditions such as tornadoes, droughts, pandemics, and the possible reduction in water allocation or availability. It can be expected that one or more of such conditions may occur and may result in damage to improvements of varying seriousness, that the damage may entail significant repair or replacement costs and that repair or replacement may never occur 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, the value of the Taxable Property may well depreciate or disappear.

Seismic Conditions. The Community Facilities District, like all California communities, may be subject to unpredictable seismic activity. The occurrence of seismic activity in the Community Facilities District could result in substantial damage to properties in the Community Facilities District which, in turn, could substantially reduce the value of such properties and could affect the ability or willingness of the property owners to pay their Special Taxes. Any major damage to structures as a result of seismic activity could result in greater reliance on undeveloped property in the payment of Special Taxes. The Community Facilities District is not located within an earthquake fault zone according to the California Geological Survey. The western area of the County is an area susceptible to earthquake movements. The faults closest to the Community Facilities District include the Midway Fault, Blake Butte Fault, and Vernalis Fault.

In the event of a severe earthquake, there may be significant damage to both property and infrastructure in the Community Facilities District. As a result, the property owners may be unable or unwilling to pay the Special Taxes when due, and the Reserve Fund may eventually become depleted. In addition, the value of land in the Community Facilities District could be diminished in the aftermath of such natural events, reducing the resulting proceeds of foreclosure sales in the event of delinquencies in the payment of the Special Taxes. Development in the Community Facilities District has been built in accordance with applicable building codes, including requirements relating to seismic safety. No assurances can be given that any earthquake insurance will be obtained as to any of the improvements in the Community Facilities District.

***Drought Conditions**.* The State had been experiencing a drought for the last several years, but for the rainfall season from October 1, 2022, through September 30, 2023, the State experienced above normal rainfall, with areas of northern California experiencing rainfall ranging from 89% to 184% of normal rainfall, areas of central California experiencing rainfall ranging from 108% to 299% of normal rainfall, and southern California experiencing rainfall ranging from 66% to 208% of normal rainfall based on reports from the Golden Gate Weather Services. Many areas have experienced flooding and landslide damage. It is reported that major water supply reservoirs as of June 7, 2023, were at levels of 54% of capacity to 100% of capacity, with some reservoirs at a capacity in excess of historical averages.

To address the drought conditions, on October 19, 2021, the Governor expanded a drought emergency declaration to include all of the State's 58 counties and required local water suppliers to implement water shortage contingency plans that are responsive to local conditions and prepare for the possibility of a third dry year. On March 28, 2022, the Governor issued Executive Order N-7-22, which directed the Water Board to issue drought regulations, including a recommendation to have urban water suppliers initiate water shortage contingency plans. The Governor's office indicated at that time that the

State was experiencing its worst drought since the late 1800's, as measured by both lack of precipitation and high temperatures. On May 23, 2022, the Governor met with representatives of the State's largest urban water suppliers and warned that if conservation efforts didn't improve in the summer, the State could be forced to impose mandatory water restrictions throughout the State. For the later part of the 2012-2016 drought, then Governor Brown ordered a mandatory 25% reduction in urban water use.

The State's prior five-year drought underscored the need for permanent improvements in long-term efficient water use and drought preparedness, as called for in a previous executive order made by then Governor Brown. The State has implemented various actions which are intended to help to ensure all communities have sufficient water supplies and are conserving water regardless of the conditions of any one year. The Community Facilities District cannot predict whether recent drought conditions will continue or when the State will experience drought conditions again in the future, what effect such conditions may have on property values or whether or to what extent any water reduction requirements may affect homeowners within the Community Facilities District or their ability or willingness to pay Special Taxes.

Wildfires*.* In recent years, portions of California have experienced wildfires that have burned thousands of acres and destroyed thousands of homes and structures, even in areas not previously thought to be prone to wildfires. Such areas affected by wildfires are more prone to flooding and mudslides that can lead to the destruction of homes. For example, the seven largest recorded wildfires to occur in California since 1932, when more accurate records began being kept, have occurred in northern and central California since 2017. In November 2018, the Camp Fire, in Butte County, northern California, destroyed over 18,000 structures, and the towns of Paradise and Concow were almost completely destroyed. In January of 2025, a wildfire (the "**Palisades Fire**") started in the Pacific Palisades area of Los Angeles County, approximately 140 miles northwest of the Community Facilities District, destroying nearly 7,000 structures and damaging over 1,000 more. Several other fires subsequently broke out in Los Angeles County, destroying and threatening numerous structures, including the Eaton Fire in Altadena, which destroyed more than 9,000 structures and damaged 1,000 more.

While the Community Facilities District is not aware of any particular risk of wildfire within the Community Facilities District, there can be no assurances that wildfires will not occur within or near the Community Facilities District. Property damage due to wildfire could result in a significant decrease in the assessed value and/or market value of property in the Community Facilities District and in the ability or willingness of property owners to pay Special Taxes when due. State law requires that all local jurisdictions identify very high fire hazard severity zones within their areas of jurisdiction. Inclusion within these zones is based on vegetation density, slope severity and other relevant factors that contribute to fire severity. The Community Facilities District is not located within a Very High Fire Severity Zone, but there are such zones just approximately 1.5 miles to the southeast and approximately three miles to the southwest. There has been no significant damage to the School District property from wildfires.

Climate Change*.* In addition to the events described above, climate change caused by human activities may have adverse effects on the assessed value of property in the Community Facilities District. As greenhouse gas emissions continue to accumulate in the atmosphere as a result of economic activity, many scientists expect that climate change will intensify, increasing the frequency, severity, and timing of extreme weather events such as coastal storm surges, drought, wildfires, floods, heat waves, and raising sea levels. See also " – Drought Conditions," and " – Wildfires" above. Projections of the impact of global climate change are complex and depend on a variety of factors outside of the Community Facilities District's control. The various scientific studies that forecast the amount and timing of adverse impacts of climate change are based on assumptions contained in such studies, but actual events may vary materially. In addition, the scientific understanding of climate change and its effects continues to evolve. Accordingly, the Community Facilities District and the School District are unable to forecast with certainty when or if adverse impacts of climate change will occur or the extent of such impacts.

Hazardous Substances. One of the most serious in terms of the potential reduction in the value of Taxable Property is a claim with regard to hazardous substances. In general, the owners and operators of Taxable Property within the Community Facilities District may be required by law to remedy conditions of the parcels related to the releases or threatened releases of hazardous substances. The federal Comprehensive Environmental Response, Compensation, and Liability Act of 1980, sometimes referred to as "CERCLA" or the "Superfund Act," is the most well-known and widely applicable of these laws, but State laws with regard to hazardous substances are also stringent and similar. Under many of these laws, the owner (or operator) may be obligated to remedy a hazardous substance condition of a property whether or not the owner (or operator) had anything to do with creating or handling the hazardous substance. The effect, therefore, should any parcel within the Community Facilities District be affected by a hazardous substance, would be to reduce the marketability and value of the parcel by the costs of remedying the condition, because the purchaser, upon becoming owner (or operator), is obligated to remedy the condition just as is the seller.

The assessed value of property in the Community Facilities District does not take into account the possible reduction in marketability and value of any of the parcels of Taxable Property by reason of the possible liability of the owner (or operator) for the remedy of a hazardous substance condition of the parcel. The Community Facilities District has not independently verified and is not aware that the owner (or operator) has such a current liability with respect to any of the parcels of Taxable Property, except as expressly noted. However, it is possible that such liabilities do currently exist and that the Community Facilities District is not aware of them.

Further, it is possible that liabilities may arise in the future with respect to any of the parcels of Taxable Property 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 or disposing of it. All of these possibilities could significantly affect the value of a Taxable Property that is realizable upon a delinquency.

Legal Requirements. Other events which may affect the value of a parcel of Taxable Property in the Community Facilities District include changes in law or application of 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.

Extraordinary Redemption from Prepaid Special Taxes

The Bonds are subject to mandatory call and redemption prior to maturity, as a whole or in part on any Interest Payment Date from amounts in the Prepayment Account in the Special Tax Fund available to redeem Bonds under the Fiscal Agent Agreement. Prepayments could be made by any of the owners of any of the property in the Community Facilities District and they could also be made from the proceeds of bonds issued by or on behalf of an overlapping special assessment district or community facilities district. The resulting redemption of Bonds that were purchased at a price greater than the applicable redemption price could reduce the otherwise expected yield on such Bonds. See "THE 2025 BONDS – Redemption – *Redemption from Special Tax Prepayments*."

Public Health Emergencies

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 affected by a public health emergency 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.

No Acceleration Provisions

The Fiscal Agent Agreement provides that the Bonds are not subject to acceleration in the payment of interest or principal. In the event of a payment default or other default under the terms of the Bonds or the Fiscal Agent Agreement the Bonds are not subject to acceleration. Pursuant to the Fiscal Agent Agreement, a Bondowner is given the right for the equal benefit and protection of all Bondowners similarly situated to pursue certain remedies. So long as the Bonds are in book-entry form, DTC will be the sole Bondowner and will be entitled to exercise all rights and remedies as the Bondowner.

Community Facilities District Formation

California voters, on June 6, 1978, approved an amendment ("**Article XIIIA**") to the California Constitution. Section 4 of Article XIIIA, 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. At an election held within the Community Facilities District pursuant to the Act, more than two-thirds of the qualified electors within the Community Facilities District, consisting of the landowners within the boundaries of the Community Facilities District, authorized the Community Facilities District to incur bonded indebtedness to finance the Project and more than two-thirds of the qualified electors within the Community Facilities District approved the Rate and Method. The Supreme Court of the State has not yet decided whether landowner elections (as opposed to resident elections) satisfy requirements of Section 4 of Article XIIIA, nor has the Supreme Court decided whether the special taxes of a community facilities district constitute a "special tax" for purposes of Article XIIIA.

Section 53341 of the Act requires that 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 Act will be commenced within 30 days after the special tax is approved by the voters. No such action has been filed with respect to the Special Tax.

Proposition 218

An initiative measure, Proposition 218, commonly referred to as the "Right to Vote on Taxes Act" ("**Proposition 218**") was approved by the voters of the State at the November 5, 1996, general election. Proposition 218 added Article XIIIC ("**Article XIIIC**") and Article XIIID to the California Constitution. According to the "Title and Summary" of Proposition 218 prepared by the California Attorney General, Proposition 218 limits "the authority of local governments to impose taxes and property-related assessments, fees and charges." The provisions of Proposition 218 as they may relate to community facilities districts are subject to interpretation by the courts.

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

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

Accordingly, although the matter is not free from doubt, it is likely that Proposition 218 has not conferred on the voters the power to repeal or reduce the Special Taxes if such reduction would interfere with the timely retirement of the Bonds.

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

The Act also establishes time limits for initiating any challenge to the validity of special taxes levied pursuant to the Act and any challenge to the validity of bonds issued pursuant to the Act. Section 53341 of the Act provides that:

> "Any action or proceeding to attack, review, set aside, void, or annul the levy of a special tax or an increase in a special tax pursuant to this chapter shall be commenced within 30 days after the special tax is approved by the voters. Any appeal from a final judgment in that action or proceeding shall be perfected within 30 days after the entry of judgment."

Section 53359 of the Act provides that:

> "An action to determine the validity of bonds issued pursuant to this chapter or the validity of any special taxes levied pursuant to this chapter may be brought pursuant to Chapter 9 (commencing with Section 860) of Title 10 of Part 2 of the Code of Civil Procedure but shall, notwithstanding the time limits specified in Section 860 of the Code of Civil Procedure, be commenced within 30 days after the voters approve the issuance of the bonds or the special tax if the action is brought by an interested person pursuant to Section 863 of the Code of Civil Procedure. Any appeal from a judgment in that action or proceeding shall be commenced within 30 days after entry of judgment."

Based on the forgoing, with respect to any challenge to the validity of the Special Tax or the Bonds, the Community Facilities District believes that under current State law the time for initiating any such legal challenge has expired.

Like its antecedents, Proposition 218 is likely to undergo both judicial and legislative scrutiny before its impact on the Community Facilities District and its obligations can be determined. Certain provisions of Proposition 218 may be examined by the courts for their constitutionality under both State and federal constitutional law.

The foregoing discussion of Proposition 218, and related matters, should not be considered an exhaustive or authoritative treatment of the issues. The Community Facilities District does not expect to be in a position to control the consideration or disposition of these issues and cannot predict the timing or outcome of any judicial or legislative activity in this regard. Interim rulings, final decisions, legislative proposals, and legislative enactments may all affect the impact of Proposition 218 on the 2025 Bonds as well as the market for the 2025 Bonds.

Other Voter Initiatives

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

Any such initiative may affect the collection of fees, taxes and other types of revenue by local agencies such as the Community Facilities District. Subject to overriding federal constitutional principles, such collection may be materially and adversely affected by voter-approved initiatives, possibly to the extent of creating cash-flow problems in the payment of outstanding obligations such as the 2025 Bonds.

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 XIIIA and XIIIC of the State Constitution. The amendments to Article XIIIA 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 (known as "special taxes") require a two-thirds vote.

The Special Taxes and the 2025 Bonds were each authorized by not less than a two-thirds vote of the landowners within the Community Facilities District who constituted the qualified electors at the time of such voted authorization. The School District believes, therefore, that issuance of the 2025 Bonds does not require the conduct of further proceedings under the Act, Proposition 218 or Proposition 26.

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

For example, in August 2014, the California Court of Appeal, Fourth Appellate District, Division One, issued its opinion in *City of San Diego v. Melvin Shapiro*, et al. ("***Shapiro***") invalidating an election held by the City of San Diego to authorize the levying of special taxes on hotels city-wide pursuant to a city charter ordinance creating a convention center facilities district which specifically defined the electorate to consist solely of (1) the owners of real property in the city on which a hotel is located, and (2) the lessees of real property owned by a governmental entity on which a hotel is located. The court held that such landowners and lessees are neither "qualified electors" of the city for purposes of Articles XIII A, Section 4 of the California Constitution, nor a proper "electorate" under Article XIIIC, Section 2(d) of the California Constitution. The court specifically noted that the decision did not require the Court to consider the distinct question of whether landowner voting to impose special taxes under Section 53326(b) of the Act (which was the nature of the voter approval through which the Community Facilities District were formed) violates the California Constitution in districts that lack sufficient registered voters to conduct an election among registered voters. Accordingly, Shapiro should have no effect on the levy of the Special Taxes by the Community Facilities District because the Community Facilities District had no registered voters at the time of its formation.

The School District cannot predict the ultimate outcome or effect of any such judicial scrutiny, legislative actions, or future initiatives. These initiatives, and any future initiatives, may affect the collection of fees, taxes and other types of revenue by local agencies such as the School District. Subject to overriding federal constitutional principles, such collection may be materially and adversely affected by voter-approved initiatives, possibly to the extent of creating cash-flow problems in the payment of outstanding obligations such as the 2025 Bonds.

Limited Secondary Market

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

No assurance can be given that the market price for the Bonds will not be affected by the introduction or enactment of any future legislation (including without limitation amendments to the Internal Revenue Code), or changes in interpretation of the Internal Revenue Code, or any action of the IRS, including but not limited to the publication of proposed or final regulations, the issuance of rulings, the selection of the Bonds for audit or examination, or the course or result of any IRS audit or examination of the Bonds or obligations that present similar tax issues as the Bonds.

Inflation Reduction Act

Changes enacted by federal tax legislation (the Public Law No. 217-169, also referred to as the "**Inflation Reduction Act**") were enacted into law on August 16, 2022. The Inflation Reduction Act (H.R. 5376, 117th Congress) includes a 15% alternative minimum tax to be imposed on the "adjusted financial statement income," as defined in the Inflation Reduction Act, of certain corporations for tax years beginning after December 31, 2022. Interest on the Bonds will be included in the "adjusted financial statement income" of such corporations for purposes of computing such alternative minimum tax.

Loss of Tax Exemption

As discussed under the caption "LEGAL MATTERS – Tax Exemption," the interest on the Bonds could become includable in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds as a result of future acts or omissions of the Community Facilities District and the School District in violation of certain provisions of the Code and the covenants of the Fiscal Agent Agreement. In order to maintain the exclusion from gross income for federal income tax purposes of the interest on the Bonds, the Community Facilities District will covenant in the Fiscal Agent Agreement not to take any action, or fail to take any action, if such action or failure to take such action would adversely affect the exclusion from gross income of interest on the Bonds under Section 103 of the Code. Should such an event of taxability occur, the Bonds would not be subject to early redemption and would remain outstanding to maturity or until redeemed under the optional redemption or mandatory sinking fund redemption provisions of the Fiscal Agent Agreement. See "THE 2025 BONDS – Redemption."

IRS Audit of Tax-Exempt Securities Issues

The IRS has initiated an expanded program for the auditing or examination of tax-exempt securities issues, including both random and targeted audits. It is possible that the Bonds will be selected for audit or examination by the IRS. It is also possible that the market value of the Bonds might be affected as a result of such an audit of the Bonds (or by an audit of similar bonds or securities).

Impact of Legislative Proposals, Clarifications of the Code and Court Decisions on Tax Exemption

Changes enacted by pending or future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Owners of the Bonds from realizing the full current benefit of the tax status of such interest. Such legislation, the introduction or enactment of any such future legislative proposals, clarification of the Code or court decisions may also affect the market price for, liquidity of or marketability of, the Bonds.

Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation. Bond Counsel expresses no opinion regarding such matters.

As discussed in this Official Statement, under the caption "LEGAL MATTERS," interest on the Bonds could become includable in gross income for purposes of federal income taxation retroactive to the date the Bonds were issued as a result of future acts or omissions of the Community Facilities District in violation of its covenants in the Fiscal Agent Agreement. Should such an event of taxability occur, the Bonds are not subject to special redemption or acceleration and will remain outstanding until maturity or until redeemed under one of the other redemption provisions contained in the Fiscal Agent Agreement.

Limitations on Remedies

Remedies available to the Bondowners may be limited by a variety of factors and may be inadequate to assure the timely payment of principal of and interest on the Bonds or to preserve the tax-exempt status of the Bonds. See " – Billing of Special Taxes," " – Payments by FDIC, Fannie Mae, Freddie Mac, and Other Federal Agencies," and " – No Acceleration Provisions" herein.

Cyber Security

The School District, 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 electronic sensitive information, the School District is potentially subject to multiple cyber threats including, but not limited to, hacking, viruses, malware and other attacks on computer and other sensitive digital networks and systems. Entities or individuals may attempt to gain unauthorized access to the School District's systems for the purposes of misappropriating assets or information or causing operational disruption or damage. The School District has not had a known major cyber breach in the last 10 years that resulted in a financial loss. The Information Technology department is regularly researching and implementing cybersecurity best-practices and informs employees of such when applicable. The School District maintains insurance coverage for cyber security losses should a successful breach ever occur.

No assurance can be given that the School District's efforts to manage cyber threats and attacks will, in all cases, be successful or that any such attack will not materially impact the operations or finances of the School District or the Community Facilities District. The School District is also reliant on other entities and service providers, such as the County Treasurer for the levy and collection of Special Taxes securing payment of the Bonds, the Fiscal Agent in its role as paying agent, and the Dissemination Agent in connection with compliance with its disclosure undertakings. No assurance can be given that the School District or the Community Facilities District may not be affected by cyber threats and attacks against other entities or service providers in a manner which may affect the Bondowners, e.g., systems related to the timeliness of payments to Bondowners or compliance with disclosure filings pursuant to the Continuing Disclosure Agreement.

LEGAL MATTERS

Legal Opinions

The legal opinion of Jones Hall LLP, San Mateo, California, Bond Counsel, approving the validity of the 2025 Bonds will be made available to purchasers at the time of original delivery and is attached in substantially final form as APPENDIX G.

Jones Hall LLP, San Mateo, California, has served as Disclosure Counsel to the School District. Lozano Smith, Sacramento, California, will pass upon certain legal matters for the School District as its general counsel. Kutak Rock LLP, Irvine, California, is serving as counsel to the Underwriter.

Tax Exemption

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; however, such interest may be taken into account for the purpose of computing the alternative minimum tax imposed on certain corporations.

The opinions set forth in the preceding paragraph are subject to the condition that the School District comply with all requirements of the Internal Revenue Code of 1986, as amended (the "**Tax Code**") that must be satisfied subsequent to the issuance of the 2025 Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. The School District has made certain representations and covenants in order to comply with each such requirement. Inaccuracy of those representations, or failure to comply with certain of those covenants, may cause the inclusion of such interest in gross income for federal income tax purposes, which may be retroactive to the date of issuance of the 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 "bond premium" for purposes of federal income taxes and State of California personal income taxes.

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 to the public at the first price at which a substantial amount of such 2025 Bonds is sold to the public.

Under the Tax Code, bond 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 bond 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 bond 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 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.

Backup Withholding

Interest paid on tax-exempt obligations such as the 2025 Bonds is subject to information reporting to the IRS in a manner similar to interest paid on taxable obligations. In addition, interest on the 2025 Bonds may be subject to backup withholding if such interest is paid to a registered owner that (a) fails to provide certain identifying information (such as the registered owner's taxpayer identification number) in the manner required by the IRS, or (b) has been identified by the IRS as being subject to backup withholding.

Absence of Litigation

No litigation is pending or threatened concerning the validity of the 2025 Bonds. There is no action, suit or proceeding known by the Community Facilities District or the School District to be pending at the present time restraining or enjoining the delivery of the 2025 Bonds or in any way contesting or affecting the validity of the 2025 Bonds or any proceedings of the Community Facilities District or the School District taken with respect to the execution thereof. A no litigation certificate executed by the

School District on behalf of the Community Facilities District will be delivered to the Underwriter simultaneously with the delivery of the 2025 Bonds.

CONTINUING DISCLOSURE

The School District. The School District will covenant for the benefit of owners of the 2025 Bonds to provide certain financial information and operating data relating to the Community Facilities District and the 2025 Bonds by not later than eight months after the end of the School District's fiscal year (currently March 1 based on the School District's fiscal year end of June 30) (the "**Annual Report**"), commencing March 1, 2026, and to provide notices of the occurrence of certain listed events.

These covenants have been made in order to assist the Underwriter in complying with Securities Exchange Commission Rule 15c2-12(b)(5) (the "**Rule**"). The specific nature of the information to be contained in the Annual Report or the notices of listed events is set forth in APPENDIX E.

The School District, on its own behalf and on behalf of related entities, has entered into a number of prior continuing disclosure undertakings under the Rule in connection with the issuance of long-term obligations, and has provided annual financial information and event notices in accordance with those undertakings. Based on a third-party compliance survey, during the past five years, the School District or its related entities have failed to comply with prior continuing disclosure undertakings as follows:

- The audited financial statements for Fiscal Year 2021-22 were not timely filed with respect to the School District's Community Facilities District No. 2007-1 (Improvement Area No. 1) 2013 Special Tax Bonds.
- A copy of the Fiscal Year 2021-22 annual filing with the California Debt and Investment Advisory Commission was not timely filed with respect to certain special tax bonds issued on behalf of certain of the School District's community facilities districts.
- The operating and financial data for Fiscal Year 2021-22 were not timely filed with respect to certain special tax bonds issued on behalf of certain of the School District's community facilities districts.

The School District has engaged Goodwin Consulting Group to serve as its dissemination agent and assist the School District in complying with its continuing disclosure undertakings. To further ensure such compliance, the School District has adopted policies and procedures related thereto.

Lennar Homes. Lennar Homes will covenant in a continuing disclosure certificate, the form of which is set forth in APPENDIX F to this Official Statement (the "**Developer Continuing Disclosure Certificate**"), for the benefit of holders and beneficial owners of the 2025 Bonds, to provide semi-annual reports containing updates of certain development information within the Official Statement regarding its property in the Community Facilities District and notices of certain significant events. The specific nature of the information to be contained in the semi-annual reports or notices of significant events, and certain other terms of the continuing disclosure obligations of Lennar Homes, are contained in APPENDIX F.

Lennar Homes is not an obligated person as defined under the Rule.

The obligations of Lennar Homes under its Developer Continuing Disclosure Certificate will terminate when Lennar Homes together with its Affiliates (as defined in the Developer Continuing Disclosure Certificate) own, or have under option, less than 225 parcels of Taxable Property in the Community Facilities District.

Lennar Homes has advised the School District that, based on a review of its prior continuing disclosure obligations, other than disclosed below, Lennar Homes has not failed to comply in any material respect with any previous undertaking by it to provide periodic continuing disclosure reports or notice of listed events with respect to community facilities district or assessment district financings in northern California within the past five years.

However, (i) in connection with the $16,780,000 California Municipal Finance Authority Special Tax Revenue Bonds BOLD Program Series 2020B, Lennar Homes inadvertently failed to file the initial Semi-Annual Report by the due date of May 1, 2021, but filed a curative report on May 21, 2021; and (ii) in connection with the $5,795,000 City of Rancho Cordova Grantline 208 Community Facilities District No. 2018-1 Special Tax Bonds, Series 2021B, Lennar Homes inadvertently failed to file the initial annual report by the due date of April 1, 2022, but filed a curative report on September 21, 2022.

NO RATING

The School District has not obtained a credit rating on the 2025 Bonds. Nothing should be assumed from any credit rating that the School District may obtain for other purposes. Prospective purchasers of the 2025 Bonds are required to make independent determinations as to the credit quality of the 2025 Bonds and their appropriateness as an investment.

UNDERWRITING

The 2025 Bonds are being purchased by Stifel, Nicolaus & Company, Incorporated (the "**Underwriter**"), at a purchase price of $__________ (which represents the aggregate principal amount of the 2025 Bonds ($___________), plus a net original issue premium of $___________, less an Underwriter's discount of $__________).

The purchase agreement relating to the 2025 Bonds provides that the Underwriter will purchase all of the 2025 Bonds, if any are purchased, the obligation to make such purchase being subject to certain terms and conditions set forth in such purchase agreement.

The Underwriter may offer and sell the 2025 Bonds to certain securities dealers and others at prices lower than the offering prices stated on the inside cover page hereof. The offering prices may be changed from time to time by the Underwriter.

The Underwriter and its affiliates comprise a full service financial institution engaged in activities which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. The Underwriter and its affiliates may have provided, and may in the future provide, a variety of these services to the School District and to persons and entities with relationships with the School District, for which they received or will receive customary fees and expenses.

In the ordinary course of these business activities, the Underwriter and its affiliates may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the School District (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the School District.

The Underwriter and its affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire such assets, securities and instruments. Such investment and securities activities may involve securities and instruments of the School District.

PROFESSIONAL FEES

In connection with the issuance of the 2025 Bonds, fees or compensation payable to certain professionals are contingent upon the issuance and delivery of the 2025 Bonds. Those professionals include:

- the Underwriter;
- California Financial Services, as Municipal Advisor
- Jones Hall LLP, as Bond Counsel and Disclosure Counsel;
- Kutak Rock LLP, as Underwriter's Counsel;
- a portion of the fees of Goodwin Consulting Group, Inc., as special tax consultant;
- The Bank of New York Mellon Trust Company, N.A., as Fiscal Agent.

EXECUTION

The execution and delivery of the Official Statement by the School District have been duly authorized by the Board, acting as the legislative body of the Community Facilities District.

LAMMERSVILLE JOINT UNIFIED SCHOOL DISTRICT

By: ____
Superintendent

APPENDIX A

GENERAL INFORMATION ABOUT THE CITY OF TRACY AND SAN JOAQUIN COUNTY

*The following information concerning the City of Tracy (the "**City**") and San Joaquin County (the "**County**") is included only for the purpose of supplying general information regarding the area of the Community Facilities District. The Bonds are not a debt of the City, the County, the State of California (the "**State**") or any of its political subdivisions, and neither the City, the County, the State nor any of its political subdivisions is liable therefor.*

General

The City. The City is located on the western edge of the Central Valley in the County and situated within a triangle formed by three interstate freeways: I-5, I-205 and I-580. The City is 60 miles east of San Francisco and 70 miles south of Sacramento, covering approximately 14.3 square miles. City services include public safety (police and fire protection), highways and streets, sanitation, culture-recreation, public improvements, planning and zoning, general administration services, and redevelopment.

The City was incorporated as a general law city in 1910 and operates under the council-manager form of government. Policy-making and legislative authority are vested in the City Council, which consists of a mayor and a four-member Council. The City Council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees and hiring the City Manager and the City Attorney. The City Manager is responsible carrying out the policies and ordinances of the City Council, for overseeing the day-to-day operations of the government, and for appointing the heads of the government's departments. Council members are elected to four-year staggered terms, with two Council members elected every two years. The mayor is elected every two years.

The County. The County is one of California's original counties and was created at the time of statehood in 1850. The County covers an area of approximately 1,436 square miles, consisting of 1,399 square miles of land and 27 square miles of water. Captain Charles M. Weber was instrumental in developing the City of Stockton as the County Seat and as a Port of Entry. Today, ships still deliver cargo to the Port of Stockton by the channel Captain Weber had dug in the 1800s.

The County is adjacent to Stanislaus County to the south and southeast, Alameda and Contra Costa Counties to the west, Sacramento County to the north, Amador County to the northeast, Calaveras County to the east and a corner of Santa Clara County to the southwest.

Population

The most recent estimate of the County's population at January 1, 2025 was 98,215 persons, according to the State Department of Finance. The table below shows population estimates for the cities in the County for the last five years, as of January 1.

SAN JOAQUIN COUNTY
Population Estimates
Calendar Years 2021 through 2025
(As of January 1st)

Area	2021	2022	2023	2024	2025
Escalon	7,429	7,351	7,273	7,337	7,232
Lathrop	29,565	31,390	34,877	37,102	38,596
Lodi	66,061	66,309	66,314	67,262	67,093
Manteca	84,800	86,836	88,882	92,116	93,733
Mountain House	--	--	--	--	28,795
Ripon	16,126	15,940	15,796	15,966	15,753
Stockton	320,574	321,000	318,906	323,355	320,877
Tracy	**93,773**	**94,789**	**95,507**	**97,501**	**98,215**
Balance of County	162,892	160,674	160,141	161,689	135,562
County Total	781,220	784,289	787,696	802,328	805,856

Source: State Department of Finance estimates.

Employment and Industry

The unemployment rate in San Joaquin County was 6.3% in April 2025, down from a revised 6.8% in March 2025, and above the year-ago estimate of 6.1%. This compares with an unadjusted unemployment rate of 5.0% for California and 3.9% for the nation during the same period.

The County is part of the Stockton-Lodi Metropolitan Statistical Area (the "**MSA**"). Set forth below is data from 2020 through 2024, reflecting the MSA's civilian labor force, employment, and unemployment.

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STOCKTON-LODI MSA
(San Joaquin County)
Annual Average Civilian Labor Force, Employment and Unemployment,
Employment by Industry
(March 2024 Benchmark)

	2020	2021	2022	2023	2024
Civilian Labor Force [1]	347,200	349,400	356,700	363,400	368,500
Employment	308,800	320,300	338,200	341,600	344,700
Unemployment	38,400	29,100	18,500	21,700	23,800
Unemployment Rate	11.1%	8.3%	5.2%	6.0%	6.5%
Wage and Salary Employment: [2]					
Agriculture	14,600	14,200	13,800	14,500	14,300
Mining and Logging	100	100	0	0	0
Construction	13,000	13,900	14,900	14,000	14,700
Manufacturing	20,100	21,300	23,000	23,500	23,500
Wholesale Trade	10,600	10,800	11,600	12,300	12,400
Retail Trade	24,600	26,200	27,000	27,100	27,000
Transportation, Warehousing and Utilities	38,800	43,000	48,100	47,300	47,600
Information	1,200	1,200	1,200	1,100	1,000
Financial Activities	7,800	8,000	8,200	7,900	7,700
Professional and Business Services	21,300	22,500	24,100	23,100	22,900
Educational and Health Services	37,300	38,000	39,700	42,000	44,800
Leisure and Hospitality	18,500	21,300	24,300	24,500	24,400
Other Services	6,800	7,300	7,900	8,100	8,200
Federal Government	3,300	3,100	3,100	3,000	3,000
State Government	6,800	6,000	5,500	5,100	4,800
Local Government	33,000	32,900	34,000	35,100	37,000
Total	**257,700**	**269,800**	**286,200**	**288,500**	**293,000**

(1) Labor force data is by place of residence; includes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.
(2) Industry employment is by place of work; excludes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.
(3) Columns may not sum to totals due to rounding.
Source: State of California Employment Development Department.

Principal Employers

The following table shows the principal employers in the City of Tracy, as shown in its Annual Comprehensive Financial Report for fiscal year ending June 30, 2024.

PRINCIPAL EMPLOYERS
City of Tracy
As of June 30, 2024

Employer	Number of Employees
Amazon	7,410
FedEX	1,831
Tracy Unified School District	1,203
Medline Industries	750
Taylor Farms Pacific Inc.	748
City of Tracy	506
Sutter Tracy Community Hospital	419
Walmart Supercenter	389
Leprino Foods	331
Costco Wholesale #5641	301

Source: City of Tracy, Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2024.

Largest Employers

The following table shows the major employers in the County as of June 2025, in alphabetical order without regard to the number of employees.

SAN JOAQUIN COUNTY
Major Employers
(Listed Alphabetically)

Employer Name	Location	Industry
Amazon Fulfillment Ctr	Stockton	Mail Order Fulfillment Service
Ashley Lane LP	Stockton	Real Estate
Blue Shield of California	Lodi	Insurance
Dameron Hospital	Stockton	Hospitals
Foster Care Svc	Stockton	Government Offices-County
Leprino Foods Co	Tracy	Cheese Processors (mfrs)
Lodi Health Home Health Agency	Lodi	Home Health Service
M & R Co	Lodi	Fruits & Vegetables-Growers & Shippers
Medline	Tracy	Physicians & Surgeons Equip & Supls-Whls
NA Chaderjian Youth	Stockton	State Govt-Correctional Institutions
O-G Packing & Cold Storage Co	Stockton	Fruits & Vegetables-Growers & Shippers
Prima Frutta Packing Inc	Linden	Fruit & Produce Packers
Safeway Distribution Ctr	Tracy	Distribution Centers (whls)
San Joaquin County CA Pubc	Stockton	Government Offices-County
San Joaquin County Human Svc	Stockton	Government Offices-County
San Joaquin County Sch	Stockton	School Districts
San Joaquin General Hospital	French Camp	Hospitals
San Joaquin Sheriff's Office	French Camp	Government Offices-County
Sjgov	Stockton	Government Offices-County
St Joseph's Regional Health	Stockton	Health Services
Stockton Police Dept	Stockton	Police Departments
Stockton Unified Sch Dist	Stockton	Facilities Management
Stockton Unified School Dist	Stockton	Schools
Walmart Supercenter	Stockton	Department Stores
Waste Management-Lodi Transfer	Lodi	Solid Waste Collection

Source: State of California Employment Development Department, extracted from The America's Labor Market Information System (ALMIS) Employer Database, 2025 1st Edition.

Effective Buying Income

"Effective Buying Income" is defined as personal income less personal tax and nontax payments, a number often referred to as "disposable" or "after-tax" income. Personal income is the aggregate of wages and salaries, other labor-related 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, 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), nontax payments (fines, fees, penalties, etc.) and personal contributions to social insurance. According to U.S. government definitions, the resultant figure is commonly known as "disposable personal income."

The following table summarizes the median household effective buying income for the City, the County, the State of California, and the United States for the years 2021 through 2025.

CITY OF TRACY, SAN JOAQUIN COUNTY,
STATE OF CALIFORNIA & UNITED STATES
Median Household Effective Buying Income
2021 through 2025

	2021	**2022**	**2023**	**2024**	**2025**
City of Tracy	$78,492	$89,938	$90,240	$98,733	$102,190
San Joaquin County	59,914	68,971	68,912	76,847	77,622
State of California	67,956	77,058	77,175	80,973	82,725
United States	56,790	64,448	65,326	67,876	69,687

Source: Claritas, LLC.

Commercial Activity

A summary of historic taxable sales within the City and County during the past five years for which data is available are shown in the following tables.

Total taxable sales during calendar year 2024 in the City were $7,830,833,250, a 18.73% increase over the total taxable sales of $6,595,745,997 reported calendar year 2023.

CITY OF TRACY
Taxable Retail Sales
Number of Permits and Valuation of Taxable Transactions
(Dollars in Thousands)

	Retail Stores		Total All Outlets	
	Number of Permits	Taxable Transactions	Number of Permits	Taxable Transactions
2020	1,395	$1,479,810	2,284	$2,854,012
2021	1,238	4,160,817	2,082	5,868,567
2022	1,251	4,259,440	2,128	6,066,970
2023	1,262	4,890,750	2,124	6,595,746
2024	1,293	6,090,753	2,190	7,830,833

Source: State Department of Tax and Fee Administration.

Total taxable sales reported during calendar year 2024 in the County were reported to be $24,617,239,009, a 4.72% increase over the total taxable sales of $23,507,448,561 reported during calendar year 2023.

SAN JOAQUIN COUNTY
Taxable Retail Sales
Number of Permits and Valuation of Taxable Transactions
(Dollars in Thousands)

	Retail Stores		Total All Outlets	
	Number of Permits	Taxable Transactions	Number of Permits	Taxable Transactions
2020	11,188	$10,215,896	18,358	$15,752,225
2021	10,642	15,153,915	17,665	22,306,576
2022	10,884	15,342,203	18,100	23,625,470
2023	10,632	15,584,742	17,666	23,507,449
2024	10,831	16,832,374	18,099	24,617,239

Source: State Department of Tax and Fee Administration.

Construction Activity

Provided below are the building permits and valuations for the City and County for calendar years 2019 through 2023.

CITY OF TRACY
Total Building Permit Valuations
(Valuations in Thousands)
Calendar Years 2019 through 2023

	2019	2020	2021	2022	2023
Permit Valuation					
New Single-family	$223,795.2	$239,658.3	$244,205.8	$213,664.4	$49,752.9
New Multi-family	0.0	0.0	945.7	3,015.3	527.2
Res. Alterations/Additions	9,178.8	4,504.7	4,558.9	5,413.8	8,740.2
Total Residential	232,974.0	244,163.0	249,710.4	222,093.5	59,020.3
New Commercial	189,205.1	168,307.4	105,916.9	122,513.0	22,535.8
New Industrial	13,881.6	526,301.0	60.8	0.0	0.0
New Other	7,006.5	4,828.5	9,099.3	13,843.7	9,143.5
Com. Alterations/Additions	60,676.8	62,904.6	80,618.6	84,684.1	60,085.4
Total Nonresidential	270,770.0	$62,341.5	195,695.6	221,040.8	91,764.7
New Dwelling Units					
Single Family	551	692	670	502	153
Multiple Family	0	0	2	23	3
TOTAL	551	692	672	525	156

Source: Construction Industry Research Board, Building Permit Summary

SAN JOAQUIN COUNTY
Total Building Permit Valuations
(Valuations in Thousands)
Calendar Years 2019 through 2023

	2019	2020	2021	2022	2023
Permit Valuation					
New Single-family	$843,700.9	$870,859.6	$1,179,358.0	$1,281,631.4	$851,675.9
New Multi-family	57,271.1	38,411.8	69,775.2	88,457.7	75,802.5
Res. Alterations/Additions	98,681.9	40,144.4	108,647.1	182,338.5	55,378.0
Total Residential	999,653.9	949,415.8	1,357,780.3	1,552,427.6	982,856.4
New Commercial	380,383.3	255,761.2	272,617.0	641,696.7	199,112.8
New Industrial	120,003.8	534,199.5	43,401.3	249,274.2	13,931.0
New Other	61,991.7	33,112.3	58,264.9	107,863.0	76,524.2
Com. Alterations/Additions	363,841.0	135,285.4	272,064.7	450,649.8	193,151.2
Total Nonresidential	926,219.8	958,358.4	646,347.9	1,449,483.7	482,719.2
New Dwelling Units					
Single Family	2,564	2,843	3,665	3,168	2,147
Multiple Family	461	245	178	338	605
TOTAL	3,025	3,088	3,843	3,506	2,752

Source: Construction Industry Research Board, Building Permit Summary.

Transportation

The City. Tracy is served by several bus services. Locally, the TRACER bus system runs four lines that serve as circulators between major transit hubs, shopping, school, residential and downtown areas. San Joaquin Regional Transit District (SMART) runs two local routes that connect the city with other San Joaquin County communities and six commuter services that run to Dublin/Pleasanton BART station and job centers in the South Bay and Livermore. Naglee Park and Ride Lot by the West Valley Mall serve as major commuter hubs to BART and jobs in the South Bay. Greyhound, Tracer, and SMART all connect with taxis, bike stations, and parking at the Tracy Transit Center, a transit station built in 2010.

Amtrak Buses serve the City's Amtrak Bus Station with six daily trips to the South Bay and two to San Francisco, all of which stop at BART and job centers in Livermore.

The County. Major highways in the County include: Interstate 5, Interstate 205, Interstate 580, State Route 99, State Route 4 (Crosstown Freeway/California Delta Highway) and State Route 120. The San Joaquin Regional Transit District provides bus service within the City of Stockton in addition to routes throughout the County and commuter routes to Livermore, Pleasanton, Sacramento and Santa Clara County. Greyhound and Amtrak also provide service. The Stockton Metropolitan Airport serves the San Joaquin Valley with passenger and air freight facilities.

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APPENDIX B

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX FOR LAMMERSVILLE JOINT UNIFIED SCHOOL DISTRICT COMMUNITY FACILITIES DISTRICT NO. 2024-1 (MOUNTAIN HOUSE SCHOOL FACILITIES)

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LAMMERSVILLE JOINT UNIFIED SCHOOL DISTRICT
COMMUNITY FACILITIES DISTRICT NO. 2024-1
(MOUNTAIN HOUSE SCHOOL FACILITIES)

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

A Special Tax applicable to each Assessor's Parcel in the Lammersville Joint Unified School District Community Facilities District No. 2024-1 (Mountain House School Facilities) shall be levied and collected according to the tax liability determined by the Board of Trustees of the Lammersville Joint Unified School District, through the application of the appropriate amount or rate for Taxable Property, as described below. All of the property in the CFD, unless exempted by law or by the provisions of Section G below, shall be taxed for the purposes, to the extent, and in the manner herein provided, including property subsequently annexed to the CFD unless a separate Rate and Method of Apportionment of Special Tax is adopted for the annexation area.

A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

"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 parcel map recorded at the County Recorder's Office.

"Act" means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, (commencing with Section 53311), Part 1, Division 2 of Title 5 of the Government Code of the State of California.

"Administrative Expenses" means any or all of the following: the fees and expenses of any fiscal agent or trustee (including any fees or expenses of its counsel) employed in connection with any Bonds, and the expenses of the District in carrying out its duties with respect to the CFD and the Bonds, including, but not limited to, the levy and collection of the Special Tax, the fees and expenses of its counsel, charges levied by the County in connection with the levy and collection of Special Taxes, costs related to property owner inquiries regarding the Special Tax, amounts needed to pay rebate to the federal government with respect to Bonds, costs associated with complying with continuing disclosure requirements under the California Government Code and Rule 15c2-12 of the Securities and Exchange Act of 1934 with respect to the Bonds and the Special Tax, and all other costs and expenses of the District in any way related to the establishment or administration of the CFD.

"Administrator" shall mean the person or firm designated by the District to administer the Special Taxes according to this RMA.

"Age-Restricted Unit" means a Unit that has a restriction recorded against title of the property that limits occupancy of the Unit to residents above a certain age.

"Assessor's Parcel" or **"Parcel"** means a lot or parcel shown on an Assessor's Parcel Map with an assigned Assessor's Parcel Number.

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

"Authorized Facilities" means those facilities that are authorized to be funded by CFD No. 2024-1.

"Board" means the Board of Trustees of the Lammersville Joint Unified School District.

"Bonds" means bonds or other debt (as defined in the Act), whether in one or more series, issued, insured or assumed by the CFD to fund Authorized Facilities.

"Building Permit" means a permit that allows for vertical construction of a Unit or a building with multiple Units, and shall not include a separate permit issued for construction of the foundation thereof.

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

"CFD" means the Lammersville Joint Unified School Distrct Community Facilities District No. 2024-1 (Mountain House School Facilities).

"County" means the County of San Joaquin.

"Development Class" means, individually, Developed Property, Final Map Property, Undeveloped Property, Taxable Welfare Exemption Property, and Public Property.

"Developed Property" means, in any Fiscal Year, all Parcels of Taxable Property that are not Public Property or Taxable Welfare Exemption Property for which a Building Permit for new construction was issued prior to June 30 of the preceding Fiscal Year.

"District" means the Lammersville Joint Unified School District.

"Expected Land Uses" means the total number of Units expected within the CFD, as identified in Attachment 1 of this RMA. Attachment 1 shall be updated by the Administrator each time property is annexed into the CFD to reflect the Expected Land Uses within the annexation area.

"Expected Maximum Special Tax Revenues" means the amount of annual revenue that would be available within the CFD if the Maximum Special Tax was levied on the Expected Land Uses. The Expected Maximum Special Tax Revenues are shown in Attachment 1 of this RMA and may be reduced due to prepayments in future Fiscal Years. Attachment 1 shall also be updated by the Administrator each time property is annexed into the CFD to reflect the Expected Maximum Special Tax Revenues taking into account Expected Land Uses within the annexation area.

"Final Map" means a final map, or portion thereof, approved by the County pursuant to the Subdivision Map Act (California Government Code Section 66410 *et seq.*) that creates SFD Lots, as defined below. The term "Final Map" shall not include any Assessor's Parcel Map or subdivision map or portion thereof, that does not create SFD Lots, including Assessor's Parcels that are designated as remainder parcels or designated by the City of Mountain House or the San Joaquin County Zoning Code to be developed as Multi-Family Property, Non-Residential Property, Single Family Attached Property, or any other use other than single family detached residential units.

"Final Map Property" means, in any Fiscal Year, all SFD Lots for which a Final Map was recorded on or before June 30 of the preceding Fiscal Year and which are not yet Developed Property.

"First Bond Sale" means issuance of the first series of Bonds secured, in whole or in part, by Special Taxes levied and collected from Parcels of Taxable Property in the CFD.

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

"Future Annexation Area" means that geographic area that, at the time of CFD Formation, was considered potential annexation area for the CFD and which was, therefore, identified as "Future Annexation Area" on the recorded CFD boundary map. Nothing shall prevent property identified as Future Annexation Area from annexing under the non-streamlined provisions of the Act.

"Formation" means the date on which the Resolution of Formation to form the CFD was adopted by the Board.

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

"Land Use Class" means the classes of land use identified in Table 1 and Table 2 in Section C below. Age-Restricted Units shall be considered a separate Land Use Class for purposes of this RMA.

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

"Multi-Family Property" means any Parcel of Developed Property for which a Building Permit has been issued for construction of a residential structure with three or more Units that share a single Assessor's Parcel number, all of which are offered for rent to the general public and cannot be purchased by individual homebuyers.

"Non-Residential Property" means, in any Fiscal Year, all Parcels of Developed Property within the boundaries of the CFD that are not Single Family Detached Property, Single Family Attached Property, or Multi-Family Property, as defined herein.

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

"Public Property" means any property within the boundaries of the CFD that is owned by the federal government, State of California , District, or other local governments or public agencies.

"Required Coverage" means the amount by which the Expected Maximum Special Tax Revenues must exceed the Bond debt service and priority Administrative Expenses (if any), as set forth in the Indenture, Certificate of Special Tax Consultant, or other formation or bond document that sets forth the minimum required debt service coverage.

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

"Second Unit" means a detached or attached residential unit that is located on the same Parcel as a primary single family dwelling unit, and which is clearly subordinate in size to the primary single-family dwelling and as provided by the applicable County ordinance.

"SFD Lot" means an individual residential lot identified and numbered on a Final Map recorded at the San Joaquin County Recorder's Office on which a building permit could be issued for construction of a single family detached unit without further subdivision of the lot and for which no further subdivision of the lot is anticipated pursuant to the tentative map approved for the property.

"Single Family Attached Property" means, in any Fiscal Year, all Parcels of Developed Property for which a Building Permit was issued for construction of a residential structure consisting of two or more Units that share common walls and are offered as for-sale units, including such residential structures that meet that statutory definition of a condominium contained in Civil Code Section 1351.

"Single Family Detached Property" means, in any Fiscal Year, all Parcels of Developed Property for which a Building Permit was issued for construction of a Unit that does not share a common wall with another Unit.

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

"Special Tax Requirement" means the amount necessary in any Fiscal Year (i) to pay principal and interest on Bonds which are due in the calendar year which begins in such Fiscal Year, (ii) to create or replenish reserve funds, (iii) to cure any delinquencies in the payment of principal or interest on Bonds which have occurred in the prior Fiscal Year or (based on delinquencies in the payment of Special Taxes which have already taken place) are expected to occur in the Fiscal Year in which the tax will be collected (iv) to pay Administrative Expenses, and (v) to pay the costs of Authorized Facilities so long as such levy under this clause (v) does not increase the Special Tax levied on Undeveloped Property. The Special Tax Requirement may be reduced in any Fiscal Year by (i) interest earnings on or surplus balances in funds and accounts for the Bonds to the extent that such earnings or balances are available to apply against debt service pursuant to the Indenture or other legal document that sets forth these terms, (ii) proceeds from the collection of penalties associated with delinquent Special Taxes, and (iii) any other revenues available to pay debt service on the Bonds as determined by the Administrator.

"Taxable Non-Residential Property" means any Assessor's Parcel that (i) previously had a residential unit(s) built on it, (ii) has, in any Fiscal Year been taxed as Developed Property, (iii) has had a building permit issued for construction of a commercial, industrial, or other non-residential structure.

"Taxable Property" means all of the Assessor's Parcels within the boundaries of the CFD that are not exempt from the Special Tax pursuant to law or Section G below.

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

"Tax Zone" means a mutually exclusive geographic area within which the Special Tax may be levied pursuant to this RMA. All of the property within the CFD at Formation is within Tax Zone 1. Additional Tax Zones may be created when property is annexed into the CFD, and a different Maximum Special Tax may be identified for property within the new Tax Zone at the time of such annexation. The Assessor's Parcels included within a new Tax Zone established when such Parcels are annexed to the CFD shall be identified by Assessor's Parcel number in the Unanimous Approval Form that is signed by the owner(s) of the Parcels at the time of annexation.

"Tax Zone 1" means the property included in the CFD at Formation and any property that is subsequently annexed into Tax Zone 1.

"Unanimous Approval Form" means the form executed by the record owner of fee title to the Parcel or Parcels included within the Future Annexation Area and annexed into the CFD that constitutes the property owner's approval and unanimous vote in favor of annexing the property into the CFD and authorizes the levy of the Special Tax against his/her Parcel or Parcels pursuant to this RMA.

"Undeveloped Property" means, in any Fiscal Year, all Parcels of Taxable Property that are not Developed Property, Final Map Property, Public Property, or Taxable Welfare Exemption Property as defined herein.

"Unit" means (i) for Single Family Detached Property, an individual single-family detached unit, (ii) for Single Family Attached Property, an individual residential unit within a duplex, halfplex, triplex, fourplex, townhome, live/work or condominium structure, and (iii) for Multi-Family Property, an individual apartment unit.

"Welfare Exemption Property" means, in any Fiscal Year, any Parcels in the CFD that have received a welfare exemption under subdivision (g) of Section 214 of the Revenue and Taxation Code and for which such welfare exemption is still in place.

B. DATA FOR ADMINISTRATION OF SPECIAL TAX

Each Fiscal Year, the Administrator shall (i) categorize each Parcel of Taxable Property as Developed Property, Final Map Property, Undeveloped Property, Taxable Welfare Exemption Property, or Public Property, and (ii) if the Parcel is identified as an Age-Restricted Unit, then the Parcel is an Age-Restricted Unit, otherwise assign each Parcel of Developed Property and Final Map Property to one of the Land Use Classes identified in Table 1 and Table 2 in Section C below or as an Age-Restricted Unit. For Single Family Attached Property and Multi-Family Property, the number of Units shall be determined by referencing the condominium plan, apartment plan, site plan or other development plan. The square footage of SFD Lots shall be determined by reference to County Assessor's Parcel Maps or, to the extent such Maps do not reflect square footage of the SFD Lots, by reference to the lot size summary provided by the engineering firm that produced the Final Map.

In addition, the Administrator shall, ***on an ongoing basis***, monitor whether changes in land use have been proposed that will affect the Expected Maximum Special Tax Revenues. If the Expected Maximum Special Tax Revenues will be reduced pursuant to a proposed land use change, the Administrator shall apply the steps set forth in Section D below.

In any Fiscal Year, if it is determined that: (i) a parcel map for property in the CFD was recorded after January 1 of the prior Fiscal Year (or any other date after which the Assessor will not incorporate the newly-created Parcels into the then current tax roll), (ii) because of the date the parcel map was recorded, the Assessor does not yet recognize the new Parcels created by the parcel map, and (iii) one or more of the newly-created parcels is in a different Development Class than other parcels created by the subdivision, the Administrator shall calculate the Special Tax for the property affected by recordation of the parcel map by determining the Special Tax that applies separately to the property within each Development Class, then applying the sum of the individual Special Taxes to the Parcel that was subdivided by recordation of the parcel map.

C. MAXIMUM SPECIAL TAX

1. Developed Property

In any Fiscal Year, the Maximum Special Tax for a Parcel of Developed Property in Tax Zone 1 shall be determined by reference to Table 1 on the following page. For property that annexes into the CFD, different maximum special tax rates may be established by creating a separate Tax Zone for such annexed property. Alternatively, property may be annexed into Tax Zone 1 or another Tax Zone that was established prior to the annexation, and such property shall be subject to the Maximum Special Tax applicable to that Tax Zone.

Once a Special Tax has been levied and collected on a Parcel of Developed Property, the Maximum Special Tax applicable to that Parcel shall not be reduced in future Fiscal Years regardless of changes in land use on the Parcel. Notwithstanding the foregoing, the actual Special Tax levied on a Parcel of Developed Property in any Fiscal Year may be less than the Maximum Special Tax if a lower Special Tax is calculated pursuant to Step 1 in Section E below.

Once a Parcel has been taxed in any Fiscal Year as Developed Property, the Parcel shall continue to be taxed as Developed Property regardless of changes to or expiration of the original Building Permit, and regardless of revisions to or destruction of the structure that was or was expected to be constructed pursuant to the original Building Permit.

TABLE 1 **Developed Property** **Maximum Special Tax in Tax Zone 1** **(Fiscal Year 2024-25)***		
Land Use Class	**Description**	**Maximum Special Tax (Fiscal Year 2024-25)***
1	SFD Lots greater than or equal to 6,000 square feet	$2,506.26 per Unit
2	SFD Lots less than 6,000 square feet	$1,938.76 per Unit
3	Single Family Attached Property	$1,714.64 per Unit
4	Multi-Family Property	$1,013.54 per Unit
5	Taxable Non-Residential Property	To be Determined**
6	Age-Restricted Units	$0.00 per Unit

* *On July 1, 2025 and on each July 1 thereafter, the Maximum Special Taxes shown in Table 1 shall be increased by an amount equal to 2.0% of the amount in effect for the prior Fiscal Year.*

** *The Maximum Special Tax on Taxable Non-Residential Property shall be the amount needed to replace revenues that were lost when the residential property was converted to non-residential uses. The Board shall determine, or cause to be determined, the Maximum Special Tax for each Parcel of Taxable Non-Residential Property at the time of conversion to non-residential use.*

2. Final Map Property

In any Fiscal Year, the Maximum Special Tax for a Parcel of Final Map Property in Tax Zone 1 shall be determined by reference to Table 2 on the following page. For property that annexes into the CFD, different maximum special tax rates may be established by creating a separate Tax Zone for such annexed property. Alternatively, property may be annexed into Tax Zone 1 or another Tax Zone that was established prior to the annexation, and such property shall be subject to the Maximum Special Tax applicable to that Tax Zone.

TABLE 2 **Final Map Property** **Maximum Special Tax in Tax Zone 1** **(Fiscal Year 2024-25)***		
Land Use Class	**Description**	**Maximum Special Tax (Fiscal Year 2024-25)***
1	SFD Lots greater than or equal to 6,000 square feet	$2,506.26 per SFD Lot
2	SFD Lots less than 6,000 square feet	$1,938.76 per SFD Lot
3	Age-Restricted Units	$0.00 per Unit

** On July 1, 2025 and on each July 1 thereafter, the Maximum Special Taxes shown in Table 2 shall be increased by an amount equal to 2.0% of the amount in effect for the prior Fiscal Year.*

3. Undeveloped Property

The Maximum Special Tax for Parcels of Undeveloped Property in Tax Zone 1 in Fiscal Year 2024-25 is $24,101 per Acre, which amount shall be increased on July 1, 2025 and on each July 1 thereafter by an amount equal to 2.0% of the amount in effect for the prior Fiscal Year.

For property that annexes into the CFD, a different Maximum Special Tax may be determined for Undeveloped Property when a separate Tax Zone is established for such annexed property. On July 1, 2025 and each July thereafter, the Maximum Special Tax on Undeveloped Property shall be increased by an amount equal to 2.0% of the amount in effect in the prior Fiscal Year.

D. CHANGES TO EXPECTED LAND USES

Pursuant to this Section D, the Administrator may from time to time update Attachment 1 to reflect revised Expected Maximum Special Tax Revenues. Such update shall be maintained internally by the Administrator and shall not require recordation of an amended RMA.

1. Land Use Changes

If changes to the Expected Land Uses occur (including recordation of a condominium plan that reduces the number of expected Units on Single Family Attached Property), and such changes result in a reduction of the Expected Maximum Special Tax Revenues, the following steps shall be applied:

Step 1: By reference to Attachment 1 (which will be updated by the Administrator each time a prepayment occurs), the Administrator shall identify the Expected Maximum Special Tax Revenues;

Step 2: The Administrator shall calculate the Maximum Special Tax Revenues that could be collected from property in the CFD if the land use change is approved;

Step 3: If (i) the revenues calculated in Step 2 are less than those calculated in Step 1, and (ii) such revenues are insufficient to maintain Required Coverage, the landowner of the property affected by the change in Expected Land Uses must prepay an amount sufficient to retire a portion of the Bonds and maintain Required Coverage. The required prepayment shall be calculated using the formula set forth in Section H below. If the mandatory prepayment has not been received by the District prior to the issuance of the first Building Permit within the Parcel or Final Map on which the land use change has occurred, the Administrator may, in the next Fiscal Year, levy the amount of the mandatory prepayment on the Parcel or Parcels affected by the land use change.

If the revenues calculated in Step 2 are less than those calculated in Step 1, but the revenues calculated in Step 2 are sufficient to maintain Required Coverage, no such mandatory prepayment will be required. In addition, if the amount determined in Step 2 is higher than that calculated in Step 1, no such mandatory prepayment will be required.

2. Increase in Age-Restricted Units

If, prior to the First Bond Sale, the Administrator determines that there is an increase in the number of Age-Restricted Units expected within any Tax Zone, the Administrator shall update the Expected Land Uses and Expected Maximum Special Tax Revenues in Attachment 1, and the additional Age-Restricted Units will be exempt from the Special Taxes.

If, at any time after the First Bond Sale, additional Age-Restricted Units are proposed, and if the addition of the new Age-Restricted Units will decrease the Expected Maximum Special Tax Revenues to a point at which Required Coverage cannot be maintained, the Administrator shall calculate the Maximum Special Tax that must be assigned to each of the new Age-Restricted Units to maintain Required Coverage. Tax-exempt status will be assigned to Age-Restricted Units based on the date on which Building Permits were issued for such units, as determined by the Administrator. The Maximum Special Tax assigned to the new Age-Restricted Units shall be escalated each Fiscal Year by an amount equal to 2.0% of the amount in effect for the prior Fiscal Year.

3. Conversion of a Parcel to a Taxable Land Use

If, in any Fiscal Year, an Age-Restricted Unit, the Exempt Age-Restricted Units Parcel, or a Parcel of Public Property, or Welfare Exemption Property, that had been exempt from the Special Taxes is converted to Single Family Property or Other Property, such Parcel shall be subject to the levy of Special Taxes. The Maximum Special Taxes for each such Parcel shall be determined based on the applicable Land Use Category for the Parcel, as determined by the Administrator. In addition, the Administrator shall update Attachment 1 to reflect the revised Expected Land Uses and Expected Maximum Special Tax Revenues for the CFD.

E. METHOD OF LEVY OF THE SPECIAL TAXES

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

Step 1: The Special Tax shall be levied Proportionately on each Parcel of Developed Property in the CFD up to 100% of the Maximum Special Tax for Developed Property determined pursuant to Section C.1 above until the amount levied on Developed Property is equal to the Special Tax Requirement prior to applying Capitalized Interest that is available under the applicable Indenture.

Step 2: If additional revenue is needed after Step 1 in order to meet the Special Tax Requirement after Capitalized Interest has been applied to reduce the Special Tax Requirement, the Special Tax shall be levied Proportionately on each Parcel of Final Map Property up to 100% of the Maximum Special Tax for such Final Map Property determined pursuant to Section C.2.

Step 3: If additional revenue is needed after Step 2 in order to meet the Special Tax Requirement, the Special Tax shall be levied Proportionately on each Parcel of Undeveloped Property up to 100% of the Maximum Special Tax for such Undeveloped Property determined pursuant to Section C.3.

Step 4: If additional revenue is needed after applying Step 3, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Taxable Welfare Exemption Property, up to 100% of the Maximum Special Tax for the Land Use Class(es) of Developed Property which would otherwise apply if the Parcel were not Taxable Welfare Exemption Property for such Fiscal Year determined pursuant to Section C.

Step 5: If additional revenue is needed after applying Step 4, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Public Property, exclusive of property exempt from the Special Tax pursuant to Section G below, up to 100% of the Maximum Special Tax for Undeveloped Property for such Fiscal Year determined pursuant to Section C.

F. MANNER OF COLLECTION OF SPECIAL TAXES

The Special Tax shall be collected in the same manner and at the same time as ordinary ad valorem property taxes, provided, however, that prepayments are permitted as set forth in Section H below and provided further that the District may directly bill the Special Taxes, may collect Special Taxes at a different time or in a different manner, and may collect delinquent Special Taxes through foreclosure or other available methods.

The Special Tax shall be levied and collected until principal and interest on Bonds have been repaid and authorized facilities to be constructed directly from Special Tax proceeds have been completed. However, in no event shall Special Taxes be levied after Fiscal Year 2075-76. Under no circumstances may the Special Tax on one Parcel be increased by more than ten percent (10%) as a consequence of delinquency or default in payment of the Special Tax levied on another Parcel or Parcels.

G. EXEMPTIONS

Notwithstanding any other provisions of this RMA, no Special Tax shall be levied on: (i) Public Property, except as otherwise provided in the Act and in Step 5 in Section E above, (ii) Welfare Exemption Property unless such property is determined to be Taxable Welfare Exemption Property, (iii) Non-Residential Property unless such property is determined to be Taxable Non-Residential Property, (iv) Age-Restricted Units, except as otherwise provided in Section D, (v) Second Units, (vi) Parcels designated as permanent open space or common space on which no structure is permitted to be constructed, (vii) Parcels owned by a public utility for an unmanned facility, or (viii) Parcels that are subject to an easement that precludes any other use on the Parcels.

H. PREPAYMENT OF FACILITIES SPECIAL TAX

The following definitions apply to this Section H:

> **"Remaining Facilities Costs"** means the Public Facilities Requirement minus public facility costs funded by Outstanding Bonds, developer equity and/or any other source of funding.
>
> **"Outstanding Bonds"** means all Previously Issued Bonds which remain outstanding, with the following exception: if a Special Tax has been levied against, or already paid by, an Assessor's Parcel making a prepayment, and a portion of the Special Tax will be used to pay a portion of the next principal payment on the Bonds that remain outstanding (as determined by the Administrator), that next principal payment shall be subtracted from the total Bond principal that remains outstanding, and the difference shall be used as the amount of Outstanding Bonds for purposes of this prepayment formula.
>
> **"Previously Issued Bonds"** means all Bonds that have been issued prior to the date of prepayment.
>
> **"Public Facilities Requirement"** means either \$119.9 million in 2024 dollars, which shall increase on January 1, 2025, and on each January 1 thereafter by 2% of the amount in effect in the prior year, or such other number as shall be determined by Lammersville Joint Unified School District as sufficient to fund improvements that are authorized to be funded by the CFD. The Public Facilities Requirements shown above may be adjusted each time property annexes into the CFD or there is an adjustment to the Expected Maximum Special Tax Revenues due to a change in the Expected Land Uses or prepayment; at no time shall the Public Facilities Requirement exceed the amount of public improvement costs that can be funded by the Expected Maximum Special Tax Revenues, as determined by the Administrator.

The Special Tax obligation applicable to an Assessor's Parcel in the CFD may be prepaid and the obligation of the Assessor's Parcel to pay the Special Tax permanently satisfied as described herein, provided that a prepayment may be made only if there are no delinquent Special Taxes with respect to such Assessor's Parcel at the time of prepayment. An owner of an Assessor's Parcel intending to prepay the Special Tax obligation shall provide the District with written notice of intent to prepay. Within 30 days of receipt of such written notice, the District or its designee shall notify such owner of the prepayment amount for such Assessor's Parcel. Prepayment must be made not less than 75 days prior to any redemption date for Bonds to be redeemed with the proceeds of such prepaid Special Taxes. Under no circumstance shall a prepayment be allowed that would reduce the debt service coverage below the amount required pursuant to the Indenture. The Prepayment Amount shall be calculated as follows (capitalized terms as defined above or below):

Bond Redemption Amount	
plus	Remaining Facilities Amount
plus	Redemption Premium
plus	Defeasance Requirement
plus	Administrative Fees and Expenses
<u>less</u>	<u>Reserve Fund Credit</u>
equals	Prepayment Amount

As of the proposed date of prepayment, the Prepayment Amount shall be determined by application of the following steps:

Step 1. Compute the total Maximum Special Tax that could be collected from the Assessor's Parcel prepaying the Special Tax in the Fiscal Year in which prepayment would be received by the District. If this Section H is being applied to calculate a prepayment pursuant to Section D above, use, for purposes of this Step 1, the amount by which the Expected Maximum Special Tax Revenues have been reduced below the amount needed to maintain 110% coverage on the Bond's debt service due to the change in land use that necessitated the prepayment.

Step 2. Divide the Maximum Special Tax computed pursuant to Step 1 for such Assessor's Parcel by the total Expected Maximum Special Tax Revenues for all property in the CFD, as shown in Attachment 1 of this RMA or as adjusted by the Administrator after prepayments or land use changes.

Step 3. Multiply the quotient computed pursuant to Step 2 by the Outstanding Bonds to compute the amount of Outstanding Bonds to be retired and prepaid (*the **"Bond Redemption Amount"***).

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

Step 5. Multiply the quotient computed pursuant to Step 2 by the amount determined pursuant to Step 4 to compute the amount of Remaining Facilities Costs to be prepaid (*the **"Remaining Facilities Amount"***).

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

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

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

Step 9: Subtract the amount computed pursuant to Step 8 from the amount computed pursuant to Step 7 (the ***"Defeasance Requirement"***).

Step 10. The administrative fees and expenses associated with the prepayment will be determined by the Administrator and include the costs of computing the prepayment, redeeming Bonds and recording any notices to evidence the prepayment and the redemption (the ***"Administrative Fees and Expenses"***).

Step 11. If, at the time the prepayment is calculated, the reserve fund is greater than or equal to the reserve requirement, and to the extent so provided in the Indenture, a reserve fund credit shall be calculated as a reduction in the applicable reserve fund for the Outstanding Bonds to be redeemed pursuant to the prepayment (the ***"Reserve Fund Credit"***).

Step 12. The Special Tax prepayment is equal to the sum of the amounts computed pursuant to Steps 3, 5, 6, 9, and 10, less the amount computed pursuant to Step 11 (the ***"Prepayment Amount"***).

Once a prepayment has been received, a Notice of Cancellation of Special Tax Lien shall be recorded against the Parcel. However, a Notice of Cancellation of Special Tax Lien shall not be recorded until all Special Taxes levied on the Parcel in the current or prior Fiscal Years have been collected.

A partial prepayment may be made in an amount equal to any percentage of full prepayment desired by the party making a partial prepayment. The Maximum Special Tax that can be levied on a Parcel after a partial prepayment is made is equal to the Maximum Special Tax that could have been levied prior to the prepayment, reduced by the percentage of the full prepayment that the partial prepayment represents, all as determined by or at the direction of the Administrator.

I. INTERPRETATION OF SPECIAL TAX FORMULA

The District reserves the right to make minor administrative and technical changes to this document that do not materially affect the rate and method of apportioning Special Taxes. In addition, the interpretation and application of any section of this document shall be left to the District's discretion. Interpretations may be made by the District by ordinance or resolution for purposes of clarifying any vagueness or ambiguity in this RMA.

ATTACHMENT 1

Lammersville Joint Unified School District
Community Facilities District No. 2024-1
(Mountain House School Facilities)

Expected Land Uses and Expected Maximum Special Tax Revenues

Land Use Class	Description	Expected Number of Units	Maximum Special Tax per Unit FY 2024-25 *	Expected Maximum Special Tax Revenues FY 2024-25 *
1	SFD Lots greater than or equal to 6,000 square feet	1,403 Units	$2,506.26 per Unit	$3,516,283
2	SFD Lots less than 6,000 square feet	1,565 Units	$1,938.76 per Unit	$3,034,159
3	Single Family Attached Property	769 Units	$1,714.64 per Unit	$1,318,558
4	Multi-Family Property	304 Units	$1,013.54 per Unit	$308,116
5	Age-Restricted Units	870 Units	$0.00 per Unit	$0
Expected Maximum Special Tax Revenues at Formation (Fiscal Year 2024-25 $)				**$8,177,117**

* *On July 1, 2025 and each July 1 thereafter, the Maximum Special Tax and Expected Maximum Special Tax Revenues shall be increased by two percent (2%) of the amount in effect in the previous Fiscal Year.*

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APPENDIX C

SUMMARY OF CERTAIN PROVISIONS OF THE FISCAL AGENT AGREEMENT

This is a summary of certain provisions of the Fiscal Agent Agreement that are not otherwise described or discussed in detail in this Official Statement. This summary is not intended to be definitive, and reference must be made to the text of the Fiscal Agent Agreement for the complete terms.

This summary is provided in connection with issuance of the Bonds (as defined in the main body of the Official Statement). The Bonds are secured by a lien and charge upon the Special Taxes and the respective funds and accounts established under the Fiscal Agent Agreement.

DEFINITIONS

"Act" means the Mello-Roos Community Facilities Act of 1982, as amended, being sections 53311 *et seq.* of the California Government Code.

"Administrative Expenses" means costs directly related to the administration of the CFD consisting of: the actual costs of computing the Special Taxes and preparing the annual Special Tax collection schedules (whether by a District employee or consultant or both) and the actual costs of collecting the Special Taxes (whether by the County or otherwise); the actual costs of remitting the Special Taxes to the Fiscal Agent; actual costs of the Fiscal Agent (including its legal counsel) in the discharge of its duties under the Fiscal Agent Agreement; the actual costs of the District or its designee of complying with the disclosure provisions of the Act and the Fiscal Agent Agreement, including those related to public inquiries regarding the Special Tax and disclosures to Owners of the Bonds and the Original Purchaser; the actual costs of the District or its designee related to an appeal of the Special Tax; any amounts required to be rebated to the federal government; an allocable share of the salaries of the District staff directly related to the foregoing and a proportionate amount of District general administrative overhead related thereto. Administrative Expenses shall also include amounts advanced by the District for any administrative purpose of the CFD, including costs related to prepayments of Special Taxes, recordings related to such prepayments and satisfaction of Special Taxes, amounts advanced to ensure maintenance of tax exemption, and the costs of prosecuting foreclosure of delinquent Special Taxes, which amounts advanced are subject to reimbursement from other sources, including proceeds of foreclosure.

"Administrative Expense Fund" means the fund designated the "Lammersville School District Community Facilities District No. 2024-1 (Mountain House School Facilities) Administrative Expense Fund" established and administered under the Fiscal Agent Agreement.

"Agreement" means the Fiscal Agent Agreement, as it may be amended or supplemented from time to time by any Supplemental Agreement adopted pursuant to the provisions thereof.

"Annual Debt Service" means, for each Bond Year, the sum of (i) the interest due on the Outstanding Bonds in such Bond Year, assuming that the Outstanding Bonds are retired as scheduled, and (ii) the principal amount of the Outstanding Bonds due in such Bond Year (including any mandatory sinking payment due in such Bond Year).

"Auditor" means the auditor/controller of the County, or such other official at the County who is responsible for preparing property tax bills.

"Authorized Officer" means the Superintendent, the Assistant Superintendent of Business Services, the Director of Fiscal Services, the Finance Director, the Clerk of the Governing Board or any other officer or employee authorized by the Governing Board of the District or by an Authorized Officer to undertake the action referenced in the Agreement as required to be undertaken by an Authorized Officer.

"Bond" or "Bonds" means the 2025 Bonds and, if the context requires, any Parity Bonds, at any time Outstanding under the Fiscal Agent Agreement or any Supplemental Agreement.

"Bond Counsel" means Jones Hall LLP or any other attorney or firm of attorneys acceptable to the District and nationally recognized for expertise in rendering opinions as to the legality and tax-exempt status of securities issued by public entities.

"Bond Fund" means the fund designated the "Lammersville Joint Unified School District, Community Facilities District No. 2024-1 (Mountain House - School Facilities) Special Tax Bonds Bond Fund" established and administered under the Fiscal Agent Agreement.

"Bond Proceeds Account of the Improvement Fund" means the account of that name established under the Fiscal Agent Agreement.

"Bond Year" means the one-year period beginning on September 2nd in each year and ending on September 1 in the following year, except that the first Bond Year shall begin on the Closing Date and shall end on September 1, 2025.

"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 Fiscal Agent has its principal corporate trust office are authorized or obligated by law or executive order to be closed.

"Capitalized Interest Account" means the account by that name held by the Fiscal Agent and established and administered under the Fiscal Agent Agreement.

"CDIAC" means the California Debt and Investment Advisory Commission of the Office of the State Treasurer, or any successor agency, board or commission.

"CFD" means the "Lammersville School District Community Facilities District No. 2024-1 (Mountain House - School Facilities)" formed under the Resolution of Formation.

"CFD Value" means the market value, as of the date of the appraisal described below and/or the date of the most recent County real property tax roll, as applicable, of all parcels of real property in the CFD subject to the levy of the Special Taxes and not delinquent in the payment of any Special Taxes then due and owing, including with respect to such nondelinquent parcels the value of the then existing improvements and any facilities to be constructed or acquired with any amounts then on deposit in the Improvement Fund and with the proceeds of any proposed series of Parity Bonds, as determined with respect to any parcel or group of parcels by reference to

(i) an appraisal performed within 6 months of the date of issuance of any proposed Parity Bonds by an MAI appraiser (the "Appraiser") selected by the District, or

(ii), in the alternative, the assessed value of all such nondelinquent parcels and improvements thereon as shown on the then-current County real property tax roll available to the Finance Director.

It is expressly acknowledged that, in determining the CFD Value, the District may rely on an appraisal to determine the value of some or all of the parcels in the CFD and/or the most recent County real property tax roll as to the value of some or all of the parcels in the CFD. Neither the District nor the Finance Director shall be liable to the Owners, the Original Purchaser or any other person or entity in respect of any appraisal provided for purposes of this definition or by reason of any exercise of discretion made by any Appraiser pursuant to this definition.

"Closing Date" means the date upon which there is a physical delivery of the 2025 Bonds in exchange for the amount representing the purchase price of the 2025 Bonds by the Original Purchaser.

"Continuing Disclosure Certificate" means that certain Continuing Disclosure Certificate executed by the District and dated the date of issuance and delivery of the 2025 Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

"Costs of Issuance" means items of expense payable or reimbursable directly or indirectly by the District and related to the authorization, sale, delivery 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, appraisal costs, filing and recording fees, fees and expenses of counsel to the District, initial fees and charges of the Fiscal Agent including its first annual administration fees and its legal fees and charges, including the allocated costs of in-house attorneys, expenses incurred by the District in connection with the issuance of the Bonds, Bond (underwriter's) discount, legal fees and charges, including bond counsel, and counsel to any financial consultant, financial consultant's fees, charges for execution, authentication, transportation and safekeeping of the Bonds and other costs, charges and fees in connection with the foregoing.

"Costs of Issuance Fund" means the fund designated the "Lammersville School District, Community Facilities District No. 2024-1 (Mountain House - School Facilities) Special Tax Bonds, Costs of Issuance Fund" established and administered under the Fiscal Agent Agreement.

"County" means the County of San Joaquin, California.

"Dated Date" means the dated date of the 2025 Bonds, which is the Closing Date.

"Debt Service" means the scheduled amount of interest and amortization of principal payable on the 2025 Bonds under the Fiscal Agent Agreement and the scheduled amount of interest and amortization of principal payable on any Parity Bonds during the period of computation, in each case excluding amounts scheduled during such period which relate to principal which has been retired before the beginning of such period.

"Depository" means (a) initially, DTC, and (b) any other Securities Depository acting as Depository for book-entry under Section 2.10.

"District" means the Lammersville Joint Unified School District, and any successor thereto.

"District Counsel" means any attorney or firm of attorneys employed by the District in the capacity of general counsel.

"DTC" means The Depository Trust Company, New York, New York, and its successors and assigns.

"Fair Market Value" means with respect to the Bonds 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 Tax 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 Tax 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 Tax 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) any commingled investment fund in which the District and related parties do not own more than a 10% beneficial interest if the return paid by such fund is without regard to the source of the investment.

"Federal Securities" means:

(a) any direct general obligations of the United States of America (including obligations issued or held in book entry form on the books of the Department of the Treasury of the United States of America), the payment of principal of and interest on which are unconditionally and fully guaranteed by the United States of America; and

(b) any obligations the principal of and interest on which are unconditionally guaranteed by the United States of America.

"Finance Director" means the official of the District, or such official's designee, who acts in the capacity as the chief financial officer of the District, including the controller or other financial officer.

"Fiscal Agent" means The Bank of New York Mellon Trust Company, N.A., the Fiscal Agent appointed by the District and acting as an independent fiscal agent with the duties and powers in the Fiscal Agent Agreement provided, its successors and assigns, and any other corporation or association which may at any time be substituted in its place, as provided in the Fiscal Agent 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.

"Governing Board" means the Governing Board of the District, in its capacity as the legislative body of the CFD.

"Improvement Fund" means the fund designated "Lammersville Joint Unified School District, Community Facilities District No. 2024-1 (Mountain House School Facilities), Special Tax Bonds, Improvement Fund," established under the Fiscal Agent Agreement.

"Independent Financial Consultant" means any consultant or firm of such consultants appointed by the District or the Finance Director, and who, or each of whom:

(i) is judged by the Finance Director to have experience in matters relating to the issuance and/or administration of bonds under the Act;

(ii) is in fact independent and not under the domination of the District;

(iii) does not have any substantial interest, direct or indirect, with or in the District, or any owner of real property in the CFD, or any real property in the CFD; and

(iv) is not connected with the District as an officer or employee of the District, but who may be regularly retained to make reports to the District.

"Interest Payment Date" means each September 1 and March 1 of every calendar year, commencing with March 1, 2026.

"Maximum Annual Debt Service" means the largest Annual Debt Service for any Bond Year after the calculation is made through the final maturity date of any Outstanding Bonds.

"Moody's" means Moody's Investors Service, Inc., and its successors.

"MSRB" means the Municipal Securities Rulemaking Board, through its EMMA system, and, in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such services providing information with respect to called bonds as the District may designate in an Officer's Certificate delivered to the Fiscal Agent.

"NRMSIR" means a nationally-recognized municipal securities information repository, as designated in writing by the Original Purchasers to the District, or otherwise known to the Treasurer.

"Officer's Certificate" means a written certificate of the District signed by an Authorized Officer of the District.

"Ordinance" means any ordinance of the Governing Board of the District levying the Special Taxes, including but not limited to Ordinance No. 24-25-01 introduced and adopted by the Governing Board on January 15, 2025.

"Original Purchaser" means Stifel, Nicolaus & Company, Incorporated, the underwriter of the 2020 Bonds.

"Outstanding," when used as of any particular time with reference to Bonds, means (subject to the provisions of the Fiscal Agent Agreement regarding disqualified Bonds) 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 provisions of the Fiscal Agent Agreement regarding defeasance; and (iii) Bonds in lieu of or in substitution for which other Bonds shall have been authorized, executed, issued and delivered by the District under the Fiscal Agent Agreement or any Supplemental Agreement.

"Owner" or "Bondowner" means any person who shall be the registered owner of any Outstanding Bond.

"Parity Bonds" means additional bonds issued and payable on a parity with the Bonds under the Fiscal Agent Agreement.

"Participating Underwriter" shall have the meaning ascribed thereto in the Continuing Disclosure Certificate.

"Permitted Investments" means the following, but only to the extent that the same are acquired at Fair Market Value:

(a) Federal Securities.

(b) any of the following direct or indirect obligations of the following agencies of the United States of America: (i) direct obligations of the Export-Import Bank; (ii) certificates of beneficial ownership issued by the Farmers Home Administration; (iii) participation certificates issued by the General Services Administration; (iv) mortgage-backed bonds or pass-through obligations issued and guaranteed by the Government National Mortgage Association, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation or the Federal Housing Administration; (v) project notes issued by the United States Department of Housing and Urban Development; and (vi) public housing notes and bonds guaranteed by the United States of America;

(c) interest-bearing demand or time deposits (including certificates of deposit) or deposit accounts in federal or state chartered savings and loan associations or in federal or State of California banks (including the Fiscal Agent, its parent, if any, and affiliates), provided that (i) the unsecured short-term obligations of such commercial bank or savings and loan association shall be rated in the highest short-term rating category by any Rating Agency, or (ii) such demand or time deposits shall be fully insured by the Federal Deposit Insurance Corporation;

(d) commercial paper rated in the highest short-term rating category by any Rating Agency, issued by corporations which are organized and operating within the United States of America, and which matures not more than 180 days following the date of investment therein;

(e) bankers acceptances and bank deposit products, consisting of bills of exchange or time drafts drawn on and accepted by a commercial bank, including its parent (if any), affiliates and subsidiaries, whose short-term obligations are rated in the highest short-term rating category by any Rating Agency, or whose long-term obligations are rated A or better by any Rating Agency, which mature not more than 270 days following the date of investment therein;

(f) obligations the interest on which is excludable from gross income pursuant to Section 103 of the Tax Code and which are either (a) rated A or better by any Rating Agency, or (b) fully secured as to the payment of principal and interest by Federal Securities;

(g) obligations issued by any corporation organized and operating within the United States of America having assets in excess of $500,000,000, which obligations are rated A or better by any Rating Agency;

(h) money market funds (including money market funds for which the Fiscal Agent, its affiliates or subsidiaries provide investment advisory or other management services) which invest in Federal Securities or which are rated in the highest short-term rating category by any Rating Agency; and

(i) any investment agreement representing general unsecured obligations of a financial institution rated A or better by any Rating Agency, by the terms of which the Fiscal Agent is permitted to withdraw all amounts invested therein in the event any such rating falls below A.

(j) 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 the Fiscal Agent Agreement.

(k) the California Asset Management Program.

Ratings of Permitted Investments referred to herein shall be determined at the time of purchase of such Permitted Investments and without regard to rating subcategories. The Fiscal Agent shall have no responsibility to monitor the ratings of Permitted Investments after the initial purchase of such Permitted Investments or the responsibility to validate the ratings of Permitted Investments prior to the initial purchase.

"Principal Office" means such corporate trust office of the Fiscal Agent as may be designated from time to time by written notice from the Fiscal Agent to the District, initially being at the address set forth in Section 9.06, or such other office designated by the Fiscal Agent from time to time.

"Proceeds" when used with reference to the Bonds, means the face amount of the Bonds, plus any accrued interest and premium, less any original issue and/or underwriter's discount.

"Project" means those items described as the "Facilities" in the Resolution of Formation.

"Qualified Reserve Account Credit Instrument" means an irrevocable standby or direct-pay letter of credit, insurance policy, 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 at the time of acceptance thereof by the Fiscal Agent: (a) in the case of a commercial bank, the long-term credit rating of such bank at the time of delivery of the irrevocable standby or direct-pay letter of credit is at least "A" from S&P or "A" from Moody's and, in the case of an insurance company, the claims paying ability of such insurance company at the time of delivery of the insurance policy or surety bond is at least "A" from S&P, or "A" from Moody's or, if not rated by S&P or Moody's but is rated by A.M. Best & Company, is rated at the time of delivery in the highest rating category by A.M. Best & Company; (b) such letter of credit, insurance policy 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 2025 Reserve Fund Reserve Requirement with respect to which funds are proposed to be released; and (d) the Fiscal Agent is authorized pursuant to the terms of such letter of credit, insurance policy 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 with respect to the 2025 Bonds and any 2025 Related Parity Bonds.

"Rate and Method" means the Rate and Method of Apportionment of Special Tax for the CFD, as amended.

"Record Date" means the fifteenth day of the calendar month next preceding the applicable Interest Payment Date, whether or not such day is a Business Day.

"Refunding Bonds" means bonds issued by the District for the CFD, the net proceeds of which are used to refund all or a portion of the then-Outstanding Bonds; provided that the principal and interest on the Refunding Bonds to their final maturity date is less than the principal and interest on the Bonds being refunded to their final maturity date, and the final maturity of the Refunding Bonds is not later than the final maturity of the Bonds being refunded.

"Regulations" means temporary and permanent regulations promulgated under the Tax Code.

"Resolution" or "Resolution of Issuance" has the meaning given that term in the recitals of the Fiscal Agent Agreement.

"Resolution of Formation" means Resolution No. 24-25-12, entitled "A Resolution of Formation of Community Facilities District and Future Annexation Area," adopted by the Governing Board on December 18, 2024, forming the CFD and the Future Annexation Area.

"Resolution of Necessity" means Resolution No. 24-25-13, entitled "A Resolution Determining Necessity to Incur Bonded and Other Indebtedness," adopted by the Governing Board of Trustees on December 18, 2024.

"Responsible Officer" means, when used with respect to the Fiscal Agent, any managing director, president, vice president, senior associate, associate or other officer of the Fiscal Agent within the Office (or any successor corporate trust office) customarily performing functions similar to those performed by the persons who at the time shall be such officers, respectively, or to whom any corporate trust matter is referred at the Office because of such person's knowledge of and familiarity with the particular subject and having direct responsibility for the administration of this Fiscal Agent Agreement.

"S&P" means S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC business, and its successors and assigns.

"Securities Depositories" means DTC and, in accordance with then current guidelines of the Securities and Exchange Commission, such other securities depositories as the District may designate in an Officer's Certificate delivered to the Fiscal Agent.

"Special Tax Account of the Improvement Fund" means the account of that name established under the Fiscal Agent Agreement.

"Special Tax Fund" means the special fund designated "Lammersville Joint Unified School District, Community Facilities District No. 2024-1 (Mountain House - School Facilities), Special Tax Fund" established and administered under the Fiscal Agent Agreement.

"Special Tax Prepayments" means the proceeds of any Special Tax prepayments received by the District, as calculated pursuant to the Rate and Method, less any administrative fees or penalties collected as part of any such prepayment.

"Special Tax Prepayments Account" means the account by that name established within the Bond Fund under the Fiscal Agent Agreement.

"Special Tax Revenues" means the proceeds of the Special Taxes received by the District, including any scheduled payments thereof and any Special Tax Prepayments, interest thereon and proceeds of the redemption or sale of property sold as a result of foreclosure of the lien of the Special Taxes to the amount of said lien and interest thereon, but shall not include any interest in excess of the interest due on the Bonds or any penalties collected in connection with any such foreclosure.

"Special Taxes" means the special taxes that may be levied by the Governing Board within the CFD under the Act, the Ordinance and the Fiscal Agent Agreement

"State" means the State of California.

"Supplemental Agreement" means an agreement the execution of which is authorized by a resolution which has been duly adopted by the District under the Act and which agreement is amendatory of or supplemental to the Fiscal Agent Agreement, but only if and to the extent that such agreement is specifically authorized hereunder.

"Tax Code" means the Internal Revenue Code of 1986 as in effect on the date of issuance of the Bonds or (except as otherwise referenced in the Fiscal Agent Agreement) as it may be amended to apply to obligations issued on the date of issuance of the Bonds, together with applicable temporary and final regulations promulgated, and applicable official public guidance published, under the Tax Code.

"Tax Consultant" means an independent financial or tax consultant retained by the District for the purpose of computing the Special Taxes.

"Term Bonds" means (i) the 2025 Bonds designated as term bonds in the Fiscal Agent Agreement and (ii) other Bonds described as such in a Supplemental Agreement.

"2025 Bonds" means the Bonds so designated and authorized to be issued under the Fiscal Agent Agreement.

"2025 Related Parity Bonds" means any series of Parity Bonds for which (i) the Proceeds are deposited into the 2025 Reserve Fund so that the balance therein is equal to the 2025 Reserve Requirement following issuance of such Parity Bonds and (ii) the related Supplemental Agreement specifies that the 2025 Reserve Fund shall act as a reserve for the payment of the principal of, and interest and any premium on, such series of Parity Bonds.

"2025 Reserve Fund" means the fund designated the "Lammersville Joint Unified School District, Community Facilities District No. 2024-1 (Mountain House School Facilities), Special Tax Bonds, 2025 Reserve Fund" established and administered under the Fiscal Agent Agreement.

"2025 Reserve Requirement" means the amount as of any date of calculation equal to the least of (a) Maximum Annual Debt Service on the 2025 Bonds and 2025 Related Parity Bonds, if any, (b) 125% of average Annual Debt Service on the 2025 Bonds and 2025 Related Parity Bonds, if any and (c) 10% of the outstanding principal of the 2025 Bonds and 2025 Related Parity Bonds, if any; provided, however:

(A) that with respect to the calculation of clause (c), the issue price of the 2025 Bonds or any 2025 Related Parity Bonds excluding accrued interest shall be used rather than the outstanding principal amount, if (i) the net original issue discount or premium of the 2025 Bonds or any 2025 Related Parity Bonds was less than 98% or more than 102% of the original principal amount of the 2025 Bonds or any 2025 Related Parity Bonds and (ii) using the issue price would produce a lower result than using the outstanding principal amount;

(B) that in no event shall the amount calculated hereunder exceed the amount on deposit in the 2025 Reserve Fund on the date of issuance of the 2025 Bonds (if they are the only Bonds covered by the 2025 Reserve Fund) or the most recently issued series of 2025 Related Parity Bonds except in connection with any increase associated with the issuance of 2025 Related Parity Bonds; and

(C) that in no event shall the amount required to be deposited into the 2025 Reserve Fund in connection with the issuance of a series of 2025 Related Parity Bonds exceed the maximum amount under the Tax Code that can be financed with tax-exempt bonds and invested an unrestricted yield.

FUNDS AND ACCOUNTS

The Fiscal Agent Agreement establishes various funds and accounts for the payment of the Bonds, the payment of costs of issuing the bonds, the payment of costs of the Project and the administration of the CFD. Moneys in the funds and accounts must be invested in accordance with the Fiscal Agent Agreement. Unless otherwise specified in the Fiscal Agent Agreement, interest earnings from investment are retained in the funds and accounts to be used for their purposes. The following funds and accounts are established by the Fiscal Agent Agreement:

Costs of Issuance Fund. The Costs of Issuance Fund is held by the Fiscal Agent, in trust for the District and is used by the Fiscal Agent to pay the Costs of Costs of Issuance of the Bonds. The Fiscal Agent will maintain the Costs of Issuance Fund for a period of 90 days from the date of delivery of the Bonds and then shall transfer any moneys remaining in it, including any investment earnings, to the Bond Proceeds Account of the Improvement Fund.

Administrative Expense Fund. The Administrative Expense Fund is held by the Finance Director. Moneys in the Administrative Expense Fund are held in trust by the Finance Director for the benefit of the District and are used to pay Administrative Expense, or a Cost of Issuance and the nature of such Administrative Expenses, or Costs of Issuance. Annually, on the last day of each Fiscal Year, the Finance Director shall withdraw any amounts then remaining in the Administrative Expense Fund that have not been allocated to pay Administrative Expenses incurred but not yet paid, and which are not otherwise encumbered, and transfer such amounts to the Special Tax Fund.

Special Tax Fund. The District will promptly remit any Special Tax Revenues received by it to the Fiscal Agent for deposit by the Fiscal Agent to the Special Tax Fund.

Notwithstanding the foregoing,

(i) Special Tax Revenues in an amount not to exceed the amount included in the Special Tax levy for such Fiscal Year for Administrative Expenses shall be separately identified by the Finance Director and shall be deposited by the Fiscal Agent in the Administrative Expense Fund;

(ii) any Special Tax Revenues constituting the collection of delinquencies in payment of Special Taxes shall be separately identified by the Finance Director and shall be disposed of by the Fiscal Agent first, for transfer to the Bond Fund to pay any past due debt service on the Bonds; second, without preference or priority, for transfer to the 2025 Reserve Fund to the extent needed to increase the amount then on deposit in the 2025 Reserve Fund up to the then Reserve Requirement and for transfer to the reserve account for any Parity Bonds that are not 2025 Related Parity Bonds to the extent needed to increase the amount then on deposit therein to the required level; and third, to be held in the Special Tax Fund for use as described below; and

(iii) any proceeds of Special Tax Prepayments shall be separately identified by the Finance Director and shall be deposited by the Fiscal Agent as follows (as directed in writing by the Finance Director): (a) that portion of any Special Tax Prepayment constituting a prepayment of construction costs (which otherwise could have been included in the proceeds of Parity Bonds) shall be deposited by the Fiscal Agent to the Special Tax Account of the Improvement Fund and (b) the remaining Special Tax Prepayment shall be deposited by the Fiscal Agent in the Special Tax Prepayments Account.

At least 7 Business Days prior to each Interest Payment Date, the Fiscal Agent shall withdraw from the Special Tax Fund and transfer the following amounts in the following order of priority:

(i) to the Bond Fund an amount, taking into account any amounts then on deposit in the Bond Fund and any expected transfers from the Improvement Fund, the 2025 Reserve Fund and any reserve account for Parity Bonds that are not 2025 Related Parity Bonds, any capitalized interest accounts established in the Bond Fund and the Special Tax Prepayments Account to the Bond Fund such that the amount in the Bond Fund equals the principal (including any sinking payment), premium, if any, and interest due on the Bonds on such Interest Payment Date and any past due principal or interest on the Bonds not theretofore paid from a transfer described above, and

(ii) without preference or priority (a) to the 2025 Reserve Fund an amount, taking into account amounts then on deposit in the 2025 Reserve Fund, such that the amount in the 2025 Reserve Fund is equal to the 2025 Reserve Requirement, and (b) to the reserve account for any Parity Bonds that are not 2025 Related Parity Bonds, taking into account amounts then on deposit in the such reserve account, such that the amount in such reserve account is equal to the amount required to be on deposit therein (and in the event that amounts in the Special Tax Fund are not sufficient for the purposes of this paragraph, such amounts shall be applied to the 2025 Reserve Fund and any other reserve accounts ratably based on the then Outstanding principal amount of the Bonds).

Within 15 days after the end of each Bond Year, and after the foregoing transfers have been made, the Fiscal Agent shall transfer all amounts remaining on deposit in the Special Tax Fund to either the Administrative Expense Fund or the Special Tax Account of the Improvement Fund, as directed in an Officer's Certificate.

Moneys in the Special Tax Fund shall be invested and deposited by the Fiscal Agent under Section 6.01. Interest earnings and profits resulting from such investment and deposit shall be retained in the Special Tax Fund to be used for the purposes thereof.

Bond Fund. The Bond Fund is held by the Fiscal Agent. Moneys in the Bond Fund are held by the Fiscal Agent for the benefit of and are subject to a lien in favor of the District and the Owners of the Bonds. Moneys in the Bond Fund shall be disbursed for the payment of the principal of, and interest and any premium on, the Bonds as provided below.

Within the Bond Fund, there is a Capitalized Interest Account and a Prepayments Account. Amounts in the Capitalized Interest Account shall be used to pay interest on the 2025 Bonds.

If the amount in the Bond Fund is not enough to pay the required Debt Service on an Interest Payment Date, the Fiscal Agent withdraws the amount needed from the 2025 Reserve Fund. If there is not enough money in the Bond Fund and the 2025 Reserve Fund to pay the scheduled Debt Service, the Fiscal Agent must 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, if any, and then to payment of principal due on the Bonds by reason of sinking payments.

If at any time 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 Debt Service on the Bonds in a timely manner, the Fiscal Agent shall report that to the Finance Director. The District 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. Any excess moneys remaining in the Bond Fund following the payment of debt service on the Bonds, shall be transferred to the Special Tax Fund.

Moneys in the Special Tax Prepayments Account will be transferred by the Fiscal Agent to the Bond Fund on the next date for which notice of redemption of Bonds can timely be given, and shall be used (together with any other available amounts under the Fiscal Agent Agreement) to redeem Bonds on the selected redemption date.

2025 Reserve Fund. The 2025 Reserve Fund is held by the Fiscal Agent. Moneys in the 2025 Reserve Fund are held by the Fiscal Agent for the benefit of and are subject to a lien in favor of the Owners of the 2025 Bonds and any 2025 Related Parity Bonds. Moneys in the 2025 Reserve Fund are used as a reserve for the payment of principal of, and interest and any premium on, the 2025 Bonds and any 2025 Related Parity Bonds

Except as otherwise provided in the Fiscal Agent Agreement, all amounts deposited in the 2025 Reserve Fund shall be used and withdrawn by the Fiscal Agent solely for the purpose of making transfers to the Bond Fund in the event of any deficiency in the Bond Fund of the amount then required for payment of the principal of, and interest and any premium on, the 2025 Bonds and any 2025 Related Parity Bonds or, in accordance with the provisions of Fiscal Agent Agreement, for the purpose of redeeming 2025 Bonds and any 2025 Related Parity Bonds from the Bond Fund.

Whenever, on or before any Interest Payment Date, or on any other date at the request of the Finance Director, the amount in the 2025 Reserve Fund exceeds the 2025 Reserve Requirement, the Fiscal Agent shall transfer an amount equal to the excess from the 2025 Reserve Fund to the Bond Fund, to be used to pay interest on the 2025 Bonds and any 2025 Related Parity Bonds on the next Interest Payment Date.

Whenever the balance in the 2025 Reserve Fund exceeds the amount required to redeem or pay the Outstanding 2025 Bonds and any 2025 Related Parity Bonds, including interest accrued to the date of payment or redemption and premium, if any, due upon redemption, the Fiscal Agent shall, upon the written request of the Finance Director, transfer any cash or Permitted Investments in the 2025 Reserve Fund to the Bond Fund to be applied, on the redemption date to the payment and redemption of all of the Outstanding 2025 Bonds and any 2025 Related Parity Bonds. In the event that the amount so transferred from the 2025 Reserve Fund to the Bond Fund exceeds the amount required to pay and redeem the Outstanding 2025 Bonds and any 2025 Related Parity Bonds, the balance in the 2025 Reserve Fund shall be transferred to the Finance Director to be used by the District for any lawful purpose.

Notwithstanding the foregoing, no amounts shall be transferred from the 2025 Reserve Fund until after (i) the calculation of any amounts due to the federal government under the rebate provisions of the Fiscal Agent Agreement following payment of the Bonds and withdrawal of any such amount from the 2025 Reserve Fund for purposes of making such payment to the federal government, and (ii) payment of any fees and expenses due to the Fiscal Agent.

Interest earnings and profits on 2025 Reserve Fund investments must be used as required by the District to comply with the rebate covenant in the Fiscal Agent Agreement and shall otherwise be subject to transfer on the Business Day prior to each Interest Payment Date or when otherwise requested in writing by the Finance Director.

The District has the right at any time to direct the Fiscal Agent to release funds from the 2025 Reserve Fund, in whole or in part, by tendering to the Fiscal Agent: (i) a Qualified Reserve Account Credit Instrument, and (ii) an opinion of Bond Counsel stating that neither the release of such funds nor the acceptance of such Qualified Reserve Account Credit Instrument will cause interest on the 2025 Bonds or any 2025 Related Parity Bonds the interest on which is excluded from gross income of the owners thereof for federal income tax purposes to become includable in gross income for purposes of federal income taxation. Upon tender of such items to the Fiscal Agent, and upon delivery by the District to the Fiscal Agent of a written calculation of the amount permitted to be released from the 2025 Reserve Fund (upon which calculation the Fiscal Agent may conclusively rely), the Fiscal Agent shall transfer such funds from the 2025 Reserve Fund to the Bond Proceeds Account of the Improvement Fund to be used for the purposes thereof. The Fiscal Agent shall comply with all documentation relating to a Qualified Reserve Account Credit Instrument as shall be required to maintain such Qualified Reserve Account Credit Instrument in full force and effect and as shall be required to receive payments thereunder in the event and to the extent required to make any payment when and as required under the Fiscal Agent Agreement. Upon the scheduled expiration of any Qualified Reserve Account Credit Instrument, the District shall either (i) replace such Qualified Reserve Account Credit Instrument with a new Qualified Reserve Account Credit Instrument, or (ii) deposit or cause to be deposited with the Fiscal Agent an amount of funds equal to the Reserve Requirement, to be derived from the first available Special Tax Revenues. If the Reserve Requirement is being maintained partially in cash and partially with a Qualified Reserve Account Credit Instrument, the cash shall be first used to meet any deficiency which may exist from time to time in the Bond Fund with respect to the 2025 Bonds and any 2025 Related Parity Bonds. If the Reserve Requirement is being maintained with two or more Qualified Reserve Account Credit Instruments, any draw to meet a deficiency which may exist from time to time in the Bond Fund with respect to the 2025 Bonds and any 2025 Related Parity Bonds shall be pro-rata with respect to each such instrument.

In the event that a Qualified Reserve Account Credit Instrument is available to be drawn upon for only one or more particular series of Bonds, a separate subaccount in the 2025 Reserve Fund may be established for such series, and the calculation of the Reserve Requirement with respect to any 2025 Related Parity Bonds shall exclude the debt service on such issue of 2025 Related Parity Bonds.

The District will have no obligation to replace a Qualified Reserve Account Credit Instrument or to fund the 2025 Reserve Fund with cash if, at any time that the 2025 Bonds are Outstanding, the Qualified Reserve Account Credit Instrument (or its provider) is downgraded or the provider becomes insolvent, if there is an unscheduled termination of the Qualified Reserve Account or if for any reason insufficient amounts are available to be drawn upon under the Qualified Reserve Account Credit Instrument; provided, however, that the District shall reimburse the provider, in accordance with the terms of the Qualified Reserve Account Credit Instrument, for any draws made thereon.

The District and the Fiscal Agent agree to comply with the terms of the Qualified Reserve Account Credit Instrument as shall be required to receive payments thereunder in the event and to the extent required under the Fiscal Agent Agreement.

Improvement Fund. The Improvement Fund is held by the Fiscal Agent in trust for the District and moneys in it are used by the District to pay for the acquisition and/or construction of the Project. The Special Tax Account and the Bond Proceeds Account are established as separate accounts within the Improvement Fund to be held by the Fiscal Agent.

When the Project is completed and all costs have been paid, any remaining moneys in the Improvement Fund will be transferred as directed in the Fiscal Agent Agreement.

DISTRICT COVENANTS

Punctual Payment. The District 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 Fiscal Agent Agreement and any Supplemental Agreement, and it will faithfully observe and perform all of the conditions, covenants and requirements of the Fiscal Agent Agreement and of the Bonds.

No Extension of Time. In order to prevent any accumulation of claims for interest after maturity, the District may 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 may 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 District, such claim for interest so extended or funded shall not be entitled, in case of default under the Fiscal Agent Agreement, to the benefits of the Fiscal Agent 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.

No Encumbrance. The District 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 under the Fiscal Agent Agreement for the benefit of the Bonds, except as permitted by the Fiscal Agent Agreement.

Books and Records. The District will keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the District, in which complete and correct entries are made of all transactions relating to the expenditures from the Administrative Expense Fund, the Special Tax Fund and to the Special Tax Revenues. Such books of record and accounts will 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.

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 must be made of all transactions relating to the expenditure of amounts disbursed from the Costs of Issuance Fund Bond Fund (and any capitalized interest accounts therein), the 2025 Reserve Fund and the Improvement Fund. Such records and accounts must at all times during business hours be subject to the inspection of the District and the Owners of not less than 10% of the principal amount of the Bonds then Outstanding, or their representatives.

Levy and Collection of Special Taxes. The Finance Director shall effect the levy of the Special Taxes each Fiscal Year in accordance with the Ordinance by each August 1 that the Bonds are outstanding, or otherwise such that the computation of the levy is complete before the final date on which Auditor will accept the transmission of the Special Tax amounts for the parcels within the CFD for inclusion on the next real property tax roll. Upon the completion of the computation of the amounts of the levy, the Finance Director shall prepare or cause to be prepared, and shall transmit to the Auditor, such data as the Auditor requires to include the levy of the Special Taxes on the next real property tax roll.

The Finance Director shall fix and levy no less than the amount of Special Taxes within the CFD required for the payment of principal of and interest on any outstanding Bonds of the CFD becoming due and payable during the ensuing year, including any necessary replenishment or expenditure of the 2025 Reserve Fund and any other reserve account for Parity Bonds that are not 2025 Related Parity Bonds, an amount estimated to be sufficient to pay the Administrative Expenses during such year, and an amount for the other elements of the Special Tax Requirement (as defined in the Rate and Method), taking into account the balances in such funds and in the Special Tax Fund. 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 time and in the same proportionate amounts and bear the same proportionate penalties and interest after delinquency as do the ad valorem taxes on real property. However, under the Ordinance, the District may, by resolution, provide for any other appropriate method of collection of the Special Taxes, including direct billing to property owner.

As provided in the Fiscal Agent Agreement, delinquent Special Taxes are subject to judicial foreclosure to recover such Special Taxes and costs of collection. The proceeds of such foreclosure are to be credited to the 2025 Reserve Fund and to the Bond Fund, after the payment of costs.

Covenant to Foreclose. Under the Act, the District covenants in the Fiscal Agent Agreement with and for the benefit of the Owners of the Bonds that it will order, and cause to be commenced as provided in the Fiscal Agent Agreement, and thereafter diligently prosecute to judgment (unless such delinquency is theretofore brought current), an action in the superior court to foreclose the lien of any Special Tax or installment thereof not paid when due as provided in the following two paragraphs. The Finance Director shall notify the District Counsel of any such delinquency of which the Finance Director is aware, and the District Counsel shall commence, or cause to be commenced, such proceedings.

On or about March 30 and June 30 of each Fiscal Year, the Finance Director shall compare the amount of Special Taxes theretofore levied in the CFD to the amount of Special Tax Revenues theretofore received by the District, and:

(A) *Individual Delinquencies*. If the Finance Director determines that any single parcel subject to the Special Tax in the CFD is delinquent in the payment of four or more installments of Special Taxes, then the Finance Director shall send or cause to be sent a notice of delinquency (and a demand for immediate payment thereof) to the property owner within 45 days of such determination, and (if the delinquency remains uncured) foreclosure proceedings shall be commenced by the District within 90 days of such determination. Notwithstanding the foregoing, the Finance Director may defer any such actions with respect to a delinquent parcel if (1) the CFD is then participating in the Alternative Method of Distribution of Tax Levies and Collections described in Revenue & Taxation Code Section 4701 et seq., or an equivalent procedure, (2) the amount in the 2025 Reserve Fund is at least equal to the 2025 Reserve Requirement, (3) the amount in the reserve account for any Parity Bonds that are not 2025 Related Parity Bonds is at least equal to the required amount and (4) the subject parcel is not delinquent with respect to more than $5,000 of Special Taxes.

(B) *Aggregate Delinquencies*. If the Finance Director determines that (i) the total amount of delinquent Special Tax for the prior Fiscal Year for the entire CFD (including the total of delinquencies under subsection (A) above), exceeds 5% of the total

Special Tax due and payable for the prior Fiscal Year, or (ii) there are 10 or fewer owners of real property within the CFD, determined by reference to the latest available secured property tax roll of the County, the Finance Director shall notify or cause to be notified property owners who are then delinquent in the payment of Special Taxes (and demand immediate payment of the delinquency) within 45 days of such determination, and shall commence foreclosure proceedings within 90 days of such determination against each parcel of land in the CFD with a Special Tax delinquency.

(C) *Individual Owner Delinquencies*. As to any owner of more than one parcel within the CFD of the Community Facilities District, if the Finance Director determines that the aggregate amount of delinquent Special Taxes for all preceding tax years on all parcels owned by such owner (whether such parcels are owned solely by such owner or jointly by such owner and one or more others) exceeds $10,000, then the Finance Director shall send or cause to be sent a notice of delinquency (and a demand for immediate payment thereof) to the property owner within 45 days of such determination, and (if the delinquency remains uncured) shall commence foreclosure proceedings within 90 days of such determination, regardless of when such delinquencies occurred.

The Finance Director and the District Counsel, as applicable, are authorized to employ counsel to conduct any such foreclosure proceedings. The fees and expenses of any such counsel (including a charge for District staff time) in conducting foreclosure proceedings shall be an Administrative Expense hereunder.

INVESTMENTS

Moneys in any fund or account under the Fiscal Agent Agreement must be invested in Permitted Investments, as directed by the District. In the absence of any direction by the District, the Fiscal Agent will hold the funds uninvested. 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 Fiscal Agent Agreement for transfer of interest earnings and profits resulting from investment of amounts in funds and accounts. Whenever in the Fiscal Agent Agreement any moneys are required to be transferred by the District to the Fiscal Agent, such transfer may be accomplished by transferring a like amount of Permitted Investments.

The Fiscal Agent and its affiliates or the Finance Director may act as sponsor, advisor, depository, principal or agent in the acquisition or disposition of any investment. Neither the Fiscal Agent nor the Finance Director shall incur any liability for losses arising from any investments made pursuant to the Fiscal Agent Agreement. The Fiscal Agent will not be required to determine the legality or suitability of any investments.

Except as otherwise provided in the next sentence, all investments of amounts deposited in any fund or account created by or pursuant to the Fiscal Agent Agreement, or otherwise containing gross proceeds of the Bonds (within the meaning of Section 148 of the Tax Code) shall be acquired, disposed of, and valued (as of the date that valuation is required by the Fiscal Agent Agreement or the Act) at Fair Market Value. Investments in funds or accounts (or portions thereof) that are subject to a yield restriction under the applicable provisions of Code and (unless valuation is undertaken at least annually) investments in the 2025 Reserve Fund shall be valued at their present value (within the meaning of section 148 of the Tax Code).

Investments in the funds and accounts may be commingled in a separate fund or funds for purposes of making, holding and disposing of investments, provided that the Fiscal Agent or the Finance Director, as applicable, shall at all times account for such investments in accordance with the funds and accounts to which they are credited and otherwise as provided in the Fiscal Agent Agreement. The Fiscal Agent or the Finance Director, as applicable, shall sell at Fair Market Value, 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 Finance Director shall be liable or responsible for any loss resulting from the acquisition or disposition of such investment security in accordance with the Fiscal Agent Agreement.

DISTRICT LIABILITY

The District shall not incur any responsibility for the Bonds or the Fiscal Agent Agreement other than for the duties or obligations assigned to or imposed upon it. The District shall not be liable in the performance of its duties under the Fiscal Agent Agreement, except for its own gross negligence or willful default. The District shall not be bound to ascertain or inquire as to the performance or observance of any of the terms, conditions, covenants or agreements of the Fiscal Agent in the Fiscal Agent Agreement or of any of the documents executed by the Fiscal Agent in connection with the Bonds, or as to the existence of a default or event of default thereunder.

In the absence of bad faith, the District, including the Finance Director, 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 District and conforming to the requirements of the Fiscal Agent Agreement. The District, including the Finance Director, shall not be liable for any error of judgment made in good faith unless it shall be proved that it was negligent in ascertaining the pertinent facts.

No provision of the Fiscal Agent Agreement shall require the District to expend or risk its own general funds or otherwise incur any financial liability (other than with respect to the Special Tax Revenues) in the performance of any of its obligations under the Fiscal Agent 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 District and the Finance Director may rely and shall be protected in acting or refraining from acting upon any notice, resolution, request, consent, order, certificate, report, 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. The District may consult with counsel, who may be the District Attorney, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it under the Fiscal Agent Agreement in good faith and in accordance therewith.

In order to perform its duties and obligations hereunder, the District may employ such persons or entities as it deems necessary or advisable. The District shall not be liable for any of the acts or omissions of such persons or entities employed by it in good faith hereunder, and shall be entitled to rely, and shall be fully protected in doing so, upon the opinions, calculations, determinations and directions of such persons or entities.

The District shall not be bound to recognize any person as the Owner of a Bond unless and until such Bond is submitted for inspection, if required, and their title thereto satisfactory established, if disputed.

THE FISCAL AGENT

The Fiscal Agent undertakes to perform such duties, and only such duties, as are specifically set forth in the Fiscal Agent Agreement, and no implied covenants or obligations shall be read into the Fiscal Agent Agreement against the Fiscal Agent.

Any company into which the Fiscal Agent may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Fiscal Agent may sell or transfer all or substantially all of its corporate trust business, provided such company shall be eligible under the following paragraph, shall be the successor to such Fiscal Agent without the execution or filing of any paper or any further act.

The District may remove the Fiscal Agent initially appointed, and any successor thereto, and may appoint a successor or successors thereto, but any such successor shall be a bank or trust company having a combined capital (exclusive of borrowed capital) and surplus of at least $100,000,000, and be subject to supervision or examination by federal or state authority. If such bank or trust company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then the combined capital and surplus of such bank or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

The Fiscal Agent may at any time resign by giving written notice to the District and by giving to the Owners notice by email or mail of such resignation. Upon receiving notice of such resignation, the District shall promptly appoint a successor Fiscal Agent by an instrument in writing. Any resignation or removal of the Fiscal Agent shall become effective upon acceptance of appointment by the successor Fiscal Agent.

If no appointment of a successor Fiscal Agent shall be made within 45 days after the Fiscal Agent shall have given to the District written notice or after a vacancy in the office of the Fiscal Agent shall have occurred by reason of its inability to act, the Fiscal Agent or any Owner may apply to any court of competent jurisdiction to appoint a successor Fiscal Agent. Said court may thereupon, after such notice, if any, as such court may deem proper, appoint a successor Fiscal Agent.

If the Fiscal Agent is rendered unable to perform its duties under the Fiscal Agent Agreement, all such duties and all of the rights and powers of the Fiscal Agent thereunder shall be assumed by and vest in the Finance Director of the District in trust for the benefit of the Owners. The District covenants for the direct benefit of the Owners that its Finance Director in such case shall be vested with all of the rights and powers of the Fiscal Agent under the Fiscal Agent Agreement, and shall assume all of the responsibilities and perform all of the duties of the Fiscal Agent thereunder, in trust for the benefit of the Owners of the Bonds. In such event, the Finance Director may designate a successor Fiscal Agent qualified to act as Fiscal Agent thereunder.

The recitals of facts, covenants and agreements in the Fiscal Agent Agreement and in the Bonds contained shall be taken as statements, covenants and agreements of the District, 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 Fiscal Agent Agreement or of the Bonds, or shall incur any responsibility in respect thereof, other than in connection with the duties or obligations in the Fiscal Agent 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 Fiscal Agent 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 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 Fiscal Agent 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 Fiscal Agent 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 Fiscal Agent Agreement at the request or direction of any of the Owners in connection with a default or event of default pursuant to the Fiscal Agent 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 may become the owner of the Bonds with the same rights it would have if it were not the Fiscal Agent.

In no event shall the Fiscal Agent be liable for incidental, punitive, indirect, special or consequential loss or damages of any kind whatsoever (including, but not limited to, loss of profit) irrespective of whether the Fiscal Agent has been advised of the likelihood of such loss or damage and regardless of the form of action, in connection with or arising from the Fiscal Agent Agreement.

The Fiscal Agent may rely and shall be protected in acting or refraining from acting upon any notice, resolution, request, consent, order, certificate, report, 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. The Fiscal Agent may consult with counsel, who may be counsel to the District, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it under the Fiscal Agent Agreement in good faith and in accordance therewith.

The Fiscal Agent shall not be bound to recognize any person as the Owner of a Bond unless and until such Bond is submitted for inspection, if required, and his title thereto satisfactorily established, if disputed.

Whenever in the administration of its duties under the Fiscal Agent Agreement the Fiscal Agent shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under the Fiscal Agent Agreement, such matter (unless other evidence in respect thereof be in the Fiscal Agent Agreement specifically prescribed) may, in the absence of willful misconduct on the part of the Fiscal Agent, be deemed to be conclusively proved and established by an Officer's Certificate, and such certificate shall be full warrant to the Fiscal Agent for any action taken or suffered under the provisions of the Fiscal Agent Agreement or any Supplemental Agreement upon the faith thereof, but in its discretion the Fiscal Agent may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable.

The District shall pay to the Fiscal Agent from time to time reasonable compensation for all services rendered as Fiscal Agent under the Fiscal Agent 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 Fiscal Agent Agreement, but the Fiscal Agent shall not have a lien therefor on any funds at any time held by it under the Fiscal Agent Agreement. The District 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 liabilities which it may incur in the exercise and performance of its powers and duties thereunder which are not due to its negligence or willful misconduct. The obligation of the District under this paragraph shall survive resignation or removal of the Fiscal Agent under the Fiscal Agent Agreement and payment of the Bonds and discharge of the Fiscal Agent Agreement, but any monetary obligation of the District arising under this paragraph shall be limited solely to amounts on deposit in the Administrative Expense Fund.

AMENDMENT

The Fiscal Agent Agreement and the rights and obligations of the District 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 Fiscal Agent 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 District 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 District 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 Fiscal Agent Agreement), or reduce the percentage of Bonds required for the amendment of the Fiscal Agent Agreement. Any such amendment may not modify any of the rights or obligations of the Fiscal Agent without its written consent.

The Fiscal Agent Agreement and the rights and obligations of the District 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 District in the Fiscal Agent Agreement contained, other covenants and agreements thereafter to be observed, or to limit or surrender any right or power in the Fiscal Agent Agreement reserved to or conferred upon the District;

(B) to make modifications not adversely affecting any Outstanding Bonds in any material respect including, but not limited to, amending the Rate and Method, so long as the amendment does not result in debt service coverage less than that set forth in the Fiscal Agent 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 Fiscal Agent Agreement, or in regard to questions arising under the Fiscal Agent Agreement, as the District or the Fiscal Agent may deem necessary or desirable and not inconsistent with the

Fiscal Agent Agreement, and which shall not adversely affect the rights of the Owners of the Bonds;

(D) to make such additions, deletions or modifications as may be necessary or desirable to assure exemption from gross federal income taxation of interest on the Bonds; and

(E) in connection with the issuance of any Parity Bonds under and pursuant to the Fiscal Agent Agreement.

DISCHARGE

If the District 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 paying or causing to be paid the principal of, and interest and any premium on, such Bonds Outstanding, as and when the same become due and payable;

(B) by depositing with the Fiscal Agent, in trust, at or before maturity, money which, together with the amounts then on deposit in the funds and accounts provided for in the Bond Fund, the 2025 Reserve Fund or any reserve account for any Parity Bonds that are not 2025 Related Parity Bonds (as applicable), is fully sufficient to pay such Bonds Outstanding, including all principal, interest and redemption premiums; or

(C) by irrevocably depositing with the Fiscal Agent, in trust, cash and/or Federal Securities in such amount as the District shall determine, as confirmed by an independent certified public accountant, will, together with the interest to accrue thereon and moneys then on deposit in the fund and accounts provided for in the Bond Fund, the 2025 Reserve Fund or any reserve account for any Parity Bonds that are not 2025 Related Parity Bonds (to the extent invested in Federal Securities), 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.

If the District shall have taken any of the actions specified in (A), (B) or (C) above, and if such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given as in the Fiscal Agent 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 District, 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 Fiscal Agent Agreement and all other obligations of the District under the Fiscal Agent Agreement with respect to such Bonds Outstanding shall cease and terminate. Notice of such election shall be filed with the Fiscal Agent.

Notwithstanding the foregoing, the following obligations and pledges of the District shall continue in any event: (i) the obligation of the District to pay or cause to be paid to the Owners of the Bonds not so surrendered and paid all sums due thereon, (ii) the obligation of the District to pay amounts owing to the Fiscal Agent pursuant to the Fiscal Agent Agreement, and (iii) the obligation of the District to assure that no action is taken or failed to be taken if such action or failure adversely affects the exclusion of interest on the Bonds from gross income for federal income tax purposes.

Upon compliance by the District with the foregoing with respect to such Bonds Outstanding, any funds held by the Fiscal Agent after payment of all fees and expenses of the Fiscal Agent, which are not required for the purposes of the preceding paragraph, shall be paid over to the District and any Special Taxes thereafter received by the District shall not be remitted to the Fiscal Agent but shall be retained by the District to be used for any purpose permitted under the Act and the Resolution of Formation.

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APPENDIX D

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 trustee, fiscal agent or paying agent appointed with respect to the Securities (the "Agent") takes any responsibility for the information contained in this Appendix.

No assurances can be given that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the Securities, (b) certificates representing ownership interest in or other confirmation or ownership interest in the Securities, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Securities, or that they will so do on a timely basis, or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Appendix. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "Procedures" of DTC to be followed in dealing with DTC Participants are on file with DTC.

1. The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the securities (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for each issue of the Securities, each in the aggregate principal amount of such issue, and will be deposited with DTC. If, however, the aggregate principal amount of any issue exceeds $500 million, one certificate will be issued with respect to each $500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.

2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the

DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com. *The information contained on this Internet site is not incorporated herein by reference.*

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from Issuer or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to Issuer or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

10. Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

11. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that Issuer believes to be reliable, but Issuer takes no responsibility for the accuracy thereof.

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APPENDIX E

FORM OF
DISTRICT CONTINUING DISCLOSURE CERTIFICATE

$__________
LAMMERSVILLE JOINT UNIFIED SCHOOL DISTRICT
COMMUNITY FACILITIES DISTRICT NO. 2024-1
(MOUNTAIN HOUSE SCHOOL FACILITIES)
SPECIAL TAX BONDS, SERIES 2025

This District Continuing Disclosure Certificate (this "Disclosure Certificate") is executed and delivered by the Lammersville Joint Unified School District (the "District") in connection with the issuance of the bonds captioned above (the "2025 Bonds"). The 2025 Bonds are being issued pursuant to a Fiscal Agent Agreement dated as of July 1, 2025 (the "Fiscal Agent Agreement"), by and between the District and The Bank of New York Mellon Trust Company, N.A., as fiscal agent (the "Fiscal Agent"). The District hereby covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the District for the benefit of the holders and beneficial owners of the 2025 Bonds and in order to assist the Participating Underwriter in complying with Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission.

Section 2. Definitions. In addition to the definitions set forth above and in the Fiscal Agent Agreement, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"*Annual Report*" means any Annual Report provided by the District pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"*Annual Report Date*" means the date that is eight months after the end of the District's fiscal year (currently March 1 based on the District's fiscal year end of June 30).

"*Community Facilities District*" means Lammersville Joint Unified School District Community Facilities District No. 2024-1 (Mountain House Schools Facilities).

"*Dissemination Agent*" means Goodwin Consulting Group, Inc., or any successor Dissemination Agent designated in writing by the District and which has filed with the District 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.

"*Official Statement*" means the final official statement dated _______, 2025, executed by the District in connection with the issuance of the 2025 Bonds.

"*Participating Underwriter*" means Stifel, Nicolaus & Company, Incorporated, the original underwriter of the 2025 Bonds required to comply with the Rule in connection with offering of the 2025 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 District shall, or shall cause the Dissemination Agent to, not later than the Annual Report Date, commencing March 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 District shall provide the Annual Report to the Dissemination Agent (if other than the District). If by the Annual Report Date the Dissemination Agent (if other than the District) has not received a copy of the Annual Report, the Dissemination Agent shall contact the District to determine if the District 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 District 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 District's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(b).

(b) If the District does not provide, or cause the Dissemination Agent to provide, an Annual Report by the Annual Report Date as required in subsection (a) above, the Dissemination Agent shall provide a notice to the MSRB, in a timely manner, in an electronic format as prescribed by the MSRB.

(c) The Dissemination Agent shall:

(i) determine each year prior to the 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 District, file a report with the District and the Participating Underwriter 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 District's Annual Report shall contain or incorporate by reference the following documents and information:

(a) The District's audited financial statements for the most recently completed fiscal year, 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, together with the following statement:

THE DISTRICT'S ANNUAL FINANCIAL STATEMENT IS PROVIDED SOLELY TO COMPLY WITH THE SECURITIES EXCHANGE COMMISSION STAFF'S INTERPRETATION OF RULE 15c2-12. NO FUNDS OR ASSETS OF THE DISTRICT OR THE COMMUNITY FACILITIES DISTRICT, OTHER THAN SPECIAL TAX REVENUES, ARE REQUIRED TO BE USED TO PAY DEBT SERVICE ON THE 2025 BONDS, AND NEITHER THE DISTRICT NOR THE COMMUNITY FACILITIES DISTRICT IS OBLIGATED TO ADVANCE AVAILABLE FUNDS

TO COVER ANY DELINQUENCIES. INVESTORS SHOULD NOT RELY ON THE FINANCIAL CONDITION OF THE DISTRICT OR THE SCHOOL DISTRICT IN EVALUATING WHETHER TO BUY, HOLD OR SELL THE 2025 BONDS.

(b) To the extent not included in the audited financial statements, the following information:

(i) Total assessed value (per the San Joaquin County Assessor's records) of all parcels currently subject to the Special Tax within the Community Facilities District, showing the total secured assessed valuation for all property subject to the Special Tax.

(ii) The total dollar amount of delinquencies, if any, in the Community Facilities District as of August 1 of the prior calendar year and, if the total delinquencies within the Community Facilities District as of August 1 in the prior calendar year exceed 5% of the Special Tax for the previous fiscal year, delinquency information for each parcel responsible for more than $5,000 in the payment of Special Tax, amounts of delinquencies, length of delinquency and status of any foreclosure of each such parcel.

(iii) The amount of prepayments of the Special Tax for the prior Fiscal Year.

(iv) The principal amount of the 2025 Bonds outstanding and the balance in the Reserve Fund (along with a statement of the Reserve Fund Reserve Requirement) as of the September 30 next preceding the Annual Report Date, including the issuance date and principal amount of any additional bonds or obligations issued under the Fiscal Agent Agreement on a parity with the 2025 Bonds.

(v) An updated table in substantially the form of the table in the Official Statement entitled "Table 3, Merchant Builders and Development Status by Neighborhood and Share of Projected Special Taxes," as shown on the San Joaquin County Assessor's last equalized tax roll prior to the September next preceding the Annual Report Date.

(vi) An updated table in substantially the form of the table in the Official Statement entitled "Table 6A, Appraised Values and Value-to-Debt Ratios by Neighborhood" based upon the most recent equalized tax roll prior to the September next preceding the Annual Report Date, but replacing appraised values for assessed values and excluding all overlapping debt information.

(vii) An updated table in substantially the form of the table in the Official Statement entitled "Table 6C, Summary Value to Lien Ratios Allocated by Value-to-Debt Category," based upon the most recent equalized tax roll prior to the September next preceding the Annual Report Date, but replacing appraised values for assessed values and excluding all overlapping debt information.

(viii) Any changes to the Rate and Method of Apportionment of Special Tax for the Community Facilities District set forth in Appendix B to the Official Statement.

(ix) A copy of the most recent annual information required to be filed by the District with the California Debt and Investment Advisory Commission pursuant to the Act and relating generally to outstanding Community Facilities District bond amounts, fund balances, assessed values, special tax delinquencies and foreclosure information.

(c) In addition to any of the information expressly required to be provided under paragraph (b) above, the District shall provide such further information, if any, as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

(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 District 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 District shall clearly identify each such other document so included by reference.

Section 5. <u>Reporting of Significant Events</u>.

(a) The District shall give, or cause to be given, notice of the occurrence of any of the following Listed Events with respect to the 2025 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 District.

(13) The consummation of a merger, consolidation, or acquisition involving the District, or the sale of all or substantially all of the assets of the District (other than in the ordinary course of business), the entry into a definitive agreement to undertake such an action, or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.

(14) Appointment of a successor or additional fiscal agent or the change of name of the fiscal agent, if material.

(15) Incurrence of a financial obligation of the District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District, 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 District, any of which reflect financial difficulties (for the definition of "financial obligation," see clause (e)).

(b) Whenever the District obtains knowledge of the occurrence of a Listed Event, the District shall, or shall cause the Dissemination Agent (if not the District) 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) 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 District 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 2025 Bonds. The District 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 District obtains knowledge of the occurrence of any of these Listed Events, the District 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 District 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 District 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 District, 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 District.

(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 under the Disclosure Certificate shall be accompanied by identifying information as prescribed by the MSRB.

Section 7. Termination of Reporting Obligation. The District's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the 2025 Bonds. If such termination occurs prior to the final maturity of the 2025 Bonds, the District shall give notice of such termination in the same manner as for a Listed Event under Section 5(b).

Section 8. Dissemination Agent. The District 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 such Agent, with or without appointing a successor Dissemination Agent. The initial Dissemination Agent will be Goodwin Consulting Group, Inc.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the District 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 2025 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 2025 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 2025 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 the Fiscal Agent or nationally recognized bond counsel, materially impair the interests of the holders or beneficial owners of the 2025 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 financial information 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 the undertaking specifying the accounting principles to be followed in preparing financial statements, the annual financial information 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 District to meet its obligations. To the extent reasonably feasible, the comparison shall be quantitative. A notice of the change in the accounting principles shall be filed in the same manner as for a Listed Event under Section 5(c).

Section 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the District 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 District 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 District 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. In the event of a failure of the District to comply with any provision of this Disclosure Certificate, the Participating Underwriter or any holder or beneficial owner of the 2025 Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District 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 District to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the District agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the 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 hereunder and shall not be deemed to be acting in any fiduciary capacity for the District, the Property Owner, the Fiscal Agent, the Bond owners or any other party. The obligations of the District under this Section shall survive resignation or removal of the Dissemination Agent and payment of the 2025 Bonds.

Section 13. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the District, the Fiscal Agent, the Dissemination Agent, the Participating Underwriter and holders and beneficial owners from time to time of the 2025 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.

Date: _________, 2025

LAMMERSVILLE JOINT UNIFIED SCHOOL DISTRICT

By: ______________________________________
Dr. Kirk Nicholas,
Superintendent

AGREED AND ACCEPTED:
Goodwin Consulting Group, Inc.,
as Dissemination Agent

By: ______________________________
Name: ____________________________
Title: _____________________________

APPENDIX F

FORM OF
DEVELOPER CONTINUING DISCLOSURE CERTIFICATE

$__________
LAMMERSVILLE JOINT UNIFIED SCHOOL DISTRICT
COMMUNITY FACILITIES DISTRICT NO. 2024-1
(MOUNTAIN HOUSE SCHOOL FACILITIES)
SPECIAL TAX BONDS, SERIES 2025

THIS DEVELOPER CONTINUING DISCLOSURE CERTIFICATE (this "Disclosure Certificate") dated as of __________, 2025, is executed and delivered by Lennar Homes of California, LLC, a California limited liability company (the "Developer") connection with the execution and delivery of the bonds captioned above (the "Bonds"). The Bonds are being executed and delivered pursuant to a Fiscal Agent Agreement dated as of July 1, 2025 (the "Fiscal Agent Agreement"), by and between the Lammersville Joint Unified School District (the "School District") and the Bank of New York Mellon Trust Company, N.A., as fiscal agent (the "Fiscal Agent"). The Developer covenants and agrees as follows:

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

Section 2. Definitions. In addition to the definitions set forth herein and in the Fiscal Agent Agreement, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Disclosure Certificate, the following capitalized terms shall have the following meanings:

"Affiliate" means with respect to the Developer, means any other Person (i) who directly, or indirectly through one or more intermediaries, is currently controlling, controlled by or under common control with the Developer, and (ii) for whom information, including financial information or operating data, concerning such Person is material to potential investors in their evaluation of the Community Facilities District and investment decision regarding the Bonds (i.e., information regarding such Person's assets or funds that would materially affect the Developer's ability to develop the Property as described in the Official Statement or to pay its Special Taxes on the Property (to the extent the responsibility of the Developer) prior to delinquency). For purposes hereof, the term "control" (including the terms "controlling," "controlled by" or "under common control with") means the present possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise. The Lennar Land Banks are not Affiliates of the Developer.

"Assumption Agreement" means an undertaking of a Major Owner, or an Affiliate thereof, for the benefit of the holders and beneficial owners of the Bonds containing terms substantially similar to this Disclosure Certificate (as modified for such Major Owner's development and financing plans with respect to the Community Facilities District), whereby such Major Owner or Affiliate agrees to provide Periodic Reports and notices of significant events, setting forth the information described in sections 4 and 5 hereof, respectively, with respect to the portion of the property in the Community Facilities District owned by such Major Owner and its Affiliates and, at the option of the Developer or such Major Owner, agrees to indemnify the Dissemination Agent (if any) pursuant to a provision substantially in the form of Section 11 hereof. As set forth in Section 6(b), the sale of property to a Major Owner shall not require the execution of an Assumption Agreement if such Major Owner is already a party to a continuing disclosure certificate in form and substance similar to this Disclosure Certificate with respect to the Bonds, and under which the property conveyed to such Major Owner will become subject to future Semi-Annual Reports.

In addition, the conveyance of property from the Lennar Land Banks to the Developer under the Option Agreements is subject to this Disclosure Certificate and shall not require the Developer to enter into an Assumption Agreement.

"Community Facilities District" means Lammersville Joint Unified School District Community Facilities District No. 2024-1 (Mountain House Schools Facilities).

"Dissemination Agent" means the entity acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the Developer and which has filed with the Developer, the School District, 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. The Initial Dissemination Agent is the Developer.

"EMMA" means the Municipal Securities Rulemaking Board's Electronic Municipal Market Access System for municipal securities disclosures, maintained on the Internet at http://emma.msrb.org/.

"Lennar Land Banks" means, collectively, AG EHC II (LEN) CA 2, L.P., a Delaware limited partnership, and AG EHC II (LEN) CA 4B, L.P., a Delaware limited partnership, the land banks for the Developer pursuant to the Option Agreements.

"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 the Person's Affiliates, owns, or has under option, more than 224 taxable parcels in the Community Facilities District. During the term of the Option Agreements, the Lennar Land Banks shall not be considered a Major Owner.

"Official Statement" means the final official statement dated __________, 2025, related to the issuance of the Bonds.

"Option Agreements" means, collectively, the Option Agreement (Mountain House 2, California) and the Option Agreement (Mountain House 3, California), each dated August 22, 2023, entered between Developer and AG EHC II (LEN) CA 2, L.P., as amended and assigned and as they may be amended from time to time.

"Participating Underwriter" means Stifel, Nicolaus & Company, Incorporated, the original underwriter of the Bonds.

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

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

"Property" means the real property in the Community Facilities District that is owned by (i) the Developer, (ii) any Affiliate of the Developer, (iii) the Lennar Land Banks (during the term of the Option Agreements), and (iv) the property in the Community Facilities District that the Developer sold to a Major Owner who has not assumed the undertakings of this Disclosure Certificate under Section 6(b) that is owned by such Major Owner. For avoidance of doubt, any parcel that is exempt from the Special Taxes shall not be considered Property for purposes of this Disclosure Certificate.

"Report Date" means April 1 and October 1 of any fiscal year. If, in any year, the Report Date falls on a Saturday, Sunday, or a holiday, such Report Date shall be extended to the next following day that is not a Saturday, Sunday, or holiday.

"School District" means the Lammersville Joint Unified School District.

"Special Taxes" means the special taxes levied on taxable property in the Community Facilities District.

Section 3. Provision of Periodic Reports.

(a) So long as the Developer's obligations under this Disclosure Certificate have not been terminated pursuant to Section 6 below, the Developer shall, or, upon written direction of the Developer the Dissemination Agent shall, not later than the Report Date, commencing October 1, 2025, file or cause to be filed with EMMA 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 School District. Not later than 15 calendar days prior to the Report Date, the Developer shall provide the Periodic Report to the Dissemination Agent (if different from the Developer). The Developer shall provide a written certification with (or included as a part of) each Periodic Report furnished to the Dissemination Agent (if different from the Developer), the Participating Underwriter and the School District to the effect that such Periodic Report constitutes the Periodic Report required to be furnished by it under this Disclosure Certificate. The Dissemination Agent, the Participating Underwriter and the School District may conclusively rely upon such certification of the Developer and shall have no duty or obligation to review the Periodic Report. The Periodic Report may be submitted as a single document or as separate documents comprising a package and may incorporate by reference other information as provided in Section 4 of this Disclosure Certificate.

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

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

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

In addition to any of the information expressly required to be provided in Exhibit A, the Developer's Periodic Report shall include such further information, if any, as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

Section 5. Reporting of Significant Events.

(a) So long as the Developer's obligations under this Disclosure Certificate have not been terminated pursuant to Section 6 below, the Developer shall give, or cause to be given, notice of the occurrence of any of the following Listed Events with respect to itself or the Property, if material:

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

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

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

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

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

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

Section 6. Duration of Reporting Obligation.

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

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

(ii) at such time as the Developer is no longer a Major Owner and is no longer obligated hereunder as to any other Major Owner, including the Land Banks (in the event either Option Agreement is terminated and either Land Bank is then a Major Owner) pursuant to subsection (b) below, or

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

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

(b) The Developer's obligations hereunder shall terminate with respect to any portion of the Property on the date such portion of the Property is sold to a Person that is not a Major Owner. If any portion of the Property is sold to a Major Owner or if the Option Agreements are terminated and either Lennar Land Bank would be a Major Owner, the Developer shall remain obligated hereunder with respect to such Property unless the obligations have been assumed by the Major Owner or such Lennar Land Bank (if such Lennar Land Bank is then a Major Owner), as applicable, pursuant to an Assumption Agreement. The Developer's obligations under this Disclosure Certificate with respect to a Major Owner or the Lennar Land Banks (if either Option Agreement is terminated and either Lennar Land Bank is then a Major Owner) that has not executed an Assumption Agreement shall terminate upon the earlier to occur of (i) the date on which the Developer's obligations with respect to such Major Owner or the Lennar Land Banks are assumed under an Assumption Agreement entered into pursuant to this Section 6(b), or (ii) the date on which the Major Owner or either Lennar Land Bank is no longer considered a Major Owner. The Developer shall provide a copy of the executed Assumption Agreement to the School District 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 Semi-Annual Reports. In addition, the conveyance of property from the Lennar Land Banks to the Developer under the Option Agreements is subject to this Disclosure Certificate and shall not require the Developer to enter into an Assumption Agreement.

Section 7. Dissemination Agent. The Developer may, from time to time, appoint or engage a Dissemination Agent to assist the Developer in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The initial Dissemination Agent shall be the Developer. The Dissemination Agent may resign by providing thirty days' written notice to the School District, the Participating Underwriter and the Developer. The acquisition of any portion of the Property by the Developer pursuant to the Option Agreements shall not require any assumption by the Developer.

Section 8. No Amendment. The Developer may not amend this Disclosure Certificate.

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

Section 10. Default. In the event of a failure of the Developer to comply with any provision of this Disclosure Certificate, the Participating Underwriter and any holder or beneficial owner of the Bonds may, take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Developer to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the

Fiscal Agent Agreement, and the sole and exclusive remedy under this Disclosure Certificate in the event of any failure of the Developer to comply with this Disclosure Certificate shall be an action to compel performance. Neither the Developer nor the Dissemination Agent shall have any liability to any holder or beneficial owner of the Bonds or any other party for monetary damages or financial liability of any kind whatsoever arising from or relating to this Disclosure Certificate.

Section 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the Developer agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents (each, an "Indemnified Party"), harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the reasonable costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding loss, liabilities, costs and expenses due to an Indemnified Party's negligence or willful misconduct or failure to perform its duties hereunder. The Dissemination Agent (if other than the Developer) shall be paid compensation for its services provided hereunder in accordance with its schedule of fees as amended from time to time, which schedule, as amended, shall be reasonably acceptable, and all reasonable expenses, reasonable legal fees and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder. The Dissemination Agent shall have no duty or obligation to review any information provided to it hereunder and shall not be deemed to be acting in any fiduciary capacity for the School District, the Developer, the Fiscal Agent, the Bond owners, or any other party. The obligations of the Developer under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

Section 12. Notices. Any notice or communications to be among any of the parties to this Disclosure Certificate may be given by regular, overnight or electronic mail as follows:

To the Developer	Lennar Homes 2603 Camino Ramon, Suite 525 San Ramon, CA 94583 Attention: Bridgit Koller, Vice President of Forward Planning Bay Area Division Email: bridgit.koller@lennar.com With a copy to: O'Neil LLP 19800 MacArthur Blvd., Suite 650 Irvine, CA 92612 Attention: Sandra Galle Email: sgalle@oneil-llp.com
To the School District:	Lammersville Joint Unified School District 111 S. De Anza Blvd. Mountain House, CA 95391 Attention: Superintendent
To the Participating Underwriter:	Stifel, Nicolaus & Company, Incorporated One Montgomery Street, 35th Floor San Francisco, California 94104 Attention: Public Finance Department

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 School District, the Developer (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 Developer hereunder shall be assumed by any legal successor to the obligations of the Developer as a result of a sale, merger, consolidation or other reorganization.

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

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

LENNAR HOMES OF CALIFORNIA, LLC,
a California limited liability company

By: ______________________________
Bridgit Koller,
Vice President

EXHIBIT A

PERIODIC REPORT

Relating to:

$__________
LAMMERSVILLE JOINT UNIFIED SCHOOL DISTRICT
COMMUNITY FACILITIES DISTRICT NO. 2024-1
(MOUNTAIN HOUSE SCHOOL FACILITIES)
SPECIAL TAX BONDS, SERIES 2025

This Periodic Report is hereby submitted under Section 4 of the Developer Continuing Disclosure Certificate (the "Disclosure Certificate") dated ________, 2025, executed by Lennar Homes of California, LLC, a California limited liability company (the "Developer") in connection with the issuance of the above-captioned bonds by the Lammersville Joint Unified School District (the "School District"), with respect to the Community Facilities District referred to above (the "District").

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

I. Property Ownership and Development

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

A. Property currently owned by the Developer or its Affiliates (if any) and the Lennar Land Banks (during the term of the Option Agreements) in the Community Facilities District (the "Property"):

Development name: _______

Number of lots (acreage if not subdivided): _______

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 "PROPERTY OWNERSHIP AND DEVELOPMENT STATUS – Lennar Homes" and " – Lennar Homes Land Banking Arrangements" or the Periodic Report last filed in accordance with the Disclosure Certificate, including the number of parcels acquired by the Developer from the Land Banks pursuant to the Option Agreements:

____

____

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 heading "PROPERTY OWNERSHIP AND DEVELOPMENT STATUS – Lennar Homes" or the Periodic Report last filed in accordance with the Disclosure Certificate:

____

D. Status of any land purchase contracts with regard to the Property, including sales of land in the District to other property owners (other than individual homeowners):

II. Legal and Financial Status of Developer

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

III. Change in Development or Financing Plans

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

IV. Official Statement Updates

Unless such information has previously been included or incorporated by reference in a Periodic Report, describe any other significant changes in the information relating to the Developer or the Property contained in the Official Statement under the headings "PROPERTY OWNERSHIP AND DEVELOPMENT STATUS – Lennar Homes" and "– Lennar Homes Land Bank Arrangements" that would materially and adversely interfere with the Developer's ability to develop and sell the Property as described in the Official Statement.

V. Other Material Information

In addition to any of the information expressly required above, provide such further information, if any, as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

Certification

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

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

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

Dated:_____________

LENNAR HOMES OF CALIFORNIA, LLC.,
a California limited liability company

FORM – DO NOT SIGN
By: ______________________________
Name: ___________________________
Title: ______________________________

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APPENDIX G

FORM OF OPINION OF BOND COUNSEL

July __, 2025

Lammersville Joint Unified School District
111 South De Anza Boulevard
Mountain House, CA 95391

OPINION: $__________ Lammersville Joint Unified School District Community Facilities District No. 2024-1 (Mountain House School Facilities) Special Tax Bonds, Series 2025

Members of the Governing Board:

We have acted as bond counsel to the Lammersville Joint Unified School District (the "District") in connection with the issuance by the District, for and on behalf of the Lammersville Joint Unified School District Community Facilities District No. 2024-1 (Mountain House School Facilities), of the special tax bonds captioned above, dated the date hereof (the "Bonds"). In such capacity, we have examined such law and such certified proceedings, opinions, certifications and other documents as we have deemed necessary to render this opinion.

The Bonds are issued pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, being sections 53311 et seq. of the California Government Code (the "Act"), a resolution of the Governing Board of the District (the "Governing Board") adopted on May 7, 2025 (the "Resolution"), and a Fiscal Agent Agreement (the "Fiscal Agent Agreement"), dated as of July 1, 2025 by and between the District and The Bank of New York Mellon Trust Company, N.A., as fiscal agent (the "Fiscal Agent").

Under the Fiscal Agent Agreement, the District has pledged certain revenues ("Special Tax Revenues") for the payment of principal, premium (if any) and interest on the Bonds when due.

Regarding questions of fact material to our opinion, we have relied on representations of the District 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. Regarding certain questions of law material to our opinion, we have assumed the correctness of certain legal conclusions contained in the written opinions of the general counsel to the District, and others, without undertaking to verify the same by independent investigation.

Based on the foregoing, we are of the opinion that, under existing law:

1. The District is a joint unified school district duly created and validly existing under the Constitution and the laws of the State of California with the power to adopt the Resolution,

enter into the Fiscal Agent Agreement and perform the agreements on its part contained therein, and issue the Bonds.

2. The Fiscal Agent Agreement has been duly authorized, executed and delivered by the District, and constitutes a valid and binding obligation of the District, enforceable against the District.

3. The Fiscal Agent Agreement creates a valid lien on the Special Tax Revenues and other funds pledged by the Fiscal Agent Agreement for the security of the Bonds, on a parity with other bonds (if any) issued or to be issued in accordance with the Fiscal Agent Agreement.

4. The Bonds have been duly authorized and executed by the District, and are valid and binding limited obligations of the District, payable solely from the Special Tax Revenues and other funds provided therefor in 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. It should be noted however that 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 District comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. The District has made certain representations and covenants in order to comply with each such requirement. Inaccuracy of those representations, or failure to comply with certain of those covenants, may cause the inclusion of such interest in gross income for federal income tax purposes, which may be retroactive to the date of issuance of the 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 are limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally, and by equitable principles, whether considered at law or in equity.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur. Moreover, our opinions are not a guarantee of a particular result, and are not binding on the Internal Revenue Service or any court; rather, our opinions represent our legal judgment based upon our review of existing law that we deem relevant to such opinions and in reliance upon the representations, covenants and opinions referenced above. Our engagement with respect to this matter has terminated as of the date hereof.

Respectfully submitted,

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APPENDIX H

COMMUNITY FACILITIES DISTRICT BOUNDARY MAP

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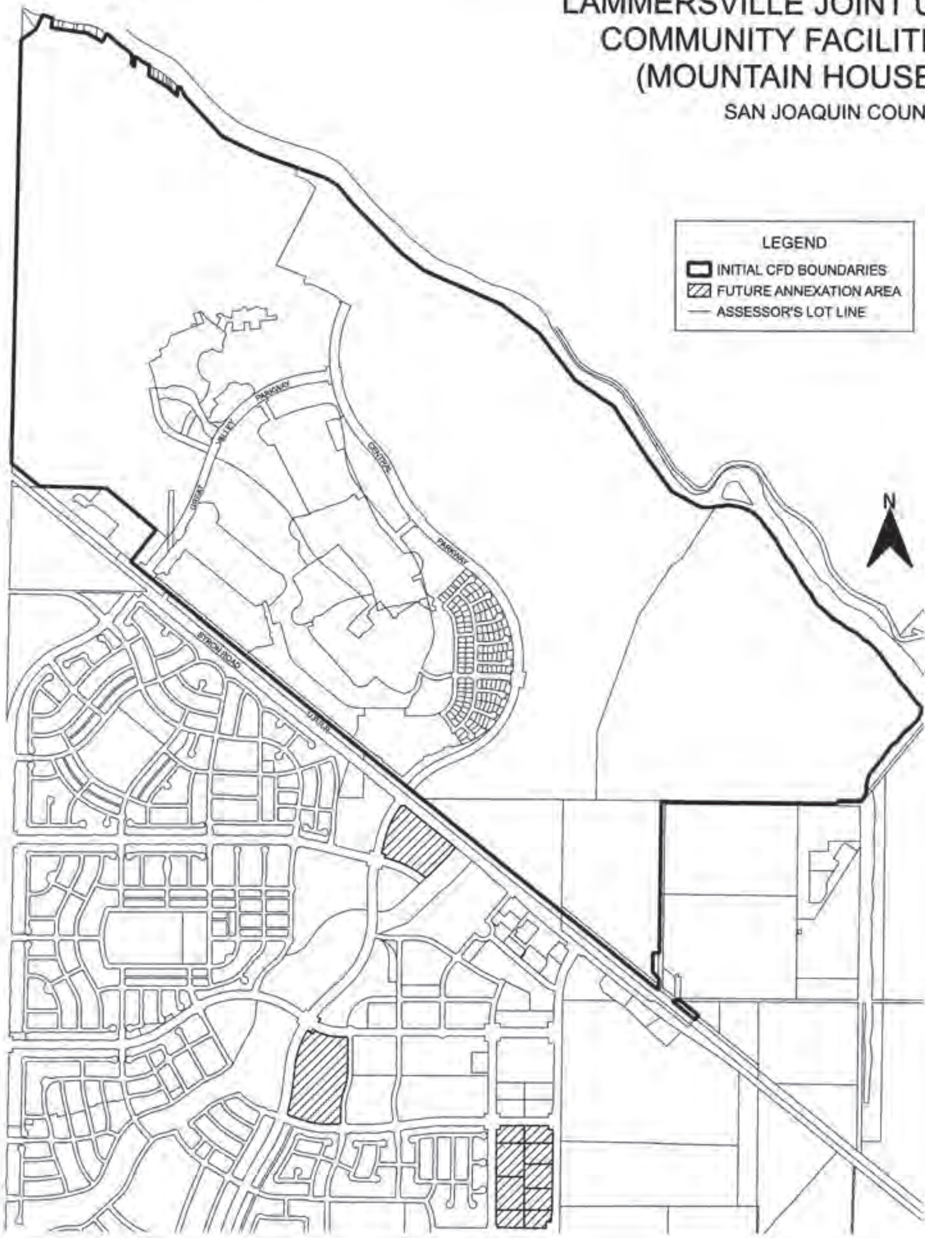
SHEET 1 OF 2

PROPOSED BOUNDARIES OF

LAMMERSVILLE JOINT UNIFIED SCHOOL DISTRICT COMMUNITY FACILITIES DISTRICT NO. 2024-1 (MOUNTAIN HOUSE SCHOOL FACILITIES)

SAN JOAQUIN COUNTY, STATE OF CALIFORNIA



(1) FILED IN THE OFFICE OF THE CLERK OF THE GOVERNING BOARD OF THE LAMMERSVILLE JOINT UNIFIED SCHOOL DISTRICT THIS 6th DAY OF NOVEMBER, 2024.

Lisa M. Boulais
CLERK
LISA M. BOULAIS

(2) I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING THE PROPOSED BOUNDARIES OF THE LAMMERSVILLE JOINT UNIFIED SCHOOL DISTRICT COMMUNITY FACILITIES DISTRICT NO. 2024-1 (MOUNTAIN HOUSE SCHOOL FACILITIES), SAN JOAQUIN COUNTY, STATE OF CALIFORNIA, WAS APPROVED BY THE GOVERNING BOARD OF THE LAMMERSVILLE JOINT UNIFIED SCHOOL DISTRICT, AT A MEETING THEREOF, HELD ON THE 6th DAY OF NOVEMBER, 2024, BY ITS RESOLUTION NO. 24-25-10.

Lisa M. Boulais
CLERK
LISA M. BOULAIS

(3) FILED THIS 25th DAY OF November, 2024, AT 10:59 AM, IN BOOK 7 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS AT PAGE 92, IN THE OFFICE OF THE COUNTY RECORDER IN SAN JOAQUIN COUNTY, STATE OF CALIFORNIA, AT THE REQUEST OF THE LAMMERSVILLE JOINT UNIFIED SCHOOL DISTRICT.

Steve J. Bestolarides
STEVE J. BESTOLARIDES
ASSESSOR-RECORDER-COUNTY CLERK
SAN JOAQUIN COUNTY, CALIFORNIA

BY: [signature]
DEPUTY RECORDER

Doc #: 2024-103696
11/25/2024 10:58:54 AM
Page: 1 of 2 Fee: $23.00
Steve J. Bestolarides
San Joaquin County Recorders
Paid By: SHOWN ON DOCUMENT

GCG
GOODWIN CONSULTING GROUP

PROPOSED BOUNDARIES OF

LAMMERSVILLE JOINT UNIFIED SCHOOL DISTRICT COMMUNITY FACILITIES DISTRICT NO. 2024-1 (MOUNTAIN HOUSE SCHOOL FACILITIES)

SAN JOAQUIN COUNTY, STATE OF CALIFORNIA

ASSESSOR PARCELS WITHIN THE INITIAL BOUNDARIES OF THE LAMMERSVILLE JOINT UNIFIED SCHOOL DISTRICT COMMUNITY FACILITIES DISTRICT NO. 2024-1

209-040-090-000
209-160-010-000
209-160-100-000
209-170-030-000
258-020-060-000
258-020-070-000
258-020-080-000
258-020-110-000
258-020-170-000
258-020-180-000
258-020-200-000
258-020-300-000
258-020-310-000
258-020-320-000
258-020-330-000
258-020-340-000
258-020-350-000
258-020-360-000
258-020-380-000
258-020-390-000
258-030-050-000
258-030-130-000 THROUGH 258-030-390-000
258-040-010-000
258-050-010-000 THROUGH 258-050-520-000
258-060-010-000 THROUGH 258-060-430-000
258-070-010-000 THROUGH 258-070-490-000
258-080-010-000 THROUGH 258-080-410-000
258-090-010-000 THROUGH 258-090-510-000
258-100-010-000 THROUGH 258-100-330-000
258-110-010-000 THROUGH 258-110-340-000
258-120-010-000 THROUGH 258-120-610-000
258-130-010-000 THROUGH 258-130-590-000
258-140-010-000 THROUGH 258-140-520-000
258-150-010-000 THROUGH 258-150-450-000

ASSESSOR PARCELS WITHIN THE FUTURE ANNEXATION AREA OF THE LAMMERSVILLE JOINT UNIFIED SCHOOL DISTRICT COMMUNITY FACILITIES DISTRICT NO. 2024-1

254-020-010-000
254-030-110-000
254-030-120-000
254-030-130-000
254-030-140-000
254-030-150-000
254-030-160-000
254-030-170-000
254-030-180-000
254-030-190-000
256-510-020-000

GCG
GOODWIN CONSULTING GROUP

7-92A

APPENDIX I

APPRAISAL REPORT AND APPRAISAL UPDATE LETTER

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Integra Realty Resources
Sacramento

Appraisal of Real Property

Lammersville Joint Unified School District CFD No. 2024-1 (Mountain House School Facilities)
2,968 SFR Lots and 1,131 HDR Units
N/O Byron Rd., S/O Great Valley Pkwy.
Mountain House, San Joaquin County, California 95391

Prepared For:
Lammersville Joint Unified School District

Date of the Report:
May 1, 2025

Report Format:
Appraisal Report

IRR - Sacramento
File Number: 193-2025-0117

Subject Photographs

Lammersville Joint Unified School District CFD No. 2024-1 (Mountain House School Facilities)
N/O Byron Rd., S/O Great Valley Pkwy.
Mountain House, California

Aerial Photograph

Integra Realty Resources
Sacramento

516 Gibson Drive
Suite 290
Roseville, CA 95678

T 916.435.3883
F 916.435.4774
www.irr.com

May 1, 2025

Kirk Nicholas
Superintendent
Lammersville Joint Unified School District
111 S. De Anza Boulevard
Mountain House, CA 95391

SUBJECT: Market Value Appraisal
Lammersville Joint Unified School District CFD No. 2024-1 (Mountain House School Facilities)
N/O Byron Rd., S/O Great Valley Pkwy.
Mountain House, San Joaquin County, California 95391
IRR - Sacramento File No. 193-2025-0117

Dear Mr. Nicholas:

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, subject to a hypothetical condition, pertaining to the fee simple interest in the property, as well as the aggregate, or cumulative, value of the taxable properties within the boundaries of the Lammersville Joint Unified School District Community Facilities District No. 2024-1 (Mountain House School Facilities) ("Lammersville JUSD CFD No. 2024-1"). The client for the assignment is the Lammersville Joint Unified School District and the intended use of the report is for bond underwriting purposes.

The appraised properties consist of 2,968 single-family residential lots with typical lot sizes ranging from 3,600 to 15,000 square feet, and 11 sites/parcels proposed for 1,131 multifamily units (for-rent). Any properties within the boundaries of Lammersville JUSD CFD No. 2024-1 not subject to the Lien of the Special Tax securing the Bonds (e.g., public and quasi-public land use sites, as well as age-restricted units) are not a part of this Appraisal Report. The subject's current development/ construction status is shown in the following table.

Appraised Property Summary by Ownership

Owner / Builder	Village	Project Name	Tract No. / Tract ID	Product Type	Lot Size	No. of Units	Estimated Opening Date	Multifamily Units	Unimproved SFR Lots	Finished SFR Lots	SFR Lots with Homes Under Construction	SFR Lots with Compeleted Homes
Century Communities	K	Malana	3926	Detached / All Age	3,600 (RM)	**61**	Aug-25	--	--	61	--	--
Century Communities	J	Lotus	3974	Detached / All Age	3,825 (RM)	**87**	Oct-25	--	--	87	--	--
Subtotal						***148***		--	--	*148*	--	--
Rurka Capital, LLC	J	Alserio	3973-74	Detached / All Age	5,500 (RL)	**74**	Apr-25	--	--	74	--	--
Rurka Homes	J	Bolsena	3974	Detached / All Age	5,000 (RL)	**89**	Aug-25	--	--	89	--	--
	K	TBD	3926	Detached / All Age	4,050 (RM)	**27**	Feb-26	--	--	27	--	--
Subtotal						***190***		--	--	*190*	--	--
Taylor Morrison	J	Silverleaf	3975	Detached / All Age	5,500 (RL)	**87**	May-25	--	--	87	--	--
Taylor Morrison	J	Trailview	3975	Detached / All Age	6,000 (RL)	**116**	May-25	--	--	116	--	--
Subtotal						***203***		--	--	*203*	--	--
Richmond American	K	Belleza	3926	Detached / All Age	4,050 (RM)	**55**	Aug-25	--	--	55	--	--
Richmond American												
Subtotal						***55***		--	--	*55*	--	--
Lennar	J	Lugano	3968, 69, 71	Detached / All Age	4,050 (RM)	**134**	Feb-25	--	--	105	27	2
Lennar	J	Maggiore	3968-71	Detached / All Age	5,000 (RL)	**113**	Feb-25	--	--	84	27	2
	J	Mezzano	3968, 70, 72	Detached / All Age	5,500 (RL)	**126**	Apr-25	--	--	102	22	2
	J	Turano	3968, 3972	Detached / All Age	6,000 (RL)	**130**	Feb-25	--	--	106	22	2
Subtotal						***503***		--	--	*397*	*98*	*8*
Mountain House Developers, LLC	K	--	3927	Detached / All Age	4,050 (RM)	**87**	--	--	87	--	--	--
Master Developer	K	--	3929	Detached / All Age	4,320 (RM)	**107**	--	--	107	--	--	--
	K	--	3928, 3929, 3933	Detached / All Age	5,000 (RL)	**233**	--	--	233	--	--	--
	K	--	3927, 3930, 3932	Detached / All Age	6,000 (RL)	**154**	--	--	154	--	--	--
	K	--	3931	Detached / All Age	6,500 (RL)	**71**	--	--	71	--	--	--
	I	--	4101, 4191, 4194 / I4, I7, I9	Detached / All Age	4,500 (RM)	**287**	--	--	287	--	--	--
	I	--	4193, 4195, 4202 / I5, I8, I12	Detached / All Age	5,000 (RL)	**295**	--	--	295	--	--	--
	I	--	4192, 4196, 4200 / I3, I6, I11	Detached / All Age	6,000 (RL)	**267**	--	--	267	--	--	--
	I	--	4197, 4199 / I2, I10	Detached / All Age	7,000 (RL)	**154**	--	--	154	--	--	--
	I	--	4198 / I1	Detached / All Age	7,500 (RL)	**119**	--	--	119	--	--	--
	I	--	4203 / I15	Detached / All Age	15,000 (VL)	**5**	--	--	5	--	--	--
	L	--	TBD / L5	Detached / All Age	4,050 (RM)	**90**	--	--	90	--	--	--
	K	--	K1	Multifamily / All Age	--	**76**	--	76	--	--	--	--
	K	--	K2	Multifamily / All Age	--	**135**	--	135	--	--	--	--
	K	--	K3	Multifamily / All Age	--	**53**	--	53	--	--	--	--
	K	--	K4	Multifamily / All Age	--	**104**	--	104	--	--	--	--
	I	--	I13	Multifamily / All Age	--	**89**	--	89	--	--	--	--
	I	--	I14	Multifamily / All Age	--	**96**	--	96	--	--	--	--
	L	--	L9	Multifamily / All Age	--	**120**	--	120	--	--	--	--
	L	--	L10	Multifamily / All Age	--	**286**	--	286	--	--	--	--
	L	--	L11	Multifamily / All Age	--	**52**	--	52	--	--	--	--
	L	--	L12	Multifamily / All Age	--	**48**	--	48	--	--	--	--
	L	--	L13	Multifamily / All Age	--	**72**	--	72	--	--	--	--
						3,000		*1,131*	*1,869*	*0*	*0*	*0*
TOTAL						4,099		1,131	1,869	993	98	8

We have been requested to provide a market value of the appraised properties by ownership, as well as a cumulative, or aggregate, value of the properties, as of the date of value. The market value accounts for the impact of the Lien of the Special Tax securing the Special Tax Bonds. 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 opinion(s) of value, as of the date of value, April 4, 2025, is as follows:

Value Conclusions

Appraisal Premise	Effective Date	Property Rights	Value Conclusion
Market Value, subject to a Hypothetical Condition	April 4, 2025	Fee Simple	
Century Communities			$ 62,952,000
Rurka Capital, LLC			$ 86,367,000
Taylor Morrison			$ 94,801,000
Richmond American			$ 23,650,000
Lennar			$ 193,769,000
Mountain House Developers, LLC			$ 301,230,000
Aggregate, or Cumulative, Appraised Value			$ 762,769,000

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 public improvements to be financed by the CFD No. 2024-1 Revenue Bonds, Series 2025, have been completed.

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

The opinions of value represent a "not-less-than" value due to the fact we were requested to provide a market value for the smallest floor plan in each community improved with a completed home.

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.

Respectfully submitted,

Integra Realty Resources - Sacramento

Sara Gilbertson, MAI
California Certified General Real Estate
Appraiser #3002204
Telephone: 916.435.3883, ext. 248
Email: sgilbertson@irr.com

Kevin Ziegenmeyer, MAI
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Email: kziegenmeyer@irr.com

Eric Segal, MAI
California Certified General Real Estate
Appraiser #AG026558
Telephone: 916.435.3883, ext. 228
Email: esegal@irr.com

Table of Contents

Executive Summary

Property Name	Lammersville Joint Unified School District CFD No. 2024-1 (Mountain House School Facilities)
Address	N/O Byron Rd., S/O Great Valley Pkwy. Mountain House, San Joaquin County, California 95391
Property Type	Land - Residential Development Land
Zoning Designation	RL, RM & RMH, Low Density, Medium Density, and Medium High Density Residential
Highest and Best Use	Residential use
Exposure Time; Marketing Period	12 months; 12 months
Date of the Report	May 1, 2025

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 Lammersville Joint Unified School District and the 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.

Value Conclusions

Appraisal Premise	Effective Date	Property Rights	Value Conclusion
Market Value, subject to a Hypothetical Condition	April 4, 2025	Fee Simple	
Century Communities			$ 62,952,000
Rurka Capital, LLC			$ 86,367,000
Taylor Morrison			$ 94,801,000
Richmond American			$ 23,650,000
Lennar			$ 193,769,000
Mountain House Developers, LLC			$ 301,230,000
Aggregate, or Cumulative, Appraised Value			$ 762,769,000

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 public improvements to be financed by the CFD No. 2024-1 Revenue Bonds, Series 2025, have been completed.

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

Identification of the Appraisal Problem

Subject Description

The appraised properties consist of 2,968 single-family residential lots with typical lot sizes ranging from 3,600 to 15,000 square feet, and 11 sites/parcels proposed for 1,131 multifamily units (for-rent). Any properties within the boundaries of Lammersville JUSD CFD No. 2024-1 not subject to the Lien of the Special Tax securing the Bonds (e.g., public and quasi-public land use sites, as well as age-restricted units) are not a part of this Appraisal Report.

Property Identification	
Property Name	Lammersville Joint Unified School District CFD No. 2024-1 (Mountain House School Facilities)
Address	N/O Byron Rd., S/O Great Valley Pkwy. Mountain House, California 95391
Tax ID	209-040-090; 209-160-010, -100; 209-170-030; 258-020-060, -070, -080, -110, -170, -180, -200, -300, -310, -320, -330, -340, -350, -360, -380, -390; 258-030-050, -130 through -390; 258-040-010l 258-050-010 through -520; 258-060-010 through -430; 258-070-010 through -490; 258-080-010 through --410; 258-090-010 through -510; 258-100-010 through -330; 258-110-010 through -340; 258-120-010 through -610; 258-130-010 through -590; 258-140-010 through -520; and 258-150-010 through -450
Owner of Record	Master Developer: Mountain House Developers, LLC; Merchant Builders: Century Communities; Rurka Capital, LLC (Rurka Homes); Taylor Morrison Homes; Richmond American; and Lennar Homes of California (Lennar)

Sale History

The most recent closed sales within the boundaries of the District are summarized as follows:

Sale History Summary

Village	Project Name	Tract No.	No. of Units	Builder	Sale Date	Sale Price	Price per Unit	Development Status
K	Malana	3926	61	Century Communities	Nov-24	$21,350,000	$350,000	Finished Lot
J	Belleza	3926	47	Richmond American	Nov-24	$23,124,000	$492,000	Finished Lot
J	Silverleaf & Trailview	3975	203	Taylor Morrison	Jan-25	$113,000,000	$556,650	Finished Lot
J	Lotus	3974	87	Century Communities	Jan-25	$34,800,000	$400,000	Finished Lot

The purchases are arm’s-length transactions with no unusual motivations. Considering the condition of the lots at the time of the sale, the prior arm’s-length transactions are reasonable indicators of the market value, as of the date of purchase. The prior sales are not consistent with current market value, given the improvements made after the sale. Furthermore, the hypothetical condition on which the valuation is premised reflects a project condition different from the conditions as of the date of the prior sale.

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.

It is not uncommon for a merchant builder to use a land bank when acquiring lots. The land bank relationship with allows a merchant builder the option to acquire lots over time pursuant to a takedown schedule. The takedown schedules give the merchant builder the option (but not the obligation) to acquire lots over a specified time period. 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. These transactions are not considered arm’s length transfers of the subject lots, as defined; thus, a separate valuation per owner (merchant builder and land bank) is not warranted. Valuation by owner is instead an allocation of estimated value between the merchant builder and land bank entity(ies). For purposes of analysis herein, there is no delineation between related merchant builders and land banks in the determination of market value, 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 CFD No. 2024-1, subject to the hypothetical condition certain proceeds from the 2025 Special Tax Bonds will be available to finance certain public improvements, as of the effective date of the appraisal, April 4, 2025. The date of the report is May 1, 2025. The appraisal is valid only as of the stated effective date. The home values are based on a “not-less-than” value for the smallest floor plans, without consideration for upgrades and lot premiums. Further, we have been asked to exclude any contributory value of unfinished homes, but consider the value of permits and impact fees paid for lots with either construction underway or not yet begun.

Value Type Definitions

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

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

1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised, and acting in what they consider their own best interests;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and

5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. [1]

Property Rights Definitions

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

Fee Simple Estate
Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.[2]

Client and Intended User(s)

The client is the Lammersville Joint Unified School District. The intended users are the Lammersville Joint Unified School District and the associated Finance Team. No party or parties beyond the client 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;
- 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.

[1] Code of Federal Regulations, Title 12, Chapter I, Part 34.42[h]; also, Interagency Appraisal and Evaluation Guidelines, Federal Register, 75 FR 77449, December 10, 2010, page 77472
[2] Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 7th ed. (Chicago: Appraisal Institute, 2022)

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 prepared appraisals of portions of the subject property for another client. We have provided no other 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
Sara Gilbertson, MAI	None	N/A
Kevin Ziegenmeyer, MAI	On-site	March 15, 2025
Eric Segal, MAI	On-site	N/A

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.

For the purpose of estimating the value of the subject's residential lots, we have identified benchmark lot categories of Medium Density Low Density, and Very Low Density lots.

The market value of the majority of the residential lots (Medium Density and Low Density lots) were estimated by utilizing the sales comparison approach and land residual analysis to value. 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. Additionally, we utilized a land residual analysis (a variation of the cost approach and income capitalization approaches), in which all direct and indirect costs are deducted from an estimate of the anticipated gross sales price of the improved home product; the resultant net sales proceeds are then discounted to present value at an anticipated discount rate over the development and absorption period to indicate the residual value of the lots. The market value of the Very Low Density lots was estimated by utilizing the sales comparison approach and extraction technique to value, a form of the cost approach.

After reconciling the two approaches to value, we apply a lot size adjustment factor to account for differing lot sizes from the benchmark lot category. The final estimate of market value, in bulk, was estimated by employing a discounted cash flow analysis; whereby, the expected revenue, absorption period, expenses and discount rate associated with the sell-off of the lots held by the master developer was taken into account.

The market value estimates for the various taxable land use components described above were then assigned to the various assessor's parcels comprising the appraised properties in order to derive the cumulative, or aggregate, value of the CFD. It is not uncommon for a merchant builder to use a land bank when acquiring lots. The land bank relationship with allows a merchant builder the option to acquire lots over time pursuant to a takedown schedule. The takedown schedules give the merchant builder the option (but not the obligation) to acquire lots over a specified time period. 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. These transactions are not considered arm's length transfers of the subject lots, as defined; thus, a separate valuation per owner (merchant builder and land bank) is not warranted. Valuation by owner is instead an allocation of estimated value between the merchant builder and land bank entity(ies). For purposes of analysis herein, there is no delineation between related merchant builders and land banks in the determination of market value, in bulk.

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 land residual analysis/extraction analysis and determination of financial feasibility. Given the limited, if any, income producing potential of the land, an income approach was not utilized.

Economic Analysis

Area Analysis – San Joaquin County

San Joaquin County is located in the north central part of the San Joaquin Valley, bordered by Sacramento County to the north, Stanislaus County to the south, Calaveras County to the east and Alameda County to the west. The Sierra Nevada Mountains line the county's eastern border, while the Pacific Coast Range and the Sacramento River Delta border the county on the west. The Stockton Metropolitan Statistical Area (MSA) includes all of San Joaquin County, and is made up of the communities of Stockton, Lodi, Manteca, Tracy, Ripon, Lathrop and Escalon. Stockton is the County Seat and is located on the San Joaquin River east of the Delta, a fertile agricultural area at the confluence of the San Joaquin and Sacramento Rivers, approximately 30 to 35 miles west. The County is 1,391 square miles in size and has a population density of 574 persons per square mile. San Joaquin County has historically been an agricultural region, but over the years, more industry and technology related businesses have located in the area.

Population

San Joaquin County has an estimated 2025 population of 798,270, which represents an average annual 0.5% increase over the 2020 census of 779,233. San Joaquin County added an average of 3,807 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, San Joaquin County's population is projected to increase at a 0.3% annual rate from 2025-2030, equivalent to the addition of an average of 2,221 residents per year. San Joaquin 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
California	39,538,223	38,870,482	38,763,700	-0.3%	-0.1%
San Joaquin County	779,233	798,270	809,376	0.5%	0.3%

Source: Claritas

Employment

Total employment in San Joaquin County was estimated at 288,244 jobs as of June 2024. Between year-end 2014 and 2024, employment rose by 70,360 jobs, equivalent to a 32.3% increase over the entire period. There were gains in employment in nine out of the past ten years. San Joaquin 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 San Joaquin County unemployment rate has been consistently higher than that of

California, with an average unemployment rate of 7.7% in comparison to a 5.9% rate for California. A higher unemployment rate is a negative indicator.

Recent data shows that the San Joaquin County unemployment rate is 6.4% in comparison to a 5.2% rate for California, a negative sign for the San Joaquin County economy but one that must be tempered by the fact that San Joaquin County has outperformed California in the rate of job growth over the past two years.

Employment Trends

	Total Employment (Year End)				Unemployment Rate (Ann. Avg.)	
Year	San Joaquin County	% Change	California	% Change	San Joaquin County	California
2014	217,884		16,089,814		10.6%	7.6%
2015	233,435	7.1%	16,606,038	3.2%	8.9%	6.3%
2016	243,294	4.2%	16,930,563	2.0%	8.1%	5.5%
2017	251,594	3.4%	17,263,084	2.0%	7.0%	4.8%
2018	255,290	1.5%	17,573,378	1.8%	6.1%	4.3%
2019	261,853	2.6%	17,857,719	1.6%	6.0%	4.1%
2020	257,400	-1.7%	16,401,290	-8.2%	11.5%	10.2%
2021	274,289	6.6%	17,641,250	7.6%	8.6%	7.3%
2022	281,000	2.4%	18,066,913	2.4%	5.4%	4.3%
2023	286,318	1.9%	18,146,497	0.4%	6.2%	4.8%
2024*	288,244	0.7%	18,193,549	0.3%	6.7%	5.4%
Overall Change 2014-2024	70,360	32.3%	2,103,735	13.1%		
Avg Unemp. Rate 2014-2024					7.7%	5.9%
Unemployment Rate - December 2024					6.4%	5.2%

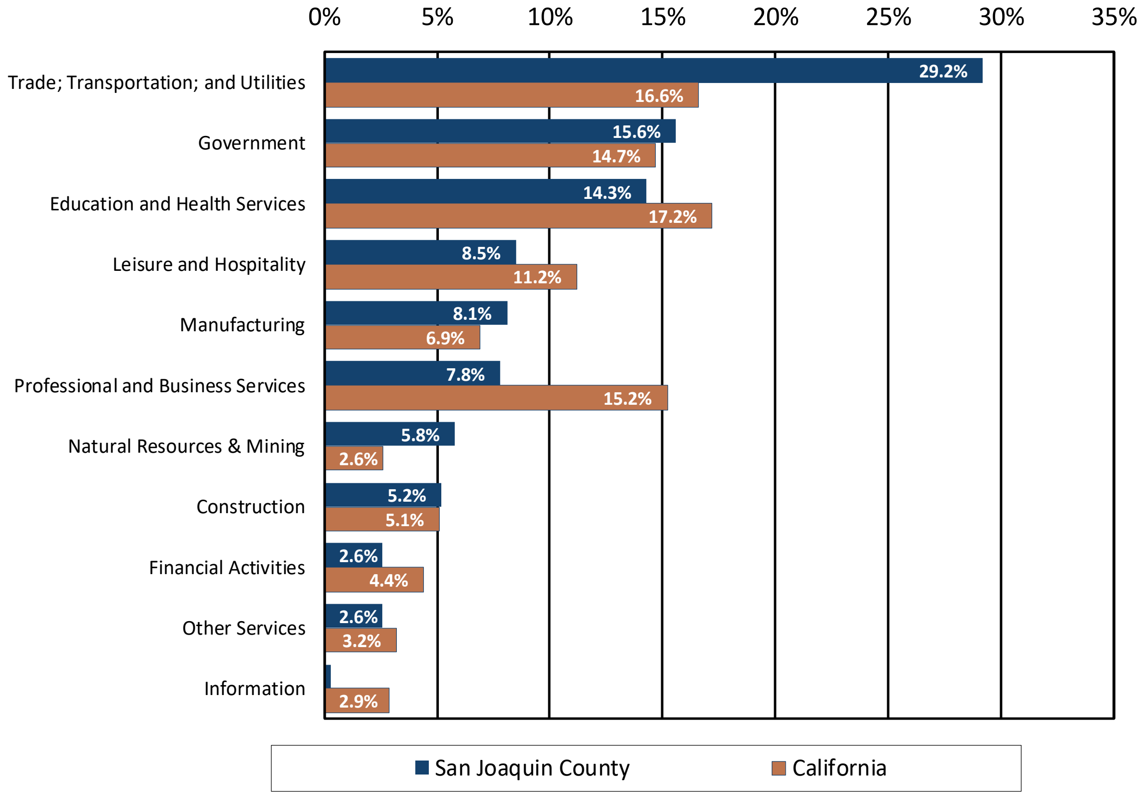
*Total employment data is as of June 2024.

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 San Joaquin 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 San Joaquin County jobs in each category.

Employment Sectors - 2024



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

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

1. Trade; Transportation; and Utilities, representing 29.2% of San Joaquin 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 15.6% of San Joaquin County payroll employment compared to 14.7% for California as a whole. This sector includes employment in local, state, and federal government agencies.
3. Manufacturing, representing 8.1% of San Joaquin 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.
4. Natural Resources & Mining, representing 5.8% of San Joaquin County payroll employment compared to 2.6% for California as a whole. Agriculture, mining, quarrying, and oil and gas extraction are included in this sector.

San Joaquin County is underrepresented in the following sectors:

1. Education and Health Services, representing 14.3% of San Joaquin 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 8.5% of San Joaquin 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. Professional and Business Services, representing 7.8% of San Joaquin 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. Financial Activities, representing 2.6% of San Joaquin 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.

Major Employers

Major employers in San Joaquin County are shown in the following table.

Major Employers - San Joaquin County

	Name	Number of Employees
1	Amazon Fulfillment Center	1,000-4,999
2	Ashley Lane LP	1,000-4,999
3	Blue Shield of California	1,000-4,999
4	Dameron Hospital Assn.	1,000-4,999
5	Leprino Foods Co.	1,000-4,999
6	Lodi Health Home Health Agency	1,000-4,999
7	NA Chaderjian Youth	1,000-4,999
8	O-G Packing & Cold Storage Co	1,000-4,999
9	Prima Fruta Packing Inc.	1,000-4,999
10	Safeway Distribution Warehouse	1,000-4,999
11	San Joaquin County Schools	1,000-4,999
12	San Joaquin General Hospital	1,000-4,999
13	SJGOV	1,000-4,999
14	St. Joseph's Regional Health	1,000-4,999
15	Stockton Unified School District	1,000-4,999
16	Waste Management - Lodi Transfer	1,000-4,999

Source: This list of major employers was extracted from the America's Labor Market Information System (ALMIS) Employer Database, 2025 1st Edition. Employer information is provided by Data Axel ®, Omaha, NE, 800/555-5211. © 2024. All Rights Reserved.

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 lower in San Joaquin County than California overall during the past decade. San Joaquin County has grown at a 2.7% average annual rate while the State of California has grown at a 3.3% rate. San Joaquin County continues to underperform California. GDP for San Joaquin County fell by 0.6% in 2023 while California's GDP rose by 2.0%.

San Joaquin County has a per capita GDP of $41,322, which is 50% less than California's GDP of $83,373. This means that San Joaquin County industries and employers are adding relatively less value to the economy than their counterparts in California.

Gross Domestic Product

Year	($,000s) San Joaquin County	% Change	($,000s) California	% Change
2013	25,277,469	–	2,340,335,300	–
2014	26,180,174	3.6%	2,428,675,700	3.8%
2015	27,471,639	4.9%	2,545,979,500	4.8%
2016	28,142,383	2.4%	2,623,711,700	3.1%
2017	29,141,656	3.6%	2,740,550,300	4.5%
2018	30,299,585	4.0%	2,850,970,300	4.0%
2019	31,274,535	3.2%	2,969,609,000	4.2%
2020	31,111,615	-0.5%	2,933,320,200	-1.2%
2021	33,640,343	8.1%	3,154,188,600	7.5%
2022	33,301,759	-1.0%	3,184,007,800	0.9%
2023	33,097,405	-0.6%	3,248,656,600	2.0%
Compound % Chg (2013-2023)		2.7%		3.3%
GDP Per Capita 2023	$41,322		$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

San Joaquin County has a lower level of household income than California. Median household income for San Joaquin County is $88,124, which is 7.0% less than the corresponding figure for California.

Median Household Income - 2025

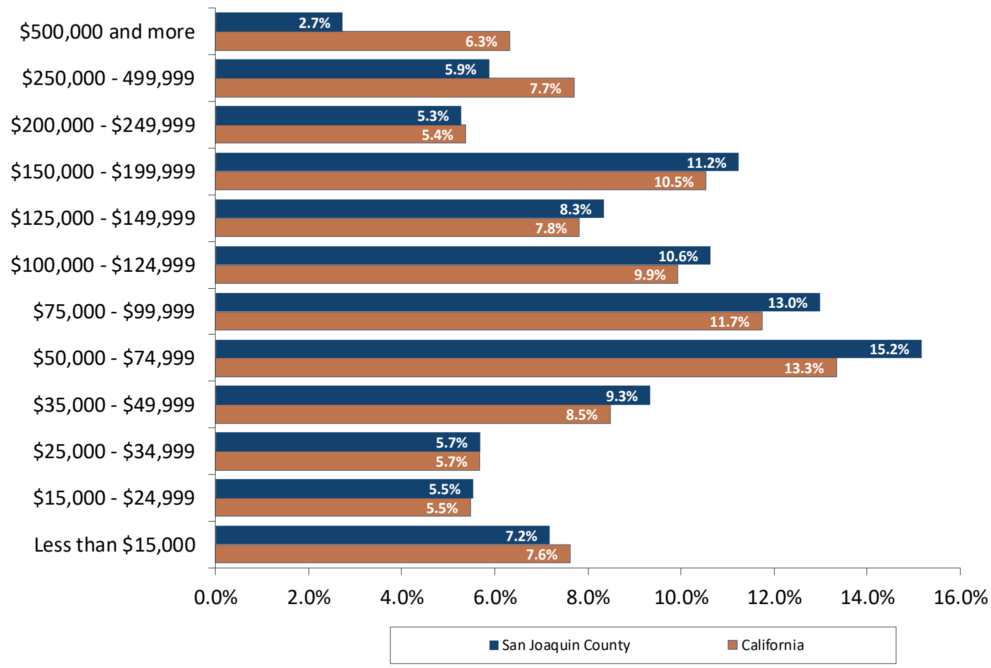
	Median
San Joaquin County	$88,124
California	$94,758
Comparison of San Joaquin County to California	- 7.0%

Source: Claritas

The following chart shows the distribution of households across twelve income levels. San Joaquin County has a greater concentration of households in the middle income levels than California.

Specifically, 47% of San Joaquin County households are between the $50,000 - $150,000 levels in household income as compared to 43% of California households. A lesser concentration of households is apparent in the higher income levels, as 25% of San Joaquin County households are at the $150,000 or greater levels in household income versus 30% of California households.

Household Income Distribution - 2025

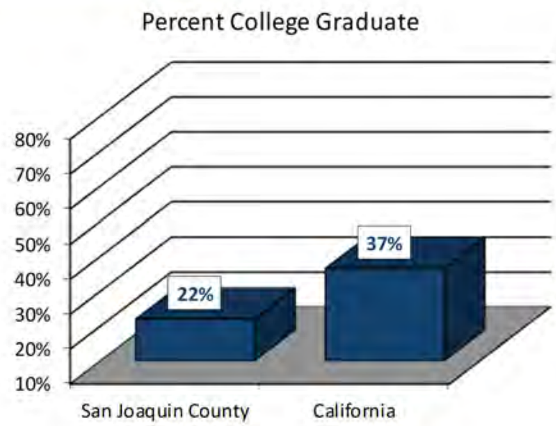


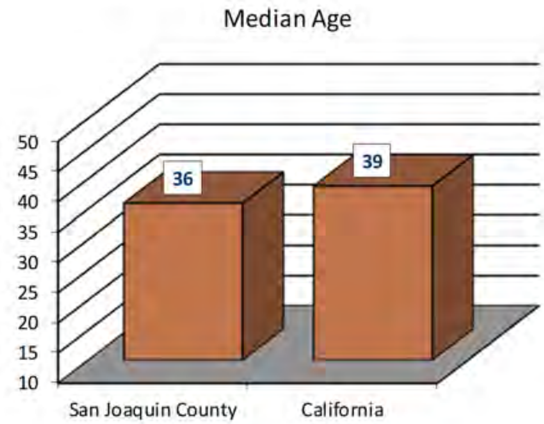
Source: Claritas

Education and Age

Residents of San Joaquin County have a lower level of educational attainment than those of California. An estimated 22% of San Joaquin County residents are college graduates with four-year degrees, versus 37% of California residents. People in San Joaquin County are younger than their California counterparts. The median age for San Joaquin County is 36 years, while the median age for California is 39 years.

Education & Age - 2025





Source: Claritas

Transportation

California's two main north-south arterials, Interstate 5 and Highway 99, travel through San Joaquin County. Interstate 5 travels the length of California from its southern border with Mexico north to Canada. State Highway 99 parallels Interstate 5, connecting Stockton to Fresno and Bakersfield to the south and Sacramento to the north. The city of Tracy has good access to the San Francisco Bay Area. Interstate 580/205 extends from Tracy westward to the cities of Livermore, Pleasanton, Oakland, San Francisco and San Jose.

The region also has an extensive network of railways. Union Pacific, ACE Commuter Express and Amtrak all have stops in Stockton and connect with the rest of the nation. Burlington Northern Santa Fe (BNSF) operates an intermodal facility in southeastern Stockton, providing long haul transportation requirements. The Altamont Commuter Express (ACE) opened for commuter travel in June 1998. This train travels between Stockton, at its most eastern terminus, through Tracy to San Jose and the East Bay Area. This train provides alternate transportation for thousands of commuters who live in the valley but work in San Jose or the East Bay.

Air transportation facilities throughout California's Central Valley provide access to international freight, shipments and commercial access to major western markets. The main airport in San Joaquin County is Stockton Metropolitan Airport. In 2003, Emery Forwarding began offering six times per week cargo service from Stockton to Dayton, Ohio. Between 2001 and 2003, America West Express provided twice-daily passenger service to Phoenix but has since discontinued service in Stockton. In 2006, Allegiant Air began offering commercial flights from Stockton and currently offers flights to Las Vegas, Phoenix and Denver. The nearest international airports are located in Sacramento, Oakland, San Francisco and San Jose.

San Joaquin County has an excellent water transportation network. The city of Stockton is situated along the San Joaquin Delta, which connects to the San Francisco Bay and the Sacramento and San

Joaquin Rivers. The Port of Stockton is the third largest landholder port in California and has a Foreign Trade Zone designation. The Port operates on 2,100 acres, with berthing space for 17 vessels and more than 1.1 million square feet of dockside transit sheds. There are an additional 7.7 million square feet of warehouses available for dry bulk, break bulk and other materials. Stockton's deep-water channel has an average depth of 35 feet, which is deep enough to allow access to ships similar in size to those traveling through the Panama Canal.

Recreation & Community Facilities

San Joaquin County offers a variety of recreational activities. To the west, the San Joaquin River enters the maze of waterways and islands known as the Delta with approximately 1,000 miles of waterways, where boating and fishing activities are popular. The upper forks of the Stanislaus River offer some of the best whitewater rafting in the country. Regional parks are located throughout the valley in or near the larger cities. There are more than a dozen golf courses in the region, as well as numerous public tennis facilities, health clubs and sports fields. Stockton is home to a minor league baseball team, a symphony, ballet and opera, and hosts the nationally recognized Asparagus Festival annually. In 2006 a new minor league hockey team, the Stockton Thunder, took up residence in the county seat as well.

There are over 150,000 K-12 students enrolled in 254 public schools and public charter schools within 14 school districts in San Joaquin County. Both private and public schools meet higher education needs. The two-year San Joaquin Delta College in Stockton enrolls over 17,000 students, and the four-year University of the Pacific, also located in Stockton, has over 6,000 enrolled in both undergraduate and graduate programs. California State University Stanislaus-Stockton is enjoying rising enrollment and now offers an alternative to prospective college students in the county. Local private colleges include Humphreys College and School of Law, National University, Heald College - Stockton, ITT Technical Institute, St. Mary's College of California and University of Phoenix.

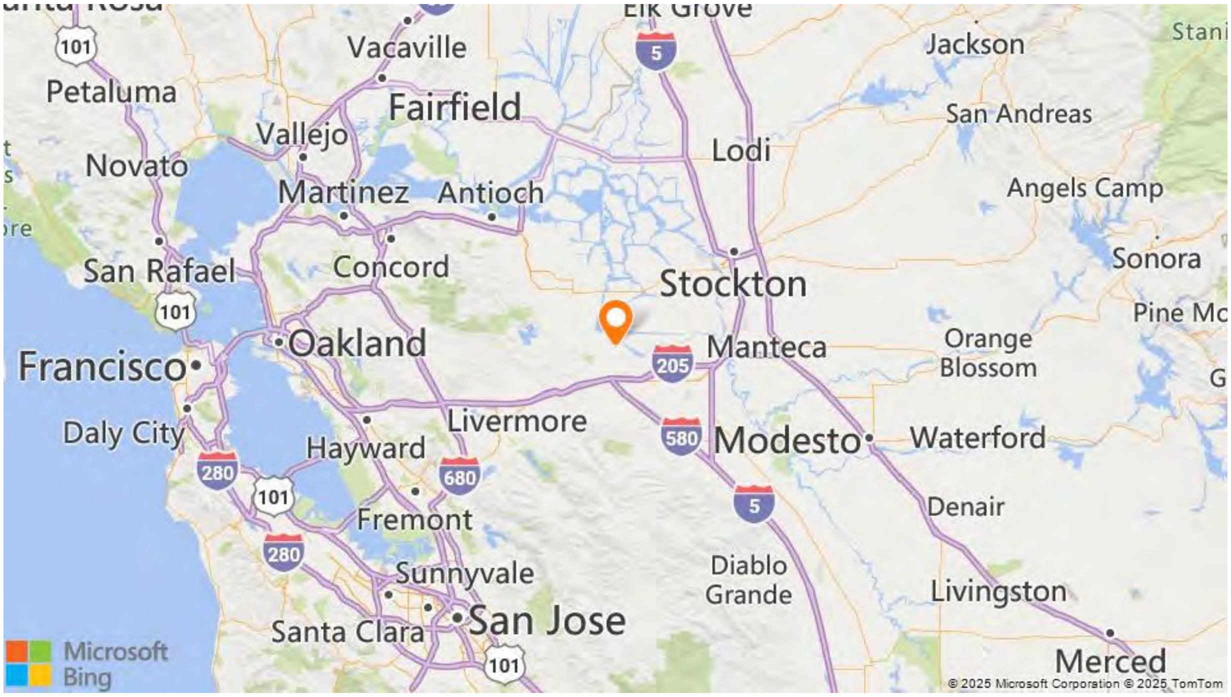
In terms of health care services, the county provides eight hospitals and dozens of skilled nursing facilities and convalescent hospitals.

Conclusion

San Joaquin County has a central location in the state of California and offers a good network of highway, water and rail transportation systems. Over the past decade, the county has experienced population growth, largely due to the proximity to the San Francisco Bay Area and the relative affordability of housing compared to the Bay Area and other parts of California.

The San Joaquin County economy will be affected by a stable to slightly growing population base and lower income and education levels. San Joaquin County experienced growth in the number of jobs over the past decade, and it is reasonable to assume that employment growth will occur in the future. It is anticipated that the San Joaquin County economy will improve and employment will grow, strengthening the demand for real estate.

Area Map


Elk Grove
Vacaville
Jackson
Petaluma
Fairfield
San Andreas
Vallejo
Lodi
Novato
Martinez
Antioch
Angels Camp
San Rafael
Concord
Stockton
Sonora
Pine Mo
Oakland
Manteca
Orange Blossom
Francisco
Daly City
Hayward
Livermore
Modesto
Waterford
Fremont
Denair
Sunnyvale
Diablo Grande
Livingston
Santa Clara
San Jose
Merced
Microsoft Bing
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Surrounding Area Analysis

The subject is located in the community of Mountain House. In 1996 the master planned community was approved and in 2000 infrastructure development started. The first homes were started in 2003. The community covers approximately 4,784 acres in San Joaquin County which lie approximated five miles north of the city of Tracy. For purposes of the surrounding area analysis, the boundaries are the Mountain House community.

A map identifying the location of the property follows this section.

Access and Linkages

Primary access to the area is provided by Mountain House Parkway, a major north/south arterial along the eastern portion of the community. Byron Road is another major arterial in a northwest/southeast direction that provides access to Highway 205 and the nearby community of Tracy. Overall, vehicular access is good.

Public transportation is provided by San Joaquin Transit District and provides access within the Mountain House community and to nearby areas in San Joaquin County. The local market perceives public transportation as average compared to other areas in the region. However, the primary mode of transportation in this area is the automobile. The Stockton Metro Airport is located about 26 miles from the property and the Oakland International Airport is approximately 45 miles from the subject.

Demand Generators

One of the major employers in the area is Amazon, who operates two fulfillment centers in Tracy. Other major employers include the Safeway, Tracy Unified School District, Defense Distribution Depot San Joaquin and Deuel Vocational Institute. These are located within five to eight miles of the property and represent significant concentrations in the distribution and government industries.

These demand generators support the demographic profile described in the following section.

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	3-Mile Radius	5-Mile Radius	10-Mile Radius	San Joaquin County, CA	Stockton-Lodi, CA Metro
Population 2020	25,729	39,259	134,514	779,233	779,233
Population 2025	31,008	45,681	143,078	798,270	798,270
Population 2030	34,683	50,289	148,540	809,376	809,376
Compound % Change 2020-2025	3.8%	3.1%	1.2%	0.5%	0.5%
Compound % Change 2025-2030	2.3%	1.9%	0.8%	0.3%	0.3%
Households 2020	7,116	11,023	40,291	241,119	241,119
Households 2025	8,151	12,472	42,408	247,205	247,205
Households 2030	9,032	13,660	43,877	250,526	250,526
Compound % Change 2020-2025	2.8%	2.5%	1.0%	0.5%	0.5%
Compound % Change 2025-2030	2.1%	1.8%	0.7%	0.3%	0.3%
Median Household Income 2025	$174,403	$152,871	$131,004	$88,124	$88,124
Average Household Size	3.8	3.7	3.4	3.2	3.2
College Graduate %	52%	45%	32%	22%	22%
Owner Occupied %	72%	68%	67%	60%	60%
Renter Occupied %	28%	32%	33%	40%	40%
Median Owner Occupied Housing Value	$951,755	$918,489	$818,910	$584,127	$584,127
Median Year Structure Built	2011	2009	1998	1984	1984
Average Travel Time to Work in Minutes	54	49	45	35	35

Source: Claritas

As shown above, the current population within a 5-mile radius of the subject is 45,681, and the average household size is 3.7. Population in the area has grown since the 2020 census, and this trend is projected to continue over the next five years. Compared to San Joaquin County overall, the population within a 5-mile radius is projected to grow at a faster rate.

Median household income is $152,871, which is higher than the household income for San Joaquin County. Residents within a 5-mile radius have a considerably higher level of educational attainment than those of San Joaquin County, while median owner-occupied home values are considerably higher.

Land Uses

As Mountain House is a newer community, there are two grocery stores (Wicklund's Market and Safeway) in the community. Most retail supportive services are located in Tracy, which is five miles south of the Mountain House area.

In mid-2022 Safeway completed their supermarket and gas station at the corner of Mountain House Parkway and Byron Road. The 55,000 square foot supermarket and gas station will be part of the larger 83,000 square foot retail center to be known as Market at Mountain House.

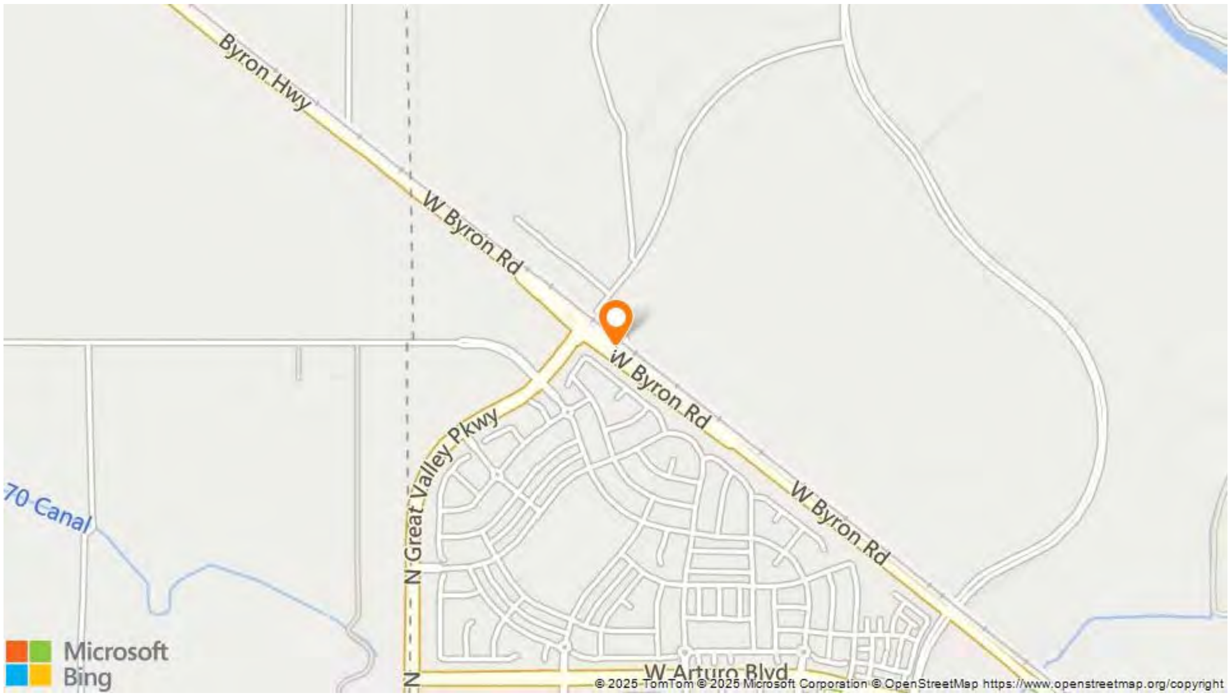
The nearest fire and police stations are within two miles of the property. The closest elementary/middle school is within one mile and the local high school is approximately two miles away. San Joaquin Delta College has a satellite campus in Mountain House as well. Proximity to parks, open space and other passive recreation is average.

Predominant land uses in the immediate vicinity of the subject include single-family residential uses. During the last five years, development has been predominantly of single-family residential uses including subdivisions. In addition, in March 2020 the Town Hall and Community Library were completed.

Outlook and Conclusions

The area is in the growth stage of its life cycle. Given the history of the area and the growth trends, it is anticipated that property values will see increases similar to other areas in western San Joaquin County, like Tracy.

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 located in the community of Mountain House. 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 suburban area that appeals to both local workers and commuters. Based on existing surrounding homes and new projects under development, the subject characteristics best support a project designed for a combination of entry-level and/or first-time move-up home buyers.

Single-Family Building Permits

Single-family building permit information for the city of Mountain House are not available. Therefore, we have utilized permit information for the adjacent city of Tracy, as well as areas of unincorporated San Joaquin County and San Joaquin 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 Tracy	% Change	Unincorporated Areas of San Joaquin	% Change	County of San Joaquin	% Change
2014	135	--	378	--	1,245	--
2015	193	42.96%	447	18.25%	1,708	37.19%
2016	286	48.19%	383	-14.32%	1,862	9.02%
2017	255	-10.84%	467	21.93%	2,107	13.16%
2018	644	152.55%	734	57.17%	2,920	38.59%
2019	597	-7.30%	616	-16.08%	2,628	-10.00%
2020	653	9.38%	663	7.63%	3,086	17.43%
2021	692	5.97%	558	-15.84%	3,718	20.48%
2022	509	-26.45%	275	-50.72%	3,163	-14.93%
2023	136	-73.28%	286	4.00%	2,167	-31.49%

Source: SOCDS Building Permits Monthly Request

Single-Family Building Permits: 2024 Preliminary Data

Month	City of Tracy	Unincorporated Areas of San Joaquin	County of San Joaquin
January	13	39	251
February	16	25	216
March	9	36	326
April	8	6	269
May	18	30	354
June	10	27	306
July	101	27	363
August	24	27	333
September	98	25	300
October	8	27	278
November	18	22	247
December	323	22	530
	646	313	3,773

Source: SOCDS Building Permits Monthly Request

New Home Pricing and Sales

The Gregory Group surveys active new home projects in California and Nevada. Below we present a table containing 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 Average Price	Average Home Size (SF)	Avg. Price / Avg. SF	% Change Price / SF	Quarter Sold	Number of Projects	Sold per Project per Month
1Q 2022	$726,212	--	2,388	$304.11	--	973	71	4.57
2Q 2022	$739,687	1.86%	2,376	$311.32	2.37%	707	68	3.47
3Q 2022	$721,809	-2.42%	2,354	$306.63	-1.50%	401	72	1.86
4Q 2022	$701,426	-2.82%	2,366	$296.46	-3.32%	203	69	0.98
1Q 2023	$694,958	-0.92%	2,363	$294.10	-0.80%	554	72	2.56
2Q 2023	$706,771	1.70%	2,396	$294.98	0.30%	897	71	4.21
3Q 2023	$707,253	0.07%	2,374	$297.92	1.00%	661	69	3.19
4Q 2023	$704,565	-0.38%	2,370	$297.28	-0.21%	509	65	2.61
1Q 2024	$717,073	1.78%	2,369	$302.69	1.82%	815	69	3.94
2Q 2024	$714,990	-0.29%	2,361	$302.83	0.05%	610	69	2.95
3Q 2024	$732,446	2.44%	2,379	$307.88	1.67%	667	73	3.05
4Q 2024	$753,903	2.93%	2,390	$315.44	2.46%	623	82	2.53

Source: The Gregory Group

In terms of the number of home sales in San Joaquin County, over the last 12 months, the average was 3.12 sales per month per project, which generally consistent with the average for the prior 12-month period of 3.14 sales per month per project.

Active New Home Projects Pricing and Absorption

There are 19 active projects in the cities of Mountain House and Tracy. These projects are considered to be most competitive with the subject property given their locations and lot sizes. These projects are summarized in the tables below, based on data from the Fourth Quarter of 2024.

Active Projects (as of 4Q 2024)

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
Langston II	Cordes Village	Mountain House	Shea Homes	$857,241	1,914	$447.88	Attached	302	302	286	16
Bergamo	Cordes Village	Mountain House	Shea Homes	$788,375	1,799	$438.23	3,300	137	137	137	0
Hillview	--	Tracy	Lennar Homes	$728,630	1,971	$369.68	2,925	214	158	154	4
Fairgrove	Tracy Hills	Tracy	Lennar Homes	$808,630	2,197	$368.06	5,400	149	95	90	5
Greenwood	Tracy Hills	Tracy	Lennar Homes	$916,380	2,650	$345.80	5,100	150	99	95	4
Parson Place	Creekside	Mountain House	Lennar Homes	$750,130	1,830	$409.91	Attached	144	60	57	3
Banbury Park	Creekside	Mountain House	Lennar Homes	$886,213	2,097	$422.61	2,400	110	69	65	4
Ashley Park	--	Tracy	Bright Homes	$815,000	2,162	$376.97	5,000	14	14	11	3
Boulder	Tracy Hills	Tracy	Lennar Homes	$915,880	2,542	$360.30	4,500	139	8	4	4
Cairnway	Tracy Hills	Tracy	Lennar Homes	$931,880	2,685	$347.07	5,000	115	14	7	7
Crestwick	Tracy Hills	Tracy	Lennar Homes	$959,213	2,783	$344.67	4,750	131	10	4	6
Rangewood	--	Tracy	Lennar Homes	$1,036,380	3,120	$332.17	Attached	97	11	7	4
Ridgerton	Tracy Hills	Tracy	Lennar Homes	$1,020,380	3,060	$333.46	6,300	89	9	5	4
Rockingham	Tracy Hills	Tracy	Lennar Homes	$1,096,380	3,289	$333.35	7,000	69	14	8	6
Slateshire	Tracy Hills	Tracy	Lennar Homes	$1,148,880	3,670	$313.05	7,000	86	12	8	4
Lugano	Lakeshore	Mountain House	Lennar Homes	$968,130	2,062	$469.51	4,050	113	5	4	1
Mezzano	Lakeshore	Mountain House	Lennar Homes	$1,202,880	2,831	$424.90	5,500	127	3	1	2
Turano	Lakeshore	Mountain House	Lennar Homes	$1,316,880	3,377	$389.96	6,000	130	9	4	5
Maggiore	Lakeshore	Mountain House	Lennar Homes	$1,131,213	2,595	$435.92	5,000	112	4	1	3
			Minimum	$728,630	1,799	$313.05	2,400				
			Maximum	$1,316,880	3,670	$469.51	7,000				
			Average	$962,037	2,560	$382.29	4,952				

Source: The Gregory Group

Absorption

Project Name	Master Plan	Community	Developer	Avg. Home Price (4Q 2024 Only)	Avg. Home Size (4Q 2024 Only)	Typical Lot Size (SF)	4Q 2024	3Q 2024	2Q 2024	1Q 2024	12-Month Total	Average per Quarter	Average per Month
Langston II	Cordes Village	Mountain House	Shea Homes	$857,241	1,914	Attached	2	8	15	13	38	9.5	**3.2**
Bergamo	Cordes Village	Mountain House	Shea Homes	$788,375	1,799	3,300	1	0	0	1	2	0.5	**0.2**
Hillview	--	Tracy	Lennar Homes	$728,630	1,971	2,925	18	24	12	11	65	16.3	**5.4**
Fairgrove	Tracy Hills	Tracy	Lennar Homes	$808,630	2,197	5,400	12	0	25	15	52	13.0	**4.3**
Greenwood	Tracy Hills	Tracy	Lennar Homes	$916,380	2,650	5,100	14	9	20	17	60	15.0	**5.0**
Parson Place	Creekside	Mountain House	Lennar Homes	$750,130	1,830	Attached	20	15	13	9	57	14.3	**4.8**
Banbury Park	Creekside	Mountain House	Lennar Homes	$886,213	2,097	2,400	24	15	13	13	65	16.3	**5.4**
Ashley Park	--	Tracy	Bright Homes	$815,000	2,162	5,000	4	4	3	0	11	2.8	**0.9**
Boulder	Tracy Hills	Tracy	Lennar Homes	$915,880	2,542	4,500	3	1	--	--	4	2.0	**0.7**
Cairnway	Tracy Hills	Tracy	Lennar Homes	$931,880	2,685	5,000	4	3	--	--	7	3.5	**1.2**
Crestwick	Tracy Hills	Tracy	Lennar Homes	$959,213	2,783	4,750	1	3	--	--	4	2.0	**0.7**
Rangewood	--	Tracy	Lennar Homes	$1,036,380	3,120	Attached	5	2	--	--	7	3.5	**1.2**
Ridgerton	Tracy Hills	Tracy	Lennar Homes	$1,020,380	3,060	6,300	1	4	--	--	5	2.5	**0.8**
Rockingham	Tracy Hills	Tracy	Lennar Homes	$1,096,380	3,289	7,000	6	2	--	--	8	4.0	**1.3**
Slateshire	Tracy Hills	Tracy	Lennar Homes	$1,148,880	3,670	7,000	6	2	--	--	8	4.0	**1.3**
Lugano	Lakeshore	Mountain House	Lennar Homes	$968,130	2,062	4,050	4	--	--	--	4	4.0	**1.3**
Mezzano	Lakeshore	Mountain House	Lennar Homes	$1,202,880	2,831	5,500	1	--	--	--	1	1.0	**0.3**
Turano	Lakeshore	Mountain House	Lennar Homes	$1,316,880	3,377	6,000	4	--	--	--	4	4.0	**1.3**
Maggiore	Lakeshore	Mountain House	Lennar Homes	$1,131,213	2,595	5,000	1	--	--	--	1	1.0	**0.3**
						Total	131	92	101	79			
						No. of Active Projects	19	15	8	8			
						Quarterly Pro-Rata	6.9	6.1	12.6	9.9			
						Monthly Pro-Rata	**2.3**	**2.0**	**4.2**	**3.3**			
										3.0	**Average Monthly Pro-Rata**		

Source: The Gregory Group

Eight of these 19 projects have been open for four quarters (or more), four within Mountain House and four within Tracy. Absorption rates for these projects over the past four quarters averaged 0.2 to

5.4 units per month. The lowest absorption reported (Bergamo) is nearing sellout and is given guarded reliance.

Absorption - Mountain House Projects

Project Name	Master Plan	Developer	Avg. Home Price (4Q 2024 Only)	Avg. Home Size (4Q 2024 Only)	Typical Lot Size (SF)	4Q 2024	3Q 2024	2Q 2024	1Q 2024	12-Month Total	Average per Quarter	Average per Month
Langston II	Cordes Village	Shea Homes	$857,241	1,914	Attached	2	8	15	13	38	9.5	**3.2**
Bergamo	Cordes Village	Shea Homes	$788,375	1,799	3,300	1	0	0	1	2	0.5	**0.2**
Lugano	Lakeshore	Lennar Homes	$968,130	2,062	4,050	4	--	--	--	4	4.0	**1.3**
Mezzano	Lakeshore	Lennar Homes	$1,202,880	2,831	5,500	1	--	--	--	1	1.0	**0.3**
Turano	Lakeshore	Lennar Homes	$1,316,880	3,377	6,000	4	--	--	--	4	4.0	**1.3**
Maggiore	Lakeshore	Lennar Homes	$1,131,213	2,595	5,000	1	--	--	--	1	1.0	**0.3**
					Total	13	8	15	14			
					No. of Active Projects	6	2	2	2			
					Quarterly Pro-Rata	2.2	4.0	7.5	7.0			
					Monthly Pro-Rata	**0.7**	**1.3**	**2.5**	**2.3**			
									1.7	**Average Monthly Pro-Rata**		

Source: The Gregory Group

In our analysis of base price and absorption, we will focus on the active detached projects in Mountain House. Additional details for these projects are provided on the following pages.

PROJECT INFORMATION / **AT A GLANCE**

Project Name	Bergamo	**Average Price**	$788,375	**Qtr Sold**	1
Region	Central Valley	**Average Sq Ft**	1,799	**Qtr WSR**	0.08
County	San Joaquin	**Total Inventory**	0	**Tot WSR**	0.69
Community	Mountain House	**Standing Inventory**	0	**Avg Incentives**	$5,000
Master Plan	Cordes Village	**Open Date**	03/01/21	**Survey Date**	1/1/25
Age Restricted	No	**Developer Name**	Shea Homes	**Special Tax per Month**	$238.00
Project Phone	(209) 221-0936	**Developer Phone**		**HOA per Month**	$125.00
Sales Office Hours	N/A	**Product Type**	Detached	**Broker Coop**	$5,000
		Type Description	Courtyard	**Special Incentives**	$0
GPS Coordinates	N : 37.763740 W : 121.534310	**Lot Size**	3,300	**Project Density**	
Cross Street		**Lot Dimension**	55 x 60	**Model/Trailer**	N/A
Finished Lots	N/A	**Blue Top Lots**	N/A		

PLAN DETAILS

Plan	Home Size	Base Price	Price Sq Ft	Incentives	Net Price	Net Price/Sq Ft	Bed	Bath	Levels	Garage	Other Room
	1,663	$761,000	$457.61	$5,000	$756,000	$454.60	3	2.5	2	2	None
	1,717	$761,500	$443.51	$5,000	$756,500	$440.59	3	2.5	2	2	None
	1,881	$778,500	$413.88	$5,000	$773,500	$411.22	3	2.5	2	2	None
	1,938	$852,500	$439.89	$5,000	$847,500	$437.31	4	3	2	2	None

SURVEY INFORMATION

Survey Per	Units Planned	Units Offered	Units Sold	Qtr Sold	Tot Inv	Unoffrd Inv	Unsold Inv	Wkly Traffic	Tot WSR	Qtr WSR	Avg Price	% Change
Qtr 4/24	137	137	137	1	0	0	0	0	0.69	0.08	$788,375	0.00
Qtr 3/24	137	137	136	0	1	0	1	0	0.73	0.00	$788,375	0.00
Qtr 2/24	137	137	136	0	1	0	1	0	0.78	0.00	$788,375	0.00
Qtr 1/24	137	137	136	1	1	0	1	0	0.84	0.08	$788,375	0.00
Qtr 4/23	137	137	135	0	2	0	2	5	0.91	0.00	$788,375	0.00
Qtr 3/23	137	137	135	5	2	0	2	5	1.01	0.38	$788,375	0.00
Qtr 2/23	137	133	130	27	7	4	3	30	1.07	2.08	$788,375	-2.89
Qtr 1/23	137	109	103	10	34	28	6	30	0.95	0.77	$811,821	-5.01
Qtr 4/22	137	105	93	1	44	32	12	10	0.98	0.08	$854,661	0.00
Qtr 3/22	137	105	92	0	45	32	13	15	1.12	0.00	$854,661	-3.28
Qtr 2/22	137	101	92	3	45	36	9	10	1.41	0.23	$883,625	4.62
Qtr 1/22	137	89	89	19	48	48	0	30	1.59	1.46	$844,638	8.50
Qtr 4/21	137	73	70	16	67	64	3	30	1.63	1.23	$778,500	1.53
Qtr 3/21	137	58	54	9	83	79	4	50	1.80	0.69	$766,750	2.42
Qtr 2/21	137	45	45	33	92	92	0	50	2.65	2.54	$748,600	9.70
Qtr 1/21	137	12	12	12	125	125	0	80	3.00	0.92	$682,400	0.00

Bergamo opened in the First Quarter of 2021 and has been working on selling out the last units for the past few quarters. As of the Fourth Quarter of 2024 Bergamo has sold its last home. Over a 16-quarter period, this suggests an average absorption rate of 8.56 units per quarter or 2.85 units per month.

PROJECT INFORMATION		AT A GLANCE			
Project Name	Bradbury Park	Average Price	$886,213	Qtr Sold	24
Region	Central Valley	Average Sq Ft	2,097	Qtr WSR	1.85
County	San Joaquin	Total Inventory	45	Tot WSR	1.38
Community	Mountain House	Standing Inventory	0	Avg Incentives	$10,000
Master Plan	Creekside	Open Date	02/01/24	Survey Date	1/1/25
Age Restricted	No	Developer Name	Lennar Homes	Special Tax per Month	$260.00
Project Phone	N/A	Developer Phone		HOA per Month	$125.00
Sales Office Hours	N/A	Product Type	Detached	Broker Coop	
		Type Description	Small Lot, Detached	Special Incentives	$0
GPS Coordinates	N : 0.000000 W : 0.000000	Lot Size	2,400	Project Density	
Cross Street		Lot Dimension	40 x 60	Model/Trailer	N/A
Finished Lots	N/A	Blue Top Lots	N/A		

PLAN DETAILS

Plan	Home Size	Base Price	Price Sq Ft	Incentives	Net Price	Net Price/Sq Ft	Bed	Bath	Levels	Garage	Other Room
	1,840	$821,880	$446.67	$10,000	$811,880	$441.24	3	2.5	2	2	None
	1,915	$835,880	$436.49	$10,000	$825,880	$431.27	4	2.5	2	2	None
	2,024	$866,880	$428.30	$10,000	$856,880	$423.36	4	3	2	2	None
	2,041	$861,880	$422.28	$10,000	$851,880	$417.38	3	2.5	2	2	None
	2,136	$910,880	$426.44	$10,000	$900,880	$421.76	4	2.5	2	2	None
	2,628	$1,019,880	$388.08	$10,000	$1,009,880	$384.28	4	2.5	2	3	NGen

SURVEY INFORMATION

Survey Per	Units Planned	Units Offered	Units Sold	Qtr Sold	Tot Inv	Unoffrd Inv	Unsold Inv	Wkly Traffic	Tot WSR	Qtr WSR	Avg Price	% Change
Qtr 4/24	110	69	65	24	45	41	4	10	1.38	1.85	$886,213	1.43
Qtr 3/24	110	45	41	15	69	65	4	5	1.21	1.15	$873,713	0.23
Qtr 2/24	110	31	26	13	84	79	5	20	1.24	1.00	$871,713	0.33
Qtr 1/24	110	17	13	13	97	93	4	5	1.63	1.00	$868,880	0.00

Make note: the project is Banbury Park, not Bradbury Park

Banbury Park opened in the at the beginning of 2024. It is proposed for 110 homes and has sold 65 homes in its first four quarters (16.25 units per quarter or 5.42 units per month). While this is a small lot, detached project with significantly smaller lots than the subject's smallest lot size category, this new active project supports our conclusions of base price and typical home size estimates utilized in the land residual analysis in the valuation section of this report.

Four of the active Mountain House projects are within the boundaries of the District, and have only been open one quarter, but also offer support in our conclusions of base price and typical home size estimates utilized in the land residual analysis.

PROJECT INFORMATION		AT A GLANCE			
Project Name	Lugano	Average Price	$968,130	Qtr Sold	4
Region	Central Valley	Average Sq Ft	2,062	Qtr WSR	0.31
County	San Joaquin	Total Inventory	109	Tot WSR	0.50
Community	Mountain House	Standing Inventory	0	Avg Incentives	$10,000
Master Plan	Lakeshore	Open Date	11/01/24	Survey Date	1/1/25
Age Restricted	No	Developer Name	Lennar Homes	Special Tax per Month	$290.00
Project Phone	N/A	Developer Phone		HOA per Month	$125.00
Sales Office Hours	N/A	Product Type	Detached	Broker Coop	
		Type Description	Traditional	Special Incentives	$0
GPS Coordinates	N : 0.000000 W : 0.000000	Lot Size	5,000	Project Density	
Cross Street		Lot Dimension	50 x 100	Model/Trailer	N/A
Finished Lots	N/A	Blue Top Lots	N/A		

PLAN DETAILS

Plan	Home Size	Base Price	Price Sq Ft	Incentives	Net Price	Net Price/Sq Ft	Bed	Bath	Levels	Garage	Other Room
	1,829	$905,880	$495.29	$10,000	$895,880	$489.82	4	3	2	2	None
	1,992	$948,880	$476.35	$10,000	$938,880	$471.33	4	3	2	2	None
	2,140	$988,880	$462.09	$10,000	$978,880	$457.42	4	3	2	2	Loft
	2,289	$1,028,880	$449.49	$10,000	$1,018,880	$445.12	5	3	2	2	None

SURVEY INFORMATION

Survey Per	Units Planned	Units Offered	Units Sold	Qtr Sold	Tot Inv	Unoffrd Inv	Unsold Inv	Wkly Traffic	Tot WSR	Qtr WSR	Avg Price	% Change
Qtr 4/24	113	5	4	4	109	108	1	5	0.50	0.31	$968,130	0.00

Make note: the lot size if 4,050 square feet, not 5,000 square feet; there are a total of 134 planned units, not 113; and there is no HOA fee at Lakeshore for any Lennar homes

PROJECT INFORMATION		AT A GLANCE			
Project Name	**Mezzano**	**Average Price**	$1,202,880	**Qtr Sold**	1
Region	Central Valley	**Average Sq Ft**	2,831	**Qtr WSR**	0.08
County	San Joaquin	**Total Inventory**	126	**Tot WSR**	0.13
Community	Mountain House	**Standing Inventory**	0	**Avg Incentives**	$10,000
Master Plan	Lakeshore	**Open Date**	11/01/24	**Survey Date**	1/1/25
Age Restricted	No	**Developer Name**	Lennar Homes	**Special Tax per Month**	$360.00
Project Phone	N/A	**Developer Phone**		**HOA per Month**	$125.00
Sales Office Hours	N/A	**Product Type**	Detached	**Broker Coop**	
		Type Description	Traditional	**Special Incentives**	$0
GPS Coordinates	N : 0.000000 W : 0.000000	**Lot Size**	5,400	**Project Density**	
Cross Street		**Lot Dimension**	60 x 90	**Model/Trailer**	N/A
Finished Lots	N/A	**Blue Top Lots**	N/A		

PLAN DETAILS

Plan	Home Size	Base Price	Price Sq Ft	Incentives	Net Price	Net Price/Sq Ft	Bed	Bath	Levels	Garage	Other Room
	2,258	$1,058,880	$468.95	$10,000	$1,048,880	$464.52	4	2.5	1	2	Office
	2,514	$1,108,880	$441.08	$10,000	$1,098,880	$437.10	4	3	2	2	Loft
	2,965	$1,238,880	$417.83	$10,000	$1,228,880	$414.46	5	3	2	2	Loft
	3,097	$1,258,880	$406.48	$10,000	$1,248,880	$403.25	5	3.5	2	2	Loft
	3,324	$1,348,880	$405.80	$10,000	$1,338,880	$402.79	5	3.5	2	2	NextGen, Loft

SURVEY INFORMATION

Survey Per	Units Planned	Units Offered	Units Sold	Qtr Sold	Tot Inv	Unoffrd Inv	Unsold Inv	Wkly Traffic	Tot WSR	Qtr WSR	Avg Price	% Change
Qtr 4/24	127	3	1	1	126	124	2	5	0.13	0.08	$1,202,880	0.00

Make note: the lot size if 5,500 square feet, not 5,400 square feet; there are a total of 126 planned units, not 127; and there is no HOA fee at Lakeshore for any Lennar homes

PROJECT INFORMATION		AT A GLANCE			
Project Name	**Turano**	**Average Price**	$1,316,880	**Qtr Sold**	4
Region	Central Valley	**Average Sq Ft**	3,377	**Qtr WSR**	0.31
County	San Joaquin	**Total Inventory**	126	**Tot WSR**	0.50
Community	Mountain House	**Standing Inventory**	0	**Avg Incentives**	$10,000
Master Plan	Lakeshore	**Open Date**	11/01/24	**Survey Date**	1/1/25
Age Restricted	No	**Developer Name**	Lennar Homes	**Special Tax per Month**	$395.00
Project Phone	N/A	**Developer Phone**		**HOA per Month**	$125.00
Sales Office Hours	N/A	**Product Type**	Detached	**Broker Coop**	
		Type Description	Traditional	**Special Incentives**	$0
GPS Coordinates	N : 0.000000 W : 0.000000	**Lot Size**	6,500	**Project Density**	
Cross Street		**Lot Dimension**	65 x 100	**Model/Trailer**	N/A
Finished Lots	N/A	**Blue Top Lots**	N/A		

PLAN DETAILS

Plan	Home Size	Base Price	Price Sq Ft	Incentives	Net Price	Net Price/Sq Ft	Bed	Bath	Levels	Garage	Other Room
	2,710	$1,188,880	$438.70	$10,000	$1,178,880	$435.01	4	2.5	1	2	Office
	3,359	$1,318,880	$392.64	$10,000	$1,308,880	$389.66	4	3	2	2	Office, Loft
	3,525	$1,338,880	$379.82	$10,000	$1,328,880	$376.99	5	4.5	2	3	Loft
	3,584	$1,338,880	$373.57	$10,000	$1,328,880	$370.78	5	4.5	2	3	Loft
	3,711	$1,398,880	$376.95	$10,000	$1,388,880	$374.26	5	4.5	2	3	NextGen, Office, Loft

SURVEY INFORMATION

Survey Per	Units Planned	Units Offered	Units Sold	Qtr Sold	Tot Inv	Unoffrd Inv	Unsold Inv	Wkly Traffic	Tot WSR	Qtr WSR	Avg Price	% Change
Qtr 4/24	130	9	4	4	126	121	5	5	0.50	0.31	$1,316,880	0.00

Make note: the lot size if 6,000 square feet, not 6,500 square feet and there is no HOA fee at Lakeshore for any Lennar homes

PROJECT INFORMATION		AT A GLANCE			
Project Name	**Maggiore**	**Average Price**	$1,131,213	**Qtr Sold**	1
Region	Central Valley	**Average Sq Ft**	2,595	**Qtr WSR**	0.08
County	San Joaquin	**Total Inventory**	111	**Tot WSR**	0.13
Community	Mountain House	**Standing Inventory**	0	**Avg Incentives**	$10,000
Master Plan	Lakeshore	**Open Date**	11/01/24	**Survey Date**	1/1/25
Age Restricted	No	**Developer Name**	Lennar Homes	**Special Tax per Month**	$498.00
Project Phone	N/A	**Developer Phone**		**HOA per Month**	$125.00
Sales Office Hours	N/A	**Product Type**	Detached	**Broker Coop**	
		Type Description	Traditional	**Special Incentives**	$0
GPS Coordinates	N : 0.000000 W : 0.000000	**Lot Size**	5,000	**Project Density**	
Cross Street		**Lot Dimension**	50 x 100	**Model/Trailer**	N/A
Finished Lots	N/A	**Blue Top Lots**	N/A		

PLAN DETAILS

Plan	Home Size	Base Price	Price Sq Ft	Incentives	Net Price	Net Price/Sq Ft	Bed	Bath	Levels	Garage	Other Room
	2,356	$1,068,880	$453.68	$10,000	$1,058,880	$449.44	4	3	2	2	Loft
	2,658	$1,145,880	$431.11	$10,000	$1,135,880	$427.34	4	3	2	2	Loft
	2,772	$1,178,880	$425.28	$10,000	$1,168,880	$421.67	5	3	2	2	Loft

SURVEY INFORMATION

Survey Per	Units Planned	Units Offered	Units Sold	Qtr Sold	Tot Inv	Unoffrd Inv	Unsold Inv	Wkly Traffic	Tot WSR	Qtr WSR	Avg Price	% Change
Qtr 4/24	112	4	1	1	111	108	3	5	0.13	0.08	$1,131,213	0.00

Make note: there are a total of 113 planned units, not 112 and there is no HOA fee at Lakeshore for any Lennar homes

Resale Pricing

The following table shows historical resale data for more recently built homes (2010 and newer) in the city of Mountain House. We restricted our search to lot sizes with less than 20,000 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 (SF)	Sale Price	Last List Price	Sales Price/SF	Sale/List	Year Built	Days on Market	Lot Size (SF)
139 W Lucille Avenue	1/16/2025	1,777	$750,000	$768,950	$422	97.54%	2021	131	2,091
1018 S Fowler Lane	3/14/2025	2,145	$875,000	$900,000	$408	97.22%	2016	125	4,000
49 W Piazza Street	1/21/2025	1,881	$785,000	$795,900	$417	98.63%	2022	88	2,258
231 E Lawson Avenue	1/9/2025	2,236	$950,000	$975,000	$425	97.44%	2022	4	3,329
564 W Piedmont Drive	4/7/2025	2,781	$1,192,500	$1,200,000	$429	99.38%	2010	78	8,808
133 W Questa Trail	2/18/2025	2,174	$900,000	$919,000	$414	97.93%	2012	7	4,182
1280 S Central Parkway	2/10/2025	1,966	$955,500	$895,950	$486	106.65%	2019	7	10,751
167 W Alcala Court	3/31/2025	2,486	$1,185,000	$1,248,000	$477	94.95%	2013	14	9,503
332 E Liverno Avenue	3/14/2025	2,480	$990,000	$1,020,000	$399	97.06%	2018	7	4,112
1162 S Morning Glory Drive	3/17/2025	1,778	$825,000	$834,999	$464	98.80%	2021	22	3,450
41 E Calogero Glen	4/7/2025	3,490	$1,310,000	$1,329,500	$375	98.53%	2019	8	5,401
177 W Las Tablas Way	3/31/2025	1,957	$760,000	$749,000	$388	101.47%	2012	3	3,711
Total Sales	**12**	**2,263 (avg.)**	**$956,500 (avg.)**	**$969,692 (avg.)**	**$425 (avg.)**	**98.80% (avg.)**	**2017 (avg.)**	**41 (avg.)**	**5,133 (avg.)**

Source: Local Multiple Listing Service (MLS)

Ability to Pay

In this section, we will examine the ability to pay among prospective buyers for a representative price point of the two benchmark lot categories analyzed within this report, based on the indicators from the competing projects. The two benchmark lot categories have a representative price point for each benchmark of $970,000 and $1,275,000 , respectively.

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 6.25%, 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. 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			
Home Price	$970,000	$1,275,000	
Loan % of Price (Loan to Value)	80%	80%	
Loan Amount	$776,000	$1,020,000	
Interest Rate	6.25%	6.25%	
Mortgage Payment	$4,778	$6,280	
Property Taxes	$1,018	$1,286	Based on 1.053100% and direct charges of $2,000
Mountain House CFD No. 2024-1	$144	$236	
Lammersville JUSD CFD No. 2024-1	$162	$209	
Property Insurance	$202	$266	
Total Monthly Obligation	$6,303	$8,276	
Mortgage Payment % of Income	40%	40%	
Monthly Income	$15,758	$20,690	
Annual Income	$189,099	$248,281	

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: $970,000 Home

Household Income	Households	Percent of Households	Percent Able to Pay	Households	Households Able to Pay
< $15,000	12,179	23.4%	0.0%	0	0.0%
$15,000 - $24,999	1,530	2.9%	0.0%	0	0.0%
$25,000 - $34,999	1,226	2.4%	0.0%	0	0.0%
$35,000 - $49,999	1,177	2.3%	0.0%	0	0.0%
$50,000 - $74,999	1,865	3.6%	0.0%	0	0.0%
$75,000 - $99,999	4,258	8.2%	0.0%	0	0.0%
$100,000 - $124,999	4,867	9.3%	0.0%	0	0.0%
$125,000 - $149,999	5,104	9.8%	0.0%	0	0.0%
$150,000 - $199,999	4,686	9.0%	21.8%	1,022	2.0%
$200,000 - $249,999	6,869	13.2%	100.0%	6,869	13.2%
$250,000 - $499,999	3,615	6.9%	100.0%	3,615	6.9%
$500,000+	4,698	9.0%	100.0%	4,698	9.0%
	52,074	100.0%		16,204	31.1%

Household Ability: $1,275,000 Home					
Household Income	Households	Percent of Households	Percent Able to Pay	Households	Households Able to Pay
< $15,000	12,179	23.4%	0.0%	0	0.0%
$15,000 - $24,999	1,530	2.9%	0.0%	0	0.0%
$25,000 - $34,999	1,226	2.4%	0.0%	0	0.0%
$35,000 - $49,999	1,177	2.3%	0.0%	0	0.0%
$50,000 - $74,999	1,865	3.6%	0.0%	0	0.0%
$75,000 - $99,999	4,258	8.2%	0.0%	0	0.0%
$100,000 - $124,999	4,867	9.3%	0.0%	0	0.0%
$125,000 - $149,999	5,104	9.8%	0.0%	0	0.0%
$150,000 - $199,999	4,686	9.0%	0.0%	0	0.0%
$200,000 - $249,999	6,869	13.2%	3.4%	236	0.5%
$250,000 - $499,999	3,615	6.9%	100.0%	3,615	6.9%
$500,000+	4,698	9.0%	100.0%	4,698	9.0%
	52,074	100.0%		8,549	16.4%

Conclusions

Demand for homes in the subject’s market area is considered to be strong at the current time as indicated by the overall trend of building permit activity, new home sales prices and activity in recent quarters as well as the absorption rate within new home projects in the subject’s area.

Multifamily Market Analysis

Metro Area Overview

The subject is located in the Stockton metro area, which encompasses San Joaquin County, as defined by CoStar.

The Stockton multifamily market remains stable, with a low vacancy rate (4.23%), well below the national average of 8.1%. Demand has slowed over the course of the year, with 468 units absorbed, mostly in early 2024. The market continues to attract Bay Area commuters, especially in Tracy and Manteca/Lathrop, where shorter commute times boost demand. Rents increased modestly by 1.1% over the past year. No new projects are currently underway due to high construction and financing costs. Overall, the market remains balanced, with strong absorption offsetting deliveries, low supply-side pressure, and stable rent growth expected to accelerate to 4% by the end of 2025.

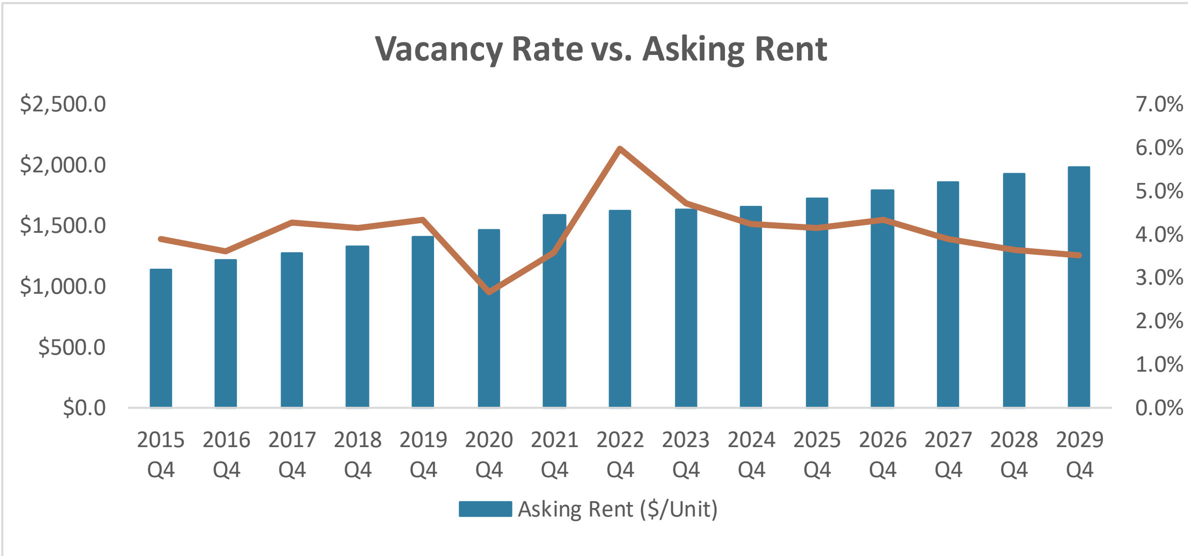
Trended supply and demand statistics, including inventory levels, absorption, vacancy, and rental rates for all classes of space are presented in the ensuing table.

All Multifamily Stockton Metro Trends

Period	Stock	Demand	Vacancy	Net Completions 12 Months	Under Construction Stock	Net Absorption 12 Months	Asking Rent	Rent Growth 12 Month	Price Growth	Cap Rate
2015 Q4	25,018	24,042	3.90%	0	348	180	$1,134	8.14%	9.94%	6.69%
2016 Q4	25,018	24,113	3.62%	0	581	71	$1,209	6.67%	4.94%	6.67%
2017 Q4	25,334	24,254	4.26%	316	774	142	$1,275	5.38%	7.33%	6.55%
2018 Q4	25,949	24,878	4.13%	615	835	623	$1,328	4.20%	11.87%	6.31%
2019 Q4	26,313	25,176	4.32%	364	923	298	$1,400	5.44%	6.54%	6.10%
2020 Q4	26,940	26,221	2.67%	627	608	1,046	$1,458	4.13%	11.93%	5.66%
2021 Q4	27,548	26,562	3.58%	608	476	341	$1,582	8.47%	15.96%	5.18%
2022 Q4	28,152	26,471	5.97%	604	573	-90	$1,613	2.00%	-3.18%	5.87%
2023 Q4	28,685	27,334	4.71%	533	344	863	$1,631	1.09%	-8.29%	6.61%
2024 Q4	29,029	27,802	4.23%	344	172	468	$1,649	1.10%	1.01%	6.75%
2025 Q4	29,025	27,820	4.15%	-4	0	18	$1,723	4.46%	5.09%	6.69%
2026 Q4	29,189	27,929	4.32%	164	0	109	$1,790	3.91%	6.73%	6.56%
2027 Q4	29,263	28,122	3.90%	74	0	192	$1,854	3.56%	5.40%	6.47%
2028 Q4	29,405	28,338	3.63%	142	0	216	$1,918	3.46%	5.40%	6.37%
2029 Q4	29,574	28,539	3.50%	169	0	200	$1,977	3.07%	5.35%	6.25%

Source: CoStar, Inc.; compiled by Integra Realty Resources, Inc.

Stockton Metro Trends and Forecasts



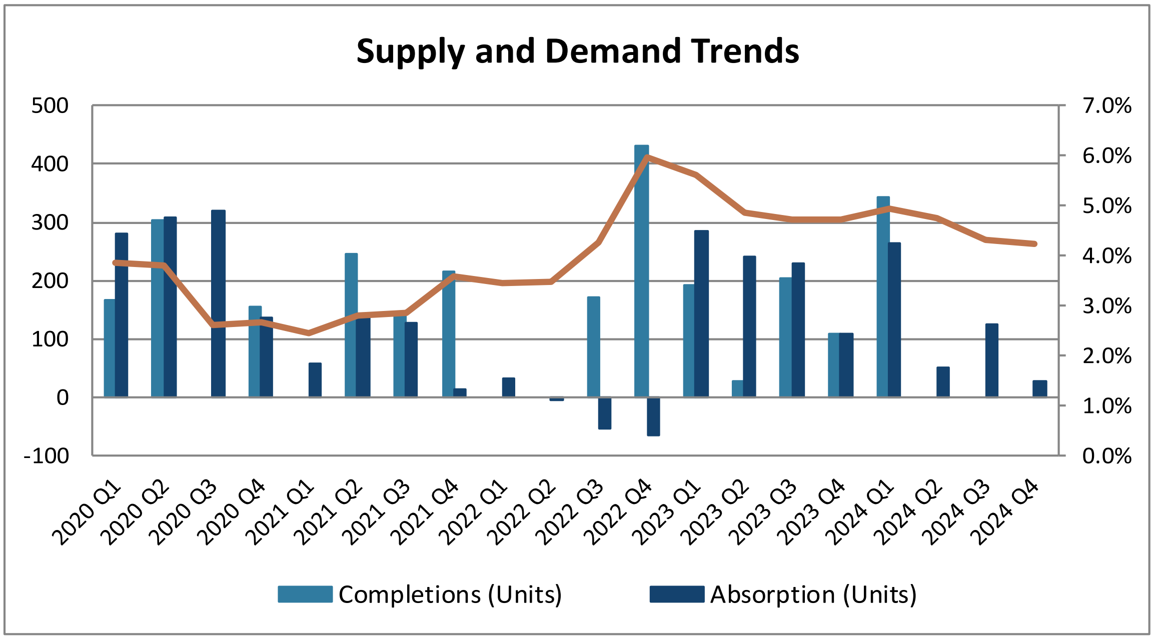
Source: CoStar, Inc.; compiled by Integra Realty Resources, Inc.

The current vacancy rate in the metro area is 4.23%; the vacancy rate has decreased by 174 bps from 2022 Q4.

Two-year Base Case forecasts project a 4.32% vacancy rate in the metro area, representing an increase of 9 bps by 2026 Q4.

Asking rent averages $1,649/unit in the metro area, and values have increased by 2.24% from 2022 Q4.

Two-year Base Case forecasts project a $1,790/unit asking rent in the metro area, representing an increase of 8.54% by 2026 Q4.



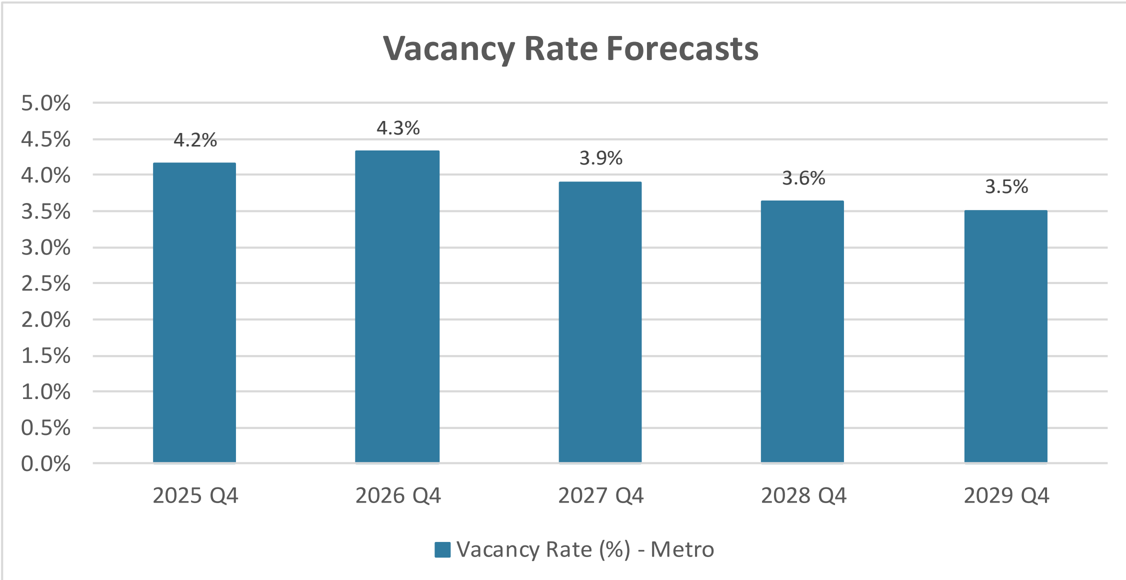
Source: CoStar, Inc.; compiled by Integra Realty Resources, Inc.

The total stock (units) has increased by 3.12% from 2022 Q4, while the demand has increased by 5.03%.

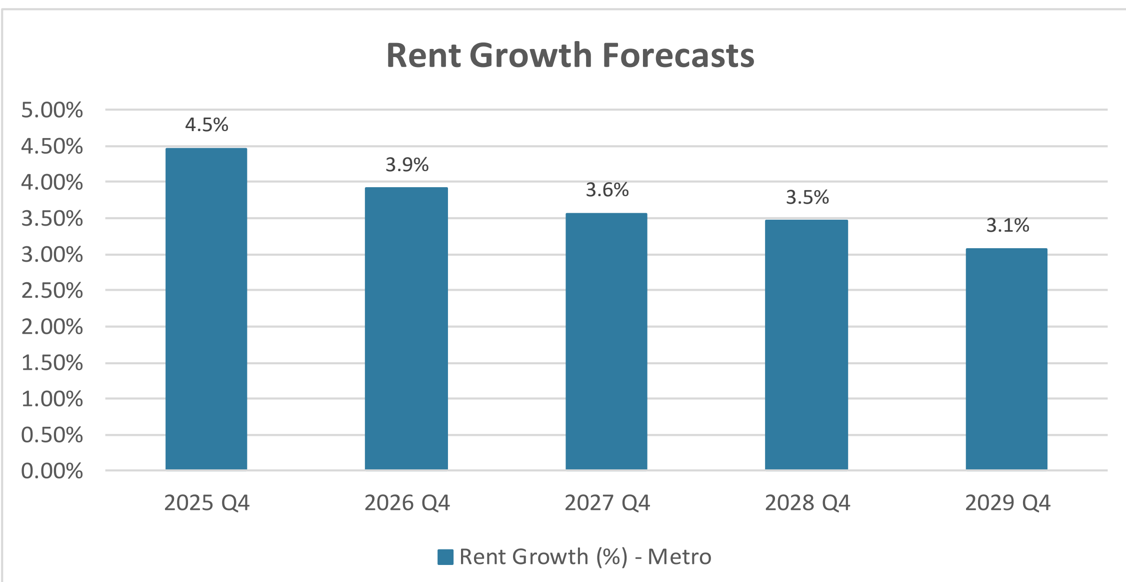
Between 2020 Q1 and 2024 Q4, net completions in the metro area have averaged 543 units annually, and reached a peak of 432 units in 2022 Q4.

Between 2020 Q1 and 2024 Q4, net absorption in the metro area has averaged 526 units annually, and reached a peak of 320 units in 2020 Q3.

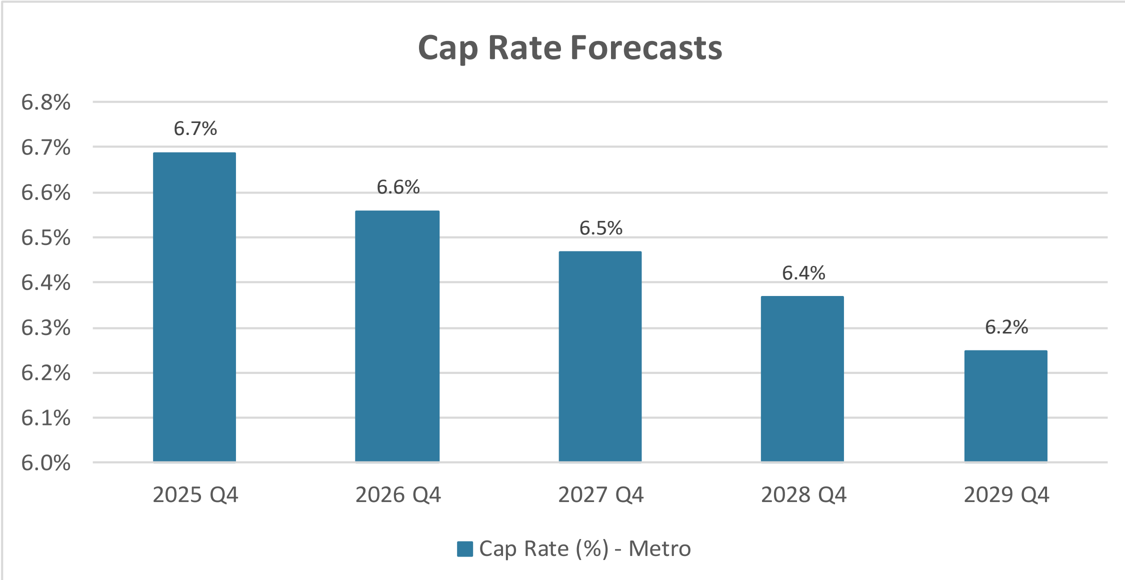
Multifamily Market Forecasts



Source: CoStar, Inc.; compiled by Integra Realty Resources, Inc.



Source: CoStar, Inc.; compiled by Integra Realty Resources, Inc.



Source: CoStar, Inc.; compiled by Integra Realty Resources, Inc.

Submarket Overview

Current quarter supply and demand statistics, including inventory levels, absorption, vacancy, and rental rates for the submarkets within the Stockton multifamily market are presented in the following table.

Submarket Trends

Submarket	Stock	Demand	Vacancy	Net Completions 12 Months	Under Construction Stock	Net Absorption 12 Months	Asking Rent	Rent Growth 12 Month
Bear Creek	567	549	3.1%	0	0	8	$1,553	1.4%
Country Club/Pacific	1,275	1,240	2.7%	0	0	23	$1,161	-0.1%
Downtown	2,632	2,414	8.3%	0	0	-17	$850	1.5%
Lakeview	8,718	8,441	3.2%	0	0	65	$1,554	2.1%
Lodi	4,458	4,319	3.1%	0	0	83	$1,619	2.3%
Manteca/Lathrop	3,926	3,753	4.4%	0	0	98	$2,013	1.3%
Outer San Joaquin County	695	669	3.7%	0	0	-8	$1,689	6.0%
Park District/Eastside	640	623	2.6%	0	0	-1	$940	1.4%
Seaport	822	793	3.6%	0	0	-1	$769	1.6%
Tracy	3,661	3,424	6.5%	344	172	233	$2,269	-1.2%
Valley Oak	1,635	1,576	3.6%	0	0	-13	$1,583	-2.1%
Total/Average	29,029	27,802	4.2%	344	172	468	$1,649	1.1%

Source: CoStar, Inc.; compiled by Integra Realty Resources, Inc.

The Stockton multifamily market exhibited varied performance across submarkets. Two smaller submarkets exhibited vacancy below 3%, and Lodi and Lakeview had vacancy rates at 3.1% and 3.2%, respectively, while Downtown Stockton had the highest vacancy at 8.3%, reflecting weaker absorption. Overall net absorption was positive at 468 units, concentrated in Tracy, Lathrop, and Lodi, while Valley Oak and Downtown saw slower leasing activity. Rental rates varied significantly, with Tracy commanding the highest rents at nearly $2,300/month, while Seaport and Downtown remained the most affordable, averaging $850/month and $769/month, respectively. New construction remains limited, with no major projects breaking ground, though recently completed units in Lathrop and Manteca are still being absorbed.

Multifamily Market Outlook and Conclusions

The outlook for the Stockton multifamily market remains stable, with moderate rent growth and sustained demand, particularly in Tracy and Manteca/Lathrop, where Bay Area commuter interest continues to drive leasing activity. Vacancy rates are expected to remain low, though weaker absorption in Downtown Stockton and Seaport may lead to localized challenges. New construction is stalled due to high financing costs and economic uncertainty, limiting future supply and likely supporting rent growth, projected to reach 4% by late 2025. Investors may remain cautious in the near term, but tight inventory, steady demand, and strong suburban fundamentals should keep the market balanced, with gradual appreciation in rental rates and occupancy stability over the next year.

Property Analysis

Land Description and Analysis

Location and Project Details

The property is located on the north side of Byron Road at N. Central Parkway, within the city of Mountain House, San Joaquin County, California.

The appraised properties consist of 2,968 single-family residential lots with typical lot sizes ranging from 3,600 to 15,000 square feet, and 11 sites/parcels proposed for 1,131 multifamily units (for-rent). Note there are also common area parcels throughout the community, but they are not considered to be a part of the appraised property.

Large lot tentative maps for the neighborhoods are approved, including Villages I, J K and L. Smaller lot final maps have been approved for all of Village J and a portion of Village K. The approval process for each of the small lot final maps is about 12 to 18 months. Final maps are usually done closer to the time of development as the architecture needs to be developed in tandem with the engineering of the final map.

Shape and Dimensions

The site is irregular in shape, yet functional for development under their respective land use and zoning designations.

Topography

The site is generally level and at street grade. The topography does not result in any particular development limitations.

Drainage

No particular drainage problems were observed or disclosed at the time of field inspection. This appraisal assumes that surface water collection, both on-site and in public streets adjacent to the subject, is adequate.

Flood Hazard Status

The following table provides flood hazard information.

Flood Hazard Status	
Community Panel Number	06077C0570F
Date	October 16, 2009
Zone	X
Description	Outside of 500-year floodplain
Insurance Required?	No

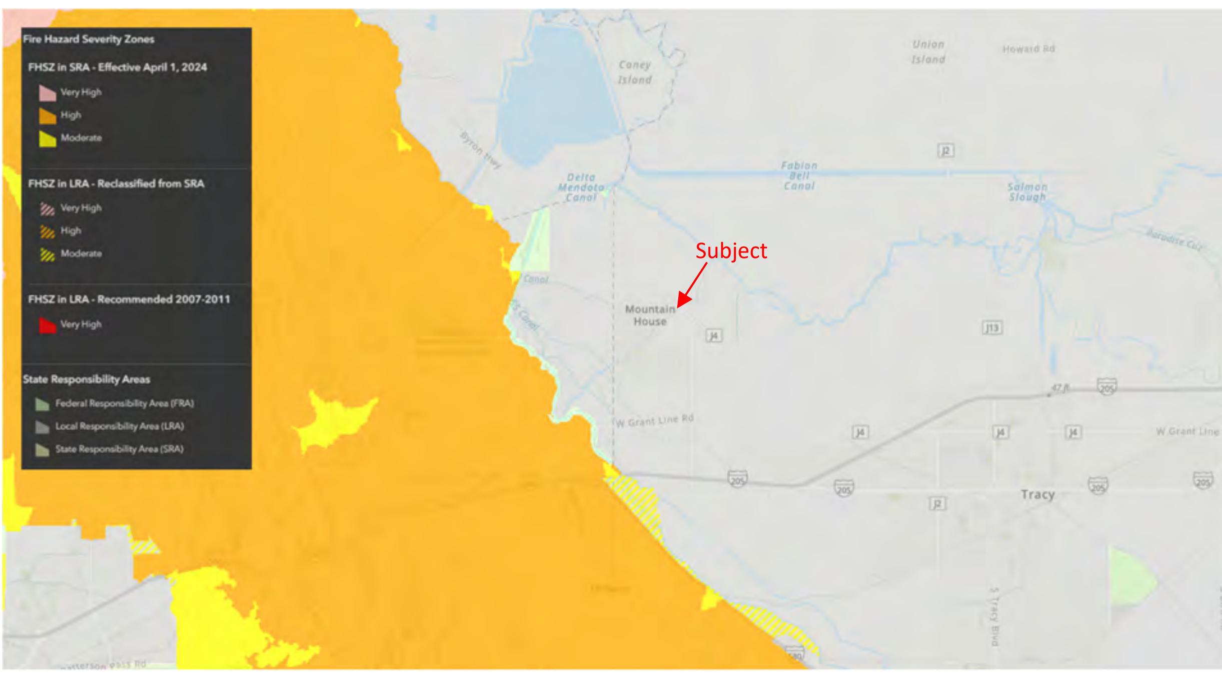
Seismic Hazards

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.

Based on the *Earthquake Zones of Required Investigation* map published by the State of California Department of Conservation, the subject is not located within an Earthquake Fault Zone as defined by the Alquist-Priolo Earthquake Fault Zoning Act. These maps indicate the subject has not been evaluated for Liquefaction Zone or Seismic Landslide 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 not been classified as an area of concern.



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.

Ground Stability

A soils report was not provided for our review. Based on our inspection of the subject and observation of development on nearby sites, there are no apparent ground stability problems. However, we are not experts in soils analysis. We assume that the subject's soil bearing capacity is sufficient to support the existing improvements.

Utilities

The availability of utilities to the subject is summarized in the following table.

Utilities

Service	Provider
Water	Mountain House Community Services District (MHCSD)
Sewer	Mountain House Community Services District (MHCSD)
Electricity	Modesto Irrigation District (MID)
Natural Gas	Pacific Gas & Electric (PG&E)
Local Phone	Various providers

Zoning

The subject is zoned RL, RM & RMH, Low Density, Medium Density, and Medium High Density Residential, by the City of Mountain House. The following table summarizes our understanding and interpretation of the zoning requirements that affect the subject.

Zoning Summary

Zoning Jurisdiction	City of Mountain House
Zoning Designation	RL, RM & RMH
Description	Low Density, Medium Density, and Medium High Density Residential
Legally Conforming?	Appears to be legally conforming
Zoning Change Likely?	No
Permitted Uses	Low Density Residential uses include a variety of single-family dwelling unit types. Product types may include large-lot single family homes, to zero lot line "patio" homes. Medium Density Residential provides for a wide variety of dwelling unit types, which include both detached and attached home and may include small-lot detached units, duplexes, triplexes, low density townhomes, or other housing types, such as second units. Medium High Density Residential provides for a mix of residential development, including single-family homes and potentially some smaller multi-family units, with a focus on medium-density housing.

According to the local planning department, there are no pending or prospective zoning changes. It appears that the current use of the site is a legally conforming use.

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.

Other Land Use Regulations

The subject consists of age-restricted and all-age lots. While age-restricted homes tend to sell for slightly more, they have more costs associated with the construction of the homes as well as the common area amenities. Further, permits and fees for these lots are less than an all-age product. The market does not show a premium or discount in lot value for age-restricted compared to all-age lots. Therefore, no adjustment is required to account for the subject's age-restricted lots in comparison to the subject's benchmark. We are not aware of any other land use regulations that would affect the property.

Easements, Encroachments and Restrictions

We have reviewed a various preliminary title reports for portions of the subject property. The reports identify 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.

Development/Construction Status

The subject's current development/construction status from the information provided by the developer is shown in the following table.

Appraised Property Summary by Ownership

Owner / Builder	Village	Project Name	Tract No. / Tract ID	Product Type	Lot Size	No. of Units	Estimated Opening Date	Multifamily Units	Unimproved SFR Lots	Finished SFR Lots	SFR Lots with Homes Under Construction	SFR Lots with Compeleted Homes
Century Communities	K	Malana	3926	Detached / All Age	3,600 (RM)	**61**	Aug-25	--	--	61	--	--
Century Communities	J	Lotus	3974	Detached / All Age	3,825 (RM)	**87**	Oct-25	--	--	87	--	--
Subtotal						***148***		--	--	*148*	--	--
Rurka Capital, LLC	J	Alserio	3973-74	Detached / All Age	5,500 (RL)	**74**	Apr-25	--	--	74	--	--
Rurka Homes	J	Bolsena	3974	Detached / All Age	5,000 (RL)	**89**	Aug-25	--	--	89	--	--
	K	TBD	3926	Detached / All Age	4,050 (RM)	**27**	Feb-26	--	--	27	--	--
Subtotal						***190***		--	--	*190*	--	--
Taylor Morrison	J	Silverleaf	3975	Detached / All Age	5,500 (RL)	**87**	May-25	--	--	87	--	--
Taylor Morrison	J	Trailview	3975	Detached / All Age	6,000 (RL)	**116**	May-25	--	--	116	--	--
Subtotal						***203***		--	--	*203*	--	--
Richmond American	K	Belleza	3926	Detached / All Age	4,050 (RM)	**55**	Aug-25	--	--	55	--	--
Richmond American												
Subtotal						***55***		--	--	*55*	--	--
Lennar	J	Lugano	3968, 69, 71	Detached / All Age	4,050 (RM)	**134**	Feb-25	--	--	105	27	2
Lennar	J	Maggiore	3968-71	Detached / All Age	5,000 (RL)	**113**	Feb-25	--	--	84	27	2
	J	Mezzano	3968, 70, 72	Detached / All Age	5,500 (RL)	**126**	Apr-25	--	--	102	22	2
	J	Turano	3968, 3972	Detached / All Age	6,000 (RL)	**130**	Feb-25	--	--	106	22	2
Subtotal						***503***		--	--	*397*	*98*	*8*
Mountain House Developers, LLC	K	--	3927	Detached / All Age	4,050 (RM)	**87**	--	--	87	--	--	--
Master Developer	K	--	3929	Detached / All Age	4,320 (RM)	**107**	--	--	107	--	--	--
	K	--	3928, 3929, 3933	Detached / All Age	5,000 (RL)	**233**	--	--	233	--	--	--
	K	--	3927, 3930, 3932	Detached / All Age	6,000 (RL)	**154**	--	--	154	--	--	--
	K	--	3931	Detached / All Age	6,500 (RL)	**71**	--	--	71	--	--	--
	I	--	4101, 4191, 4194 / I4, I7, I9	Detached / All Age	4,500 (RM)	**287**	--	--	287	--	--	--
	I	--	4193, 4195, 4202 / I5, I8, I12	Detached / All Age	5,000 (RL)	**295**	--	--	295	--	--	--
	I	--	4192, 4196, 4200 / I3, I6, I11	Detached / All Age	6,000 (RL)	**267**	--	--	267	--	--	--
	I	--	4197, 4199 / I2, I10	Detached / All Age	7,000 (RL)	**154**	--	--	154	--	--	--
	I	--	4198 / I1	Detached / All Age	7,500 (RL)	**119**	--	--	119	--	--	--
	I	--	4203 / I15	Detached / All Age	15,000 (VL)	**5**	--	--	5	--	--	--
	L	--	TBD / L5	Detached / All Age	4,050 (RM)	**90**	--	--	90	--	--	--
	K	--	K1	Multifamily / All Age	--	**76**	--	76	--	--	--	--
	K	--	K2	Multifamily / All Age	--	**135**	--	135	--	--	--	--
	K	--	K3	Multifamily / All Age	--	**53**	--	53	--	--	--	--
	K	--	K4	Multifamily / All Age	--	**104**	--	104	--	--	--	--
	I	--	I13	Multifamily / All Age	--	**89**	--	89	--	--	--	--
	I	--	I14	Multifamily / All Age	--	**96**	--	96	--	--	--	--
	L	--	L9	Multifamily / All Age	--	**120**	--	120	--	--	--	--
	L	--	L10	Multifamily / All Age	--	**286**	--	286	--	--	--	--
	L	--	L11	Multifamily / All Age	--	**52**	--	52	--	--	--	--
	L	--	L12	Multifamily / All Age	--	**48**	--	48	--	--	--	--
	L	--	L13	Multifamily / All Age	--	**72**	--	72	--	--	--	--
						3,000		*1,131*	*1,869*	*0*	*0*	*0*
TOTAL						**4,099**		**1,131**	**1,869**	**993**	**98**	**8**

Permits and Fees

Based on information provided by the developers, typical permits and fees due at building permit are summarized in the following table. These figures are consistent with fees at other projects in the area.

Permits and Fees due at Building Permit

Lot Size Categories	Medium Density (RM)	Low Density (RL)	Very Low Density (VL)
Gross Permits and Fees	$55,000 per unit	$70,000 per unit	$80,000 per unit

Site Development Costs

The major infrastructure costs provided are estimates for the entire development by phase, but service the entire master planned community as improvements are to be oversized to accommodate future development. This leads to an increased development cost up front relative to the remaining improvement areas, which is typical for an initial phase of a large development. Typically, when there are multiple ownership groups, a cost sharing agreement is utilized to reimburse the developer of early phases for the cost of oversizing that benefit later improvement areas. Therefore, the major infrastructure costs are allocated as applicable based on a pro rata share of the entire community of

3,642 lots (956 lots in Neighborhood J, 795 lots in Neighborhood K, 1,127 in Neighborhood I and 764 lots in Neighborhood L).

It is noted, there are other infrastructure/public improvement reimbursement programs the master developer will benefit from which total approximately $55,400 to $117,000 per lot (the Community Facilities Fee reimbursement, the Traffic Improvement Fee reimbursement, and the Wet Utility Program reimbursement). According to the master developer, reimbursement of certain infrastructure/public improvement costs spent will be recovered at various milestones of the development process, exact timing in which all reimbursements will be received is dependent on future development and unknown at this time. We are aware of transactions of master plan communities with similar fee credits/reimbursements that transferred with land, for which the buyer and seller agreed at fifty cents on the dollar of the credits/reimbursements upon transfer of the lots. Therefore, for the purposes of the analysis herein we have accounted for these future reimbursements consistent with known market transactions (50% of the cost amount).

Construction of horizontal improvements is under way at the subject. Based on the appraiser's on-site inspection, all lots with Village J are finished. However, information provided by Lennar indicates their 503 lots have $43,777,791 in development costs to complete which is allocated evenly amongst the Lennar lots exclusively, assumed net of the other infrastructure/public improvement reimbursements (the Community Facilities Fee reimbursement, the Traffic Improvement Fee reimbursement, and the Wet Utility Program reimbursement). These remaining costs are inclusive of street landscaping, street lighting, striping, all design engineers (civil, architecture, landscaping), stormwater protection measures, as well as offsite obligations including over 53 acres of a trail system, neighborhood park, playgrounds and landscaping corridors.

In addition, Village K comprises a total of 795 lots, of which 143 lots are finished and the remaining 652 lots are remaining to be improved. Based on information provided by the master developer, costs associated with the remaining 652 lots to be improved in Village K are summarized as follows:

Village K Cost Calculation

			Remaining Lots	
No. of Lots			652	
Budgeted Development Costs	$152,037	per lot	$99,128,155	
Spent to Date	($18,726)	per lot	($12,209,610)	
Remaining Development Costs			$86,918,545	
Other Reimbursements	($27,673)	per lot	($18,042,767)	
Net Remaining Development Costs			$68,875,778	
			$105,638	*per lot*

According to the master developer, development costs are summarized in the following table, which are generally similar to other projects in the area.

Development Costs

	Budgeted Costs	Spent to Date	Other Reimbursements	Remaining Costs
Village J*	N/Ap	N/Ap	N/Ap	$43,777,791
				$87,033 per lot
Village K**	N/Ap	N/Ap	N/Ap	$68,875,778
				$105,638 per lot
Village I	$163,489,437	($6,402,106)	($43,000,000)	$114,087,331
1,127 Lots	*$192,525 per lot*	*($30,604) per lot*	*($38,154) per lot*	*$101,231 per lot*
Village L***	$17,867,295	($46,728)	($5,301,047)	$12,519,520
90 Lots	*$198,526 per lot*	*($519) per lot*	*($58,901) per lot*	*$139,106 per lot*

* Village J comprises a total of 956 single-family lots, of which Lennar owns 503 lots. Lennar has reported they have $43,777,791 left in development cost exclusive to their 503 lots (assumed net of other reimbursements).

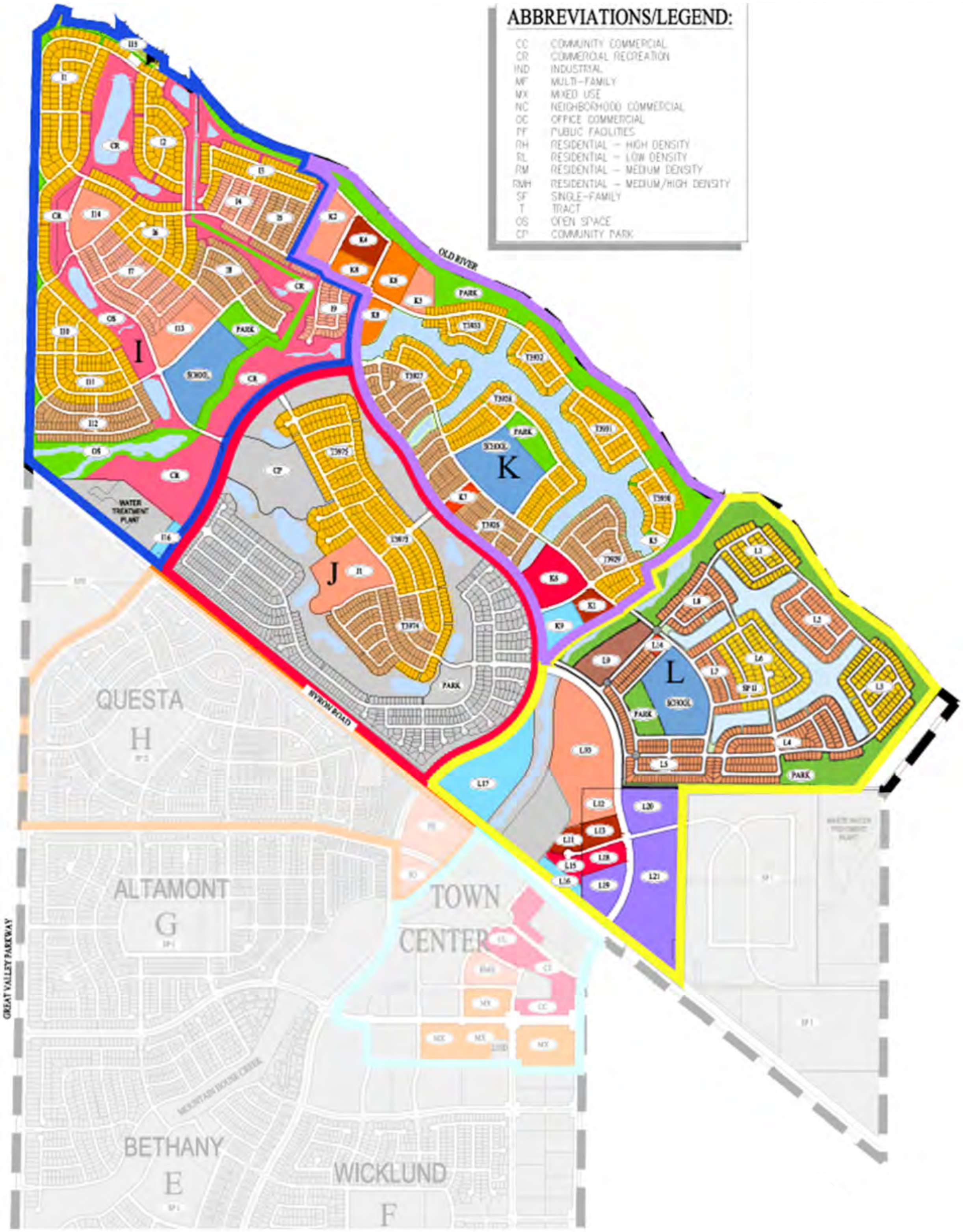
** Village K comprises 143 finished lots and 652 lots remaining to be improved; net remaining costs of $73,568,845 are exclusive to the 652 lot remaining to be improved.

*** Village L comprises a total of 764 lots; however, only 90 lots are taxable (674 units are age-restricted and not taxable; thus, not included in this appraisal report).

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. Uses permitted by zoning include low and medium density residential uses. We are not aware of any other particular restrictions on development.

Site Plan


ABBREVIATIONS/LEGEND:
CC COMMUNITY COMMERCIAL
CR COMMERCIAL RECREATION
IND INDUSTRIAL
MF MULTI-FAMILY
MX MIXED USE
NC NEIGHBORHOOD COMMERCIAL
OC OFFICE COMMERCIAL
PF PUBLIC FACILITIES
RH RESIDENTIAL – HIGH DENSITY
RL RESIDENTIAL – LOW DENSITY
RM RESIDENTIAL – MEDIUM DENSITY
RMH RESIDENTIAL – MEDIUM/HIGH DENSITY
SF SINGLE-FAMILY
T TRACT
OS OPEN SPACE
CP COMMUNITY PARK
I
J
K
L
OLD RIVER
BYRON ROAD
QUESTA
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ALTAMONT
G
TOWN
CENTER
BETHANY
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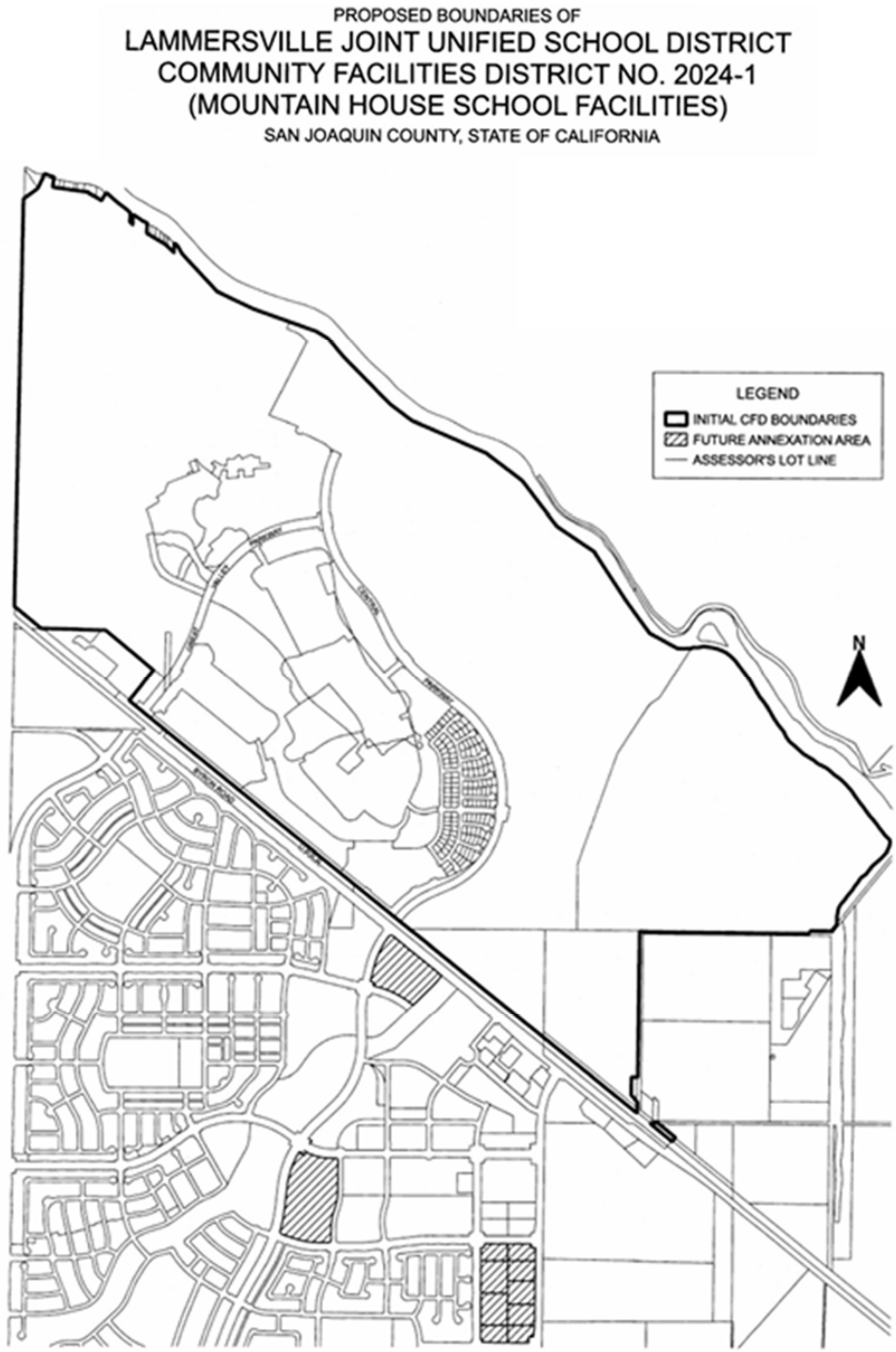
WICKLUND
F
GREAT VALLEY PARKWAY

Boundary Map



Aerial

The image below is dated from Google Maps and does not reflect the current condition of the property. Boundary lines of the District are approximate.

Proposed Improvements Description

The subject is being developed by multiple merchant homebuilders within a variety of product lines. A summary of the projects with final maps, exclusive to Villages J and K is presented on the following page. The interior finish profile of each proposed product line is considered to be of a typical quality for the area, which generally average to good overall quality. The properties will not have a Homeowner's Association (HOA).

As of the effective appraisal date, April 4, 2025, only Lennar has completed homes. Therefore, an estimate of 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 is provided herein. The smallest floor plans being developed by Lennar by project are presented in the following table.

Smallest Floor Plan Summary

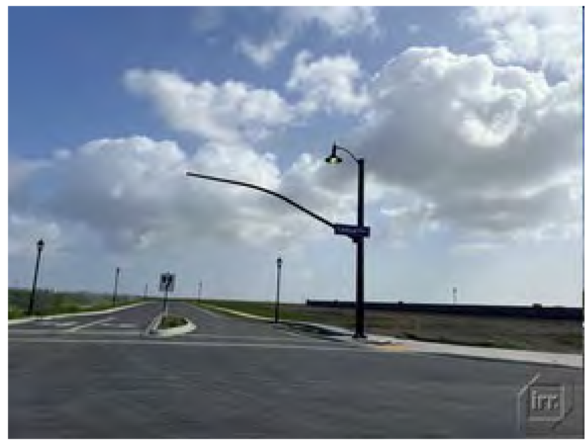
Project Name	Merchant Builder	Living Area (SF)	Bedroom	Bathroom	Stories	Garage	Typical Lot Size (SF)	Developer's Base Price
Lugano	Lennar	1,829	4	3.0	Two	2-Car	4,050	$905,880
Maggiore	Lennar	2,356	4	3.0	Two	2-Car	5,000	$1,048,880
Mezzano	Lennar	2,258	4	2.5	One	2-Car	5,500	$1,028,880
Turano	Lennar	2,710	4	2.5	One	2-Car	6,000	$1,158,880

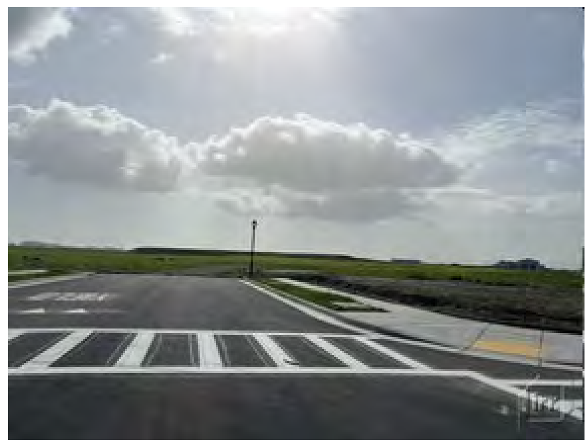
Summary of Project with Final Maps

Project Name	Malana	Lotus	Alserio	Bolsena	Silverleaf	Trailview	Belleza	TBD	Lugano	Maggiore	Mezzano	Turano	Total/ Average
Village	K	J	J	J	J	J	K	K	J	J	J	J	
Tract No.	3926	3974	3973-74	3974	3975	3975	3926	3926	3968, 68, 71	3968-71	3968, 70, 72	3968, 3972	
Builder	Century Communities	Century Communities	Rurka Homes	Rurka Homes	Taylor Morrison	Taylor Morrison	Richmond American	Rurka Homes	Lennar	Lennar	Lennar	Lennar	
Product Type	Detached	Detached	Detached	Detached	Detached	Detached	Detached	Detached	Detached	Detached	Detached	Detached	
Typical Lot Size (SF)	3,600	3,825	5,500	5,000	5,500	6,000	4,050	4,050	4,050	5,000	5,500	6,000	
No. of Homes	61	87	74	89	87	116	55	27	134	113	126	130	1,099
Expected Opening Date	8/1/2025	10/1/2025	4/1/2025	8/1/2025	5/1/2025	5/1/2025	8/1/2025	2/1/2026	2/1/2025	2/1/2025	4/1/2025	2/1/2025	
Expected Escrow Closing	10/1/2025	12/1/2025	6/1/2025	10/1/2025	7/1/2025	7/1/2025	10/1/2025	4/1/2026	4/1/2025	4/1/2025	5/1/2025	4/1/2025	
Estimated Living Areas													
Plan #1	2,355	2,443	2,315	2,681	2,654	3,168	2,462	2,400	1,829	2,356	2,258	2,710	
Plan #2	2,616	2,628	2,769	2,925	2,813	3,255	2,550	2,600	1,992	2,514	2,965	3,355	
Plan #3	2,803	2,750	3,306	3,101	3,001	3,482	2,916	2,800	2,140	2,658	3,097	3,525	
Plan #4			3,500	3,366	3,067	3,590			2,289	2,772	3,324	3,711	
Plan #5			3,971										
Average	2,591	2,607	3,172	3,018	2,884	3,374	2,643	2,600	2,063	2,575	2,911	3,325	2,814
Estimated Base Prices	Estimated	Estimated	Estimated	Estimated	Builder	Builder	Estimated	Estimated	Builder	Builder	Builder	Builder	
Plan #1	$1,000,000	$1,060,000	$1,100,000	$1,200,000	$1,120,000	$1,230,000	$1,045,000	$1,074,000	$905,880	$1,048,880	$1,028,880	$1,158,880	
Plan #2	$1,070,000	$1,100,000	$1,200,000	$1,250,000	$1,115,000	$1,250,000	$1,043,000	$1,164,000	$948,880	$1,088,880	$1,213,880	$1,318,880	
Plan #3	$1,100,000	$1,130,000	$1,350,000	$1,300,000	$1,170,000	$1,285,000	$1,144,000	$1,254,000	$988,800	$1,118,880	$1,233,880	$1,343,880	
Plan #4			$1,400,000	$1,350,000	$1,210,000	$1,305,000			$1,028,880	$1,153,880	$1,323,880	$1,418,880	
Plan #5			$1,450,000										
Average	$1,056,667	$1,096,667	$1,300,000	$1,275,000	$1,153,750	$1,267,500	$1,077,333	$1,164,000	$968,110	$1,102,630	$1,200,130	$1,310,130	$1,164,326
Value Rations ($/SF)	$408	$421	$410	$422	$400	$376	$408	$448	$469	$428	$412	$394	$416

Source: Mountain House Community Facilities District No. 2024-1 Portions of Villages J & K - Draft Market Absorption Study, dated March 28, 2025, prepared by Empire Economics, Inc.










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 San Joaquin County Treasurer-Tax Collector's Office, the subject has a tax rate of 1.053100% for tax year 2024-2025 (latest available), based on assessed value.

In addition, the appraised properties are subject to direct charges. Based on information provided by the special tax consultant, it is estimated the subject would have direct charges of approximately $2,000 per lot.

Special Assessments

All of the appraised properties are encumbered by the Special Tax Lien of the Mountain House CFD No. 2024-1 (Public Facilities and Services), which increases 2% per year. Annual special taxes associated with the facilities range from $2,852 to $4,657 per lot, dependent on lot size, and the annual special tax for the services are $520 per lot.

In addition, the appraised properties are encumbered by the Special Tax Lien of the Lammersville Joint Unified School District Community Facilities District No. 2024-1 (Mountain House School Facilities), 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:

Special Tax Table (Fiscal Year 2024-25)

Land Use Class	Land Use Category	Assigned Special Tax
1	Single Family Detached Lots greater than or equal to 6,000 square feet	$2,506.26 per unit
2	Single Family Detached Lots less than 6,000 square feet	$1,938.76 per unit
3	Single Family Attached Property	$1,714.64 per unit
4	Multifamily Property	$1,013.54 per unit
5	Taxable Non-Residential Property	TBD
6	Age-Restricted Units	$0 per unit

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 site is zoned RL, RM and RMH, Low Density, Medium Density, and Medium High Density Residential. Permitted Low Density Residential uses include a variety of single-family dwelling unit types. Product types may include large-lot single family homes, to zero lot line “patio” homes. Medium Density Residential provides for a wide variety of dwelling unit types, which include both detached and attached home and may include small-lot detached units, duplexes, triplexes, low density townhomes, or other housing types, such as second units. Medium High Density Residential provides for a mix of residential development, including single-family homes and potentially some smaller multi-family units, with a focus on medium-density housing. To our knowledge, there are no legal restrictions such as easements or deed restrictions that would effectively limit the use of the property. The subject property has an approved tentative map for 2,968 single-family residential lots with typical lot sizes ranging from 3,600 to 15,000 square feet, and 11 sites/parcels proposed for 1,131 multifamily units (for-rent) with associated improvements. As of the effective appraisal date, the subject has final map approval for all of Village J and a portion of Village K. The subject's present entitlements are the result of significant planning and review, and any rezone or land use different than currently approved is unlikely. Given prevailing land use patterns in the area, only residential use is given further consideration in determining highest and best use of the site, as though vacant.

Physically Possible

The physical characteristics of a site that affect its possible use 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 single-family residential development; at this point the physical characteristics are examined to see if they are suited for the legally permissible use.

Based on our physical inspection of the subject property, we know of no reason why the property would not support development. All utilities are available to the perimeter of the site. The property is not located within an adverse earthquake, flood, or fire zone. Further, the subject is proximate to new development and development appears possible. Surrounding land uses are compatible and/or similar. Development on adjacent properties provides support that soils are adequate for development. Based on the physical characteristics of the subject property, residential development is considered physically possible and most appropriate

Financially Feasible

Financial feasibility depends on supply and demand influences. With respect to financial feasibility of single-family residential development, the continued elevated mortgage interest rate environment has resulted in homebuilders' continuing to offer financing incentives for new homebuyers in the form of interest rate buy downs. Further, recent macroeconomic conditions have, reportedly, prompted homebuilders to delay additional bulk lot acquisitions. Instead, opting to build on existing inventories.

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 their highest and best use as vacant is for near-term single-family residential development.

As Improved (Proposed)

As with the highest and best use as though vacant, the four tests of highest and best use must also be applied to the subject property considering the in-place improvements. Consideration must be given to the continued as-is use of the subject, as well as alternative uses for the subject. The potential alternative uses consist of demolition, expansion, conversion or renovation.

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 property as improved exceeds its value as vacant less demolition. The highest and best use of the subject property as improved is for continuing site development and construction of homes and apartments, as dictated by demand.

Most Probable Buyer

In conjunction with the definition of market value, this appraisal assumes a hypothetical sale of the subject properties to a probable buyer/user, as of the date of value. The subject is considered to have good appeal for production homes. The most probable buyer would be a developer/homebuilder for the partially improved lots, finished lots, and homes under construction. The most probable buyer for the unimproved residential lots is a land developer or merchant builder. The most probable buyer for the completed homes would be individual homeowner(s).

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 using the sales comparison approach to value.

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.

This approach is based on the economic principle of substitution. According to The Appraisal of Real Estate, 15th 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.

As of the effective appraisal date, April 4, 2025, only Lennar has completed homes. Please note, 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 smallest floor plans within the product lines being developed are shown in the following table.

Smallest Floor Plan Summary

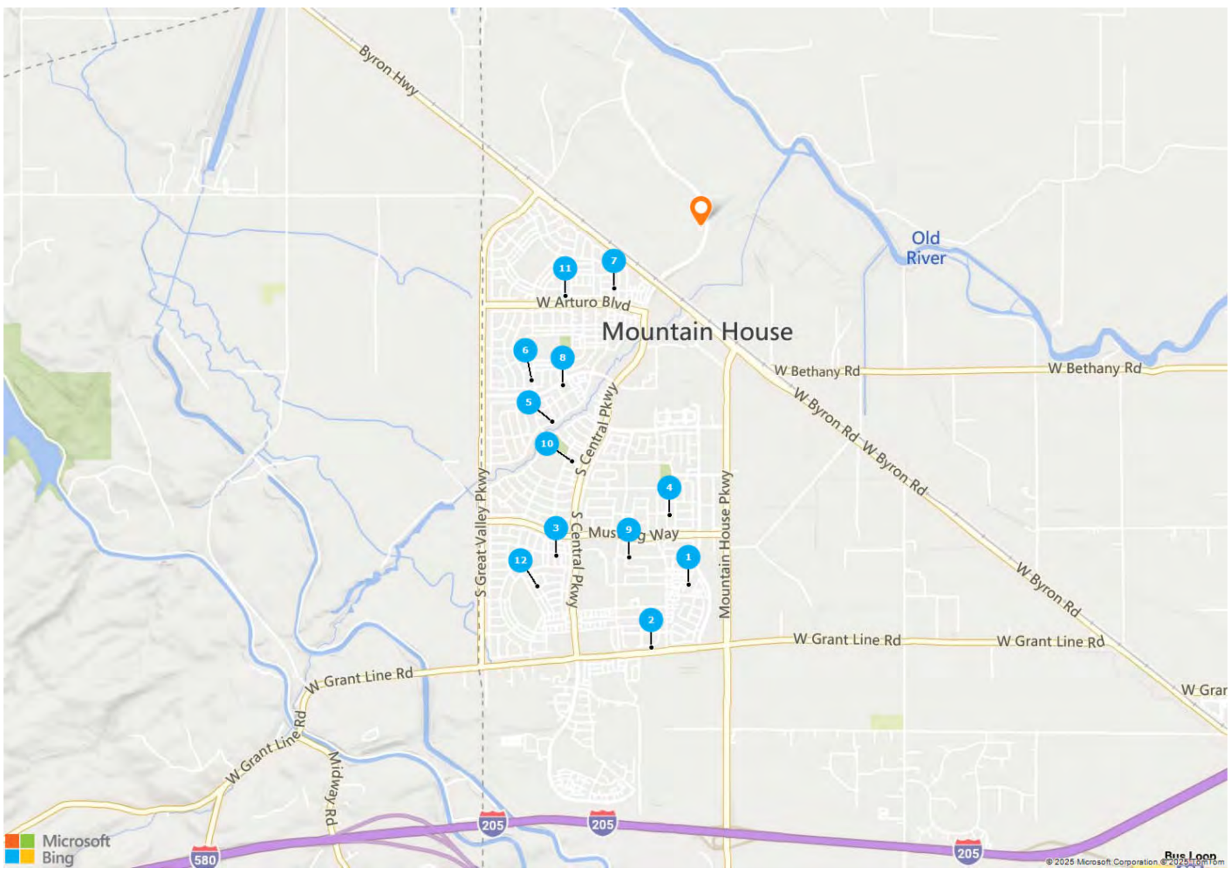
Project Name	Merchant Builder	Living Area (SF)	Bedroom	Bathroom	Stories	Garage	Typical Lot Size (SF)	Developer's Base Price
Lugano	Lennar	1,829	4	3.0	Two	2-Car	4,050	$905,880
Maggiore	Lennar	2,356	4	3.0	Two	2-Car	5,000	$1,048,880
Mezzano	Lennar	2,258	4	2.5	One	2-Car	5,500	$1,028,880
Turano	Lennar	2,710	4	2.5	One	2-Car	6,000	$1,158,880

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	1162 S Morning Glory Drive	2/28/2025	$825,000	3/17/2025	1,778	3	2.5	2-Car	2021	3,450
2	332 E Liverno Avenue	2/13/2025	$990,000	3/14/2025	2,480	3	2.5	2-Car	2018	4,112
3	1018 S Fowler Lane	2/4/2025	$875,000	3/14/2025	2,145	4	3.0	2-Car	2016	4,000
4	772 Shelli Street	2/4/2025	$925,000	2/25/2025	2,624	4	2.5	2-Car	2004	6,480
5	459 W Las Brisas Drive	1/19/2025	$970,000	2/18/2025	2,448	5	3.0	2-Car	2006	3,739
6	49 N Puente Drive	1/17/2025	$1,000,000	2/18/2025	2,781	4	2.5	2-Car	2008	6,329
7	133 W Questa Trail	1/16/2025	$900,000	2/18/2025	2,174	4	3.0	2-Car	2012	4,182
8	14 S Tranquilidad Court	12/16/2024	$710,000	1/7/2025	1,552	3	2.5	2-Car	2006	3,942
9	231 E Lawson Avenue	12/10/2024	$950,000	1/9/2025	2,236	4	3.0	2-Car	2022	3,329
10	151 La Rosa Lane	12/9/2024	$800,000	1/22/2025	2,136	4	2.5	2-Car	2005	4,007
11	391 W San Juan Drive	9/13/2024	$1,100,000	10/16/2024	2,859	5	3.0	2-Car	2014	6,725
12	1185 S Olson Avenue	8/30/2024	$1,165,000	9/23/2024	2,749	5	3.0	3-Car (tandem)	2016	4,635

Comparable Sales Map



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 similar bond encumbrances. Adjustments are not necessary.
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; no adjustments were necessary.
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	As demonstrated in the previous market analysis section, new home pricing on a dollar per square foot basis has been fluctuating over the past twelve months in the subject's market area, as well as within the region overall. Home pricing over

Adjustment Factor	Accounts For	Comments
	attention needs to be paid to assess changing market conditions. Significant monthly changes in price levels can occur in several areas of a neighborhood, while prices in other areas remain relatively stable. Although the adjustment for market conditions is often referred to as a time adjustment, time is not the cause of the adjustment.	the past 6 months has increased modestly. As such, based on the data presented in the *Residential Market Analysis* section, slight upward adjustments are made for market conditions.
Location	Location is a very important factor to consider when making comparisons. The comparables need not be in the same neighborhood but should be in neighborhoods that offer the same advantage and have, in general, the same overall desirability to the most probable buyer or user.	All of the comparables are located within Mountain House and no adjustment for location is necessary.
Community Appeal	Community characteristics that may influence sale prices include a gated amenity or the condition of surrounding development.	The subject property represents traditional detached single-family residential construction. Comparables with cluster or alley-loaded, detached single-family construction are considered inferior to the subject and adjustments are applied as applicable.
Lot Size	The lot size adjustment pertains to the differences between the subject's average lot size and comparables with either larger or smaller lots. It does not include any lot premium adjustments, which are adjusted for separately. The amount of the adjustment used in the comparison of the base lot sizes comes from a survey of premiums paid for larger lots.	Considering the average lot size adjustment factors indicated by the comparable sales utilized in this analysis, lot size adjustment factor of $15.00 per square foot 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/ Discounts	Properties sometimes achieve premiums for corner or cul-de-sac positioning, or proximity to open space or views. Adjustments for lot	Appropriate adjustments are applied based upon lot placement

Adjustment Factor	Accounts For	Comments
	position premiums would be in addition to lot size adjustments previously considered.	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 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 comparables represent resales and applicable upward adjustments are applied as warranted.
Functional Utility	Ability to adequately provide for its intended purpose.	Adjustments for this factor do not apply.
Room Count	For similar size units the differences between room count is a buyer preference. One buyer might prefer two bedrooms and a den versus a three-bedroom unit. Extra rooms typically result in additional building area and are accounted for in the size adjustment. Therefore, no adjustments are made for number of total rooms or bedrooms.	Because bathrooms are a functional item for each floor plan and add substantial cost due to the number of plumbing fixtures, an adjustment is made for the difference in the number of fixtures between the subject and the comparable sales. The adjustment is based on an amount of $12,500 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

Adjustment Factor	Accounts For	Comments
		generally range from $5,000 to over $25,000 for the various fixtures, the $12,500 per fixture, or half-bath, is supported. Consequently, a factor of $25,000 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 $115.00 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.
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 or three-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	As new home construction, the subject includes only front yard

Adjustment Factor	Accounts For	Comments
		landscaping, which is typical for the market. All of the comparables represent resales and included backyard landscaping and downward adjustments are applied.

Adjustment Grids

The following pages include grids reflecting the aforementioned adjustments.

Lugano

Project Information		Subject Property	Comparable 1		Comparable 3		Comparable 7		Comparable 8		Comparable 9		Comparable 10	
Address/Lot Number			1162 S Morning Glory Drive		1018 S Fowler Lane		133 W Questa Trail		14 S Tranquilidad Court		231 E Lawson Avenue		151 La Rosa Lane	
City/Area		Mountain House	Mountain House		Mountain House		Mountain House		Mountain House		Mountain House		Mountain House	
Price		N/Ap		$825,000		$875,000		$900,000		$710,000		$950,000		$800,000
Price Per SF		N/Ap	$464.00		$407.93		$413.98		$457.47		$424.87		$374.53	
Data Source			MLS		MLS		MLS		MLS		MLS		MLS	
Incentives		N/Ap	No	$0	No	$0	No	$0	No	$0	No	$0	No	$0
Upgrades		Base	No	$0	No	$0	No	$0	No	$0	No	$0	No	$0
Effective Base Sales Price				**$825,000**		**$875,000**		**$900,000**		**$710,000**		**$950,000**		**$800,000**
Adjustments:	**Factor**		**Description**	**+/(-)**	**Description**	**+/(-)**	**Description**	**+/(-)**	**Description**	**+/(-)**	**Description**	**+/(-)**	**Description**	**+/(-)**
Property Rights		Fee Simple	Similar		Similar		Similar		Similar		Similar		Similar	
Financing Terms		Cash Equivalent	Similar		Similar		Similar		Similar		Similar		Similar	
Conditions of Sale		Market	Market		Market		Market		Market		Market		Market	
Market Conditions														
Contract Date		4/4/2025	2/28/2025		2/4/2025		1/16/2025		12/16/2024	$7,100	12/10/2024	$9,500	12/9/2024	$8,000
Project Location		Mountain House	Mountain House		Mountain House		Mountain House		Mountain House		Mountain House		Mountain House	
Community Appeal		Average	Alley Loaded	$24,750	Alley Loaded	$26,250	Similar		5-Pack	$21,300	Similar		Alley Loaded	$24,000
Lot Size	$15.00	4,050	3,450	$9,000	4,000	$750	4,182	($1,980)	3,942	$1,620	3,329	$10,815	4,007	$645
Lot Premium		N/Ap	Similar		Similar		Similar		Similar		Similar		Similar	
Design and Appeal		Average	Similar		Similar		Similar		Similar		Similar		Similar	
Quality of Construction		Good	Similar		Similar		Similar		Similar		Similar		Similar	
Age (Total/Effective)		New	Inferior, 4%	$33,000	Inferior, 9%	$78,750	Inferior, 10%	$90,000	Inferior, 15%	$106,500	Inferior, 3%	$28,500	Inferior, 15%	$120,000
Condition		Good/New	Similar		Similar		Similar		Similar		Similar		Similar	
Functional Utility		Average	Similar		Similar		Similar		Similar		Similar		Similar	
Room Count														
Bedrooms		4	3		4		4		3		4		4	
Baths	$25,000	3.0	2.5	$12,500	3.0	$0	3.0	$0	2.5	$12,500	3.0	$0	2.5	$12,500
Living Area (SF)	$115.00	1,829	1,778	$5,865	2,145	($36,340)	2,174	($39,675)	1,552	$31,855	2,236	($46,805)	2,136	($35,305)
Number of Stories		Two	Two		Two		Two		Two		Two		Two	
Heating/Cooling		Central/Forced	Similar		Similar		Similar		Similar		Similar		Similar	
Garage	$15,000	2-Car	2-Car		2-Car		2-Car		2-Car		2-Car		2-Car	
Landscaping		Front	Superior	($24,750)	Superior	($26,250)	Superior	($27,000)	Superior	($21,300)	Superior	($28,500)	Superior	($24,000)
Pool/Spa		None	Similar		Similar		Similar		Similar		Similar		Similar	
Patios/Decks		Patio	Similar		Similar		Similar		Similar		Similar		Similar	
Fencing		Rear	Similar		Similar		Similar		Similar		Similar		Similar	
Fireplace(s)	N/A	None	None		None		None		None		None		None	
Kitchen Equipment		Average	Similar		Similar		Similar		Similar		Similar		Similar	
Other		None	Similar		Similar		Similar		Similar		Similar		Similar	
Gross Adjustments				$109,865		$168,340		$158,655		$202,175		$124,120		$224,450
Net Adjustments				**$60,365**		**$43,160**		**$21,345**		**$159,575**		**($26,490)**		**$105,840**
Adjusted Retail Value				**$885,365**		**$918,160**		**$921,345**		**$869,575**		**$923,510**		**$905,840**

Concluded Retail Value	**$905,000**
Indicated Value Per SF	**$494.81**

Adjustments were necessary to account for differences between these homes and the subject’s floor plan. The sales provide a range of indicators of $869,575 to $923,510. The lowest and heighted indicators of value represent the smallest and largest homes analyzed. Placing guarded reliance on these comparables, the balance of the data set, we have concluded an estimate of value of $905,000.

Maggiore

Project Information	Subject Property	Comparable 2		Comparable 3		Comparable 5		Comparable 6		Comparable 7		Comparable 10	
Address/Lot Number		332 E Liverno Avenue		1018 S Fowler Lane		459 W Las Brisas Drive		49 N Puente Drive		133 W Questa Trail		151 La Rosa Lane	
City/Area	Mountain House	Mountain House		Mountain House		Mountain House		Mountain House		Mountain House		Mountain House	
Price	N/Ap		$990,000		$875,000		$970,000		$1,000,000		$900,000		$800,000
Price Per SF	N/Ap	$399.19		$407.93		$396.24		$359.58		$413.98		$374.53	
Data Source		MLS		MLS		MLS		MLS		MLS		MLS	
Incentives	N/Ap	No	$0	No	$0	No	$0	No	$0	No	$0	No	$0
Upgrades	Base	No	$0	No	$0	No	$0	No	$0	No	$0	No	$0
Effective Base Sales Price			**$990,000**		**$875,000**		**$970,000**		**$1,000,000**		**$900,000**		**$800,000**

Adjustments:	Factor		Description	+/(-)	Description	+/(-)	Description	+/(-)	Description	+/(-)	Description	+/(-)	Description	+/(-)
Property Rights		Fee Simple	Similar		Similar		Similar		Similar		Similar		Similar	
Financing Terms		Cash Equivalent	Similar		Similar		Similar		Similar		Similar		Similar	
Conditions of Sale		Market	Market		Market		Market		Market		Market		Market	
Market Conditions														
Contract Date		4/4/2025	2/13/2025		2/4/2025		1/19/2025		1/17/2025		1/16/2025		12/9/2024	$8,000
Project Location		Mountain House	Mountain House		Mountain House		Mountain House		Mountain House		Mountain House		Mountain House	
Community Appeal		Average	Similar		Alley Loaded	$26,250	Similar		Similar		Similar		Alley Loaded	$24,000
Lot Size	$15.00	5,000	4,112	$13,320	4,000	$15,000	3,739	$18,915	6,329	($19,935)	4,182	$12,270	4,007	$14,895
Lot Premium		N/Ap	Similar		Similar		Similar		Similar		Similar		Similar	
Design and Appeal		Average	Similar		Similar		Similar		Similar		Similar		Similar	
Quality of Construction		Good	Similar		Similar		Similar		Similar		Similar		Similar	
Age (Total/Effective)		New	Inferior, 7%	$69,300	Inferior, 9%	$78,750	Inferior, 15%	$145,500	Inferior, 15%	$150,000	Inferior, 10%	$90,000	Inferior, 15%	$120,000
Condition		Good/New	Similar		Similar		Similar		Similar		Similar		Similar	
Functional Utility		Average	Similar		Similar		Similar		Similar		Similar		Similar	
Room Count														
Bedrooms		4	3		4		5		4		4		4	
Baths	$25,000	3.0	2.5	$12,500	3.0	$0	3.0	$0	2.5	$12,500	3.0	$0	2.5	$12,500
Living Area (SF)	$115.00	2,356	2,480	($14,260)	2,145	$24,265	2,448	($10,580)	2,781	($48,875)	2,174	$20,930	2,136	$25,300
Number of Stories		Two	Two		Two		Two		Two		Two		Two	
Heating/Cooling		Central/Forced	Similar		Similar		Similar		Similar		Similar		Similar	
Garage	$15,000	2-Car	2-Car		2-Car		2-Car		2-Car		2-Car		2-Car	
Landscaping		Front	Superior	($29,700)	Superior	($26,250)	Superior	($29,100)	Superior	($30,000)	Superior	($27,000)	Superior	($24,000)
Pool/Spa		None	Similar		Similar		Similar		Similar		Similar		Similar	
Patios/Decks		Patio	Similar		Similar		Similar		Similar		Similar		Similar	
Fencing		Rear	Similar		Similar		Similar		Similar		Similar		Similar	
Fireplace(s)	N/A	None	None		None		None		None		None		None	
Kitchen Equipment		Average	Similar		Similar		Similar		Similar		Similar		Similar	
Other		None	Similar		Similar		Similar		Similar		Similar		Similar	
Gross Adjustments				$139,080		$170,515		$204,095		$261,310		$150,200		$228,695
Net Adjustments				**$51,160**		**$118,015**		**$124,735**		**$63,690**		**$96,200**		**$180,695**
Adjusted Retail Value				**$1,041,160**		**$993,015**		**$1,094,735**		**$1,063,690**		**$996,200**		**$980,695**

Concluded Retail Value	**$1,045,000**
Indicated Value Per SF	**$443.55**

Adjustments were necessary to account for differences between these homes and the subject’s floor plan. The sales provide a range of indicators of $996,200 to $1,094,735. The comparables with similar lot configuration as the subject and are given primary reliance, suggesting a value towards the upper end of the range. We have concluded an estimate of value of $1,045,000.

Mezzano

Project Information	Subject Property	Comparable 2		Comparable 3		Comparable 4		Comparable 5		Comparable 6		Comparable 7		Comparable 9		Comparable 10	
Address/Lot Number		332 E Liverno Avenue		1018 S Fowler Lane		772 Shelli Street		459 W Las Brisas Drive		49 N Puente Drive		133 W Questa Trail		231 E Lawson Avenue		151 La Rosa Lane	
City/Area	Mountain House	Mountain House		Mountain House		Mountain House		Mountain House		Mountain House		Mountain House		Mountain House		Mountain House	
Price	N/Ap		$990,000		$875,000		$925,000		$970,000		$1,000,000		$900,000		$950,000		$800,000
Price Per SF	N/Ap	$399.19		$407.93		$352.52		$396.24		$359.58		$413.98		$424.87		$374.53	
Data Source		MLS		MLS		MLS		MLS		MLS		MLS		MLS		MLS	
Incentives	N/Ap	No	$0	No	$0	No	$0	No	$0	No	$0	No	$0	No	$0	No	$0
Upgrades	Base	No	$0	No	$0	No	$0	No	$0	No	$0	No	$0	No	$0	No	$0
Effective Base Sales Price			**$990,000**		**$875,000**		**$925,000**		**$970,000**		**$1,000,000**		**$900,000**		**$950,000**		**$800,000**

Adjustments:	Factor		Description	+/(-)	Description	+/(-)	Description	+/(-)	Description	+/(-)	Description	+/(-)	Description	+/(-)	Description	+/(-)	Description	+/(-)
Property Rights		Fee Simple	Similar		Similar		Similar		Similar		Similar		Similar		Similar		Similar	
Financing Terms		Cash Equivalent	Similar		Similar		Similar		Similar		Similar		Similar		Similar		Similar	
Conditions of Sale		Market	Market		Market		Market		Market		Market		Market		Market		Market	
Market Conditions																		
Contract Date		4/4/2025	2/13/2025		2/4/2025		2/4/2025		1/19/2025		1/17/2025		1/16/2025		12/10/2024	$9,500	12/9/2024	$8,000
Project Location		Mountain House	Mountain House		Mountain House		Mountain House		Mountain House		Mountain House		Mountain House		Mountain House		Mountain House	
Community Appeal		Average	Similar		Alley Loaded	$26,250	Similar		Similar		Similar		Similar		Similar		Alley Loaded	$24,000
Lot Size	$15.00	5,500	4,112	$20,820	4,000	$22,500	6,480	($14,700)	3,739	$26,415	6,329	($12,435)	4,182	$19,770	3,329	$32,565	4,007	$22,395
Lot Premium		N/Ap	Similar		Similar		Similar		Similar		Similar		Similar		Similar		Similar	
Design and Appeal		Average	Similar		Similar		Similar		Similar		Similar		Similar		Similar		Similar	
Quality of Construction		Good	Similar		Similar		Similar		Similar		Similar		Similar		Similar		Similar	
Age (Total/Effective)		New	Inferior, 7%	$69,300	Inferior, 9%	$78,750	Inferior, 15%	$138,750	Inferior, 15%	$145,500	Inferior, 15%	$150,000	Inferior, 10%	$90,000	Inferior, 3%	$28,500	Inferior, 15%	$120,000
Condition		Good/New	Similar		Similar		Similar		Similar		Similar		Similar		Similar		Similar	
Functional Utility		Average	Similar		Similar		Similar		Similar		Similar		Similar		Similar		Similar	
Room Count																		
Bedrooms		4	3		4		4		5		4		4		4		4	
Baths	$25,000	2.5	2.5	$0	3.0	($12,500)	2.5	$0	3.0	($12,500)	2.5	$0	3.0	($12,500)	3.0	($12,500)	2.5	$0
Living Area (SF)	$115.00	2,258	2,480	($25,530)	2,145	$12,995	2,624	($42,090)	2,448	($21,850)	2,781	($60,145)	2,174	$9,660	2,236	$2,530	2,136	$14,030
Number of Stories		One	Two	$29,700	Two	$26,250	One		Two	$29,100	Two	$30,000	Two	$27,000	Two	$28,500	Two	$24,000
Heating/Cooling		Central/Forced	Similar		Similar		Similar		Similar		Similar		Similar		Similar		Similar	
Garage	$15,000	2-Car	2-Car		2-Car		2-Car		2-Car		2-Car		2-Car		2-Car		2-Car	
Landscaping		Front	Superior	($29,700)	Superior	($26,250)	Superior	($27,750)	Superior	($29,100)	Superior	($30,000)	Superior	($27,000)	Superior	($28,500)	Superior	($24,000)
Pool/Spa		None	Similar		Similar		Similar		Similar		Similar		Similar		Similar		Similar	
Patios/Decks		Patio	Similar		Similar		Similar		Similar		Similar		Similar		Similar		Similar	
Fencing		Rear	Similar		Similar		Similar		Similar		Similar		Similar		Similar		Similar	
Fireplace(s)	N/A	None	None		None		None		None		None		None		None		None	
Kitchen Equipment		Average	Similar		Similar		Similar		Similar		Similar		Similar		Similar		Similar	
Other		None	Similar		Similar		Similar		Similar		Similar		Similar		Similar		Similar	
Gross Adjustments				$175,050		$205,495		$223,290		$264,465		$282,580		$185,930		$142,595		$236,425
Net Adjustments				**$64,590**		**$127,995**		**$54,210**		**$137,565**		**$77,420**		**$106,930**		**$60,595**		**$188,425**
Adjusted Retail Value				**$1,054,590**		**$1,002,995**		**$979,210**		**$1,107,565**		**$1,077,420**		**$1,006,930**		**$1,010,595**		**$988,425**

Concluded Retail Value	**$1,025,000**
Indicated Value Per SF	**$453.94**

Adjustments were necessary to account for differences between these homes and the subject's floor plan. The sales provide a range of indicators of $979,210 to $1,107,565. The comparables with similar lot configuration as the subject and are given primary reliance. We have concluded an estimate of value of $1,025,000.

Turano

Project Information		Subject Property	Comparable 2		Comparable 4		Comparable 5		Comparable 6		Comparable 11		Comparable 12	
Address/Lot Number			332 E Liverno Avenue		772 Shelli Street		459 W Las Brisas Drive		49 N Puente Drive		391 W San Juan Drive		1185 S Olson Avenue	
City/Area		Mountain House	Mountain House		Mountain House		Mountain House		Mountain House		Mountain House		Mountain House	
Price		N/Ap		$990,000		$925,000		$970,000		$1,000,000		$1,100,000		$1,165,000
Price Per SF		N/Ap	$399.19		$352.52		$396.24		$359.58		$384.75		$423.79	
Data Source			MLS		MLS		MLS		MLS		MLS		MLS	
Incentives		N/Ap	No	$0	No	$0	No	$0	No	$0	No	$0	No	$0
Upgrades		Base	No	$0	No	$0	No	$0	No	$0	No	$0	No	$0
Effective Base Sales Price				**$990,000**		**$925,000**		**$970,000**		**$1,000,000**		**$1,100,000**		**$1,165,000**
Adjustments:	**Factor**		**Description**	**+/(-)**	**Description**	**+/(-)**	**Description**	**+/(-)**	**Description**	**+/(-)**	**Description**	**+/(-)**	**Description**	**+/(-)**
Property Rights		Fee Simple	Similar		Similar		Similar		Similar		Similar		Similar	
Financing Terms		Cash Equivalent	Similar		Similar		Similar		Similar		Similar		Similar	
Conditions of Sale		Market	Market		Market		Market		Market		Market		Market	
Market Conditions														
Contract Date		4/4/2025	2/13/2025		2/4/2025		1/19/2025		1/17/2025		9/13/2024	$11,000	8/30/2024	$11,650
Project Location		Mountain House	Mountain House		Mountain House		Mountain House		Mountain House		Mountain House		Mountain House	
Community Appeal		Average	Similar		Similar		Similar		Similar		Similar		Alley Loaded	$34,950
Lot Size	$15.00	6,000	4,112	$28,320	6,480	($7,200)	3,739	$33,915	6,329	($4,935)	6,725	($10,875)	4,635	$20,475
Lot Premium		N/Ap	Similar		Similar		Similar		Similar		Similar		Similar	
Design and Appeal		Average	Similar		Similar		Similar		Similar		Similar		Similar	
Quality of Construction		Good	Similar		Similar		Similar		Similar		Similar		Similar	
Age (Total/Effective)		New	Inferior, 7%	$69,300	Inferior, 15%	$138,750	Inferior, 15%	$145,500	Inferior, 15%	$150,000	Inferior, 10%	$110,000	Inferior, 9%	$104,850
Condition		Good/New	Similar		Similar		Similar		Similar		Similar		Similar	
Functional Utility		Average	Similar		Similar		Similar		Similar		Similar		Similar	
Room Count														
Bedrooms		4	3		4		5		4		5		5	
Baths	$25,000	2.5	2.5	$0	2.5	$0	3.0	($12,500)	2.5	$0	3.0	($12,500)	3.0	($12,500)
Living Area (SF)	$115.00	2,710	2,480	$26,450	2,624	$9,890	2,448	$30,130	2,781	($8,165)	2,859	($17,135)	2,749	($4,485)
Number of Stories		One	Two	$29,700	One		Two	$29,100	Two	$30,000	Two	$33,000	Two	$34,950
Heating/Cooling		Central/Forced	Similar		Similar		Similar		Similar		Similar		Similar	
Garage	$15,000	2-Car	2-Car		2-Car		2-Car		2-Car		2-Car		3-Car (tandem)	($15,000)
Landscaping		Front	Superior	($29,700)	Superior	($27,750)	Superior	($29,100)	Superior	($30,000)	Superior	($33,000)	Superior	($34,950)
Pool/Spa		None	Similar		Similar		Similar		Similar		Similar		Similar	
Patios/Decks		Patio	Similar		Similar		Similar		Similar		Similar		Similar	
Fencing		Rear	Similar		Similar		Similar		Similar		Similar		Similar	
Fireplace(s)	N/A	None	None		None		None		None		None		None	
Kitchen Equipment		Average	Similar		Similar		Similar		Similar		Similar		Similar	
Other		None	Similar		Similar		Similar		Similar		Similar		Similar	
Gross Adjustments				$183,470		$183,590		$280,245		$223,100		$227,510		$273,810
Net Adjustments				**$124,070**		**$113,690**		**$197,045**		**$136,900**		**$80,490**		**$139,940**
Adjusted Retail Value				**$1,114,070**		**$1,038,690**		**$1,167,045**		**$1,136,900**		**$1,180,490**		**$1,304,940**

Concluded Retail Value	**$1,150,000**
Indicated Value Per SF	**$424.35**

Adjustments were necessary to account for differences between these homes and the subject's floor plan. The sales provide a range of indicators of $1,038,690 to $1,304,940. The comparables with similar lot configuration as the subject and are given primary reliance, suggesting a value towards the middle of the range. We have concluded an estimate of value of $1,150,000.

Conclusion of Home Values

Based on the analysis herein, the market value conclusions for the homes are summarized in the following table. The base retail value estimates are generally similar to the developer's base prices.

Floor Plan Value Conclusions

Project Name	Living Area (SF)	Bedroom	Bathroom	Stories	Garage	Typical Lot Size (SF)	Developer's Base Price	**Concluded Base Retail Value**
Lugano	1,829	4	3.0	Two	2-Car	4,050	$905,880	**$905,000**
Maggiore	2,356	4	3.0	Two	2-Car	5,000	$1,048,880	**$1,045,000**
Mezzano	2,258	4	2.5	One	2-Car	5,500	$1,028,880	**$1,025,000**
Turano	2,710	4	2.5	One	2-Car	6,000	$1,158,880	**$1,150,000**

Residential Lot Valuation

For the purpose of estimating the value of the subject's lots, we have identified the benchmark lot categories of 4,050 square feet for the Medium Density lots, 6,000 square feet for the Low Density lots, and 15,000 square feet for the Very Low Density lots. Following the conclusion of value for the benchmark lots we will address the differences between the benchmark lot categories compared to the remaining lot categories comprising the subject property. The following table presents all of the subject lots.

Lot Size Categories

Lot Size (SF)	Unimproved SFR Lots	Finished SFR Lots	Under Construction	SFR with Compeleted Homes	No. of Lots
3,600 (RM)	--	61	--	--	61
3,825 (RM)	--	87	--	--	87
4,050 (RM)	177	187	27	2	393
4,320 (RM)	107	--	--	--	107
4,500 (RM)	337	--	--	--	337
5,000 (RL)	685	173	27	2	887
5,500 (RL)	138	263	22	2	425
6,000 (RL)	577	222	22	2	823
6,500 (RL)	182	--	--	--	182
7,000 (RL)	154	--	--	--	154
7,500 (RL)	119	--	--	--	119
15,000 (VL)	5	--	--	--	5
TOTAL	**2,481**	**993**	**98**	**8**	**3,580**

We will utilize the sales comparison approach and a land residual analysis to estimate the market value of the Medium Density and Low Density benchmark lot categories. For the Very Low Density lot category, due to the number of subject lots (five) the sales comparison approach and an extraction analysis will be utilized to estimate market value. The estimates 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.

We will first analyze and conclude market values for the Medium Density and Low Density benchmark lot categories, then a separate valuation section for the Very Low Density lot category will follow.

Later in this report, we apply a lot size adjustment factor to account for differing lot sizes within the subject. Remaining development costs applicable to the subject property are accounted for in the *Market Value by Ownership* section.

Sales Comparison Approach

This approach develops an indication of value by researching, verifying, and analyzing sales of similar properties. Our sales research focused on transactions within the following parameters:

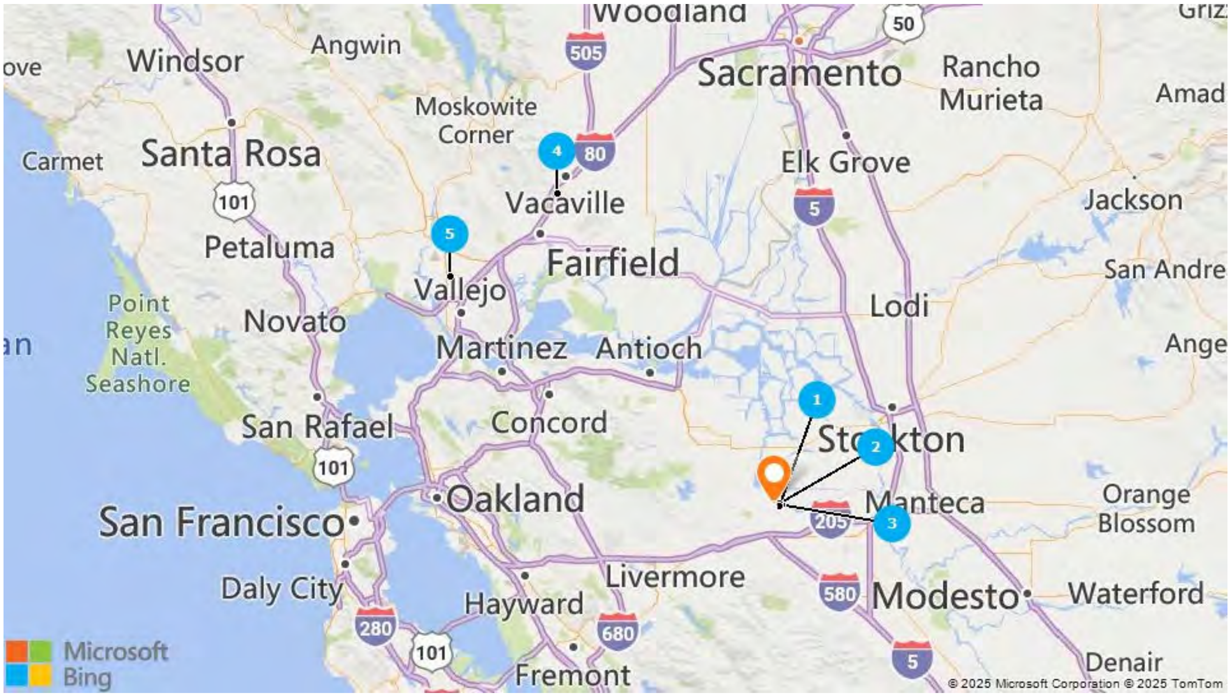
- Location: San Joaquin County and similar surrounding communities
- Typical Lot Size: 3,000 to 7,000 square feet
- Number of Lots: 40 to 250 lots
- Transaction Date: within the past 24 to 36 months

The bulk lot sales are analyzed on a loaded lot basis, which is the equivalent of underlying land, any remaining site development costs and all fees paid through the building permit for home construction. The most relevant sales are summarized in the following tables.

Summary of Comparable Land Sales - Medium Density

No.	Name/Address	Sale Date; Status	Sale Price; Bond Consideration/Lot	Typical Lot Size	Number of Lots	$/Lot	Expenditures After Purchase
1	Mountain House Tract 3974 N/O Byron Rd., S/O Great Valley Pkwy. Mountain House San Joaquin County	Jan-25 Closed	$34,800,000 $7,280	3,825	87	$400,000	$53,434
	Comments: Century Communities entered into contract in October 2024 to purchase 87 finished lots within Tract 3974 in Mountain House (3,825 SF lots). Escrow closed in January 2025. Average permits and fees per lot at approximately $53,434. The lots will be encumbered by bond debt, proceeds of which will finance certain public improvements. Annual special taxes are estimated at $3,640 per lot.						
2	Mountain House Tract 3926 N/O Byron Rd., S/O Great Valley Pkwy. Mountain House San Joaquin County	Nov-24 Closed	$21,350,000 $6,744	3,600	61	$350,000	$53,434
	Comments: Century Communities entered into contract on February 8, 2024 to purchase 61 finished lots within Tract 3926 in Mountain House (3,600 SF lots). Escrow closed on November 7, 2024. Average permits and fees per lot at approximately $53,434. The lots will be encumbered by bond debt, proceeds of which will finance certain public improvements. Annual special taxes are estimated at $3,372 per lot.						
3	Mountain House Tract 3926 N/O Byron Rd., S/O Great Valley Pkwy. Mountain House San Joaquin County	Nov-24 Closed	$23,124,000 $7,814	4,050	47	$492,000	$53,434
	Comments: Richmond American Homes entered into contract on May 16, 2024 to purchase 55 finished lots within Tract 3926 in Mountain House (4,050 SF lots). Escrow closed in November 2024. Average permits and fees per lot at approximately $53,434. The lots will be encumbered by bond debt, proceeds of which will finance certain public improvements. Annual special taxes are estimated at $3,907 per lot.						
4	Lagoon Valley - Neighborhood K-1 National Garden Ln. Vacaville Solano County	Jun-24 Closed	$14,960,000 $4,600	4,500	88	$170,000	$135,600
	Comments: This is a closed sale of neighborhood K-1 is the Lagoon Valley master plan, which represents 88 lots with a typical lot size of 4,500 square feet. The lots will transfer in finished condition and have an alley-loaded configuration. The lots transferred at the end of June 2024 for $170,000 per lot. There are also residual payments to be made by Lennar to the master developer in the form of a profit participation agreement as well as another residual payment. Considering time value of money, the estimated residual payment for total consideration is $44,000 per lot. Permits and fees are estimated at $91,600 per lot. The exact annual special taxes cannot be determined; however, based on the information provided, special taxes are estimated at $2,300 per lot. The lots also have a master marketing fee of 0.5% of the purchase price of each home closing.						
5	Harvest at Watson Ranch - Third Takedown S. Napa Junction Rd. American Canyon Napa County	Nov-23 Closed	$8,619,000 $8,198	3,720	24	$359,125	$18,995
	Comments: Sale of 24 finished lots within the Watson Ranch master planned community. This is the third of nine takedowns of 219 lots to occur between October 2022 and August 2025. The typical lot size for this takedown is approximately 3,720 square feet. Permits and impact fees are estimated at $18,995 per lot. The Developer is offering three floor plans from 1,583 to 1,874 square feet, with base pricing ranging from approximately $669,000 to $709,000. Bond financing is proposed for the project, though bonds were not in-place at the time of sale. Proposed Special Taxes are approximately $4,099 per lot and bond proceeds will be used to reimburse the master developer for infrastructure costs already completed.						

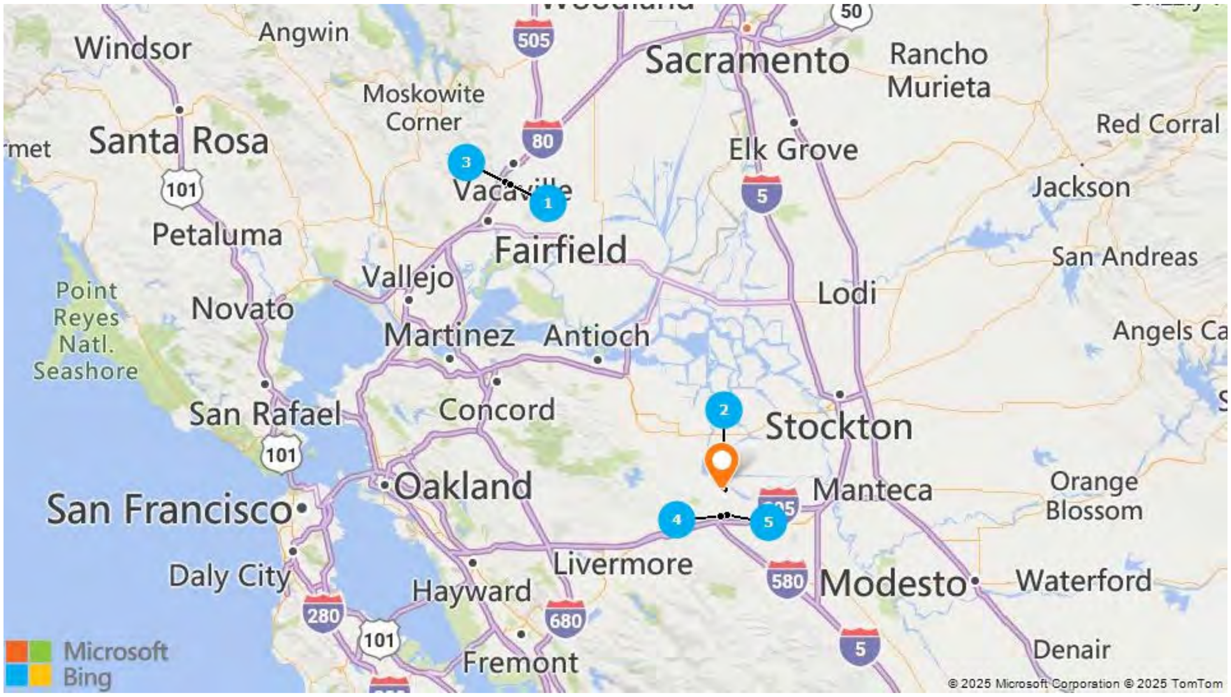
Comparable Land Sales Map – Medium Density



Summary of Comparable Land Sales - Low Density

No.	Name/Address	Sale Date; Status	Sale Price; Bond Consideration/Lot	Typical Lot Size	Number of Lots	$/Lot	Expenditures After Purchase
1	Lagoon Valley - Neighborhood E Pinnacles Pl. Vacaville Solano County	Aug-25 In-Contract	$17,640,000 $4,800	6,300	72	$245,000	$92,800
	Comments: This is a sale of 72 finished lots with a typical lot size of 6,300 square feet, which represent Neighborhood E within the Lagoon Valley master plan. The lots are configured as 4-pack courtyard lots. The property was under contract in late 2021 and is anticipated to close in August of 2025. There are also residual payments to be made by Tri Pointe to the master developer in the form of a profit participation agreement. The agreement is a 50% split on net profits that exceeds 12% of gross sales revenue. Permits and fees are estimated at $92,800 per lot. The exact annual special taxes cannot be determined; however, based on the information provided, special taxes are estimated at $2,400 per lot. The lots also have a master marketing fee of 0.5% of the purchase price of each home closing.						
2	Mountain House Tract 3975 N/O Byron Rd., S/O Great Valley Pkwy. Mountain House San Joaquin County	Jan-25 Closed	$113,000,000 $10,354	6,000	203	$556,650	$50,976
	Comments: Taylor Morrison Homes entered into contract on July 30, 2024 to purchase 203 finished lots within Tract 3975 in Mountain House (6,000 SF lots). Escrow closed in January 2025. Average permits and fees per lot at approximately $50,976. The lots will be encumbered by bond debt, proceeds of which will finance certain public improvements. Annual special taxes are estimated at $5,177 per lot.						
3	Lagoon Valley - Neighborhood K-2 National Garden Ln. Vacaville Solano County	Sep-24 Closed	$17,556,750 $5,400	5,600	81	$216,750	$164,100
	Comments: This is the sale of neighborhood K-2 is the Lagoon Valley master plan, which represents 81 lots with a typical lot size of 5,600 square feet. The lots transferred in finished condition and have a master marketing fee of 0.5% of the purchase price of each home closing. The lots transferred at the end of September 2024 for $216,750 per lot. There are also residual payments to be made by Lennar to the master developer in the form of a profit participation agreement as well as another residual payment. The profit participation agreement is a 50% split on net profits that exceeds 12% of gross sales revenue. The residual payments are calculated at 28% of home revenue less $6,000 site development fee and land costs. There is a $6,200,000 or $76,543 per lot maximum that could be collected in residual payments. The residual payments will be included within the total consideration of the report. Considering time value of money, the estimated residual payment for total consideration is $68,000 per lot. Permits and fees are estimated at $96,100 per lot. The exact annual special taxes cannot be determined; however, based on the information provided, special taxes are estimated at $2,700 per lot.						
4	The Knolls (143 Lots) South of W Grant Line Rd, West of Central Pkwy Mountain House San Joaquin County	Mar-24 Closed	$37,000,000 $12,600	5,000	143	$258,741	$160,780
	Comments: These 143 lots were purchases from land seller for $37,000,000. TriPointe is utilizing a Land Bank and will take down the lots over a scheduled three-year period. The average lot size is 50x100. The tentative map was approved in November 2022, and the final map is anticipated to be approved in March 2025. The lots will be encumbered by bond debt, proceeds of which will finance certain public improvements; net site development costs, including permits and fees, are approximately $160,780 per lot. Annual special taxes are estimated at $6,300 per lot.						
5	Avina (279 Lots) SWQ W Grant Line Rd & Mountain House Pkwy Mountain House San Joaquin County	Jan-24 Closed	$79,674,000 $6,620	5,350	279	$285,570	$171,037
	Comments: On January 12, 2024, Pulte's Land Banker closed escrow on this 279 lot property. The project was fully entitled at time of COE. Final Map and Improvement Plans were being reviewed by MHCSD. Purchase price was $79,674,000. Site development commenced in April 2024. Average permits and fees per lot at approximately $57,000. The lots will be encumbered by bond debt, proceeds of which will finance certain impact fees; net permits and fees are approximately $17,814. Site development costs are approximately $153,223 per lot. Annual special taxes are estimated at $3,310 per lot.						

Comparable Land Sales Map – Low Density



Loaded Lot Analysis

Prior to the application of adjustments, the following items are added to the per lot sale price.

Loaded Lot Analysis	
Remaining Site Dev. Cost	We apply adjustments for remaining site development costs (if any).
Permits and Fees	Permits and fees due upon building permit are included on a dollar-for-dollar basis.
Bond Encumbrance	If applicable, we consider the annual special tax and typical holding time for a developer (2 years) for each comparable (if bond debt exists).

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
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.	The continued elevated mortgage interest rate environment has resulted in homebuilders' continuing to offer financing incentives for new homebuyers in the form of interest rate buy downs. Further, recent macroeconomic conditions have, reportedly, prompted homebuilders to delay additional bulk lot acquisitions. Instead, opting to build on existing inventories. Based on the previous discussion and a further explanation of market conditions shown later in the analysis, we will make an adjustment for market conditions,

Adjustment Factor	Accounts For	Comments
		as necessary. As noted, several sales were negotiated prior to the dates of sale. The contract dates of each sale were accounted for in this analysis.
Location/Community Appeal	Market or submarket area influences on sale price; surrounding land use influences.	The subject is located in the city of Mountain House. The comparable transactions are located in Mountain House (San Joaquin County), Vacaville (Solano County), and American Canyon (Napa County). In an effort to determine a location/community appeal adjustment, we considered median home prices, community amenities, and proximity to employment centers (i.e., San Francisco/Bay Area and Sacramento, etc.). Overall, adjustments are applied as deemed applicable, with superior market areas being adjusted downward and inferior market areas upward.
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 40 and 250 lots. Comparable 5 of the Medium Density data set required a downward adjustment as it comprised 25 lots. No further adjustments for the number of lots are required.
Lot Size	Adjustments for differences in lot size between the comparables and subject are considered.	Those comparables with discernably larger lot sizes relative to the subject's lot sizes (4,050 and 6,000 square feet, respectively), are adjusted downward. Conversely, comparables with smaller lot sizes are adjusted upward.
Site Utility	Differences in contour, drainage, soil conditions, as well as project design, can affect the utility and	The subject property is considered to have average utility. Each of the comparables are considered to offer similar site utility as the subject and

Adjustment Factor	Accounts For	Comments
	therefore, the market value of the properties.	no additional adjustment for this characteristic are required.
Lot Premiums/ Discounts	Primary physical factors that affect desirability of lots.	The subject has average lot premiums/discounts. All of the comparables have similar lot premiums/discounts and no adjustments are warranted.

The tables on the following pages summarizes the required adjustments when considering the comparable sales relative to the subject.

Land Sales Adjustment Grid - Medium Density

	Subject	Comparable 1	Comparable 2	Comparable 3	Comparable 4	Comparable 5
Name	Lammersville Joint Unified School District CFD No. 2024-1 (Mountain House School Facilities)	Mountain House Tract 3974	Mountain House Tract 3926	Mountain House Tract 3926	Lagoon Valley - Neighborhood K-1	Harvest at Watson Ranch - Third Takedown
Address	N/O Byron Rd., S/O Great Valley Pkwy.	N/O Byron Rd., S/O Great Valley Pkwy.	N/O Byron Rd., S/O Great Valley Pkwy.	N/O Byron Rd., S/O Great Valley Pkwy.	National Garden Ln.	S. Napa Junction Rd.
City	Mountain House	Mountain House	Mountain House	Mountain House	Vacaville	American Canyon
County	San Joaquin	San Joaquin	San Joaquin	San Joaquin	Solano	Napa
Sale Date		Jan-25	Nov-24	Nov-24	Jun-24	Nov-23
Sale Status		Closed	Closed	Closed	Closed	Closed
Sale Price		$34,800,000	$21,350,000	$23,124,000	$14,960,000	$8,619,000
Number of Lots	100	87	61	47	88	24
Price per Lot		$400,000	$350,000	$492,000	$170,000	$359,125
Expenditures After Purchase		$53,434	$53,434	$53,434	$135,600	$18,995
Bond Consideration		$7,280	$6,744	$7,814	$4,600	$8,198
Price per Lot (Loaded)		**$460,714**	**$410,178**	**$553,248**	**$310,200**	**$386,318**
Property Rights		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
Adjustment		–	–	–	–	–
Conditions of Sale		Arm's-length	Arm's-length	Arm's-length	Arm's-length	Arm's-length
Adjustment		–	–	–	–	–
Market Conditions	4/4/2025	Jan-25	Nov-24	Nov-24	Jun-24	Nov-23
Adjustment		–	–	–	–	Inferior
Property Adjustments						
Location/Community	Mountain House	Mountain House	Mountain House	Mountain House	Vacaville	American Canyon
Adjustment		–	–	–	Very Inferior	Inferior
Number of Lots	100	87	61	47	88	24
Adjustment		–	–	–	–	Superior
Typical Lot Size	4,050	3,825	3,600	4,050	4,500	3,720
Adjustment		–	Inferior	–	Superior	–
Shape and Topography	Average	Similar	Similar	Similar	Similar	Similar
Adjustment		–	–	–	–	–
Lot Premiums/Discounts	Average	Similar	Similar	Similar	Similar	Similar
Adjustment		–	–	–	–	–
Overall Ranking		**Similar**	**Inferior**	**Similar**	**Inferior**	**Inferior**

Land Sales Adjustment Grid - Low Density

	Subject	Comparable 1	Comparable 2	Comparable 3	Comparable 4	Comparable 5
Name	Lammersville Joint Unified School District CFD No. 2024-1 (Mountain House School Facilities)	Lagoon Valley - Neighborhood E	Mountain House Tract 3975	Lagoon Valley - Neighborhood K-2	The Knolls (143 Lots)	Avina (279 Lots)
Address	N/O Byron Rd., S/O Great Valley Pkwy.	Pinnacles Pl.	N/O Byron Rd., S/O Great Valley Pkwy.	National Garden Ln.	South of W Grant Line Rd, West of Central Pkwy	SWQ W Grant Line Rd & Mountain House Pkwy
City	Mountain House	Vacaville	Mountain House	Vacaville	Mountain House	Mountain House
County	San Joaquin	Solano	San Joaquin	Solano	San Joaquin	San Joaquin
Sale Date		Aug-25	Jan-25	Sep-24	Mar-24	Jan-24
Sale Status		In-Contract	Closed	Closed	Closed	Closed
Sale Price		$17,640,000	$113,000,000	$17,556,750	$37,000,000	$79,674,000
Number of Lots	100	72	203	81	143	279
Price per Lot		$245,000	$556,650	$216,750	$258,741	$285,570
Expenditures After Purchase		$92,800	$50,976	$164,100	$160,780	$171,037
Bond Consideration		$4,800	$10,354	$5,400	$6,300	$3,310
Price per Lot (Loaded)		**$342,600**	**$617,980**	**$386,250**	**$425,821**	**$459,917**
Property Rights		Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Adjustment		–	–	–	–	–
Financing Terms		Cash to seller	Cash to seller	Cash to seller	Cash to seller	Cash to seller
Adjustment		–	–	–	–	–
Conditions of Sale		Arm's-length	Arm's-length	Arm's-length	Arm's-length	Arm's-length
Adjustment		–	–	–	–	–
Market Conditions	4/4/2025	Aug-25	Jan-25	Sep-24	Mar-24	Jan-24
Adjustment		–	–	–	Inferior	Inferior
Location/Community	Mountain House	Vacaville	Mountain House	Vacaville	Mountain House	Mountain House
Adjustment		Very Inferior	–	Very Inferior	–	–
Number of Lots	100	72	203	81	143	279
Adjustment		–	–	–	–	–
Typical Lot Size	6,000	6,300	6,000	5,600	5,000	5,350
Adjustment		–	–	Inferior	Inferior	Inferior
Shape and Topography	Average	Similar	Similar	Similar	Similar	Similar
Adjustment		–	–	–	–	–
Lot Premiums/Discounts	Average	Similar	Similar	Similar	Similar	Similar
Adjustment		–	–	–	–	–
Overall Ranking		**Very Inferior**	**Similar**	**Very Inferior**	**Very Inferior**	**Very Inferior**

Land Value Conclusion

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, remaining site costs and bonds encumbrances. After accounting for remaining site development costs, permits and fees and bond encumbrances, the comparables exhibit loaded lot ranges of $310,200 to $553,248 for the Medium Density lots, and $342,600 to $617,980 for the Low Density lots. The following tables summarize the loaded lot values (unadjusted) and our conclusion of loaded lot value for the subject benchmark lot categories.

Bulk Lot Ranking Summary - Medium Density

Comparable	$/ Loaded Lot (Unadjusted)	Net Adjustment	Estimated Value
4	$310,200	Inferior	
5	$386,318	Inferior	
2	$410,178	Inferior	
1	$460,714	Similar	
Subject			–
3	$553,248	Similar	
Estimated Unit Value			$485,000

Bulk Lot Ranking Summary - Low Density

Comparable	$/ Loaded Lot (Unadjusted)	Net Adjustment	Estimated Value
1	$342,600	Very Inferior	
3	$386,250	Very Inferior	
4	$425,821	Very Inferior	
5	$459,917	Very Inferior	
Subject			–
2	$617,980	Similar	
Estimated Unit Value			$540,000

Market participants have noted that current market values are similar to late First Quarter 2022, which represented the top of the market with land values subsequently declining due to the rising interest rates and other economic conditions. This has been short-lived, as recent market interviews suggest merchant builders are once again actively in the market for developable lots to satisfy increased homebuyer demand. While the indicated loaded lot ranges are relatively wide, primary reliance has been placed on the more recent transactions in Mountain House, suggesting loaded lot values for the subject benchmark lot categories towards the upper end of the ranges.

Deducting the subject's net permits and fees due at building permit, which is reflective of the impact fees to be reimbursed and financed by the proposed Bonds, yields a finished lot value for the subject property as calculated below for each lot category.

Conclusion of Value: Sales Comparison Approach

Lot Size Categories	Medium Density (RM)	Low Density (RL)
Concluded Loaded Lot Value	$485,000	$540,000
Less: Permits & Fees	($55,000)	($70,000)
Estimated Finished Lot Value	$430,000	$470,000
Rounded	$430,000	$470,000

Land Residual Analysis

The land residual analysis is employed as an additional indicator of market value for the subject's lots, in which all direct and indirect costs are deducted from an estimate of the anticipated gross sales price of the improved (home) product; the resultant net sales proceeds are then discounted to present value at an anticipated rate over the development and absorption period to indicate the value of the land. The land residual analysis is conducted on a semiannual (six-month) basis. As a discounted cash flow analysis, the land residual analysis consists of four primary components summarized as follows:

Revenue – the gross income is based on the sale of completed homes.

Absorption Analysis – the time frame required for sell off. Of primary importance in this analysis is the allocation of the revenue over the absorption period – including the estimation of an appreciation factor (if any).

Expenses – the expenses associated with the sell-off are calculated in this section – including direct and indirect construction costs, administration, marketing, and commission costs, as well as taxes and special taxes (if any).

Discount Rate – an appropriate discount rate (present value factor) is selected employing a variety of data.

Discussions of these four concepts follows below, with the discounted cash flow analysis offered at the end of this section.

Revenue

The projected sales price for the average unit within the project will vary, as the ultimate sales price is affected by unit size, location within the project, site influences, construction costs, anticipated premiums achievable at the point of retail sale, as well as external influences such as adjacent land uses.

The benchmark lot categories are 4,050 square feet for the Medium Density lots and 6,000 square feet for the Low Density lots, which consists of 100 lots, respectively. Based on the *Residential Market Analysis* section of this report and considering current asking prices, we estimated a typical home size and corresponding base price for each benchmark lot category. For Medium Density and Low Density lots, we estimate a typical average-sized home on the subject would contain approximately 2,050 and 3,000 square feet, respectively, and would have a corresponding base price of $970,000 and $1,225,000, respectively. These estimates will be utilized in the analysis.

Closing Projections

The typical time required for the construction of units has been approximately three to six months from start to closing. It is assumed that initial closings will occur within three to six months of the date of sale. The premise is that the builder constructs efficiently as homes are sold. These assumptions are reflected in the projected construction schedule shown in the land residual models at the end of this section. Since the land residual analysis is conducted on a quarterly basis, closings are reflected in the following period, as most construction will be substantially completed prior to initiation of sales.

Changes in Market Conditions (Price Increases or Decreases)

The subject's market area has experienced rapid market appreciation in home prices for the past few years; however, since early 2022 the Federal Reserve Bank began raising the benchmark federal-funds rate (from near zero in March 2022) in an effort to manage rising inflation. The fed-funds rate is greater than 5%, which has resulted in a substantial rise in mortgage interest rates, which now exceed 7.0% and have moderated from 8.0% in October of 2023. The rise in mortgage interest rates has impacted the affordability of homes for a certain segment of the homebuyer market, which may impact pricing in the near term. Consequently, under current market conditions, forecasting home appreciation during the absorption period is speculative, and several homebuilders surveyed indicate they typically do not trend/forecast home appreciation during the sell-off period. Therefore, for purposes of this analysis, the home price revenue will be held constant during the sell-off period.

Absorption

Typically, multiple product lines would be marketed in a subdivision to create characteristics appealing to as many potential purchasers as possible. Offering home products within a subdivision to different market segments is done with the aim of increasing absorption and reducing the overall development holding period for a project.

Based on the typical marketing and absorption rate data presented in the *Residential Market Analysis* section, we estimate an absorption rate of approximately 3.5 and 3.0 units per month, or 21 and 18 units on a semi-annual basis for Medium Density and Low Density lots, respectively. For the Medium Density lots, home sales begin in Period 1 and the subject lots sell out in Period 5, with Period 6 needed to complete construction and close escrow. For the Low Density lots, home sales begin in Period 1 and the subject lots sell out in Period 6, with Period 7 needed to complete construction and close escrow. Market conditions are anticipated to remain stable over this time.

The Draft Market Study for Mountain House Community Facilities District No. 2024-1 Portions of Villages J & K, dated March 28, 2025, prepared by Empire Economics, Inc., estimates absorption rates as follows:

Market Study Conclusions

Lot Category	Lot Size (SF)	Value Rations ($/SF)	Monthly Absorption Rates*
Medium Density (RM)	3,600 - 4,050	$408 - $469	2.92 - 3.75
Low Density (RL)	5,000 - 6,000	$376 - $428	2.08 - 2.92

Source: Mountain House Community Facilities District No. 2024-1 Portions of Villages J & K - Draft Market Absorption Study, dated

* Calcualted based on the Market Study's estimated annual absorption rates

Our estimates, shown in the following table, are at the upper end of (or slightly above) the ranges indicated by the market study and considered to be supported.

Land Residual Analysis Estimates

Lot Category	Lot Size	Value	Monthly
Medium Density (RM)	4,050	$473	3.50
Low Density (RL)	6,000	$408	3.00

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 % of Direct Costs	Permits & Fees/Unit	Profit % of Revenue
National	2025	172	Average	2,537	6,147	0.2%	0.4%	N/Av	N/Av	$66,600	14.50%
National	2024	862	Average	2,056	5,280	N/Av	N/Av	$99.56	N/Av	$60,400	N/Av
Regional	2024	87	Average	2,290	5,200	N/Av	N/Av	$115.00	N/Av	$59,832	8.13%
National	2024	120	Average	2,170	3,825	3.5%	3.5%	$129.00	N/Av	$63,700	13.00%
National	2024	85	Average	2,147	4,800	N/Av	4.5%	$95.47	10.24%	$96,000	N/Av
National	2023	606	Average	2,267	5,784	N/Av	N/Av	$109.88	N/Av	$50,798	N/Av
National	2023	435	Average	2,779	6,096	N/Av	N/Av	$100.15	N/Av	$84,203	N/Av
Local	2023	31	Good	2,560	3,695	2.5%	4.0%	$137.00	5.00%	$43,610	7.0%
National	2023	63	Average	2,200	3,995	2.0%	5.0%	N/Av	N/Av	$60,883	10.0%
Regional	2023	52	Average	2,607	6,200	N/Av	5.80%	$101.86	6.73%	$73,595	10.06%
National	2023	573	Average	2,327	5,232	N/Av	N/Av	$99.86	2.50%	$98,422	20.00%
Regional	2022	30	Average	2,090	5,200	3.0%	2.0%	$150.00	6.0%	$55,800	16.4%
Local	2022	99	Good	2,614	5,500	5.5%	1.2%	$95-$105	N/Av	$48,599	29.0%
Regional	2022	49	Average	2,062	6,600	3.0%	3.9%	$104.63	N/Av	$56,472	20.9%
Regional	2021	145	Average	2,109	5,775	4.2%	4.25%	$79.86	16.4%	$37,659	6.8%
Local	2021	36	Good	2,533	3,450	5.5%	6.6%	$112.26	4.9%	$55,497	15.0%
Regional	2021	147	Average	2,200	3,825	N/Av	N/Av	$76.00	7.0%	$48,197	N/Av
National	2021	49	Average	2,338	6,100	2.0%	N/Av	N/Av	N/Av	$60,500	N/Av
Regional	2021	72	Good	2,551	3,800	N/Av	7.4%	$88.00	N/Av	$63,610	9.5%
Minimum		30	Average	2,056	3,450	0.2%	0.4%	$76.00	2.50%	$37,659	6.77%
Maximum		862	Good	2,779	6,600	5.5%	7.4%	$150.00	16.38%	$98,422	29.00%
Average		195.421	Average	2,339	5,079	3.1%	4.0%	$106.57	7.34%	$62,336	13.87%

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.

Property Taxes (Ad Valorem and Special Taxes)

The subject is located within an area with an effective tax rate of 1.0531%. This amount is applied to the estimated market values and divided by the total number of units to yield an estimate of ad valorem taxes/unit/year. The tax amounts are applied to unclosed inventory over the sell-off period. Property taxes are increased by 2% per year.

In addition, the appraised properties are subject to direct charges. Based on information provided by the special tax consultant, it is estimated the subject would have direct charges of approximately $2,000 per lot.

All of the appraised properties are encumbered by the Special Tax Lien of the Mountain House CFD No. 2024-1 (Public Facilities and Services). Annual special taxes associated with the facilities range from $2,852 to $4,657 per lot, dependent on lot size, and the annual special tax for the services are $520 per lot.

In addition, the appraised properties are encumbered by the Special Tax Lien of the Lammersville Joint Unified School District Community Facilities District No. 2024-1 (Mountain House School Facilities). 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:

Special Tax Table (Fiscal Year 2024-25)

Land Use Class	Land Use Category	Assigned Special Tax
1	Single Family Detached Lots greater than or equal to 6,000 square feet	$2,506.26 per unit
2	Single Family Detached Lots less than 6,000 square feet	$1,938.76 per unit
3	Single Family Attached Property	$1,714.64 per unit
4	Multifamily Property	$1,013.54 per unit
5	Taxable Non-Residential Property	TBD
6	Age-Restricted Units	$0 per unit

Source: Rate and Method of Apportionment of Special Taxes

The total special tax, not including the aforementioned direct charges, associated with the Medium Density lots is $3,664 per unit ($1,206 for the Mountain House CFD No. 2024-1 Facilities and $519 for the Services, as well as $1,938.76 for the Lammersville JUSD CFD No. 2024-1), and $5,334 per unit for the Low Density lots ($2,309 for the Mountain House CFD No. 2024-1 Facilities and $519 for the Services, as well as $2,506.26 for the Lammersville JUSD CFD No. 2024-1). The special taxes escalate at

2% per year. The total tax expense is gradually reduced over the absorption period, as the land components are sold off.

HOA

There is no homeowner's association related to the subject property.

Permits and Fees

Based on the information provided, the estimate of net permits and fees for the subject are estimated as follows:

Permits and Fees due at Building Permit

Lot Size Categories	Medium Density (RM)	Low Density (RL)	Very Low Density (VL)
Gross Permits and Fees	$55,000 per unit	$70,000 per unit	$80,000 per unit

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.

Based on the cost comparables, and considering the product line under development, a direct cost estimate of $110.00 and $105.00 per square foot is applied the estimated home within the Medium Density and Low Density lot categories, respectively. These estimates are generally consistent with comparables in the market.

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

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

- Interest reserve

Conversations with homebuilders indicate the indirect costs generally range anywhere from 10% to 15% of the direct costs (excluding marketing, sales, general and administrative expenses, taxes, which are accounted for separately). An estimate of 10% is considered reasonable for the subject.

Model Complex

For the two benchmark lot category's, 2 model homes for each product line is considered to be reasonable. Model upgrade expenses can vary widely depending upon construction quality, targeted market and anticipated length of time on the market. These upgrades, exterior and interior, including furniture, can range from $20,000 per model to over $250,000 per model for executive homes.

Based on the quality of the subject's proposed improvements and the targeted buyer segment, a model upgrade cost of $90,000 and $100,000 per model is considered reasonable for the subject's lots. Of this amount approximately 30% will be recaptured with the sale of the models reflecting a recapture of $27,000 and $30,000 per model. Model costs will be incurred in the first period while the recapture amount will be applied evenly over the disposition period.

Summary

The following charts summarize the revenue and expenses discussed on the preceding pages.

Revenue & Expense Summary: Medium Density (RM) / 4,050 SF Lots

REVENUE SUMMARY

Floor Plan		No. of Units	Unit Size (SF)	$/SF	Base Retail Value Per Unit	Extension
Average Unit		100	2,050	$473	$970,000	$97,000,000
Lot Premiums					$0	$0
Model Recapture	(@ 30% of cost)					$54,000
		100	2,050 (weighted avg.)			

Total Revenue Before Appreciation: $ 97,054,000
$970,540 /unit

Total Revenue After Appreciation: $ 97,054,000
$970,540 /unit

EXPENSES SUMMARY

					Total Over Sell-Off Period		
General and Administrative	3.0%	of total revenue			$ 2,911,620		
Marketing and Sales	6.0%	of total revenue			$ 5,823,240		
Ad Valorem Taxes	$4,228	/unit/year			$ 620,967	(from cash flow)	
Direct Charges	$2,000	/unit/year			$ 293,727	(from cash flow)	
Special Taxes/Assessments	$3,664	/unit/year			$ 538,072	(from cash flow)	
Homeowner's Association Fees	$0	/unit/month			$ -	(from cash flow)	
Model Costs	2	models			$ 180,000	$90,000	(per model)
Permits and Fees					$ 5,500,000	$55,000	(per unit)
Subtotal:					$ 15,867,625		
Direct Construction Costs (Before Appreciation)	SF		Units	Cost/SF	Extension		
Average/Typical Floor Plan	2,050		100	$110.00	$ 22,550,000	$225,500	/unit
Indirect Construction Costs	10%	of Direct Costs			$ 2,255,000	$22,550	/unit
Subtotal:					$ 24,805,000		
Total Expenses Before Appreciation:					**$ 40,672,625**		

Revenue & Expense Summary: Low Density (RL) / 6,000 SF Lots							
REVENUE SUMMARY							
Floor Plan		No. of Units	Unit Size (SF)	$/SF	Base Retail Value Per Unit	Extension	
Average Unit		100	3,000	$408	$1,225,000	$122,500,000	
Lot Premiums					$0	$0	
Model Recapture	(@ 30% of cost)					$60,000	
		100	3,000 (weighted avg.)				
					Total Revenue Before Appreciation:	$ 122,560,000	
						$1,225,600	/unit
					Total Revenue After Appreciation:	$ 122,560,000	
						$1,225,600	/unit

EXPENSES SUMMARY							
				Total Over Sell-Off Period			
General and Administrative	3.0%	of total revenue		$ 3,676,800			
Marketing and Sales	6.0%	of total revenue		$ 7,353,600			
Ad Valorem Taxes	$4,602	/unit/year		$ 771,182	(from cash flow)		
Direct Charges	$2,000	/unit/year		$ 335,147	(from cash flow)		
Special Taxes/Assessments	$5,334	/unit/year		$ 893,881	(from cash flow)		
Homeowner's Association Fees	$0	/unit/month		$ -	(from cash flow)		
Model Costs	2	models		$ 200,000	$100,000	(per model)	
Permits and Fees				$ 7,000,000	$70,000	(per unit)	
Subtotal:				$ 20,230,610			
Direct Construction Costs (Before Appreciation)	SF	Units	Cost/SF	Extension			
Average/Typical Floor Plan	3,000	100	$105.00	$ 31,500,000	$315,000	/unit	
Indirect Construction Costs	10%	of Direct Costs		$ 3,150,000	$31,500	/unit	
Subtotal:				$ 34,650,000			
			Total Expenses Before Appreciation:	$ 54,880,610			

Internal Rate of Return and Discount Rate

Positive attributes of the subject property include steady demand in the market area and limited new construction. There are some “negative” attributes associated with the subject such as rising construction costs, in addition to the potential for deterioration in market conditions in the residential sector that would result from a change in macroeconomic factors (ex. continued high inflation, unemployment rates, interest rates, etc.).

Using a 5.00% present value factor, 12.00% for developer’s incentive for the Medium Density lots, and 15.00% for developer’s incentive for the Low Density lots, results in an implied internal rate of return (IRR) of 16.679% for the Medium Density lots and 19.725% for the Low Density lots.

Realty Rates provides expected Developer IRR for California developments as follows:

National: Subdivisions & PUDs

	Actual Rates			Pro-Forma Rates		
	Min	Max	Avg	Min	Max	Avg
Site-Built Residential	14.17%	49.78%	32.13%	13.60%	47.79%	30.85%
-100 Units	14.17%	42.92%	28.68%	13.60%	41.20%	27.54%
100-500 Units	14.52%	47.21%	31.02%	13.94%	45.32%	30.37%
500+ Units	14.87%	49.35%	32.27%	14.28%	47.38%	32.22%
Mixed Use	15.23%	49.78%	32.67%	14.62%	47.79%	32.61%
Manufactured Housing	14.60%	54.39%	35.36%	14.02%	52.21%	33.28%
-100 Units	14.60%	47.29%	31.72%	14.02%	45.40%	29.86%
100-500 Units	14.97%	52.02%	34.33%	14.37%	49.94%	32.96%
500+ Units	15.33%	54.39%	35.73%	14.72%	52.21%	34.97%
Business Parks	14.59%	51.95%	34.10%	14.00%	49.88%	32.10%
-100 Acres	14.59%	45.18%	30.63%	14.00%	43.37%	28.83%
100-500 Acres	14.95%	46.69%	33.13%	14.35%	47.71%	31.81%
500+ Acres	15.32%	51.95%	34.48%	14.70%	49.88%	33.74%
Industrial Parks	14.67%	43.84%	29.98%	14.08%	42.08%	28.84%
-100 Acres	14.67%	38.12%	27.05%	14.08%	36.59%	25.52%
100-500 Acres	15.04%	41.93%	29.20%	14.44%	40.25%	28.08%
500+ Acres	15.40%	43.84%	30.36%	14.79%	42.08%	28.63%

*3nd Quarter 2024 Data

Realty Rates Developers Survey 2024 Q4

California/Pacific Islands: Subdivisions & PUDs

	Actual Rates			Pro-Forma Rates		
	Min	Max	Avg	Min	Max	Avg
Site-Built Residential	17.52%	38.61%	26.04%	16.82%	37.06%	25.00%
-100 Units	17.52%	33.28%	24.89%	16.82%	31.95%	23.90%
100-500 Units	17.96%	36.61%	26.19%	17.24%	35.15%	25.15%
500+ Units	18.40%	38.27%	26.64%	17.66%	36.74%	25.57%
Mixed Use	18.84%	38.61%	26.42%	18.08%	37.06%	25.37%
Manufactured Housing	18.06%	42.18%	27.94%	17.34%	40.49%	26.82%
-100 Units	18.06%	36.68%	26.82%	17.34%	35.21%	25.75%
100-500 Units	18.51%	40.34%	28.25%	17.77%	38.73%	27.12%
500+ Units	18.97%	42.18%	28.74%	18.21%	40.49%	27.59%
Business Parks	18.04%	40.29%	27.08%	17.32%	38.68%	25.99%
-100 Acres	18.04%	35.04%	26.01%	17.32%	33.63%	24.97%
100-500 Acres	18.50%	38.54%	27.38%	17.76%	37.00%	26.28%
500+ Acres	18.95%	40.29%	27.84%	18.19%	38.68%	26.73%
Industrial Parks	18.15%	34.00%	24.28%	17.42%	32.64%	23.31%
-100 Acres	18.15%	29.56%	23.38%	17.42%	28.38%	22.44%
100-500 Acres	18.60%	32.52%	24.54%	17.86%	31.22%	23.56%
500+ Acres	19.05%	34.00%	24.93%	18.29%	32.64%	23.94%

*3nd Quarter 2024 Data

Realty Rates Developers Survey 2024 Q4

California/Pacific Islands: CA, Guam, HI

The survey above is primarily focused on raw land development; whereas, the subject property is analyzed herein as if improved (finished lot, or improved site, condition), which carries less risk. Furthermore, each implied IRR for the benchmark lot categories is at the lower end or below the minimum range presented by the RealtyRates California/Pacific Islands survey, which is skewed by higher rates in the Pacific Islands. Overall, the implied IRRs are considered to be reasonable considering the specifics of the subject property.

Conclusion

The land residual analysis is presented as follows:

Land Residual Analysis: Medium Density (RM) / 4,050 SF Lots

Semiannual (6 Months):	0	1	2	3	4	5	6	Total
ABSORPTION								
Sales		21	21	21	21	16	0	100
Close of Escrow (COE)		0	21	21	21	21	16	100
Unsold Inventory	100	79	58	37	16	0	0	
Sales Revenue (Before Appreciation)		$ 20,381,340	$ 20,381,340	$ 20,381,340	$ 20,381,340	$ 15,528,640	$ -	
Annual Appreciation Factor	0%	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	
Sales Revenue (After Appreciation)		$ 20,381,340	$ 20,381,340	$ 20,381,340	$ 20,381,340	$ 15,528,640	$ -	$ 97,054,000
Total Sales Revenue (at Close of Escrow)		**$ -**	**$ 20,381,340**	**$ 20,381,340**	**$ 20,381,340**	**$ 20,381,340**	**$ 15,528,640**	**$ 97,054,000**
EXPENSES AND CASH FLOWS								
General and Administrative	3.0%	$ (485,270)	$ (485,270)	$ (485,270)	$ (485,270)	$ (485,270)	$ (485,270)	$ (2,911,620)
Marketing and Sales	6.0%	$ -	$ (1,222,880)	$ (1,222,880)	$ (1,222,880)	$ (1,222,880)	$ (931,718)	$ (5,823,240)
Ad Valorem Taxes ($/unit/yr)	$4,228	$ (211,410)	$ (168,684)	$ (125,082)	$ (80,592)	$ (35,199)	$ -	$ (620,967)
Direct Charges ($/unit/yr)	$2,000	$ (100,000)	$ (79,790)	$ (59,166)	$ (38,121)	$ (16,650)	$ -	$ (293,727)
Special Taxes/Assessments ($/unit/yr)	$3,664	$ (183,188)	$ (146,166)	$ (108,385)	$ (69,833)	$ (30,500)	$ -	$ (538,072)
Homeowner's Association Fees ($/unit/mo)	$0	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Model Costs		$ (180,000)	$ -	$ -	$ -	$ -	$ -	$ (180,000)
Permits and Fees		$ (1,155,000)	$ (1,155,000)	$ (1,155,000)	$ (1,155,000)	$ (880,000)	$ -	$ (5,500,000)
Subtotal:		$ (2,314,868)	$ (3,257,790)	$ (3,155,783)	$ (3,051,697)	$ (2,670,499)	$ (1,416,988)	$(15,867,625)
Direct Construction Costs		$ (2,367,750)	$ (4,735,500)	$ (4,735,500)	$ (4,735,500)	$ (4,171,750)	$ (1,804,000)	
Annual Appreciation Factor	0%	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	
Direct Construction Costs (Appreciated)		$ (2,367,750)	$ (4,735,500)	$ (4,735,500)	$ (4,735,500)	$ (4,171,750)	$ (1,804,000)	$(22,550,000)
Indirect Construction Costs	10%	$ (236,775)	$ (473,550)	$ (473,550)	$ (473,550)	$ (417,175)	$ (180,400)	$ (2,255,000)
Subtotal:		$ (2,604,525)	$ (5,209,050)	$ (5,209,050)	$ (5,209,050)	$ (4,588,925)	$ (1,984,400)	$(24,805,000)
Total Expenses		**$ (4,919,393)**	**$ (8,466,840)**	**$ (8,364,833)**	**$ (8,260,747)**	**$ (7,259,424)**	**$ (3,401,388)**	**$(40,672,625)**
NET INCOME BEFORE DEVELOPER'S INCENTIVE		**$ (4,919,393)**	**$ 11,914,500**	**$ 12,016,507**	**$ 12,120,593**	**$ 13,121,916**	**$ 12,127,252**	**$ 56,381,375**
Developers Incentive	12.00%	$ -	$ (2,445,761)	$ (2,445,761)	$ (2,445,761)	$ (2,445,761)	$ (1,863,437)	$(11,646,480)
NET INCOME BEFORE DISCOUNTING		**$ (4,919,393)**	**$ 9,468,739**	**$ 9,570,746**	**$ 9,674,832**	**$ 10,676,155**	**$ 10,263,815**	**$ 44,734,895**
Present Value Factors								
Discount Rate	5.00%	0.97561	0.95181	0.92860	0.90595	0.88385	0.86230	
Discounted Cash Flow		$ (4,799,408)	$ 9,012,482	$ 8,887,389	$ 8,764,921	$ 9,436,165	$ 8,850,455	$ 40,152,005
Net Present Value (Rounded)								**$ 40,150,000**
							per unit:	$401,500
		$ (4,919,393)	$ 11,914,500	$ 12,016,507	$ 12,120,593	$ 13,121,916	$ 12,127,252	
Implied Internal Rate of Return (IRR)	16.679%	0.92303	0.85198	0.78640	0.72586	0.66999	0.61842	
	$ (40,150,000)	$ (4,540,726)	$ 10,150,875	$ 9,449,737	$ 8,797,904	$ 8,791,569	$ 7,499,725	$ (916)

Land Residual Analysis: Low Density (RL) / 6,000 SF Lots										
Semiannual (6 Months):		**0**	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**Total**
ABSORPTION										
Sales			18	18	18	18	18	10	0	100
Close of Escrow (COE)			0	18	18	18	18	18	10	100
Unsold Inventory	100		82	64	46	28	10	0	0	
Sales Revenue (Before Appreciation)			$ 22,060,800	$ 22,060,800	$ 22,060,800	$ 22,060,800	$ 22,060,800	$ 12,256,000	$ -	
Annual Appreciation Factor	0%		1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	
Sales Revenue (After Appreciation)			$ 22,060,800	$ 22,060,800	$ 22,060,800	$ 22,060,800	$ 22,060,800	$ 12,256,000	$ -	$ 122,560,000
Total Sales Revenue (at Close of Escrow)			**$ -**	**$ 22,060,800**	**$ 22,060,800**	**$ 22,060,800**	**$ 22,060,800**	**$ 22,060,800**	**$ 12,256,000**	**$ 122,560,000**
EXPENSES AND CASH FLOWS										
General and Administrative	3.0%		$ (525,257)	$ (525,257)	$ (525,257)	$ (525,257)	$ (525,257)	$ (525,257)	$ (525,257)	$ (3,676,800)
Marketing and Sales	6.0%		$ -	$ (1,323,648)	$ (1,323,648)	$ (1,323,648)	$ (1,323,648)	$ (1,323,648)	$ (735,360)	$ (7,353,600)
Ad Valorem Taxes ($/unit/yr)	$4,602		$ (230,102)	$ (190,571)	$ (150,226)	$ (109,054)	$ (67,045)	$ (24,184)	$ -	$ (771,182)
Direct Charges ($/unit/yr)	$2,000		$ (100,000)	$ (82,820)	$ (65,286)	$ (47,394)	$ (29,137)	$ (10,510)	$ -	$ (335,147)
Special Taxes/Assessments ($/unit/yr)	$5,334		$ (266,713)	$ (220,892)	$ (174,127)	$ (126,406)	$ (77,712)	$ (28,032)	$ -	$ (893,881)
Homeowner's Association Fees ($/unit/mo)	$0		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Model Costs			$ (200,000)		$ -	$ -	$ -	$ -	$ -	$ (200,000)
Permits and Fees			$ (1,260,000)	$ (1,260,000)	$ (1,260,000)	$ (1,260,000)	$ (1,260,000)	$ (700,000)	$ -	$ (7,000,000)
Subtotal:			$ (2,582,072)	$ (3,603,188)	$ (3,498,544)	$ (3,391,759)	$ (3,282,799)	$ (2,611,631)	$ (1,260,617)	$ (20,230,610)
Direct Construction Costs			$ (2,835,000)	$ (5,670,000)	$ (5,670,000)	$ (5,670,000)	$ (5,670,000)	$ (4,410,000)	$ (1,575,000)	
Annual Appreciation Factor	0%		1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	
Direct Construction Costs (Appreciated)			$ (2,835,000)	$ (5,670,000)	$ (5,670,000)	$ (5,670,000)	$ (5,670,000)	$ (4,410,000)	$ (1,575,000)	$ (31,500,000)
Indirect Construction Costs	10%		$ (283,500)	$ (567,000)	$ (567,000)	$ (567,000)	$ (567,000)	$ (441,000)	$ (157,500)	$ (3,150,000)
Subtotal:			$ (3,118,500)	$ (6,237,000)	$ (6,237,000)	$ (6,237,000)	$ (6,237,000)	$ (4,851,000)	$ (1,732,500)	$ (34,650,000)
Total Expenses			**$ (5,700,572)**	**$ (9,840,188)**	**$ (9,735,544)**	**$ (9,628,759)**	**$ (9,519,799)**	**$ (7,462,631)**	**$ (2,993,117)**	**$ (54,880,610)**
NET INCOME BEFORE DEVELOPER'S INCENTIVE			**$ (5,700,572)**	**$ 12,220,612**	**$ 12,325,256**	**$ 12,432,041**	**$ 12,541,001**	**$ 14,598,169**	**$ 9,262,883**	**$ 67,679,390**
Developers Incentive	15.00%		$ -	$ (3,309,120)	$ (3,309,120)	$ (3,309,120)	$ (3,309,120)	$ (3,309,120)	$ (1,838,400)	$ (18,384,000)
NET INCOME BEFORE DISCOUNTING			**$ (5,700,572)**	**$ 8,911,492**	**$ 9,016,136**	**$ 9,122,921**	**$ 9,231,881**	**$ 11,289,049**	**$ 7,424,483**	**$ 49,295,390**
Present Value Factors										
Discount Rate	5.00%		0.97561	0.95181	0.92860	0.90595	0.88385	0.86230	0.84127	
Discounted Cash Flow			$ (5,561,534)	$ 8,482,087	$ 8,372,378	$ 8,264,916	$ 8,159,638	$ 9,734,512	$ 6,245,959	$ 43,697,956
Net Present Value (Rounded)										**$ 43,700,000**
									per unit:	$437,000
			$ (5,700,572)	$ 12,220,612	$ 12,325,256	$ 12,432,041	$ 12,541,001	$ 14,598,169	$ 9,262,883	
Implied Internal Rate of Return (IRR)	19.725%		0.91023	0.82851	0.75414	0.68644	0.62481	0.56872	0.51767	
		$ (43,700,000)	$ (5,188,820)	$ 10,124,959	$ 9,294,935	$ 8,533,811	$ 7,835,793	$ 8,302,316	$ 4,795,095	$ (1,911)

Very Low Density Lots

The extraction analysis is employed to estimate the finished lot value of the Very Low Density lot size category. The extraction (residual) analysis 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 Very Low Density benchmark lot category has a typical lot size of 15,000 square feet. Based on a survey of the local Multiple Listing Service (MLS), we estimate a typical average-sized home on the subject would contain approximately 3,250 square feet and would have a corresponding base price of $1,275,000 ($392 per square foot). This estimate will be utilized in the extraction analysis.

Expense Projections

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.

Based on the cost comparables, and considering the product line under development, a direct cost estimate of $105.00 per square foot is applied to the 3,250 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 estimated to total $80,000 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 6.77% to 29.00%. 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.

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 14% for developer's incentive.

Conclusion

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

Extraction: Very Low Density (VL) / 15,000 SF Lots				
Revenue				
Average Floor Plan Size	3,250	SF		
Typical Home Price				$1,275,000
Expense Projections				
G & A Cost @	3.0%	of Retail Value	$38,250	
Marketing/Sales @	6.0%	of Retail Value	$76,500	
Average Direct Costs @	$105.00	/SF	$341,250	
Indirect Cost @	25.0%	of Direct Cost	$85,313	
Permits and Fees Due at BP	$80,000	/Lot	$80,000	
Developer's Incentive	14%	of Home Price	$178,500	
				$799,813
			Residual Lot Value:	$475,188
			Rounded:	$475,000

As support for the estimate of finished lot value concluded in the extraction analysis, we will utilize the sales comparison approach for the individual retail value of the Very Low Density lots. The underlying premise of the sales comparison approach is the market value of a property is directly related to the price of comparable, competitive properties in the marketplace. In the sales comparison approach, the market value of the subject lots will be estimated by a comparison to similar properties that have recently sold, are listed for sale or are under contract.

Due to the limited amount of recent retail lot sales in the subject's immediate area, we expanded our search parameters to include properties throughout surrounding counties, including Stanislaus, Solano, Contra Costa, and Sacramento Counties. The comparable sales analyzed represent the most recent transactions considered reasonably similar to the subject property.

Retail Lot Sales: Very Low Density (VL) / 15,000 SF Lots

No.	Address	Contract Date	Sale Price	Close of Escrow	Lot Size	Comments
1	1170 Green Gables Court, Concord (APN 130-150-027-6)	2/13/2025	$405,950	3/17/2025	12,880	Court location in a developed neighborhood. All utilities nearby.
2	709 Oreno Circle, Folsom (APN 072-3280-004)	12/9/2024	$463,000	1/15/2025	10,380	Original list price was reduces for a quick sale (original list price $499,900). Flat lot located in the Lakeview Oaks subdivision, a gated community.
3	419 Cose Lane, Tracy (APN 248-690-050)	5/15/2024	$365,000	7/1/2024	11,264	Private cul-de-sac lot in Glenbriar Estates. Sewer, water, and utilities connected to the lot. Previous owner to the seller submitted plans to the city of Tracy for approval.
4	Camelia Drive, Tracy (APN 214-080-420)	4/5/2024	$345,000	4/8/2024	16,021	None
5	Saranap Avenue, Lafayette (APN 185-390-046)	3/18/2024	$425,000	6/5/2024	16,196	Features Mount Diablo views and in close proximity between Lafayette and downtown Walnut Creek. Located in the Acalanes School District.
6	1961 Risdon Road, Concord (APN 147-341-064-3)	1/3/2024	$440,000	1/23/2024	10,890	Approved architectural and structural plans and a building permit from the City of Concord. Ready to build opportunity: 2,300+ SF, 4 bedroom/2.5 bath single family home and 2-car garage. Current water connection plus permit for sewer connection.
7	418 Cose Lane, Tracy (APN 248-690-060)	5/18/2022	$366,000	5/20/2022	12,206	Private cul-de-sac lot in Glenbriar Estates. Sewer, water, and utilities connected to the lot. No plans were submitted to the City. Listing agent noted Seller would only consider offers at or above $370,000.
8	419 Cose Lane, Tracy (APN 248-690-050)	3/2/2022	$345,000	4/6/2022	11,264	Private cul-de-sac lot in Glenbriar Estates. Sewer, water, and utilities connected to the lot. Seller submitted plans to the city of Tracy for approval.
9	418 Cose Lane, Tracy (APN 248-690-060)	Listing	$425,000	Listing	12,206	Private cul-de-sac lot in Glenbriar Estates. Sewer, water, and utilities connected to the lot.
	Minimum		*$345,000*		*10,380*	
	Maximum		*$463,000*		*16,196*	
	Average		*$397,772*		*12,590*	

Sales 3 and 8 represent two sales of the same residential lot; Sale 3 corresponds to the most recent sale of the lot in May 2024, which was approximately 5.80% higher than the previous March 2022 sale (Sale 8). Similarly, Sale 9 is the current listing of a residential lot on the same street as Sale 3/Sale 8, and most recently sold in May 2022 (Sale 7). Based on the prior sale price of $366,000, utilizing a similar price appreciate rate as indicated by Sale 3/Sale 8, it is reasonable for the current listing to sell between $387,217 ($366,000 x 5.80%) and the current list price, $425,000.

Overall, the comparable retail lot sales suggest a market value within the range of $345,000 and $463,000. The subject lots are part of a new community within Mountain House and represent the largest lot offering within the immediate market area. Further, as a new community, the subject lots benefit from new public infrastructure and park systems. Considering the specifics of the subject, a finished lot value for the Very Low Density lots towards the upper end of the range or $425,000 is considered reasonable.

Reconciliation of Lot Value

The concluded estimates of lot value via each approach are shown on the following table.

In our opinion the land residual analysis is primarily a supportive indicator for the results of sales comparison approach for the Medium Density and Low Density benchmark lot size categories. For the Very Low Density lot size category, both the extraction analysis and sales comparison approach are considered to be good indicators of value, but primary emphasis is given to the extraction analysis. We conclude a finished lot value as follows:

Reconciliation of Finished Lot Value

Lot Size Categories	Medium Density (RM)		Low Density (RL)		Very Low Density (VL)	
Sales Comparison Approach	$430,000	per finished lot	$470,000	per finished lot	$425,000	per finished lot
Land Residual Analysis	$401,500	per finished lot	$437,000	per finished lot	N/A	
Extraction Analysis	N/A		N/A		$475,000	per finished lot
% Difference	7.10%		7.55%		-10.53%	
Average	$415,750		$453,500		$450,000	
Concluded Finished Lot Value	$430,000	per finished lot	$470,000	per finished lot	$475,000	per finished lot

The subject has additional lot categories with varying lot sizes. The details of each lot category are shown in the following table. 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 $15.00 per square foot of difference in lot area is applied to the benchmark lot values. In the following table, adjustments for differences in lot size are made to the above-concluded benchmark typical lot and applied to the subject's additional lot size categories.

Conclusion of Finished Lot Value

Lot Size (SF)		Benchmark Lot Value	Lot Size Adjustment	**Adjusted Finished Lot Value (Rounded)**
3,600 (RM)		$430,000	($6,750)	**$423,000**
3,825 (RM)		$430,000	($3,375)	**$427,000**
4,050 (RM)	Benchmark	$430,000		**$430,000**
4,320 (RM)		$430,000	$4,050	**$434,000**
4,500 (RM)		$430,000	$6,750	**$437,000**
5,000 (RL)		$470,000	($15,000)	**$455,000**
5,500 (RL)		$470,000	($7,500)	**$463,000**
6,000 (RL)	Benchmark	$470,000		**$470,000**
6,500 (RL)		$470,000	$7,500	**$478,000**
7,000 (RL)		$470,000	$15,000	**$485,000**
7,500 (RL)		$470,000	$22,500	**$493,000**
15,000 (VL)	Benchmark	$475,000		**$475,000**

High Density Residential Land Valuation

The subject's multifamily residential land component is summarized in the table below.

Multifamily Component Summary

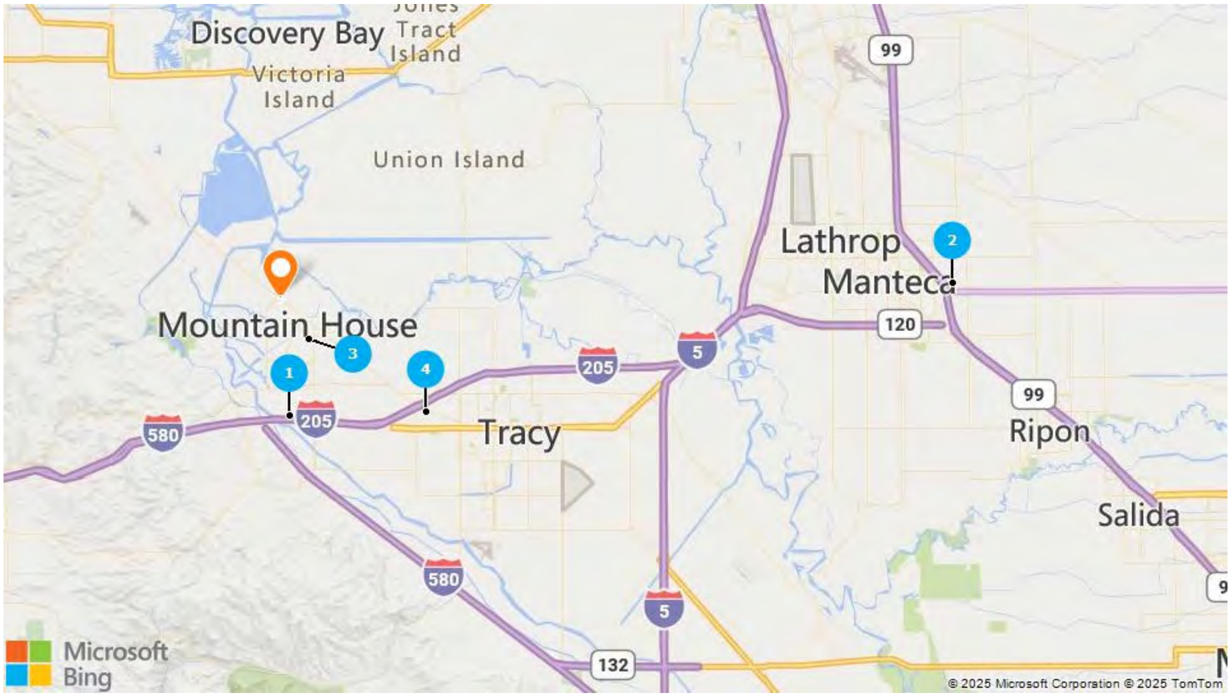
Village	Tract ID	No. of Units	Land Area	Density (Units/Acre)
K	K1	76	3.8	20.00
K	K2	135	11.2	12.05
K	K3	53	4.4	12.05
K	K4	104	5.2	20.00
I	I13	89	7.4	12.03
I	I14	96	8.0	12.00
L	L9	120	10.0	12.00
L	L10	286	19.0	15.05
L	L11	52	2.6	20.00
L	L12	48	4.0	12.00
L	L13	72	3.6	20.00
	Minimum	*48*	*2.6*	*12.00*
	Maximum	*286*	*19.0*	*20.00*
	Average	*103*	*7.2*	*15.20*

In the following table, we have arrayed comparable multifamily land sales that have occurred in the subject's market area and similar surrounding areas. For this analysis, we use price per unit as the appropriate unit of comparison because market participants typically compare sale prices and property values on this basis. The most relevant sales are summarized in the following table.

Summary of Comparable Land Sales

No.	Name/Address	Sale Date; Status	Sale Price	SF; Acres	Zoning	$/Unit
1	215 E Central Pkwy Site 215 E. Central Pky. Tracy San Joaquin County CA	May-22 Closed	$9,800,000	737,035 16.92	RH	$28,994
	Comments: Sale of a vacant site zoned for multifamily use. Buyer purchased with the intent of developing a 330-unit multifamily property in the future. The site sold without any entitlements. Timing of development was not known.					
2	339 Pestana Ave Manteca San Joaquin County CA	Feb-22 Closed	$1,300,000	136,778 3.14	R-3	$22,034
	Comments: Sale of 3.14 acres of vacant land zoned for multifamily residential development. The site allows for a maximum of 75 residential units. As of the date of sale, the site had a tentative map in place for 59 townhomes					
3	Mountain House Apartments Site 111 S. De Anza Blvd. Tracy San Joaquin County CA	Aug-21 Closed	$14,500,000	662,112 15.20	RH	$47,697
	Comments: Sale of a vacant site approved for development of a 304-unit Class A apartment property. The sale represent an off-market transaction where the buyer approaced the seller.					
4	3030 W Byron 3030 W. Byron Rd. Tracy San Joaquin County CA	Jan-20 Closed	$500,000	44,867 1.03	MDR	$41,667
	Comments: Sale of a vacant site zoned MDR for medium density residential. No entitlements were in place as of the date of sale. Zoning allows up to 12 units per acre.					

Comparable Land Sales Map



Sale 1
215 E Central Pkwy Site

Sale 2
339 Pestana Ave

Sale 3
Mountain House Apartments Site

Sale 4
3030 W Byron

Transactional Adjustments

Real Property Rights Conveyed

The opinion of value in this report is based on a fee simple estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power and escheat, as well as non-detrimental easements, community facility districts, and conditions, covenants and restrictions (CC&Rs). All the comparables represent fee simple estate transactions. Therefore, adjustments for property rights are not necessary.

Financing Terms

In analyzing the comparables, it is necessary to adjust for financing terms that differ from market terms. Typically, if the buyer retained third-party financing (other than the seller) for the purpose of purchasing the property, a cash price is presumed and no adjustment is required. However, in instances where the seller provides financing as a debt instrument, a premium may have been paid by the buyer for below-market financing terms, or a discount may have been demanded by the buyer if the financing terms were above market. The premium or discounted price must then be adjusted to a cash equivalent basis. The comparable sales represented cash-to-seller transactions and, therefore, do not require adjustment.

Conditions of Sale

Adverse conditions of sale can account for a significant discrepancy from the sale price actually paid, compared to that of the market. This discrepancy in price is generally attributed to the motivations of the buyer and the seller. Certain conditions of sale are considered non-market and may include the following:

- a seller acting under duress (e.g., eminent domain, foreclosure);
- buyer motivation (e.g., premium paid for assemblage, certain 1031 exchanges);
- a lack of exposure to the open market;
- an unusual tax consideration;
- a sale at legal auction.

None of the comparable sales had atypical or unusual conditions of sale. Thus, adjustments are not necessary.

Expenditures Made Immediately After Purchase

This category considers expenditures incurred immediately after the purchase of a property. There were no issues of deferred maintenance reported for any of the properties. No adjustments are required for expenditures after sale.

Market Conditions

A market conditions adjustment is applied when market conditions at the time of sale differ from market conditions as of the effective date of value. Adjustments can be positive when prices are rising, or negative when markets are challenged by factors such as a deterioration of the economy or adverse changes in supply and/or demand in the market area. Consideration must also be given to when the property was placed under contract, versus when the sale actually closed.

In evaluating market conditions, changes between the comparable sale date and the effective date of this appraisal may warrant adjustment; however, if market conditions have not changed, then no adjustment is required.

Market conditions for multifamily land has been relatively stable in recent periods; however, downward adjustments are considered necessary for Sales 3 and 4 which transferred prior to 2022.

Property Adjustments

Location

Factors considered in evaluating location include, but are not limited to, demographics, growth rates, surrounding uses and property values.

Sales 1, 3 and 4 have similar locations in Mountain House and Tracy as the subject and do not require adjustment. Sale 2 is located in an area with lower achievable rents than the subject's location and is adjusted upward for its inferior location.

Access/Exposure

Convenience to transportation facilities, ease of site access, and overall visibility of a property can have a direct impact on property value. High visibility, however, may not translate into higher value if it is not accompanied by good access. In general, high visibility and convenient access, including proximity to major linkages, are considered positive amenities when compared to properties with inferior attributes.

All comparables have similar access/exposure as the subject and do not require adjustment.

Size

Due to economies of scale, on a price per unit basis, larger properties tend to sell for a higher price per unit when compared to smaller properties, all else being equal.

Typically, to account for the inverse relationship that often exists between parcel size and unit value, comparables are adjusted downward when smaller and vice versa. However, in this case, the size of Sale 4 makes development into a multifamily property more cost prohibitive as it is cheaper per unit to develop larger projects. In other words, developers will often pay more for a larger site (up to a point) than for a small site when developing a multifamily project. As such, this comparable is adjusted slightly downward for size.

Density

The subject's multifamily land is proposed for development at approximately 12.0 or 20.0 units per acre. All of the comparables are similar to the subject and no adjustments for this element of comparison is warranted.

Shape and Topography

This category accounts for the shape of the site influencing its overall utility and/or development potential, as well as the grade of the land. All of the comparables are similar to the subject.

Zoning

This element of comparison accounts for government regulations that can affect the types and intensities of uses allowable on a site. Moreover, this category includes considerations such as allowable density or floor area ratio, structure height, setbacks, parking requirements, landscaping, and other development standards.

Each of the comparables allow for multifamily development and no differences besides density must be accounted for. As density was previously adjusted for, no further adjustments are warranted.

Entitlements

Entitlements consist of the specific level of governmental approvals attained pertaining to development of a site, which can include a bonus density or conditional use permit (CUP) that allows for uses not typically permitted under standard zoning.

Sales 2 and 3 were sold entitled and have been adjusted downward. Sales 1 and 4 were unentitled, like the subject, and do not require adjustment.

Adjustments Summary

The sales are compared to the subject and adjusted to account for material differences that affect value. The following table summarizes the adjustments applied to each sale.

Land Sales Adjustment Grid

	Subject	Comparable 1	Comparable 2	Comparable 3	Comparable 4
Address	Byron Rd.	215 E. Central Pky.	339 Pestana Ave.	111 S. De Anza Blvd.	3030 W. Byron Rd.
City	Mountain House	Tracy	Manteca	Tracy	Tracy
County	San Joaquin	San Joaquin	San Joaquin	San Joaquin	San Joaquin
State	California	CA	CA	CA	CA
Sale Date		May-22	Feb-22	Aug-21	Jan-20
Sale Status		Closed	Closed	Closed	Closed
Sale Price		$9,800,000	$1,300,000	$14,500,000	$500,000
Acres	2.6 - 19.0	16.92	3.14	15.20	1.03
Number of Units	48 - 286	338	59	304	12
Units Per Acre	12.0 or 20.0	19.98	18.79	20.00	11.65
Price per Unit		**$28,994**	**$22,034**	**$47,697**	**$41,667**
Property Rights		Fee Simple	Fee Simple	Fee Simple	Fee Simple
Ranking		–	–	–	–
Financing Terms		Cash to seller	Cash to seller	Cash to seller	Cash to seller
Ranking		–	–	–	–
Conditions of Sale		Arm's-length	Arm's-length	Arm's-length	Arm's-length
Ranking		–	–	–	–
Expenditures Made Immediately After Purchase		None	None	None	None
Ranking		–	–	–	–
Market Conditions	4/4/2025	May-22	Feb-22	Aug-21	Jan-20
Ranking		–	–	Superior	Superior
Location		–	Very Inferior	–	–
Access/Exposure		–	–	–	–
Size		–	–	–	Superior
Density		–	–	–	–
Shape and Topography		–	–	–	–
Zoning		–	–	–	–
Entitlements		–	Superior	Superior	–
Overall Ranking		**Similar**	**Inferior**	**Very Superior**	**Very Superior**

Value Indication

Prior to adjustment, the sales reflect a range of $22,038 - $47,697 per unit. Following adjustments, a conclusion lower than Sales 3 and 4, higher than Sale 2, and similar to Sale 1 is considered reasonable. Thus, a value conclusion slightly higher than Sale 1 is concluded as follows:

Ranking Analysis and Reconciliation

Comparable No.	Overall Comparability	Price per Unit	Estimated Value
2	Inferior	$22,034	
1	Similar	$28,994	
Subject			–
4	Very Superior	$41,667	
3	Very Superior	$47,697	
Estimated Unit Value			$30,000

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. A summary of the ownership group holdings along with the current development status is provided in the following table.

Appraised Property Summary by Ownership

Owner / Builder	Village	Project Name	Tract No. / Tract ID	Product Type	Lot Size	No. of Units	Estimated Opening Date	Multifamily Units	Unimproved SFR Lots	Finished SFR Lots	SFR Lots with Homes Under Construction	SFR Lots with Compeleted Homes
Century Communities	K	Malana	3926	Detached / All Age	3,600 (RM)	**61**	Aug-25	--	--	61	--	--
Century Communities	J	Lotus	3974	Detached / All Age	3,825 (RM)	**87**	Oct-25	--	--	87	--	--
Subtotal						***148***		--	--	*148*	--	--
Rurka Capital, LLC	J	Alserio	3973-74	Detached / All Age	5,500 (RL)	**74**	Apr-25	--	--	74	--	--
Rurka Homes	J	Bolsena	3974	Detached / All Age	5,000 (RL)	**89**	Aug-25	--	--	89	--	--
	K	TBD	3926	Detached / All Age	4,050 (RM)	**27**	Feb-26	--	--	27	--	--
Subtotal						***190***		--	--	*190*	--	--
Taylor Morrison	J	Silverleaf	3975	Detached / All Age	5,500 (RL)	**87**	May-25	--	--	87	--	--
Taylor Morrison	J	Trailview	3975	Detached / All Age	6,000 (RL)	**116**	May-25	--	--	116	--	--
Subtotal						***203***		--	--	*203*	--	--
Richmond American	K	Belleza	3926	Detached / All Age	4,050 (RM)	**55**	Aug-25	--	--	55	--	--
Richmond American												
Subtotal						***55***		--	--	*55*	--	--
Lennar	J	Lugano	3968, 69, 71	Detached / All Age	4,050 (RM)	**134**	Feb-25	--	--	105	27	2
Lennar	J	Maggiore	3968-71	Detached / All Age	5,000 (RL)	**113**	Feb-25	--	--	84	27	2
	J	Mezzano	3968, 70, 72	Detached / All Age	5,500 (RL)	**126**	Apr-25	--	--	102	22	2
	J	Turano	3968, 3972	Detached / All Age	6,000 (RL)	**130**	Feb-25	--	--	106	22	2
Subtotal						***503***		--	--	*397*	*98*	*8*
Mountain House Developers, LLC	K	--	3927	Detached / All Age	4,050 (RM)	**87**	--	--	87	--	--	--
Master Developer	K	--	3929	Detached / All Age	4,320 (RM)	**107**	--	--	107	--	--	--
	K	--	3928, 3929, 3933	Detached / All Age	5,000 (RL)	**233**	--	--	233	--	--	--
	K	--	3927, 3930, 3932	Detached / All Age	6,000 (RL)	**154**	--	--	154	--	--	--
	K	--	3931	Detached / All Age	6,500 (RL)	**71**	--	--	71	--	--	--
	I	--	4101, 4191, 4194 / I4, I7, I9	Detached / All Age	4,500 (RM)	**287**	--	--	287	--	--	--
	I	--	4193, 4195, 4202 / I5, I8, I12	Detached / All Age	5,000 (RL)	**295**	--	--	295	--	--	--
	I	--	4192, 4196, 4200 / I3, I6, I11	Detached / All Age	6,000 (RL)	**267**	--	--	267	--	--	--
	I	--	4197, 4199 / I2, I10	Detached / All Age	7,000 (RL)	**154**	--	--	154	--	--	--
	I	--	4198 / I1	Detached / All Age	7,500 (RL)	**119**	--	--	119	--	--	--
	I	--	4203 / I15	Detached / All Age	15,000 (VL)	**5**	--	--	5	--	--	--
	L	--	TBD / L5	Detached / All Age	4,050 (RM)	**90**	--	--	90	--	--	--
	K	--	K1	Multifamily / All Age	--	**76**	--	76	--	--	--	--
	K	--	K2	Multifamily / All Age	--	**135**	--	135	--	--	--	--
	K	--	K3	Multifamily / All Age	--	**53**	--	53	--	--	--	--
	K	--	K4	Multifamily / All Age	--	**104**	--	104	--	--	--	--
	I	--	I13	Multifamily / All Age	--	**89**	--	89	--	--	--	--
	I	--	I14	Multifamily / All Age	--	**96**	--	96	--	--	--	--
	L	--	L9	Multifamily / All Age	--	**120**	--	120	--	--	--	--
	L	--	L10	Multifamily / All Age	--	**286**	--	286	--	--	--	--
	L	--	L11	Multifamily / All Age	--	**52**	--	52	--	--	--	--
	L	--	L12	Multifamily / All Age	--	**48**	--	48	--	--	--	--
	L	--	L13	Multifamily / All Age	--	**72**	--	72	--	--	--	--
						3,000		*1,131*	*1,869*	*0*	*0*	*0*
TOTAL						**4,099**		**1,131**	**1,869**	**993**	**98**	**8**

In light of the fact the merchant builders possess 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.

As shown in the table above, the majority of the lots held by the merchant builders are finished. However, as previously discussed, information provided by Lennar indicates their 503 lots have $43,777,791 in development costs to complete which is allocated evenly amongst the Lennar lots exclusively, assumed net of the other infrastructure/public improvement reimbursements (the Community Facilities Fee reimbursement, the Traffic Improvement Fee reimbursement, and the Wet Utility Program reimbursement). Lennar also is the only merchant builder with lots with homes completed and/or under construction. Therefore, in addition to completed homes, permits and impact fees have been paid for homes under construction. These fees add dollar for dollar to each project's value and are included in the value by ownership.

The following table summarizes the market value by ownership for the merchant builders.

Market Value by Ownership

Lot Size (SF)	No. of Units	Finished Lot / Home Value	Remaining Site Development Costs	Profit @ 5% of Remaining Costs	Permits and Fees	Lot Value As Is (Rounded)	Extension	
Century Communities								
Finished SFR Lots								
3,600 (RM)	61	$423,000				$423,000	$ 25,803,000	
3,825 (RM)	87	$427,000				$427,000	$ 37,149,000	
TOTAL	**148**						**$ 62,952,000**	
Rurka Capital, LLC								
Finished SFR Lots								
5,500 (RL)	74	$463,000				$463,000	$ 34,262,000	
5,000 (RL)	89	$455,000				$455,000	$ 40,495,000	
4,050 (RM)	27	$430,000				$430,000	$ 11,610,000	
TOTAL	**190**						**$ 86,367,000**	
Taylor Morrison								
Finished SFR Lots								
5,500 (RL)	87	$463,000				$463,000	$ 40,281,000	
6,000 (RL)	116	$470,000				$470,000	$ 54,520,000	
TOTAL	**203**						**$ 94,801,000**	
Richmond American								
Finished SFR Lots								
4,050 (RM)	55	$430,000				$430,000	$ 23,650,000	
TOTAL	**55**						**$ 23,650,000**	
Lennar								
Finished SFR Lots								
4,050 (RM)	105	$430,000	($87,033)	($4,352)		$339,000	$ 35,595,000	
5,000 (RL)	84	$455,000	($87,033)	($4,352)		$364,000	$ 30,576,000	
5,500 (RL)	102	$463,000	($87,033)	($4,352)		$372,000	$ 37,944,000	
6,000 (RL)	106	$470,000	($87,033)	($4,352)		$379,000	$ 40,174,000	
	397						$ 144,289,000	
SFR Lots with Homes Under Construction								
4,050 (RM)	27	$430,000	($87,033)	($4,352)	$55,000	$394,000	$ 10,638,000	
5,000 (RL)	27	$455,000	($87,033)	($4,352)	$70,000	$434,000	$ 11,718,000	
5,500 (RL)	22	$463,000	($87,033)	($4,352)	$70,000	$442,000	$ 9,724,000	
6,000 (RL)	22	$470,000	($87,033)	($4,352)	$70,000	$449,000	$ 9,878,000	
	98						$ 41,958,000	
SFR Lots with Completed Homes								
4,050 (RM)	2	$905,000	($87,033)	($4,352)		$814,000	$ 1,628,000	(Not-Less-Than)
5,000 (RL)	2	$1,045,000	($87,033)	($4,352)		$954,000	$ 1,908,000	(Not-Less-Than)
5,500 (RL)	2	$1,025,000	($87,033)	($4,352)		$934,000	$ 1,868,000	(Not-Less-Than)
6,000 (RL)	2	$1,150,000	($87,033)	($4,352)		$1,059,000	$ 2,118,000	(Not-Less-Than)
	8						$ 7,522,000	
TOTAL	**503**						**$ 193,769,000**	

In order to estimate the market value of the master developer's holdings (Mountain House Developers, LLC), a discounted cash flow analysis will be employed; whereby, the expected revenue, absorption period, expenses and internal rate of return associated with the sell-off of the holdings will be taken into account. In this method of valuation, the Subdivision Development Method, the appraiser/analyst specifies the quantity, variability, timing and duration of the revenue streams and discounts each to its present value at a specified yield rate.

As a discounted cash flow analysis, the subdivision development method consists of four primary components summarized as follows:

Revenue – the gross income is based on the individual component values.

Absorption Analysis – the time frame required for sell off. Of primary importance in this analysis is the allocation of the revenue over the absorption period – including the estimation of an appreciation factor (if any).

Expenses – the expenses associated with the sell-off are calculated in this section – including infrastructure costs, administration, marketing and commission costs, as well as ad valorem taxes and special taxes.

Discount Rate – an appropriate internal rate of return is derived employing a variety of data.

Discussions of these four concepts follows below, with the discounted cash flow analysis offered at the end of this section.

Revenue

The revenue component associated with the subject includes the concluded lot value for the different single-family residential lot size categories within the development, as well as the high-density residential components. The value conclusion is based on the lots in an as finished state and therefore remaining development costs will be accounted for within the expenses. The revenue is summarized in the following table.

Discounted Cash Flow Revenue: Master Developer

Land Use Component	Lot Size (SF)	No. of Lots / Units	Value per Lot / Unit	Extension
Single Family Lots	3,600 (RM)	0	$423,000	$ -
	3,825 (RM)	0	$427,000	$ -
	4,050 (RM)	177	$430,000	$ 76,110,000
	4,320 (RM)	107	$434,000	$ 46,438,000
	4,500 (RM)	287	$437,000	$ 125,419,000
	5,000 (RL)	528	$455,000	$ 240,240,000
	5,500 (RL)	0	$463,000	$ -
	6,000 (RL)	421	$470,000	$ 197,870,000
	6,500 (RL)	71	$478,000	$ 33,938,000
	7,000 (RL)	154	$485,000	$ 74,690,000
	7,500 (RL)	119	$493,000	$ 58,667,000
	15,000 (VL)	5	$475,000	$ 2,375,000
Single Family Subtotal		**1,869**	**$ 457,864**	**$ 855,747,000**
Multifamily Properties		1,131	$30,000	$ 33,930,000
Multifamily Subtotal		**1,131**	**$ 30,000**	**$ 33,930,000**
TOTAL				**$ 889,677,000**

Absorption

A number of assumptions are made in the discounted cash flow analysis, not the least of which is the forecast of absorption, or disposition, of the residential land use components comprising the subject property. It is common for surveys of market participants to reveal different estimations of anticipated absorption periods for the sell-off of multiple components comprising a master planned development, with some developers preferring to hasten the holding period in favor of mitigating exposures to fluctuations in market conditions; whereas, other developers prefer to manage the sell-off of the property over an extended period of time so as to minimize direct competition of product within the master planned project.

Absorption rates are best measured by looking at historic absorption rates for similar properties in the region. In developing an appropriate absorption period for the disposition of the parcels, we have considered historic absorption rates for similar properties and also attempted to consider the impacts of present market conditions, as well as the anticipated changes in the market. Real estate is cyclical in nature, and it is difficult to accurately forecast specific demand over a projected absorption period.

In attempting to estimate the exposure time that would be required for the disposition of the lots comprising the subject, both historical exposure times and projected economic conditions have been considered. A number of assumptions are made in the discounted cash flow analysis, not the least of which is the forecast of absorption, or disposition, of the various land use components comprising the subject properties. It is common for surveys of market participants to reveal different estimations of anticipated absorption periods for the sell-off of multiple components comprising a master planned development, or large land holding, with some developers preferring to hasten the holding period in favor of mitigating exposures to fluctuations in market conditions; whereas, other developers prefer to manage the sell-off of the property over an extended period of time so as to minimize direct competition of product within the master planned project – most often associated with large residential developments.

In the analysis that follows, we estimate a total absorption (sell-off) period of six years for the holdings. The revenue will be evenly distributed over the sell-off period.

Expense Projections

General and Administrative

The general and administrative expense category covers the various administrative costs associated with managing the overall development. This would include management, legal and accounting fees and other professional services common to a development project. For purposes of this analysis, we have estimated this expense at 2.0% of the total gross sale proceeds. This expense is spread evenly over the entire sellout period.

Marketing and Sale

The costs associated with marketing, commissions and closing costs relative to the disposition of the subjects' components are estimated at 2.0% of the total gross sale proceeds. Although this rate is somewhat negotiable, it is consistent with current industry trends. Larger transactions, such as the subject, typically have a lower sales commission as a percentage of sale price.

Property Taxes (Ad Valorem and Special Taxes)

This appraisal is predicated on, and assumes, a sale of the appraised property in bulk. Interim ad valorem real estate taxes are based on a tax rate of 1.053100%. This rate is applied to the estimated market value (in bulk) and divided by the total number of lots to yield an estimate of ad valorem taxes/lot/year. The ad valorem taxes are appreciated by 2% per year and the total tax expense is gradually reduced over the absorption period, as the land components are sold off.

The subject is within the boundary of the Mountain House CFD No. 2024-1 (Public Facilities and Services) and the Lammersville Joint USD CFD No. 2024-1 (Mountain House School Facilities). Special taxes are not levied on undeveloped properties and are therefore not considered in this analysis. As parcels are sold off, the Special Tax obligations will be assumed by the buyer. The purpose of this analysis is to estimate the market value of the underlying land, which serves as the collateral to the Bond issuance. As components of the appraised properties are sold off in this analysis, the balance of the Special Tax obligations necessary to service the debt associated with the bonds are presumed to be collected from the new owners (buyers of the various land parcels) in the CFD. Direct costs are nominal and excluded.

The total tax expense is gradually reduced over the absorption period, as the land components are sold off.

Remaining Site Development Costs

The major infrastructure costs provided are estimates for the entire development by phase, but service the entire master planned community as improvements are to be oversized to accommodate future development. This leads to an increased development cost up front relative to the remaining improvement areas, which is typical for an initial phase of a large development. Typically, when there are multiple ownership groups, a cost sharing agreement is utilized to reimburse the developer of early phases for the cost of oversizing that benefit later improvement areas. Therefore, the major infrastructure costs are allocated as applicable based on a pro rata share of the entire community of 3,642 lots (956 lots in Neighborhood J, 795 lots in Neighborhood K, 1,127 in Neighborhood I and 764 lots in Neighborhood L).

It is noted, there are other infrastructure/public improvement reimbursement programs the master developer will benefit from which total approximately $40,950 per lot (the Community Facilities Fee reimbursement, the Traffic Improvement Fee reimbursement, and the Wet Utility Program reimbursement). According to the master developer, reimbursement of certain infrastructure/public improvement costs spent will be recovered at various milestones of the development process, exact timing in which all reimbursements will be received is dependent on future development and unknown at this time. We are aware of transactions of master plan communities with similar fee credits/reimbursements that transferred with land, for which the buyer and seller agreed at fifty cents on the dollar of the credits/reimbursements upon transfer of the lots. Therefore, for the purposes of the analysis herein, we have accounted for these future reimbursements consistent with known market transactions (50% of the cost amount).

The master developer’s holdings are within Villages K, I and L. Minimal horizontal improvements have been completed in Villages I and L, as well as the master developer portion of Village K lots.

As previously discussed, Village K comprises a total of 795 lots, of which 143 lots are finished and the remaining 652 lots are remaining to be improved. Based on information provided by the master developer, costs associated with the remaining 652 lots to be improved in Village K are summarized as follows:

Village K Cost Calculation

		Remaining Lots
No. of Lots		652
Budgeted Development Costs	$152,037 per lot	$99,128,155
Spent to Date	($18,726) per lot	($12,209,610)
Remaining Development Costs		$86,918,545
Other Reimbursements	($27,673) per lot	($18,042,767)
Net Remaining Development Costs		$68,875,778
		$105,638 per lot

According to the master developer, development costs are summarized in the following table.

Development Costs

	Budgeted Costs	Spent to Date	Other Reimbursements	Remaining Costs
Village J*	N/Ap	N/Ap	N/Ap	$43,777,791 *$87,033 per lot*
Village K**	N/Ap	N/Ap	N/Ap	$68,875,778 *$105,638 per lot*
Village I 1,127 Lots	$163,489,437 *$192,525 per lot*	($6,402,106) *($30,604) per lot*	($43,000,000) *($38,154) per lot*	$114,087,331 *$101,231 per lot*
Village L*** 90 Lots	$17,867,295 *$198,526 per lot*	($46,728) *($519) per lot*	($5,301,047) *($58,901) per lot*	$12,519,520 *$139,106 per lot*

* Village J comprises a total of 956 single-family lots, of which Lennar owns 503 lots. Lennar has reported they have $43,777,791 left in development cost exclusive to their 503 lots (assumed net of other reimbursements).

** Village K comprises 143 finished lots and 652 lots remaining to be improved; net remaining costs of $73,568,845 are exclusive to the 652 lot remaining to be improved.

*** Village L comprises a total of 764 lots; however, only 90 lots are taxable (674 units are age-restricted and not taxable; thus, not included in this appraisal report).

For this analysis, all the remaining costs, excluding Village J, are considered and total $195,482,629 ($68,875,778 + $114,087,331 + $12,519,520).

Internal Rate of Return

The project yield rate is the rate of return on the total un-leveraged investment in a development, including both equity and debt. The leveraged yield rate is the rate of return to the "base" equity position when a portion of the development is financed. The "base" equity position represents the total equity contribution. The developer/builder may have funded all of the equity contribution, or a consortium of investors/builders as in a joint venture may fund it. Most surveys indicate that the threshold project yield requirement is about 20% to 30% for production home type projects. Instances in which project yields may be less than 20% often involve profit participation arrangements in master planned communities where the master developer limits the number of competing tracts.

According to a leading publication within the appraisal industry, the PwC Real Estate Investor Survey[1], discount rates for land development projects ranged from 12.00% to 30.00%, with an average of 17.00% during the Fourth Quarter 2024, which is 213 basis points lower than six months ago, and assumes entitlements are in place. Without entitlements in place, certain investors will increase the discount rate an average of 125 basis points.

According to the data presented in the survey prepared by PwC, the majority of those respondents who use the discounted cash flow (DCF) method do so free and clear of financing. Additionally, the participants reflect a preference in including the developer's profit in the discount rate, versus a separate line item for this factor. As such, the range of rates presented above is inclusive of the developer's profit projection.

The discount rates are based on a survey that includes residential, office, retail and industrial developments. Participants in the survey indicate the highest expected returns are on large-scale, unapproved developments. The low end of the range was extracted from projects where certain development risks had been lessened or eliminated. Several respondents indicate they expect slightly lower returns when approvals/entitlements are already in place.

Excerpts from recent PwC surveys are copied below.

> "Looking ahead to 2025, many of our development land participants plan to search for opportunities related to residential, industrial, and/or retail development… Growth rates for development expenses, such as amenities, real estate taxes, advertising, and administration, range from 2.00% to 7.00% and average 4.33%. For lot pricing, investors indicate a range from 2.00% to 10.00%; the average growth rate is 5.83%... The absorption period required to sell an entire project varies significantly depending on such factors as location, size, and property type. This quarter, the preferred absorption period among investors is one to five years, averaging three years... Over the next 12 months, investors expect property values to increase as much as 10.0% with an average expected value change of 3.8%." (Fourth Quarter 2024)

> "Total spending on U.S. private construction was up 8.1% on a year-over-year basis in April 2024. When looking more closely at these figures, private residential spending was up 8.0% while private nonresidential spending was up 8.3%. In the non-residential sector, each segment reported year-over-year increases in spending as of April 2024 except lodging… The absorption period required to sell an entire project varies significantly depending on such factors as location, size, and property type. This quarter, the preferred absorption period among investors is one to five years, averaging three years… Over the next 12 months, investors expect property values to increase up to 10.0% with an average expected value change of +3.8%." (Second Quarter 2024)

[1] PwC Real Estate Investor Survey, PricewaterhouseCoopers, 4th Quarter 2024.

"When looking at macro development prospects for the five major commercial real estate (CRE) sectors included in *Emerging Trends*, only the retail sector shows an improvement in its rating from last year…From a micro standpoint, the top five property types for development prospects in 2024 are data centers, single-family rental housing, lower-income apartments, manufacturing, and moderate income/workforce apartments." In terms of development issues, respondents stated that construction labor costs, construction material costs, construction labor availability, land costs, and operating costs were among the top 5 most important factors." (Fourth Quarter 2023)

"Development land investors continue to search for opportunities, especially in the apartment and industrial sectors of the industry. They note, however, that holding costs are dramatically higher due to the rise in interest rates over the past year, which could change their strategies for the near term and keep their acquisitions to a minimum. 'Deals are requiring further due diligence to meet projected returns,' states an investor. Unfortunately, the current stress in the financial sector is adding additional challenges. 'We are looking closely at our banking relationships,' says another. Growth rates for development expenses, such as amenities, real estate taxes, advertising, and administration, range from 0.00% to 10.00% and average 4.71%. For lot pricing, investors indicate a range from 2.00% to 5.00%; the average growth rate is 3.13%." (Second Quarter 2023)

"Confronted with inflation, rising interest rates, economic uncertainty, and a slowdown in tenant demand, it is not surprising that most surveyed investors expect property values to decline over the next 12 months…When looking at macro development prospects for the five major commercial real estate sectors included in *Emerging Trends*, only the hotel sector shows an improvement in its rating from last year... Although the industrial/distribution and multi-family sectors boast the highest ratings for 2023, they both slip this year among respondents… From a micro standpoint, the top-five property types for development prospects in 2023 are datacenters, fulfillment, moderate-income/workforce apartments, life-science facilities, and single-family rental housing." Labor costs and availability as well as material costs are among the top three reported development issues for 2023. (Fourth Quarter 2022)

"Based on our Survey results, the industrial and multifamily sectors of the U.S. commercial real estate industry offer the best development land investment opportunities due to strong tenant demand. Investors also see opportunities in the single-family residential sector…However, many are mindful that rising interest rates could dampen demand even though U.S. homebuilding unexpectedly rose in March 2022. Still, record low housing supply should continue to support homebuilding this year…Over the next 12 months, surveyed investors are mostly optimistic regarding value trends for the national development land market. Their expectations range from a decline of 5.0% to growth of 25.0% with an average expected value change of +7.0%. This average is better than where it is was both six months ago, as well as a year ago (+5.8% for both time periods)." (Second Quarter 2022)

"Compared to five years ago, both the apartment and industrial sectors show strong gains in their ratings, while the other three sectors [retail, office, hotel] see their ratings decline…From a micro standpoint, the top five property types for development prospects in 2022 are fulfillment, life science facilities, warehouse, single-family rental housing, and moderate-income/workforce apartments." Among the top five development issues as reported among *Emerging Trends* Respondents are construction material costs, construction labor costs, construction labor availability, land costs and state & local regulations. (Fourth Quarter 2021)

"2020 revealed that where people work and where people live can be very far apart," says a development land participant. This philosophy is a driving force behind a resurgence of new-home construction in the United States. In the nonresidential sector, each segment reported year-over-year declines in spending as of March 2021. Over the next 12 months, surveyed investors are most optimistic regarding value trends for the national development land market. Their expectations range from a decline of 5.0% to growth of 25.0% with an average expected value change of +5.8%. This average is better than where it was six months ago (+4.9%), as well as a year ago (-6.9%). (Second Quarter 2021)

Project Yield Rate Survey

Data Source	Yield / IRR Expectations (Inclusive of Profit)
PwC Real Estate Investor Survey - Fourth Quarter 2024 (updated semi-annually)	Range of 12.0% to 30.0%, with an average of 17.00%, on an unleveraged basis, for land development (national average)
National Builder	20% to 25% for entitled lots
Regional Builder	18% to 25%. Longer term, higher risk projects on higher side of the range, shorter term, lower risk projects on the lower side of the range. Long term speculation properties (10 to 20 years out) often closer to 30%.
National Builder	18% minimum, 20% target
Developer	Minimum IRR of 20-25%; for an 8 to 10 year cash flow, mid to upper 20% range
Developer	25% IRR for land development is typical (no entitlements); slightly higher for properties with significant infrastructure costs
Land Management Company	20% to 30% IRR for land development deals on an unleveraged basis
Land Developer	35% for large land deals from raw unentitled to tentative map stage, unleveraged or leveraged. 25% to 30% from tentative map to pad sales to merchant builders, unleveraged
Land Developer	18% to 22% for land with some entitlements, unleveraged. 30% for raw unentitled land
Real Estate Consulting Firm	Low 20% range yield rate required to attract capital to longer-term land holdings
Land Developer	Merchant builder yield requirements in the 20% range for traditionally financed tract developments. Larger land holdings would require 25% to 30%. Environmentally challenged or politically risky development could well run in excess of 35%.
Regional Builder	10% discount rate excluding profit for single-family subdivisions
National Builder	10% to 40% for single-family residential subdivisions with 1-2 year development timelines
Regional Builder	15% to 20% IRR
Regional Builder	No less than 20% IRR for land development, either entitled or unentitled
Land Developer	20% to 30% for an unentitled property; the lower end of the range would reflect those properties close to tentative maps
Regional Builder	No less than 30% when typical entitlement risk exists

Even though entitlement risk has been mitigated, there is risk associated with estimating the timing that the subject components will be sold off. In addition, there is risk associated with unforeseen factors such as broad economic declines and job losses. Considering these factors, and the positive and negative characteristics previously described, we estimate an internal rate of return of 20.00%. Responses to surveys by developers indicate a range of values which correspond to a development project without site development or completed entitlement work. As the subject is comprised of unimproved lots it is considered similar and therefore the rate is expected to be near the middle of the range of responses.

Conclusion

The subdivision development method is presented as follows:

Subdivision Development Method

Year:	0	1	2	3	4	5	6	Total
ABSORPTION								
Sales (Lots):		0	375	375	375	375	369	1,869
End of Period Inventory		1,869	1,494	1,119	744	369	0	
Total Period Inventory		1,869	1,869	1,494	1,119	744	369	
SFR Lot Revenue Unappreciated		$ -	$ 171,698,836	$ 171,698,836	$ 171,698,836	$ 171,698,836	$ 168,951,655	$ 855,747,000
Annual Appreciation Factor	0%	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	
SFR Lot Revenue Appreciated		$ -	$ 171,698,836	$ 171,698,836	$ 171,698,836	$ 171,698,836	$ 168,951,655	$ 855,747,000
Multifamily Revenue								
Sales (Units):		190	190	190	190	190	181	1,131
End of Period Inventory		941	751	561	371	181	0	
Total Period Inventory		1,131	941	751	561	371	181	
MF Revenue Unappreciated		$ 5,700,000	$ 5,700,000	$ 5,700,000	$ 5,700,000	$ 5,700,000	$ 5,430,000	$ 33,930,000
Annual Appreciation Factor	0%	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	
MF Revenue Appreciated		$ 5,700,000	$ 5,700,000	$ 5,700,000	$ 5,700,000	$ 5,700,000	$ 5,430,000	$ 33,930,000
Total Sales Revenue		**$ 5,700,000**	**$ 177,398,836**	**$ 177,398,836**	**$ 177,398,836**	**$ 177,398,836**	**$ 174,381,655**	**$ 889,677,000**
EXPENSES AND CASH FLOWS								
All Categories								
General & Administrative		$ (3,558,708)	$ (3,558,708)	$ (3,558,708)	$ (3,558,708)	$ (3,558,708)	$ -	$ (17,793,540)
Marketing/Commissions		$ (114,000)	$ (3,547,977)	$ (3,547,977)	$ (3,547,977)	$ (3,547,977)	$ (3,487,633)	$ (17,793,540)
Development Costs (% Complete)		20%	20%	20%	20%	20%	0%	100%
Development Costs ($ Incurred)		$ (39,096,526)	$ (39,096,526)	$ (39,096,526)	$ (39,096,526)	$ (39,096,526)	$ -	$ (195,482,629)
Single Family Lots								
Ad Valorem Taxes		$ (3,052,077)	$ (3,113,119)	$ (2,538,266)	$ (1,939,174)	$ (1,315,103)	$ (665,294)	$ (12,623,032)
Other Charges, Assmts. & Special Taxes		$ -	$ -	$ -	$ -	$ -	$ -	$ -
Multifamily Units								
Ad Valorem Taxes		$ (121,017)	$ (102,701)	$ (83,603)	$ (63,701)	$ (42,969)	$ (21,383)	$ (435,374)
Other Charges, Assmts. & Special Taxes		$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total Expenses		**$ (45,942,328)**	**$ (49,419,030)**	**$ (48,825,080)**	**$ (48,206,086)**	**$ (47,561,283)**	**$ (4,174,310)**	**$ (244,128,115)**
NET INCOME		**$ (40,242,328)**	**$ 127,979,807**	**$ 128,573,756**	**$ 129,192,751**	**$ 129,837,553**	**$ 170,207,345**	**$ 645,548,885**
Internal Rate of Return	20.00%	0.83333	0.69444	0.57870	0.48225	0.40188	0.33490	
Discounted Cash Flow		$ (33,535,273)	$ 88,874,866	$ 74,406,109	$ 62,303,603	$ 52,178,801	$ 57,002,096	$ 301,230,201
Net Present Value		$ 301,230,201						
Conclusion of Value by Discounted Cash Flow Analysis (Rounded)								**$ 301,230,000**

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 Conclusions

Appraisal Premise	Effective Date	Property Rights	Value Conclusion
Market Value, subject to a Hypothetical Condition	April 4, 2025	Fee Simple	
Century Communities			$ 62,952,000
Rurka Capital, LLC			$ 86,367,000
Taylor Morrison			$ 94,801,000
Richmond American			$ 23,650,000
Lennar			$ 193,769,000
Mountain House Developers, LLC			$ 301,230,000
Aggregate, or Cumulative, Appraised Value			$ 762,769,000

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 public improvements to be financed by the CFD No. 2024-1 Revenue Bonds, Series 2025, have been 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. As it relates to the completed home component of the subject, current market conditions indicate that 30-to-60-day exposure period is reasonable.

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 prepared appraisals of portions of the subject property for another client. We have provided no other 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. Sara Gilbertson, MAI, has not made a personal inspection of the property that is the subject of this report. Kevin Ziegenmeyer, MAI, has personally inspected the subject. Eric Segal, MAI, has personally inspected the subject.
12. No one provided significant real property appraisal assistance to the person(s) signing this certification.
13. We have experience in appraising properties similar to the subject and are in compliance with the Competency Rule of USPAP.

14. As of the date of this report, Sara Gilbertson, MAI, Kevin Ziegenmeyer, MAI, and Eric Segal, MAI, have completed the continuing education program for Designated Members of the Appraisal Institute.

Sara Gilbertson, MAI
Certified General Real Estate Appraiser
California Certificate # 3002204

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

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

Assumptions and Limiting Conditions

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

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

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

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

covers the property as described in this report, and the areas and dimensions set forth are assumed to be correct.

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

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

18. The Americans with Disabilities Act (ADA) became effective January 26, 1992. We have not made a specific survey or analysis of the property to determine whether the physical aspects of the improvements meet the ADA accessibility guidelines. We claim no expertise in ADA issues, and render no opinion regarding compliance of the subject with ADA regulations. Inasmuch as compliance matches each owner's financial ability with the cost to cure the non-conforming physical characteristics of a property, a specific study of both the owner's financial ability and the cost to cure any deficiencies would be needed for the Department of Justice to determine compliance.

19. The appraisal report is prepared for the exclusive benefit of the Client, its subsidiaries and/or affiliates. It may not be used or relied upon by any other party. All parties who use or rely upon any information in the report without our written consent do so at their own risk.

20. No studies have been provided to us indicating the presence or absence of hazardous materials on the subject property or in the improvements, and our valuation is predicated upon the assumption that the subject property is free and clear of any environment hazards including, without limitation, hazardous wastes, toxic substances and mold. No representations or warranties are made regarding the environmental condition of the subject property. Integra Realty Resources – Sacramento, Integra Realty Resources, Inc., Integra Strategic Ventures, Inc. and/or any of their respective officers, owners, managers, directors, agents, subcontractors or employees (the "Integra Parties"), shall not be responsible for any such environmental conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because we are not experts in the field of environmental conditions, the appraisal report cannot be considered as an environmental assessment of the subject property.

21. The persons signing the report may have reviewed available flood maps and may have noted in the appraisal report whether the subject property is located in an identified Special Flood Hazard Area. We are not qualified to detect such areas and therefore do not guarantee such determinations. The presence of flood plain areas and/or wetlands may affect the value of the property, and the value conclusion is predicated on the assumption that wetlands are non-existent or minimal.

22. Integra Realty Resources – Sacramento is not a building or environmental inspector. Integra Sacramento does not guarantee that the subject property is free of defects or environmental problems. Mold may be present in the subject property and a professional inspection is recommended.

23. The appraisal report and value conclusions for an appraisal assume the satisfactory completion of construction, repairs or alterations in a workmanlike manner.

24. It is expressly acknowledged that in any action which may be brought against any of the Integra Parties, arising out of, relating to, or in any way pertaining to this engagement, the

appraisal reports, and/or any other related work product, the Integra Parties shall not be responsible or liable for any incidental or consequential damages or losses, unless the appraisal was fraudulent or prepared with intentional misconduct. It is further acknowledged that the collective liability of the Integra Parties in any such action shall not exceed the fees paid for the preparation of the appraisal report unless the appraisal was fraudulent or prepared with intentional misconduct. Finally, it is acknowledged that the fees charged herein are in reliance upon the foregoing limitations of liability.

25. Integra Realty Resources – Sacramento, an independently owned and operated company, has prepared the appraisal for the specific intended use stated elsewhere in the report. The use of the appraisal report by anyone other than the Client is prohibited except as otherwise provided. Accordingly, the appraisal report is addressed to and shall be solely for the Client's use and benefit unless we provide our prior written consent. We expressly reserve the unrestricted right to withhold our consent to your disclosure of the appraisal report or any other work product related to the engagement (or any part thereof including, without limitation, conclusions of value and our identity), to any third parties. Stated again for clarification, unless our prior written consent is obtained, no third party may rely on the appraisal report (even if their reliance was foreseeable).

26. The conclusions of this report are estimates based on known current trends and reasonably foreseeable future occurrences. These estimates are based partly on property information, data obtained in public records, interviews, existing trends, buyer-seller decision criteria in the current market, and research conducted by third parties, and such data are not always completely reliable. The Integra Parties are not responsible for these and other future occurrences that could not have reasonably been foreseen on the effective date of this assignment. Furthermore, it is inevitable that some assumptions will not materialize and that unanticipated events may occur that will likely affect actual performance. While we are of the opinion that our findings are reasonable based on current market conditions, we do not represent that these estimates will actually be achieved, as they are subject to considerable risk and uncertainty. Moreover, we assume competent and effective management and marketing for the duration of the projected holding period of this property.

27. All prospective value opinions presented in this report are estimates and forecasts which are prospective in nature and are subject to considerable risk and uncertainty. In addition to the contingencies noted in the preceding paragraph, several events may occur that could substantially alter the outcome of our estimates such as, but not limited to changes in the economy, interest rates, and capitalization rates, behavior of consumers, investors and lenders, fire and other physical destruction, changes in title or conveyances of easements and deed restrictions, etc. It is assumed that conditions reasonably foreseeable at the present time are consistent or similar with the future.

28. The appraisal is also subject to the following:

Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions. 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 public improvements to be financed by the CFD No. 2024-1 Revenue Bonds, Series 2025, have been completed.

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

Addendum A

Appraiser Qualifications

Sara Gilbertson, MAI

Experience

Ms. Gilbertson is a licensed appraiser with Integra Realty Resources, a real estate appraisal firm that engages in a wide variety of real estate valuation and consultation assignments. After completing her bachelor's degree at California State University, Sacramento, Ms. Gilbertson began her career in real estate as a research analyst/appraiser trainee for Seevers Jordan Ziegenmeyer in 2011. She has experience in writing narrative appraisal reports covering a variety of commercial properties, as well as special use properties including self-storage facilities, hotels and mobile home parks. She also specialized in the appraisal of residential master planned communities and subdivision, as well as Mello Roos and Assessment Districts for land secured municipal financings. Ms. Gilbertson has developed the experience and background necessary to deal with complex assignments covering an array of property types.

Licenses

California, California Certified General Real Estate Appraiser, 3002204, Expires May 2026

Education

Academic:
Bachelor of Science in Business Administration (Concentration in Real Estate and Land Development), California State University, Sacramento

Appraisal Institute Courses:
Basic Appraisal Principles
Basic Appraisal Procedures
Uniform Standards of Professional Appraisal Practice
Real Estate Finance and Statistics and Valuation Modeling
Sales Comparison Approach
Report Writing and Case Studies
Market Analysis and Highest and Best Use
Site Valuation and Cost Approach
Basic Income Capitalization
Federal and California Statutory and Regulator Laws
Quantitative Analysis
Business Practices and Ethics
Advanced Market Analysis and Highest and Best Use
Advanced Income Capitalization
Advanced Concepts and Case Studies

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Business, Consumer Services & Housing Agency

BUREAU OF REAL ESTATE APPRAISERS

REAL ESTATE APPRAISER LICENSE

Sara A. Gilbertson

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: 3002204

Effective Date: May 30, 2024
Date Expires: May 29, 2026

Angela Jemmott

Angela Jemmott, Bureau Chief, BREA

3075321

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. Mr. Ziegenmeyer is currently Senior Managing Director of the Integra-Sacramento office, and Managing Director of the Integra-Orange County, Integra-San Francisco and Integra-Los Angeles offices.

Licenses

California, California Certified General Real Estate Appraiser, AG013567, Expires June 2025

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

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Kevin Ziegenmeyer, MAI

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Education (Cont'd)

2005 Annual Fall Conference
General Comprehensive Exam Module I, II, III & IV
Advanced Income Capitalization
Advanced Sales Comparison & Cost Approaches
2004 Central CA Market Update
Computer-Enhanced Cash Flow Modeling
Forecast 2000, 2001, 2002, 2003 & 2004
Land Valuation Assignments
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

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, 2023
Date Expires: June 4, 2025

Angela Jemmott

Angela Jemmott, Bureau Chief, BREA

3070756

Eric Segal, MAI

Integra Realty Resources - Los Angeles (219)

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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

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

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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

Angela Jemmott, Bureau Chief, BREA

3079030

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!

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Addendum B

Definitions

Definitions

The source of the following definitions is the Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 6th ed. (Chicago: Appraisal Institute, 2015), unless otherwise noted.

As Is Market Value
The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date.

Disposition Value
The most probable price that a specified interest in property should bring under the following conditions:

1. Consummation of a sale within a specified time, which is shorter than the typical exposure time for such a property in that market.
2. The property is subjected to market conditions prevailing as of the date of valuation.
3. Both the buyer and seller are acting prudently and knowledgeably.
4. The seller is under compulsion to sell.
5. The buyer is typically motivated.
6. Both parties are acting in what they consider to be their best interests.
7. An adequate marketing effort will be made during the exposure time.
8. Payment will be made in cash in U.S. dollars (or the local currency) or in terms of financial arrangements comparable thereto.
9. The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

This definition can also be modified to provide for valuation with specified financing terms.

Effective Date
1. The date on which the appraisal or review opinion applies.
2. In a lease document, the date upon which the lease goes into effect.

Entitlement
In the context of ownership, use, or development of real estate, governmental approval for annexation, zoning, utility extensions, number of lots, total floor area, construction permits, and occupancy or use permits.

Entrepreneurial Profit
1. A market-derived figure that represents the amount an entrepreneur receives for his or her contribution to a project and risk; the difference between the total cost of a property (cost of

development) and its market value (property value after completion), which represents the entrepreneur's compensation for the risk and expertise associated with development. An entrepreneur is motivated by the prospect of future value enhancement (i.e., the entrepreneurial incentive). An entrepreneur who successfully creates value through new development, expansion, renovation, or an innovative change of use is rewarded by entrepreneurial profit. Entrepreneurs may also fail and suffer losses.

2. In economics, the actual return on successful management practices, often identified with coordination, the fourth factor of production following land, labor, and capital; also called entrepreneurial return or entrepreneurial reward.

Exposure Time

1. The time a property remains on the market.
2. The estimated length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective opinion based on an analysis of past events assuming a competitive and open market.

Fee Simple Estate

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

Floor Area Ratio (FAR)

The relationship between the above-ground floor area of a building, as described by the zoning or building code, and the area of the plot on which it stands; in planning and zoning, often expressed as a decimal, e.g., a ratio of 2.0 indicates that the permissible floor area of a building is twice the total land area.

Highest and Best Use

1. The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.
2. The use of an asset that maximizes its potential and that is possible, legally permissible, and financially feasible. The highest and best use may be for continuation of an asset's existing use or for some alternative use. This is determined by the use that a market participant would have in mind for the asset when formulating the price that it would be willing to bid. (ISV)
3. [The] highest and most profitable use for which the property is adaptable and needed or likely to be needed in the reasonably near future. (Uniform Appraisal Standards for Federal Land Acquisitions)

Investment Value

1. The value of a property to a particular investor or class of investors based on the investor's specific requirements. Investment value may be different from market value because it depends on a set of investment criteria that are not necessarily typical of the market.
2. The value of an asset to the owner or a prospective owner for individual investment or operational objectives.

Lease
A contract in which rights to use and occupy land, space, or structures are transferred by the owner to another for a specified period of time in return for a specified rent.

Leased Fee Interest
The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversionary right when the lease expires.

Leasehold Interest
The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease.

Liquidation Value
The most probable price that a specified interest in real property should bring under the following conditions:

1. Consummation of a sale within a short time period.
2. The property is subjected to market conditions prevailing as of the date of valuation.
3. Both the buyer and seller are acting prudently and knowledgeably.
4. The seller is under extreme compulsion to sell.
5. The buyer is typically motivated.
6. Both parties are acting in what they consider to be their best interests.
7. A normal marketing effort is not possible due to the brief exposure time.
8. Payment will be made in cash in U.S. dollars (or the local currency) or in terms of financial arrangements comparable thereto.
9. The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

This definition can also be modified to provide for valuation with specified financing terms.

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

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

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

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

Prospective Opinion of Value
A value opinion effective as of a specified future date. The term does not define a type of value. Instead, it identifies a value opinion as being effective at some specific future date. An opinion of value as of a prospective date is frequently sought in connection with projects that are proposed, under construction, or under conversion to a new use, or those that have not yet achieved sellout or a stabilized level of long-term occupancy.

Addendum C

Comparable Data

Land Sales - Medium Density

Land Sale Profile

Sale No. 1

Location & Property Identification

Property Name:	Mountain House Tract 3974
Sub-Property Type:	Residential, Finished SFR Lots
Address:	N/O Byron Rd., S/O Great Valley Pkwy.
City/State/Zip:	Mountain House, CA 95391
County:	San Joaquin
Market Orientation:	Suburban
IRR Event ID:	3297654

Sale Information

Sale Price:	$34,800,000
Effective Sale Price:	$34,800,000
Sale Date:	01/01/2025
Recording Date:	01/01/2025
Contract Date:	10/01/2024
Sale Status:	Closed
$/Acre(Gross):	$34,800,000
$/Land SF(Gross):	$798.90
$/Building SF:	$9,098.04
$/Unit (Potential):	$400,000 /Improved Lot
Grantor/Seller:	Mountain House Developers, LLC
Grantee/Buyer:	Century Communities
Assets Sold:	Real estate only
Property Rights:	Fee Simple
Financing:	Cash to seller
Conditions of Sale:	Arm's-length
Verified By:	Sara Gilbertson, MAI
Verification Date:	11/01/2024
Confirmation Source:	David Sargent
Verification Type:	Confirmed-Seller

Sale Analysis

Expenditures After Purchase:	$53,434
Expenditures Description:	Permits and fees per lot
Other Adjustment:	$3,640
Adjustment Comments:	Annual Special Taxes per lot

Improvement and Site Data

Acres(Gross):	1.00
Land-SF(Gross):	43,560
Potential Building SF:	3,825
No. of Units (Potential):	87
Zoning Code:	RM
Zoning Desc.:	Medium Density Residential
Source of Land Info.:	Other

Comments

Century Communities entered into contract in October 2024 to purchase 87 finished lots within Tract 3974 in Mountain House (3,825 SF lots). Escrow is anticipated to close in January 2025. Average permits and fees per lot at approximately $53,434. The lots will be encumbered by bond debt, proceeds of which will finance certain public improvements. Annual special taxes are estimated at $3,640 per lot.

Land Sale Profile

Sale No. 2

Location & Property Identification

Property Name:	Mountain House Tract 3926
Sub-Property Type:	Residential, Finished SFR Lots
Address:	N/O Byron Rd., S/O Great Valley Pkwy.
City/State/Zip:	Mountain House, CA 95391
County:	San Joaquin
Market Orientation:	Suburban
IRR Event ID:	3297642

Sale Information

Sale Price:	$21,350,000
Effective Sale Price:	$21,350,000
Sale Date:	11/07/2024
Recording Date:	11/07/2024
Contract Date:	02/08/2024
Sale Status:	Closed
$/Acre(Gross):	$21,350,000
$/Land SF(Gross):	$490.13
$/Building SF:	$5,930.56
$/Unit (Potential):	$350,000 /Improved Lot
Grantor/Seller:	Mountain House Developers, LLC
Grantee/Buyer:	Century Communities
Assets Sold:	Real estate only
Property Rights:	Fee Simple
Financing:	Cash to seller
Conditions of Sale:	Arm's-length
Verified By:	Sara Gilbertson, MAI
Verification Date:	11/01/2024
Confirmation Source:	David Sargent
Verification Type:	Confirmed-Seller

Sale Analysis

Expenditures After Purchase:	$53,434
Expenditures Description:	Permits and fees per lot
Other Adjustment:	$3,372
Adjustment Comments:	Annual Special Taxes per lot

Improvement and Site Data

Acres(Gross):	1.00
Land-SF(Gross):	43,560
Potential Building SF:	3,600
No. of Units (Potential):	61
Zoning Code:	RM
Zoning Desc.:	Medium Density Residential
Source of Land Info.:	Other

Comments

Century Communities entered into contract on February 8, 2024 to purchase 61 finished lots within Tract 3926 in Mountain House (3,600 SF lots). Escrow closed on November 7, 2024. Average permits and fees per lot at approximately $53,434. The lots will be encumbered by bond debt, proceeds of which will finance certain public improvements. Annual special taxes are estimated at $3,372 per lot.

Land Sale Profile

Sale No. 3

Location & Property Identification

Property Name:	Mountain House Tract 3926
Sub-Property Type:	Residential, Finished SFR Lots
Address:	N/O Byron Rd., S/O Great Valley Pkwy.
City/State/Zip:	Mountain House, CA 95391
County:	San Joaquin
Market Orientation:	Suburban
IRR Event ID:	3297618

Sale Information

Sale Price:	$23,124,000
Effective Sale Price:	$23,124,000
Sale Date:	11/01/2024
Recording Date:	11/01/2024
Contract Date:	05/16/2024
Sale Status:	Closed
$/Acre(Gross):	
$/Land SF(Gross):	
$/Building SF:	
$/Unit (Potential):	$492,000 /Improved Lot
Grantor/Seller:	Mountain House Developers, LLC
Grantee/Buyer:	Richmond American Homes
Assets Sold:	Real estate only
Property Rights:	Fee Simple
Financing:	Cash to seller
Conditions of Sale:	Arm's-length
Verified By:	Sara Gilbertson, MAI
Verification Date:	04/28/2025
Confirmation Source:	David Sargent
Verification Type:	Confirmed-Seller

Sale Analysis

Expenditures After Purchase:	$53,434
Expenditures Description:	Permits and fees per lot
Other Adjustment:	$3,907
Adjustment Comments:	Annual Special Taxes per lot

Improvement and Site Data

Acres(Gross):	
Land-SF(Gross):	
Potential Building SF:	4,050
No. of Units (Potential):	47
Zoning Code:	RM
Zoning Desc.:	Medium Density Residential
Source of Land Info.:	Other

Comments

Richmond American Homes entered into contract on May 16, 2024 to purchase 47 finished lots within Tract 3926 in Mountain House (4,050 SF lots). Escrow is anticipated to close in November 2024. Average permits and fees per lot at approximately $53,434. The lots will be encumbered by bond debt, proceeds of which will finance certain public improvements. Annual special taxes are estimated at $3,907 per lot.

Land Sale Profile

Sale No. 4

Location & Property Identification

Property Name:	Lagoon Valley - Neighborhood K-1
Sub-Property Type:	Residential, Single Family Development Land
Address:	National Garden Ln.
City/State/Zip:	Vacaville, CA 95687
County:	Solano
Market Orientation:	Suburban
IRR Event ID:	3247290

Sale Information

Sale Price:	$14,960,000
Effective Sale Price:	$14,960,000
Sale Date:	06/28/2024
Sale Status:	Closed
$/Acre(Gross):	$1,645,765
$/Land SF(Gross):	$37.78
$/Building SF:	$3,324.44
$/Unit (Potential):	$170,000 /Unit
Grantor/Seller:	Triad Lagoon Valley LLC
Grantee/Buyer:	Lennar Homes of CA 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
Verified By:	Blake Fassler
Verification Date:	06/23/2024
Verification Type:	Confirmed-Seller

Sale Analysis

Expenditures After Purchase:	$135,600
Expenditures Description:	Permits and fees and residual payments
Other Adjustment:	$2,300
Adjustment Comments:	Estimated bond encumbrance

Improvement and Site Data

Legal/Tax/Parcel ID:	0128-111:114
Acres(Gross):	9.09
Land-SF(Gross):	395,960
Potential Building SF:	4,500
No. of Units (Potential):	88
Source of Land Info.:	Owner

Comments

This is a closed sale of neighborhood K-1 is the Lagoon Valley master plan, which represents 88 lots with a typical lot size of 4,500 square feet. The lots will transfer in finished condition and have an alley-loaded configuration. The lots transferred at the end of June 2024 for $170,000 per lot. There are also residual payments to be made by Lennar to the master developer in the form of a profit participation agreement as well as another residual payment. Considering time value of money, the estimated residual payment for total consideration is $44,000 per lot. Permits and fees are estimated at $91,600 per lot. The exact annual special taxes cannot be determined; however, based on the information provided, special taxes are estimated at $2,300 per lot. The lots also have a master marketing fee of 0.5% of the purchase price of each home

Comments (Cont'd)

closing.

Land Sale Profile

Sale No. 5

Location & Property Identification

Property Name:	Harvest at Watson Ranch - Third Takedown
Sub-Property Type:	Residential, Single Family Development Land
Address:	S. Napa Junction Rd.
City/State/Zip:	American Canyon, CA 94503
County:	Napa
Market Orientation:	Suburban
IRR Event ID:	3242836

Sale Information

Sale Price:	$8,619,000
Effective Sale Price:	$8,619,000
Sale Date:	11/17/2023
Sale Status:	Closed
$/Acre(Gross):	$4,204,390
$/Land SF(Gross):	$96.52
$/Acre(Usable):	$4,204,390
$/Land SF(Usable):	$96.52
$/Building SF:	$2,316.94
$/Unit (Potential):	$359,125 /Approved Lot
Grantor/Seller:	McGrath Properties American Canyon, LLC
Grantee/Buyer:	D.R. Horton Bay, Inc.
Assets Sold:	Real estate only
Property Rights:	Fee Simple
% of Interest Conveyed:	100.00
Financing:	Cash to seller
Document Type:	Deed
Recording No.:	2023.18657
Verified By:	Laura Diaz
Verification Date:	02/01/2024
Verification Type:	Confirmed-Seller

Expenditures After Purchase:	$18,995
Expenditures Description:	Permits and fees
Other Adjustment:	$4,099
Adjustment Comments:	Bond encumberance

Sale Analysis

Improvement and Site Data

MSA:	Napa, CA
Legal/Tax/Parcel ID:	059-472-004 to 014; 059-471-025 to 037
Acres(Usable/Gross):	2.05/2.05
Land-SF(Usable/Gross):	89,298/89,298
Usable/Gross Ratio:	1.00
Potential Building SF:	3,720
No. of Units (Potential):	24
Shape:	Rectangular
Topography:	Level
Corner Lot:	No
Frontage Desc.:	Datura St
Frontage Type:	2 way, 1 lane each way
Traffic Control at Entry:	None
Traffic Flow:	Low
Visibility Rating:	Average
Zoning Code:	TC-1, MDR-16
Zoning Desc.:	Town Center, Medium Density Residential
Flood Plain:	No
Flood Zone Designation:	X

Improvement and Site Data (Cont'd)

Comm. Panel No.:	06055C0650E
Date:	09/26/2008
Source of Land Info.:	Public Records

Comments

Sale of 24 finished lots within the Watson Ranch master planned community. This is the third of nine takedowns of 219 lots to occur between October 2022 and August 2025. The typical lot size for this takedown is approximately 3,720 square feet. Permits and impact fees are estimated at $18,995 per lot. The Developer is offering three floor plans from 1,583 to 1,874 square feet, with base pricing ranging from approximately $669,000 to $709,000. Bond financing is proposed for the project, though bonds were not in-place at the time of sale. Proposed Special Taxes are approximately $4,099 per lot and bond proceeds will be used to reimburse the master developer for infrastructure costs already completed.

Land Sales - Low Density

Land Sale Profile Sale No. 1

Location & Property Identification

Property Name:	Lagoon Valley - Neighborhood E
Sub-Property Type:	Residential, Single Family Development Land
Address:	Pinnacles Pl.
City/State/Zip:	Vacaville, CA 95687
County:	Solano
Market Orientation:	Suburban
IRR Event ID:	3247280

Sale Information

Sale Price:	$17,640,000
Effective Sale Price:	$17,640,000
Sale Date:	08/31/2025
Contract Date:	11/24/2021
Sale Status:	In-Contract
$/Acre(Gross):	$1,531,250
$/Land SF(Gross):	$35.15
$/Building SF:	$2,800.00
$/Unit (Potential):	$245,000 /Unit
Grantor/Seller:	Triad Lagoon Valley LLC
Grantee/Buyer:	Tri Pointe Homes Holdings Inc
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
Verified By:	Blake Fassler
Verification Date:	06/23/2024
Verification Type:	Confirmed-Seller

Sale Analysis

Expenditures After Purchase:	$92,800
Expenditures Description:	Permits and Fees
Other Adjustment:	$2,400
Adjustment Comments:	Estimated bond encumbrance

Improvement and Site Data

Legal/Tax/Parcel ID:	0128-050-150 (portion of)
Acres(Gross):	11.52
Land-SF(Gross):	501,811
Potential Building SF:	6,300
No. of Units (Potential):	72
Source of Land Info.:	Public Records

Comments

This is a sale of 72 finished lots with a typical lot size of 6,300 square feet, which represent Neighborhood E within the Lagoon Valley master plan. The lots are configured as 4-pack courtyard lots. The property was under contract in late 2021 and is anticipated to close in August of 2025. There are also residual payments to be made by Tri Pointe to the master developer in the form of a profit participation agreement. The agreement is a 50% split on net profits that exceeds 12% of gross sales revenue. Permits and fees are estimated at $92,800 per lot. The exact annual special taxes cannot be determined; however, based on the information provided, special taxes are estimated at $2,400 per lot. The lots also have a master marketing fee of 0.5% of the purchase price of each home

Comments (Cont'd)

closing.

Land Sale Profile Sale No. 2

Location & Property Identification

Property Name:	Mountain House Tract 3975
Sub-Property Type:	Residential, Finished SFR Lots
Address:	N/O Byron Rd., S/O Great Valley Pkwy.
City/State/Zip:	Mountain House, CA 95391
County:	San Joaquin
Market Orientation:	Suburban
IRR Event ID:	3297649

Sale Information

Sale Price:	$113,000,000
Effective Sale Price:	$113,000,000
Sale Date:	01/01/2025
Recording Date:	01/01/2025
Contract Date:	07/30/2024
Sale Status:	Closed
$/Acre(Gross):	
$/Land SF(Gross):	
$/Building SF:	
$/Unit (Potential):	$556,650 /Improved Lot
Grantor/Seller:	Mountain House Developers, LLC
Grantee/Buyer:	Taylor Morrison Homes
Assets Sold:	Real estate only
Property Rights:	Fee Simple
Financing:	Cash to seller
Conditions of Sale:	Arm's-length
Verified By:	Sara Gilbertson, MAI
Verification Date:	11/01/2024
Confirmation Source:	David Sargent
Verification Type:	Confirmed-Seller

Sale Analysis

Expenditures After Purchase:	$50,976
Expenditures Description:	Permits and fees per lot
Other Adjustment:	$5,177
Adjustment Comments:	Annual Special Taxes per lot

Improvement and Site Data

Acres(Gross):	26.60
Land-SF(Gross):	1,158,696
Potential Building SF:	6,000
No. of Units (Potential):	203
Zoning Code:	RL
Zoning Desc.:	Low Density Residential
Source of Land Info.:	Other

Comments

Taylor Morrison Homes entered into contract on July 30, 2024 to purchase 203 finished lots within Tract 3975 in Mountain House (6,000 SF lots). Escrow is anticipated to close in January 2025. Average permits and fees per lot at approximately $50,976. The lots will be encumbered by bond debt, proceeds of which will finance certain public improvements. Annual special taxes are estimated at $5,177 per lot.

Land Sale Profile

Sale No. 3

Location & Property Identification

Property Name:	Lagoon Valley - Neighborhood K-2
Sub-Property Type:	Residential, Single Family Development Land
Address:	National Garden Ln.
City/State/Zip:	Vacaville, CA 95687
County:	Solano
Market Orientation:	Suburban
IRR Event ID:	3247292

Sale Information

Sale Price:	$17,556,750
Effective Sale Price:	$17,556,750
Sale Date:	09/30/2024
Contract Date:	11/08/2023
Sale Status:	In-Contract
$/Acre(Gross):	$1,027,311
$/Land SF(Gross):	$23.58
$/Building SF:	$3,135.13
$/Unit (Potential):	$216,750 /Unit
Grantor/Seller:	Triad Lagoon Valley LLC
Grantee/Buyer:	Lennar Homes of CA 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
Verified By:	Blake Fassler
Verification Date:	06/23/2024
Verification Type:	Confirmed-Seller

Sale Analysis

Expenditures After Purchase:	$164,100
Expenditures Description:	Permits and fees and residual payments
Other Adjustment:	$2,700
Adjustment Comments:	Estimated bond encumbrance

Improvement and Site Data

Legal/Tax/Parcel ID:	0128-040-470
Acres(Gross):	17.09
Land-SF(Gross):	744,440
Potential Building SF:	5,600
No. of Units (Potential):	81
Source of Land Info.:	Public Records

Comments

This is a pending sale of neighborhood K-2 is the Lagoon Valley master plan, which represents 81 lots with a typical lot size of 5,600 square feet. The lots will transfer in finished condition and have a master marketing fee of 0.5% of the purchase price of each home closing. The lots are anticipated to transfer at the end of September 2024 for $216,750 per lot. There are also residual payments to be made by Lennar to the master developer in the form of a profit participation agreement as well as another residual payment. The profit participation agreement is a 50% split on net profits that exceeds 12% of gross sales revenue. The residual payments are calculated at 28% of home revenue less $6,000 site development fee and land costs. There is a

Comments (Cont'd)

$6,200,000 or $76,543 per lot maximum that could be collected in residual payments. The residual payments will be included within the total consideration of the report. Considering time value of money, the estimated residual payment for total consideration is $68,000 per lot. Permits and fees are estimated at $96,100 per lot. The exact annual special taxes cannot be determined; however, based on the information provided, special taxes are estimated at $2,700 per lot.

Land Sale Profile

Sale No. 4

Location & Property Identification

Property Name:	The Knolls (143 Lots)
Sub-Property Type:	Residential, Single Family Development Land
Address:	South of W Grant Line Rd, West of Central Pkwy
City/State/Zip:	Mountain House, CA 95391
County:	San Joaquin
Market Orientation:	Suburban
IRR Event ID:	3337664

Sale Information

Sale Price:	$37,000,000
Effective Sale Price:	$37,000,000
Sale Date:	03/27/2024
Sale Status:	Closed
$/Acre(Gross):	$1,032,654
$/Land SF(Gross):	$23.71
$/Building SF:	$7,400.00
$/Unit (Potential):	$258,741 /Approved Lot
Grantor/Seller:	Sanidhya Dhir; Suneha Holdings, LLC, et. al.
Grantee/Buyer:	KL LB BUY 2 LLC
Assets Sold:	Real estate only
Property Rights:	Fee Simple
Financing:	Cash to seller
Conditions of Sale:	Arm's-length
Verified By:	Sara Gilbertson, MAI
Verification Date:	03/11/2025
Confirmation Source:	Jackie Mast
Verification Type:	Confirmed-Buyer

Sale Analysis

Expenditures After Purchase:	$160,780
Expenditures Description:	Net site development costs, and permits and fees
Other Adjustment:	$6,300
Adjustment Comments:	Annual special tax per lot

Improvement and Site Data

Acres(Gross):	35.83
Land-SF(Gross):	1,560,755
Potential Building SF:	5,000
No. of Units (Potential):	143
Zoning Code:	RL
Zoning Desc.:	Low Density Residential
Source of Land Info.:	Other

Comments

These 143 lots were purchases from land seller for $37,000,000. TriPointe is utilizing a Land Bank and will take down the lots over a scheduled three-year period. The average lot size is 50x100. The tentative map was approved in November 2022, and the final map is anticipated to be approved in March 2025. The lots will be encumbered by bond debt, proceeds of which will finance certain public improvements; net site development costs, including permits and fees, are approximately $160,780 per lot. Annual special taxes are estimated at $6,300 per lot.

Land Sale Profile — Sale No. 5

Location & Property Identification

Property Name:	Avina (279 Lots)
Sub-Property Type:	Residential, Single Family Development Land
Address:	SWQ W Grant Line Rd & Mountain House Pkwy
City/State/Zip:	Mountain House, CA 95391
County:	San Joaquin
Market Orientation:	Suburban
IRR Event ID:	3337636

Sale Information

Sale Price:	$79,674,000
Effective Sale Price:	$79,674,000
Sale Date:	01/12/2024
Sale Status:	Closed
$/Acre(Gross):	$1,184,391
$/Land SF(Gross):	$27.19
$/Building SF:	$14,892.34
$/Unit (Potential):	$285,570 /Approved Lot
Grantor/Seller:	N/Av
Grantee/Buyer:	AG EHC II (PHM) CA 2, L.P.
Assets Sold:	Real estate only
Property Rights:	Fee Simple
Financing:	Cash to seller
Conditions of Sale:	Arm's-length
Verified By:	Sara Gilbertson, MAI
Verification Date:	02/18/2025
Confirmation Source:	Jon Cakus
Verification Type:	Confirmed-Buyer

Sale Analysis

Expenditures After Purchase:	$171,037
Expenditures Description:	Site development costs, & net permits and fees
Other Adjustment:	$3,310
Adjustment Comments:	Annual special taxes per lot

Improvement and Site Data

Acres(Gross):	67.27
Land-SF(Gross):	2,930,281
Potential Building SF:	5,350
No. of Units (Potential):	279
Zoning Code:	RM & RL
Zoning Desc.:	Medium & Low Density Residential
Source of Land Info.:	Public Records

Comments

On January 12, 2024, Pulte's Land Banker closed escrow on this 279 lot property. The project was fully entitled at time of COE. Final Map and Improvement Plans were being reviewed by MHCSD. Purchase price was $79,674,000. Site development commenced in April 2024. Average permits and fees per lot at approximately $57,000. The lots will be encumbered by bond debt, proceeds of which will finance certain impact fees; net permits and fees are approximately $17,814. Site development costs are approximately $153,223 per lot. Annual special taxes are estimated at $3,310 per lot.

Integra Realty Resources
Sacramento

Appraisal of Real Property

Lammersville Joint Unified School District CFD No. 2024-1 (Mountain House School Facilities)
2,968 SFR Lots and 1,131 HDR Units
N/O Byron Rd., S/O Great Valley Pkwy.
Mountain House, San Joaquin County, California 95391

Prepared For:
Lammersville Joint Unified School District

Report Format:
Appraisal Report – Bring Forward Letter

IRR - Sacramento
File Number: 193-2025-0117

June 23, 2025

Kirk Nicholas
Superintendent
Lammersville Joint Unified School District
111 S. De Anza Boulevard
Mountain House, CA 95391

SUBJECT: Market Value Appraisal – Bring Forward Letter
Lammersville Joint Unified School District CFD No. 2024-1 (Mountain House School Facilities)
N/O Byron Rd., S/O Great Valley Pkwy.
Mountain House, San Joaquin County, California 95391
IRR - Sacramento File No. 193-2025-0117

Dear Mr. Nicholas:

Integra Realty Resources – Sacramento has prepared an update to our Appraisal Report of the above-referenced property. The original Appraisal Report, dated May 12, 2025, was prepared conforming to the requirements set forth under Standards Rule 2-2(a) of the Uniform Standards of Professional Appraisal Practice (USPAP) and the Appraisal Standards for Land Secured Financing published by the California Debt and Investment Advisory Commission (CDIAC) (2004). The Original Appraisal Report provides the market values (*fee simple estate*), by ownership, of certain properties within the boundaries of the Lammersville Joint Unified School District CFD No. 2024-1 (Mountain House School Facilities) (the “CFD”), under the assumptions and conditions contained in such Appraisal Report, as of April 4, 2025. This Update Appraisal Report may only be used in conjunction with the Original Appraisal Report.

As an Update Appraisal Report, this document does not present a complete discussion of the data, reasoning and analyses used in the appraisal process to develop the appraiser’s opinions of value. Supporting documentation concerning the data, reasoning and analyses is retained in the appraiser’s work file.

We have been requested to ascertain, as of a current date of value (June 23, 2025), whether the cumulative, or aggregate, value of the appraised properties is not less than the cumulative, or aggregate, value estimated as of the original date of value April 4, 2025.

Since the original date of value April 4, 2025, additional homes have been completed and/or sold to individual homeowners, a number of homes have begun construction with building permits, impact fees paid, and continued development of remaining site improvements.

As a result of our analysis, it is our opinion the cumulative, or aggregate, value derived in the Original Appraisal Report, as of April 4, 2025, in accordance with the assumptions and conditions set forth in the attached document, as of June 23, 2025 (current date of value), is not less **$762,769,000**.

Type and Definition of Value:

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

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

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

Client and Intended Users:

The client is the Lammersville Joint Unified School District. The intended users are the Lammersville Joint Unified School District and its associated finance team.

Intended Use:

The intended use of the appraisal is for bond underwriting purposes. The appraisers understand and agree this Update Appraisal Report, and Original Appraisal Report, is expected to be, and may be, utilized in the marketing of the Bonds and to satisfy certain legal requirements in connection with issuing the Bonds.

Purpose:

The purpose of this Update Appraisal Report, dated June 23, 2025, is to ascertain whether the current estimate (June 23, 2025) of cumulative, or aggregate, value of the CFD is not less than the value derived in the Original Appraisal Report, dated May 12, 2025, with a date of value of April 4, 2025.

	The cumulative, or aggregate, value of the appraised properties in the CFD account for the impact of the Lien of the Special Tax securing the Lammersville Joint Unified School District CFD No. 2024-1 (Mountain House School Facilities) Special Tax Bonds.
Scope of Work:	In preparing this Update Appraisal Report, we analyzed market data presented in our Original Appraisal Report dated May 12, 2025 (as of the April 4, 2025 date of value). In addition, we analyzed current market conditions and considered any changes in the condition of the subject properties since the date of value above. This Update Appraisal Report sets forth only the appraiser's conclusions. Supporting documentation is retained in the appraiser's work file.
Date of Inspection:	The subject was not re-inspected.
Current Date of Value:	June 23, 2025
Date of Report:	June 23, 2025

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

This Update Appraisal Report dated June 23, 2025, which contains 10 pages, must remain attached to the original appraisal dated May 12, 2025, which contains 133 pages, plus related exhibits and Addenda, in order for the value opinions set forth herein to be considered valid.

As of the date of value reported in the original appraisal, Lennar Homes had 8 completed model homes and 98 homes under construction. As of today, based on Lennar's website, at least half of that number have been sold to individuals. Another active builder, Rurka, had several homes under construction as of the original date of value, with no completed homes. As of today they have sold to new homeowner's 13 homes. Based on these examples of on-going development and construction at the subject properties, we have concluded that the subject's aggregate value as of June 23, 2025 is not less than the aggregate value estimate reported in the original appraisal report with a date of value of April 4, 2025 (report date of May 12, 2025). This is despite the fact Lennar has lowered their base prices in their Neighborhoods within the District. Overall, the project status as of June 23, 2025 supports an aggregate value estimate that is not less than reported in the original appraisal.

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 prepared appraisals of portions of the property that is the subject of this report for another client. We have provided no other 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 K. Ziegenmeyer, MAI, has made a personal inspection of the property that is the subject of this report. Eric Segal, MAI, and Sara Gilbertson, MAI, have not personally inspected the subject.
12. No one provided significant real property appraisal assistance to the person(s) signing this certification.
13. We have experience in appraising properties similar to the subject and are in compliance with the Competency Rule of USPAP.

14. As of the date of this report, Kevin Ziegenmeyer, MAI, Eric Segal, MAI, and Sara Gilbertson, MAI, have completed the continuing education program for Designated Members of the Appraisal Institute.

Sara Gilbertson, MAI
California Certified General Real Estate
Appraiser #3002204

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

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

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.

Addendum A

Appraiser Qualifications

Sara Gilbertson, MAI

Integra Realty Resources - Sacramento

516 Gibson Drive
Suite 290
Roseville, CA 95678

T 916.435.3883
F 916.435.4774

irr.com

Experience

Ms. Gilbertson is a licensed appraiser with Integra Realty Resources, a real estate appraisal firm that engages in a wide variety of real estate valuation and consultation assignments. After completing her bachelor's degree at California State University, Sacramento, Ms. Gilbertson began her career in real estate as a research analyst/appraiser trainee for Seevers Jordan Ziegenmeyer in 2011. She has experience in writing narrative appraisal reports covering a variety of commercial properties, as well as special use properties including self-storage facilities, hotels and mobile home parks. She also specialized in the appraisal of residential master planned communities and subdivision, as well as Mello Roos and Assessment Districts for land secured municipal financings. Ms. Gilbertson has developed the experience and background necessary to deal with complex assignments covering an array of property types.

Licenses

California, California Certified General Real Estate Appraiser, 3002204, Expires May 2026

Education

Academic:
Bachelor of Science in Business Administration (Concentration in Real Estate and Land Development), California State University, Sacramento

Appraisal Institute Courses:
Basic Appraisal Principles
Basic Appraisal Procedures
Uniform Standards of Professional Appraisal Practice
Real Estate Finance and Statistics and Valuation Modeling
Sales Comparison Approach
Report Writing and Case Studies
Market Analysis and Highest and Best Use
Site Valuation and Cost Approach
Basic Income Capitalization
Federal and California Statutory and Regulator Laws
Quantitative Analysis
Business Practices and Ethics
Advanced Market Analysis and Highest and Best Use
Advanced Income Capitalization
Advanced Concepts and Case Studies

sgilbertson@irr.com - 916.435.3883 x248

Business, Consumer Services & Housing Agency

BUREAU OF REAL ESTATE APPRAISERS

REAL ESTATE APPRAISER LICENSE

Sara A. Gilbertson

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: 3002204

Effective Date: May 30, 2024
Date Expires: May 29, 2026

Angela Jemmott

Angela Jemmott, Bureau Chief, BREA

3075321

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

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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

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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

Angela Jemmott, Bureau Chief, BREA

3079030

Kevin Ziegenmeyer, MAI

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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. Mr. Ziegenmeyer is currently Senior Managing Director of the Integra-Sacramento office, and Managing Director of the Integra-Orange County, Integra-San Francisco and Integra-Los Angeles offices.

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

kziegenmeyer@irr.com - 916.435.3883 x224

Kevin Ziegenmeyer, MAI

Education (Cont'd)

Subdivision Valuation
2005 Annual Fall Conference
General Comprehensive Exam Module I, II, III & IV
Advanced Income Capitalization
Advanced Sales Comparison & Cost Approaches
2004 Central CA Market Update
Computer-Enhanced Cash Flow Modeling
Forecast 2000, 2001, 2002, 2003 & 2004
Land Valuation Assignments
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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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

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APPENDIX J

MARKET ABSORPTION STUDY

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LAMMERSVILLE JOINT UNIFIED SCHOOL DISTRICT
COMMUNITY FACILITIES DISTRICT NO. 2024-1
(MOUNTAIN HOUSE SCHOOL FACILITIES)
SPECIAL TAX BONDS, SERIES 2025

MARKET ABSORPTION STUDY

(PORTIONS OF VILLAGES J & K
ONLY PROJECT AREAS WITH FINAL MAPS)

PREPARED FOR:
LAMMERSVILLE JOINT UNIFIED SCHOOL DISTRICT
SAN JOAQUIN COUNTY, CALIFORNIA

PREPARED BY:
EMPIRE ECONOMICS, INC.

MARCH 28, 2025
(REVISED MAY 2, 2025; GRAMMATICAL REVISIONS ONLY)

CERTIFICATION OF INDEPENDENCE

EMPIRE ECONOMICS PROVIDES CONSULTING SERVICES ONLY FOR PUBLIC ENTITIES

The Securities & Exchange Commission has taken action against firms that have utilized their research analysts to promote companies with whom they conduct business, citing this as a potential conflict of interest. Accordingly, Empire Economics (Empire), in order to ensure that its clients, including the Lammersville Joint Unified School District, are not placed in a situation that could cause such conflicts of interest, provides a Certification of Independence.

This Certificate states that Empire performs consulting services only for public entities such as the Lammersville Joint Unified School District, in order to avoid potential conflicts of interest that could occur if it also provided consulting services for developers/builders. For example, if a research firm for a specific Community Facilities District were to provide consulting services to both the public entity as well as the property owner/developer/builder, then a potential conflict of interest could be created, given the different objectives of the public entity versus the property owner/developer.

Accordingly, Empire Economics certifies that the Market Absorption Study for the CFD No. 2024-1 of the Lammersville Joint Unified School District was performed in an independent professional manner, as represented by the following statements:

- Empire was retained to perform the Market Absorption Study by the Lammersville Joint Unified School District, not the CFD No. 2024-1 developer or any of the various builders.
- Empire has not performed any consulting services for the CFD No. 2024-1 property owners or the developer/builders during the past thirty+ years.
- Empire will not perform any consulting services for the CFD No. 2024-1 property owners or the developer/builders during the next five years.
- Empire's compensation for performing the Market Absorption Study for the District is not contingent upon the issuance of bonds; Empire's fees are paid on a non-contingency basis.

Therefore, based upon the statements set-forth above, Empire hereby certifies that the Market Absorption Study for CFD No. 2024-1 Villages J & K that currently have final maps of the Lammersville Joint Unified School District was performed in an independent professional manner.

____

Empire Economics, Inc.
Joseph T. Janczyk, President

TABLE OF CONTENTS

INTRODUCTION

A. OVERVIEW OF THE BOND FINANCING PROGRAM

The Lammersville Joint Unified School District (Lammersville Joint USD) was previously petitioned by Lennar and Mountain House Developers, the property owners/developers, to form Community Facilities District No. 2024-1 (CFD No. 2024-1), to provide financing for the infrastructure that is required to support the development of its residential projects. **This Market Absorption Study focuses specifically upon the properties in CFD No. 2024-1's Villages J & K that currently have final maps; this may also be referred to as CFD No. 2024-1.**

The property in CFD No. 2024-1 is in the City of Mountain House that is situated in the westerly portion of San Joaquin County, about 60 miles southeast of San Francisco and some 25 miles east of Dublin.

Within CFD No. 2024-1, portions of Villages J/K that currently have final maps have 12 planned residential projects with an estimated 1,099 single-family detached homes; their characteristics, based upon information provided by the developer/builders, are as follows:

- The 12 projects have 1,099 planned homes, from 27 to 134 homes per project, with an overall average of 92.
- Living areas range from 1,829 to 3,971 sq.ft., for an overall average of 2,814 sq.ft.
- Prices range from about $905,880 to $1,450,000, for an overall average of $1,164,326.

The Lammersville Joint USD retained Empire Economics, Inc. (Empire), an economic and real estate consulting firm that provides consulting services only to public entities, to perform a Market Absorption Study for the projects with final maps in CFD No. 2024-1. The purpose of the Market Absorption Study is to conduct a comprehensive analysis of the product mix characteristics, macroeconomic factors, and microeconomic factors as well as the potential risk factors that are expected to influence the absorption of the active/forthcoming homes, in order to arrive at conclusions regarding the following:

- For each of the CFD No. 2024-1 projects with final maps, provide estimates of the absorption schedules for their homes, from market-entry to build-out on an annualized basis.

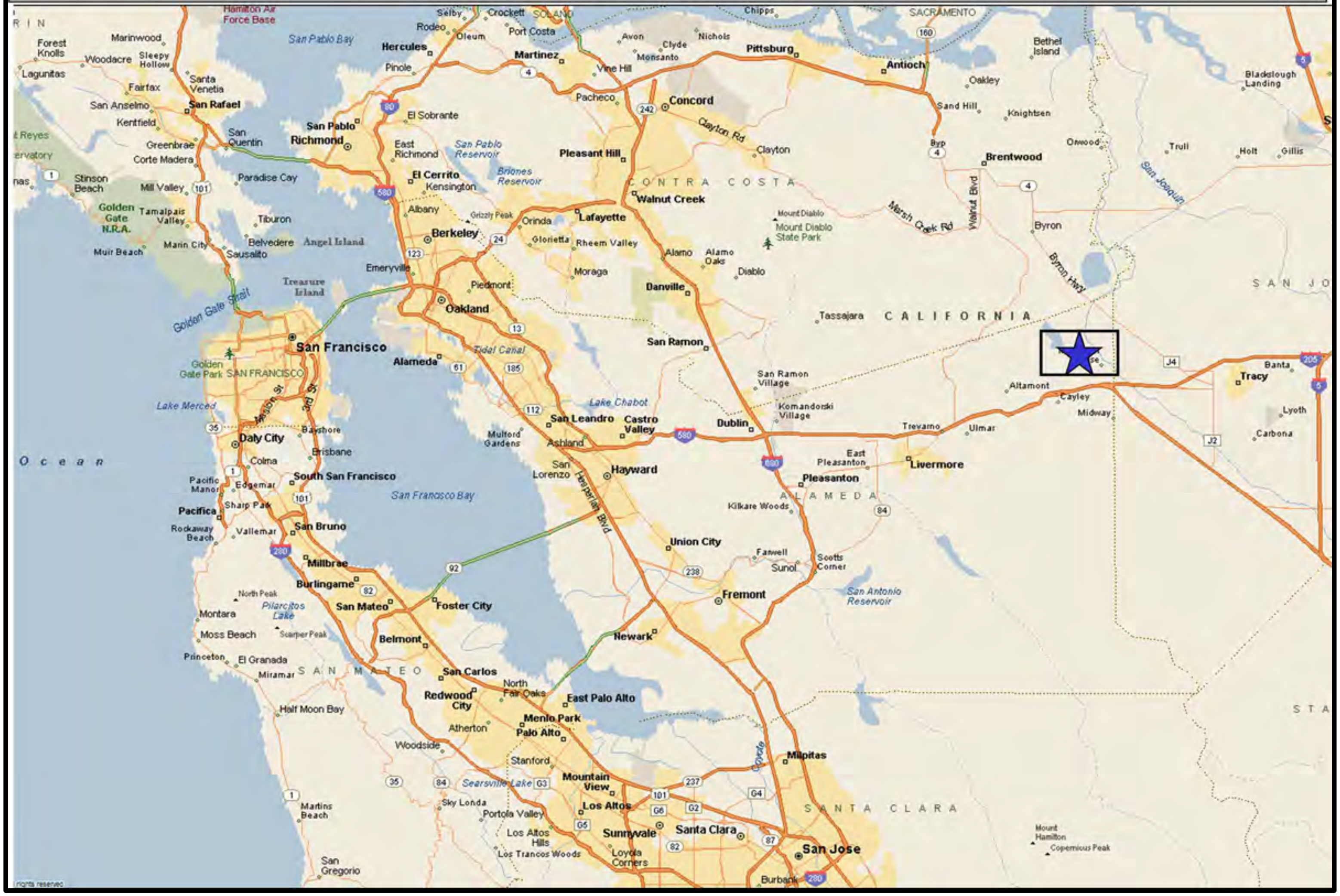
- Identify and also discuss potential economic and real estate risk and other factors that may adversely impact the marketability of the homes.

CFD Market Region: San Joaquin, Alameda, Contra Costa, San Francisco, San Mateo, and Santa Clara counties.

CFD Market Areas: Their geographical boundaries vary depending upon the metrics being analyzed.
- Market Area/Primary: Mountain House City, including the projects in CFD No. 2024-1.
- Market Area/Competitive Market Analysis: Currently comparable projects in Mountain House.
- Market Area/School Quality: Lammersville Joint USD and other nearby school districts.
- Market Area/Safety: Mountain House or nearest city that has crime data available.

For information on the general location of CFD No. 2024-1 as well as Mountain House, please refer to the following pages.

SAN FRANCISCO BAY AREA MARKET REGION
LOCATION OF CFD NO. 2024-1



Note: Star placement is approximate

LOCATION OF CFD NO. 2024-1

Note: Star placement is approximate

B. ROLES OF THE MARKET ABSORPTION STUDY FOR THE BOND FINANCING

The Market Absorption Study (Market Study) for CFD No. 2024-1 (Villages J & K properties/projects with final maps) has a multiplicity of roles with regards to the Bond Financing; accordingly, these are set-forth below:

Marketing Prospects for the Residential Projects/Plans

Estimated Absorption Schedules
for each of the Residential Projects/Plans

Escrow Closings to Homeowners,
From Market-Entry to Build-Out

Potential Risk and Other Factors that may Adversely Impact
the Marketability of the Homes

Relationship of the Market Study to the Special Tax Payments

Special Taxes
for the Residential Projects/Plans

Aggregate Levels of
Special Tax Revenues for Bond Sizing

Share of Payments
Developer/Builders vs. Final-Users/Homeowners

Relationship of the Market Study to the Appraisal/Valuation

Appraisal of Property
Discounted Cash Flow – Present Value

(The Longer the Absorption Time, the Lower the Present Value)

The Issuing Agency, the Lammersville Joint USD, along with the Finance Team, can utilize the information found in the Market Absorption Study along with the Appraisal as well as Special Tax Revenues to structure the Special Tax Bonds for CFD No. 2024-1.

C. METHODOLOGY UNDERLYING THE MARKET ABSORPTION STUDY

The Market Absorption Study performs a comprehensive analysis of the product mix characteristics, macroeconomic factors, and microeconomic factors as well as the potential risk and other factors that are expected to influence the absorption of the homes in CFD No. 2024-1 .

I. Expected Product Mix Characteristics

Characteristics of the Expected Product Mix

II. Macroeconomic Analysis
Designated Economic Real Estate Forecasting Conditions

Overview of Macroeconomic Conditions

Analysis of the Federal Reserve Board Policy of Targeting 2% Inflation

Recent Housing Market Conditions in the Market Region and Market Area

Conclusions on Recent/Future Housing Market Conditions

III. Microeconomic Analysis
Housing Market Conditions and Other Related Factors

Development Trends/Patterns in the Market Area

Socioeconomic Characteristics: School District Quality
& Neighborhood Safety

Identification of the Active Comparable Residential
Projects in Mountain House

Competitive Market Analysis of the Projects/Plans
Statistical Analysis of the Prices, Living Area and Special Taxes

IV. Estimated Absorption Schedules

Estimated Absorption Schedules for CFD No. 2024-1
Discussion of Potential Risk Factors

V. Assumptions and Limiting Conditions

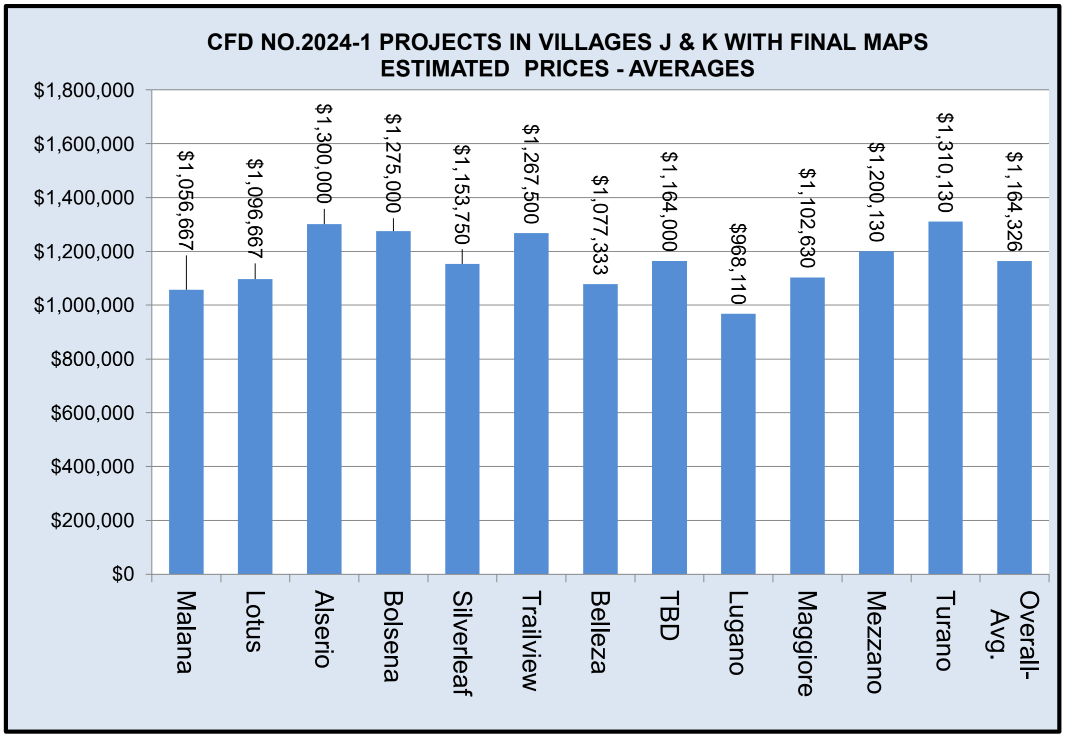
SECTION I

CFD NO. 2024-1 EXPECTED PRODUCT MIX VILLAGES J & K, PROJECTS WITH FINAL MAPS

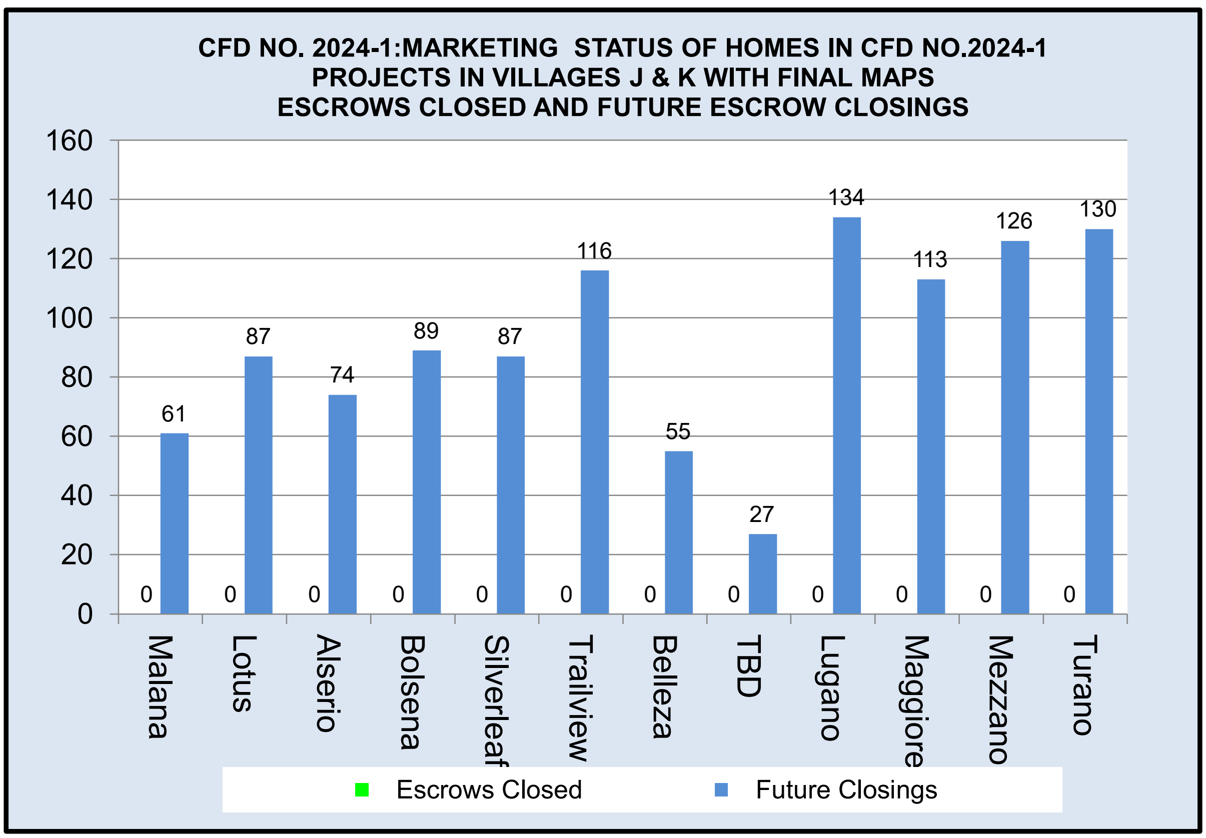
CFD No. 2024-1 has twelve active/forthcoming residential projects in Villages J & K with various builders that are expected to have 1,099 single-family detached homes: their characteristics are now discussed.

- **Malana by Century Communities** is expected to have 61 detached homes with living areas of 2,355-2,803 sq.ft. that have estimated prices of $1,000,000-$1,100,000; models are anticipated to open in August 2025.
- **Lotus by Century Communities** is expected to have 87 detached homes with living areas of 2,443-2,750 sq.ft. that have estimated prices of $1,060,000-$1,130,000; models are anticipated to open in October 2025.
- **Alserio by Rurka Homes** is expected to have 74 detached homes with living areas of 2,315-3,971 sq.ft. that have estimated prices of $1,100,000-$1,450,000; models are anticipated to open in April 2025.
- **Bolsena by Rurka Homes** is expected to have 89 detached homes with living areas of 2,681-3,366 sq.ft. that have estimated prices of $1,200,000-$1,350,000; models are anticipated to open in August 2025.
- **Silverleaf by Taylor Morrison** is expected to have 87 detached homes with living areas of 2,654-3,067 sq.ft. that have estimated prices of $1,120,000-$1,210,000; models are anticipated to open in May 2025.
- **Trailview by Taylor Morrison** is expected to have 116 detached homes with living areas of 3,168-3,590 sq.ft. that have estimated prices of $1,230,000-$1,305,000; models are anticipated to open in May 2025.
- **Belleza by Richmond American** is expected to have 55 detached homes with living areas of 2,462-2,916 sq.ft. that have estimated prices of $1,045,000-$1,144,000; models are anticipated to open in August 2025.
- **Future project by the Master Developer** is expected to have 27 detached homes with living areas of 2,400–2,800 sq.ft. that have estimated prices of $1,074,000-1,254,000; models are anticipated to open in February 2026.
- **Lugano by Lennar Homes** is expected to have 134 detached homes with living areas of 1,829-2,289 sq.ft. that have builder prices of $905,880-$1,028,880; models opened in February 2025.
- **Maggiore by Lennar Homes** is expected to have 113 detached homes with living areas of 2,356-2,772 sq.ft. that have builder prices of $1,048,880-$1,153,880; models opened in February 2025.
- **Mezzano by Lennar Homes** is expected to have 126 detached homes with living areas of 2,258-3,324 sq.ft. that have builder prices of $1,028,880-$1,323,880; models to open in April 2025.
- **Turano by Lennar Homes** is expected to have 130 detached homes with living areas of 2,710-3,711 sq.ft. that have builder prices of $1,158,880-$1,418,880; models opened in February 2025.

For more detailed information on these projects, please refer to the following graphs for their overall marketing status, prices and living areas exhibit and also the product mix characteristics table.



CFD NO.2024-1 PROJECTS IN VILLAGES J & K WITH FINAL MAPS
ESTIMATED PRICES - AVERAGES
$1,800,000
$1,600,000
$1,400,000
$1,200,000
$1,000,000
$800,000
$600,000
$400,000
$200,000
$0
$1,056,667
$1,096,667
$1,300,000
$1,275,000
$1,153,750
$1,267,500
$1,077,333
$1,164,000
$968,110
$1,102,630
$1,200,130
$1,310,130
$1,164,326
Malana
Lotus
Alserio
Bolsena
Silverleaf
Trailview
Belleza
TBD
Lugano
Maggiore
Mezzano
Turano
Overall-Avg.



CFD NO. 2024-1:MARKETING STATUS OF HOMES IN CFD NO.2024-1
PROJECTS IN VILLAGES J & K WITH FINAL MAPS
ESCROWS CLOSED AND FUTURE ESCROW CLOSINGS
160
140
120
100
80
60
40
20
0
61
87
74
89
87
116
55
27
134
113
126
130
Malana
Lotus
Alserio
Bolsena
Silverleaf
Trailview
Belleza
TBD
Lugano
Maggiore
Mezzano
Turano
Escrows Closed
Future Closings

CFD NO. 2024-1 PROJECTS IN VILLAGES J & K WITH FINAL MAPS
EXPECTED PRODUCT MIX CHARACTERISTICS

	Village K	Village J	Village J	Village J	Village J	Village J	Village K	Village K
Project Name	**Malana**	**Lotus**	**Alserio**	**Bolsena**	**Silverleaf**	**Trailview**	**Belleza**	**TBD**
Tract #	3926	3974	3973 - 74	3974	3975	3975	3926	3926
Builder/Property Owner	Century Communities	Century Communities	Rurka Homes	Rurka Homes	Taylor Morrison	Taylor Morrison	ichmond America	Rurka Homes
Product Type	Detached	Detached	Detached	Detached	Detached	Detached	Detached	Detached
Lot Size Sq.Ft.	3,600	3,825	5,500	5,000	5,500	6,000	4,050	4,050
Expected Homes	61	87	74	89	87	116	55	27
Expected Model Complexes Open	August 2025	.October 2025	.April 2025	. August 2025	. May 2025	. May 2025	. August 2025	. February 2026
Expected Escrow Closing	.October 2025	. December 2025	. June 2025	.October 2025	. July 2025	. July 2025	. October 2025	. April 2026
Expected Homes								
Plan #1	20	29	15	22	22	29	19	9
Plan #2	20	29	12	23	22	30	19	9
Plan #3	21	29	15	22	22	28	17	9
Plan #4			17	22	21	29		
Plan #5			15					
Totals	**61**	**87**	**74**	**89**	**87**	**116**	**55**	**27**
Shares; Sum to 100%	5.6%	7.9%	6.7%	8.1%	7.9%	10.6%	5.0%	2.5%
Estimated Living Areas								
Plan #1	2,355	2,443	2,315	2,681	2,654	3,168	2,462	2,400
Plan #2	2,616	2,628	2,769	2,925	2,813	3,255	2,550	2,600
Plan #3	2,803	2,750	3,306	3,101	3,001	3,482	2,916	2,800
Plan #4			3,500	3,366	3,067	3,590		
Plan #5			3,971					
Average	**2,591**	**2,607**	**3,172**	**3,018**	**2,884**	**3,374**	**2,643**	**2,600**
Estimated Base Prices: Builder/Empire Economics	Estimated	Estimated	Estimated	Estimated	Builder	Builder	Estimated	Estimated
Plan #1	$1,000,000	$1,060,000	$1,100,000	$1,200,000	$1,120,000	$1,230,000	$1,045,000	$1,074,000
Plan #2	$1,070,000	$1,100,000	$1,200,000	$1,250,000	$1,115,000	$1,250,000	$1,043,000	$1,164,000
Plan #3	$1,100,000	$1,130,000	$1,350,000	$1,300,000	$1,170,000	$1,285,000	$1,144,000	$1,254,000
Plan #4			$1,400,000	$1,350,000	$1,210,000	$1,305,000		
Plan #5			$1,450,000					
Average	**$1,056,667**	**$1,096,667**	**$1,300,000**	**$1,275,000**	**$1,153,750**	**$1,267,500**	**$1,077,333**	**1,164,000**
Value Ratios; (Price/Sq.Ft.)	$408	$421	$410	$422	$400	$376	$408	$448

	Village-J	Village-J	Village-J	Village-J	Overall
Project Name	**Lugano**	**Maggiore**	**Mezzano**	**Turano**	**Totals/ Averages**
Tract #	3968,69,71	3968-71	3968, 70, 72	3968, 3972	
Builder/Property Owner	Lennar	Lennar	Lennar	Lennar	
Product Type	Detached	Detached	Detached	Detached	
Lot Size Sq.Ft.	4,050	5,000	5,500	6,000	
Expected Homes	134	113	126	130	1,099
Expected Model Complexes Open	. February 2025	. February 2025	. April 2025	.February 2025	
Expected Escrow Closing	.April 2025	. April 2025	.May 2025	.April 2025	
Expected Homes					
Plan #1	34	30	35	31	
Plan #2	33	30	32	29	
Plan #3	33	24	27	36	
Plan #4	34	29	32	34	
Plan #5					
Totals	**134**	**113**	**126**	**130**	1,099
Shares; Sum to 100%	12.2%	10.3%	11.5%	11.8%	100%
Estimated Living Areas					
Plan #1	1,829	2,356	2,258	2,710	
Plan #2	1,992	2,514	2,965	3,355	
Plan #3	2,140	2,658	3,097	3,525	
Plan #4	2,289	2,772	3,324	3,711	
Plan #5					
Average	**2,063**	**2,575**	**2,911**	**3,325**	**2,814**
Estimated Base Prices: Builder/Empire Economics	Builder	Builder	Builder	Builder	
Plan #1	$905,880	$1,048,880	$1,028,880	$1,158,880	
Plan #2	$948,880	$1,088,880	$1,213,880	$1,318,880	
Plan #3	$988,800	$1,118,880	$1,233,880	$1,343,880	
Plan #4	$1,028,880	$1,153,880	$1,323,880	$1,418,880	
Plan #5					
Average	**968,110**	**1,102,630**	**1,200,130**	**1,310,130**	**$1,164,326**
Value Ratios; (Price/Sq.Ft.)	$469	$428	$412	$394	$135

SECTION II

MACROECONOMIC ANALYSIS
RECENT ECONOMIC AND REAL ESTATE CONDITIONS

This section describes the Economic and Real Estate Model underlying the forecasts for the absorption of the residential products in CFD No. 2024-1's Villages J & K that currently have final maps during the foreseeable future; accordingly, the primary components are as follows:

A. Overview of Recent Economic/Housing Market Conditions: US and California

Unemployment and Mortgage Rates
Employment Changes and PCE Core Inflation
FED Policies: Federal Funds Rate and Portfolio of Treasury & Mortgage Bonds
US Gross Domestic Product and Federal Deficits
FED Inflation Index and Mortgage Rates
Recent Trends in Existing Home Sales
Changes in Inflation and Role of Housing Component
Existing Homeowners: Mortgages by Interest Rates
Forecasts of Inflation Rates, Mortgage Rates and Unemployment Levels

B. CFD NO. 2024-1 Market Region Employment and Price Trends

Employment: aggregate level trends
Employment by Sectors – Recent Changes
Unemployment rates
Gas prices
Case Shiller Price Index – San Francisco Region

C: CFD No. 2024-1 Market Area: Price Patterns And Sales Trends

Price Patterns for Existing/New Homes
Sales Trends for Existing/New Homes
Market Demand-Supply Conditions and Price Changes

D. CFD No. 2024-1 Market Area: Relationship of Housing Demand & Price Changes

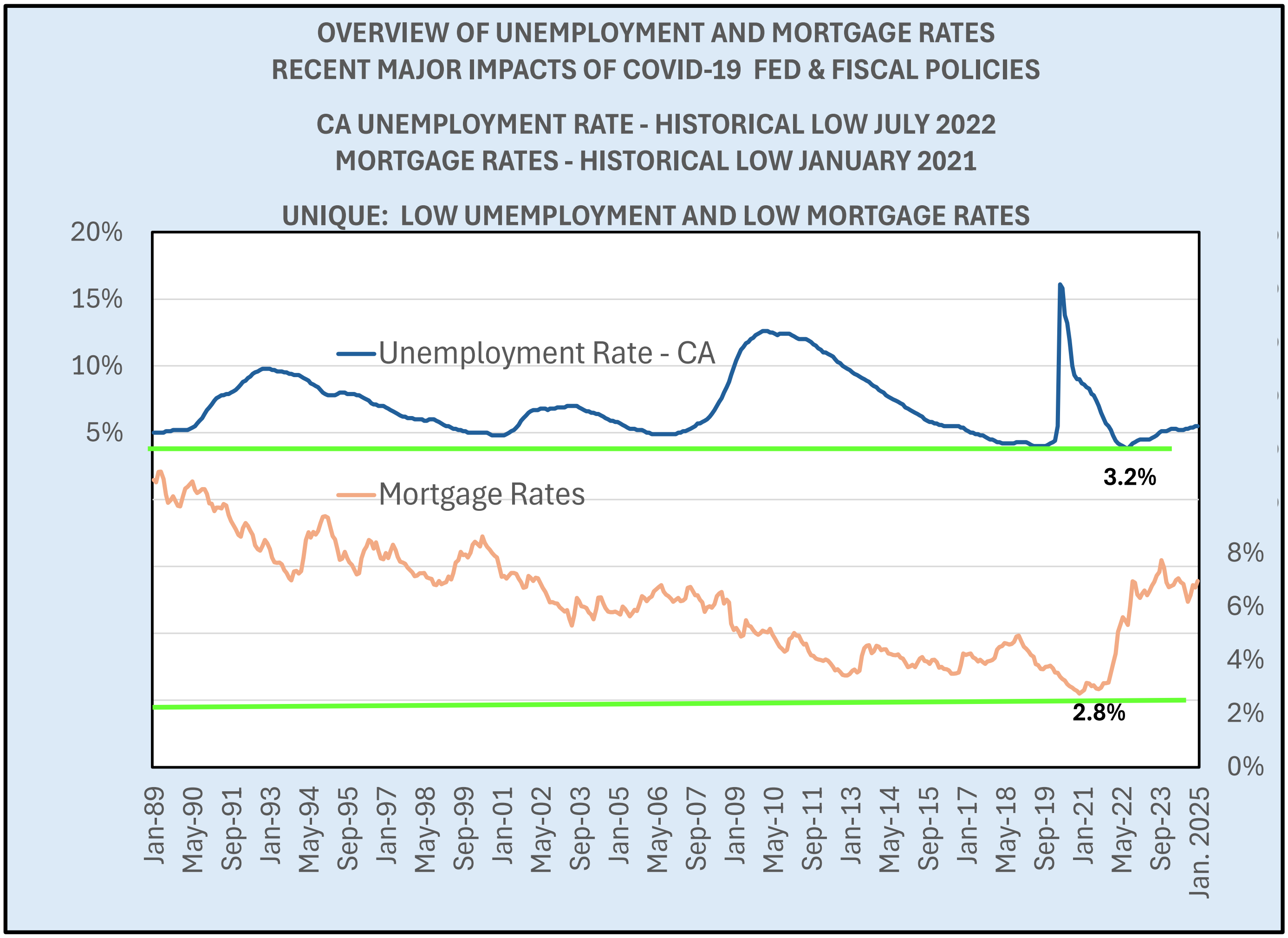
California Homeowners: Mortgages Rates for Loan Cohorts
Demand-Supply Conditions and Price Appreciation
Relationship of Mortgage Rates to Price Appreciation

\

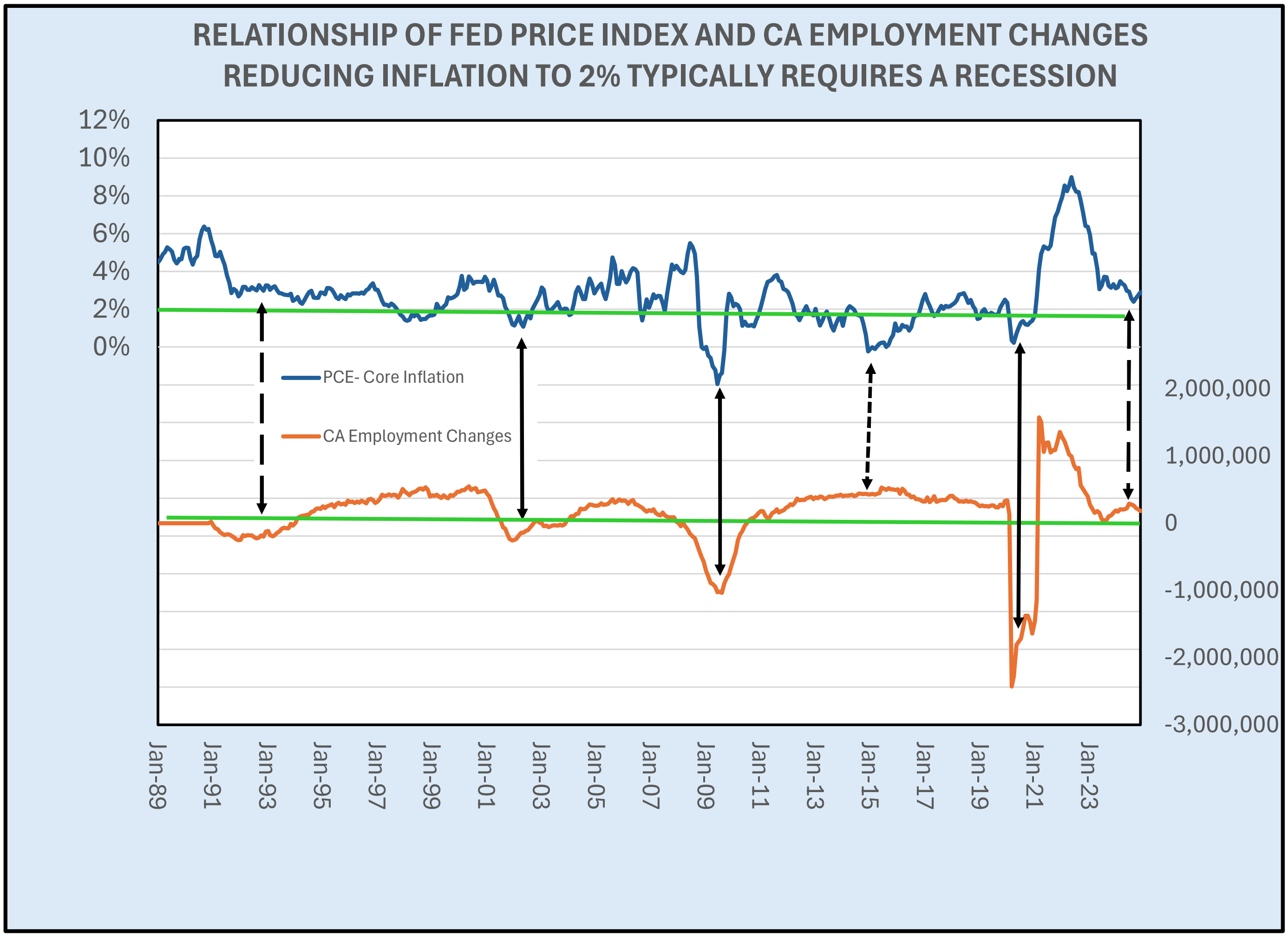
Accordingly, each of these topics are now discussed, in order to provide a background on the economic and real estate factors underlying Empire's forecasts for the projects of in CFD No. 2024-1.

A. OVERVIEW OF RECENT ECONOMIC/HOUSING MACROECONOMIC CONDITIONS UNITED STATES AND CALIFORNIA

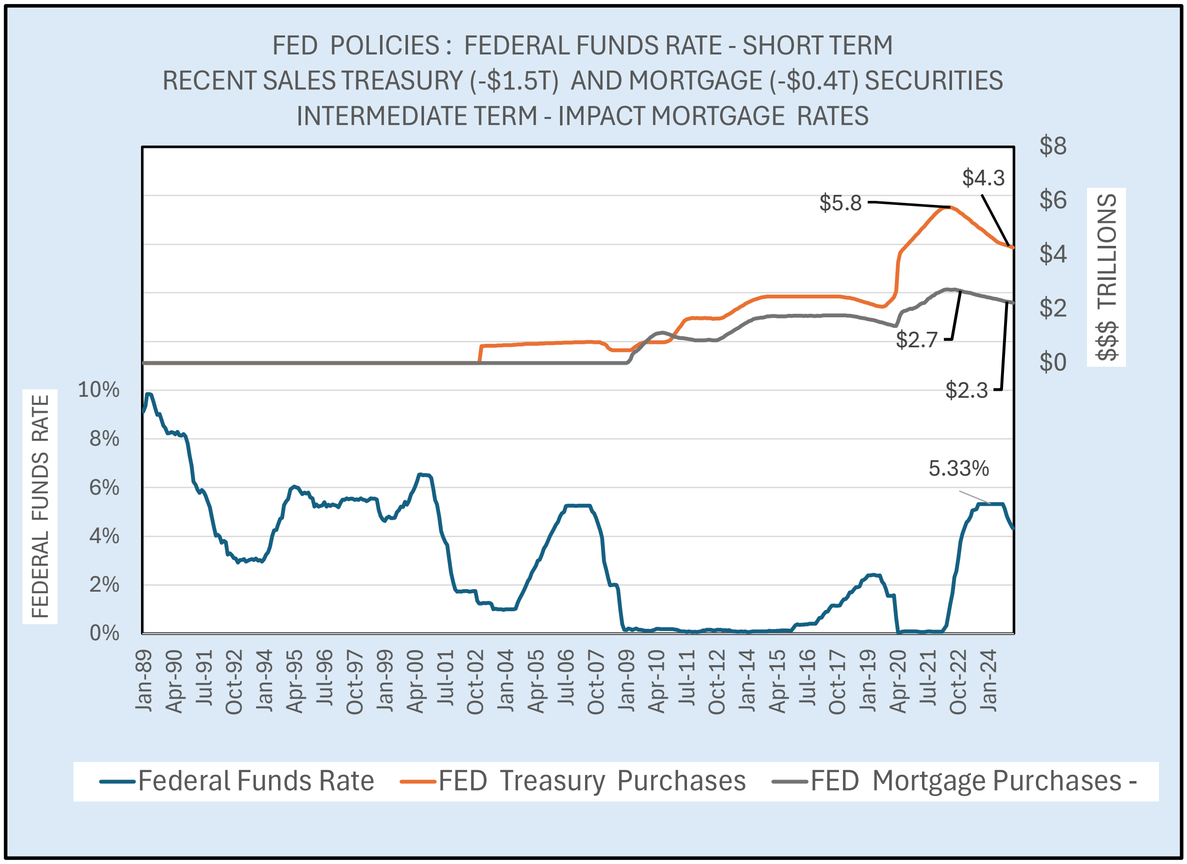
RECENTLY, HISTORICALLY UNIQUE ECONOMIC CONDITIONS LOW UNEMPLOYMENT AND LOW MORTGAGE RATES



HISTORICALLY, RESTRICTIVE FED POLICIES GENERALLY HAVE EMPLOYMENT DECLINES
CURRENTLY FED PURSUING 2% TARGET
WHILE MAINTAINING EMPLOYMENT GROWTH



FED RESTRICTIVE POLICIES TWO-FOLD
FEDERAL FUNDS RATE > SHORT TERM RATES
PORTFOLIO BONDS > NOW SELLING TREASURIES AND MORTGAGE BONDS!

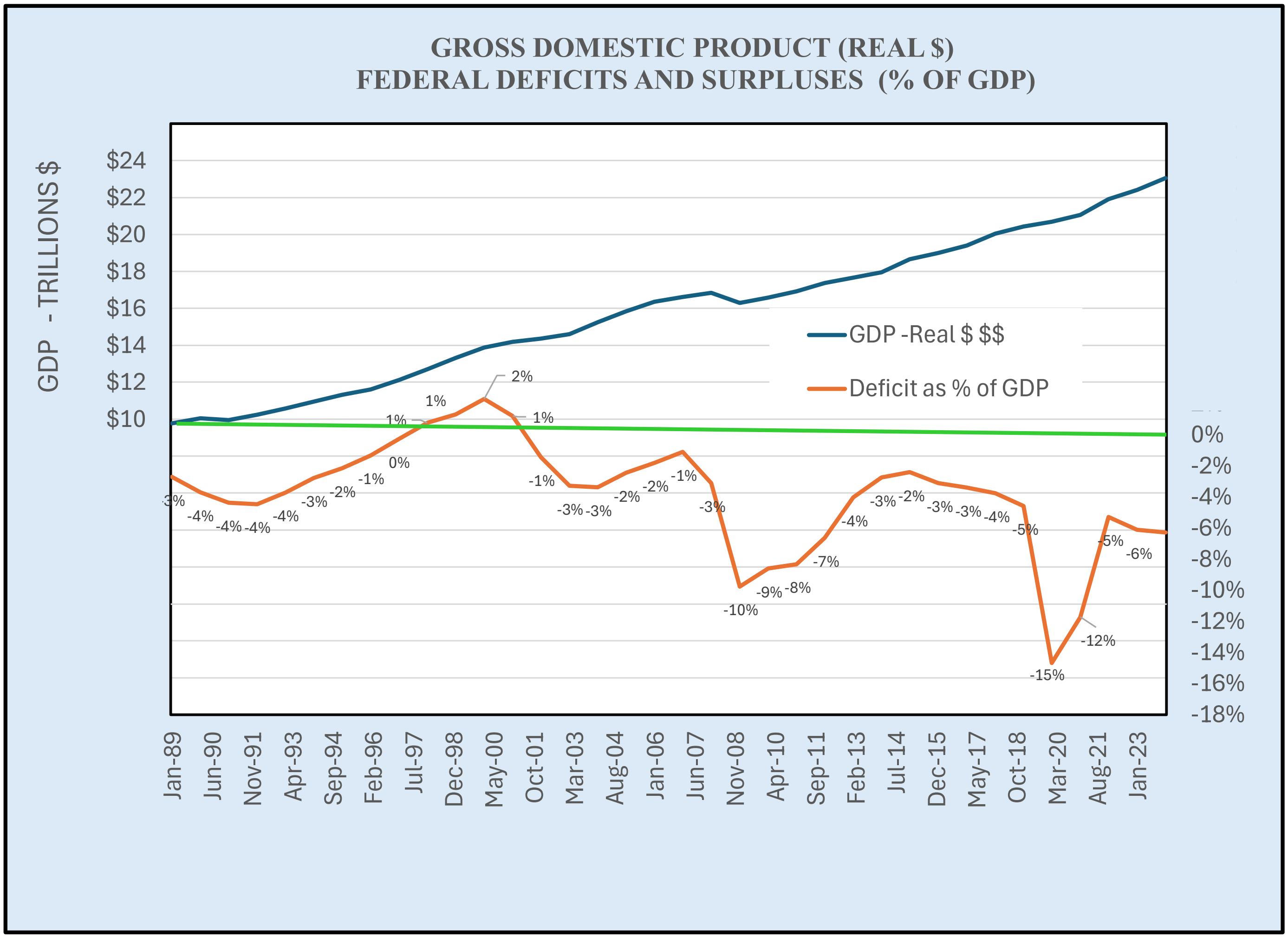


US FEDERAL DEBT: $36.2T PUBLIC: $29T FED: BALANCE
INTERMEDIATE TERM: 51% INTEREST RATE: 4.3%

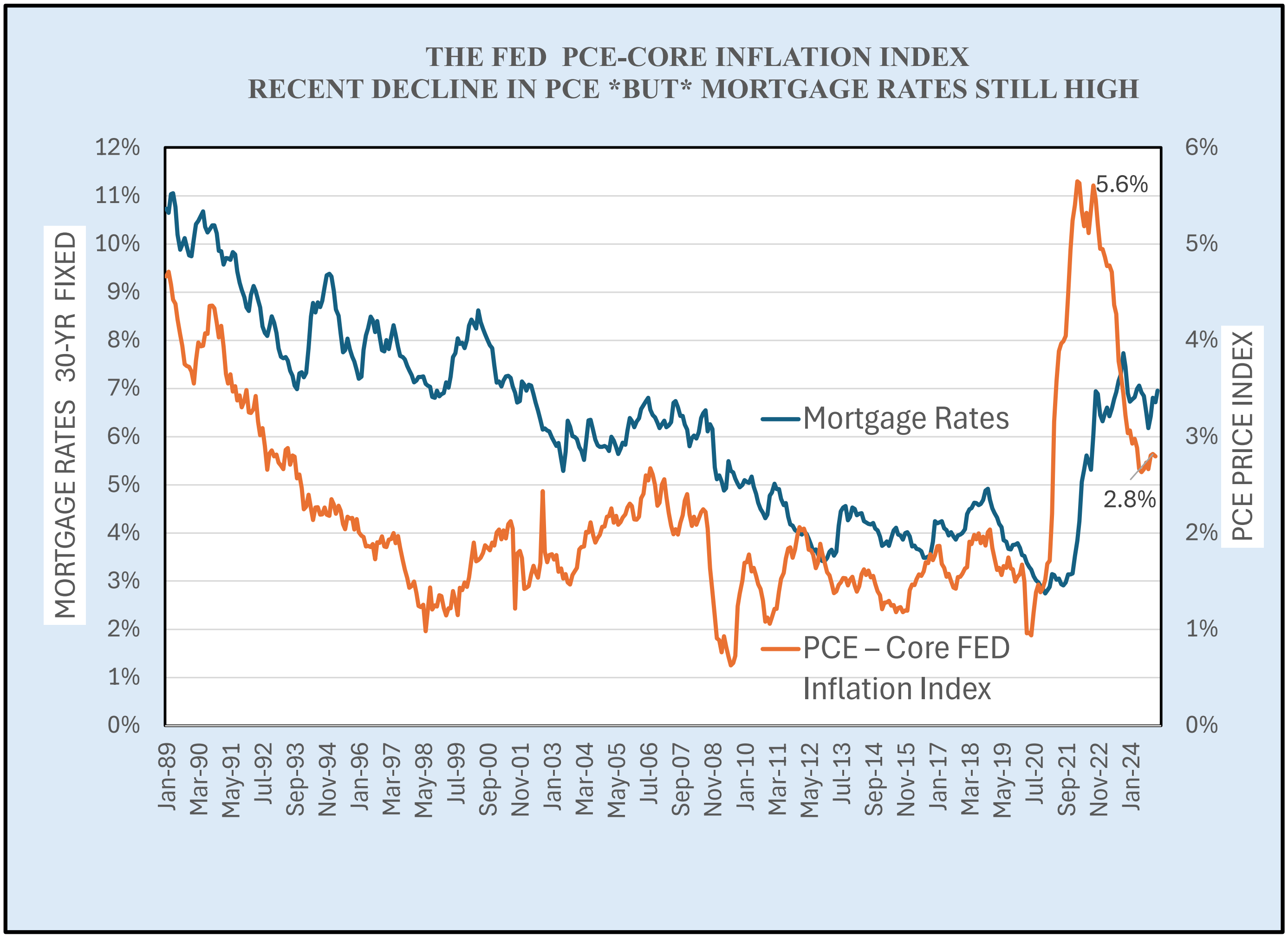
FISCAL REVENUES $5.0T/YR. INTEREST PAID $1.26T/YR.
10 YEAR BOND RELATED TO MORTGAGE RATES

TRADING $151T – ANNUALLY $600B DAILY
FINANCIAL MARKET ENORMOUS AND DYNAMIC/EFFICIENT

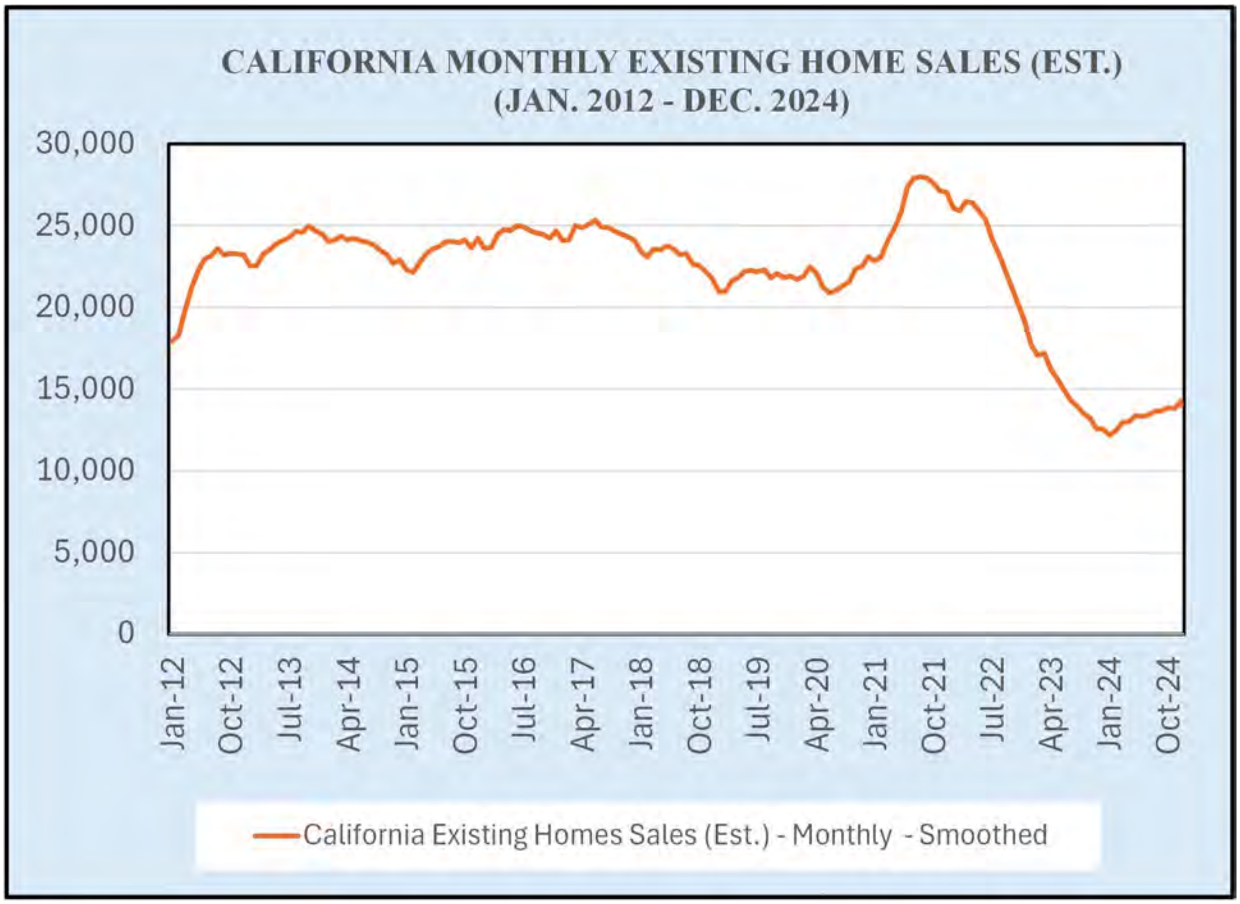
SINCE 1989, ALTHOUGH REAL GDP HAS RISEN SIGNIFICANTLY FEDERAL SURPLUSES HAVE OCCURRED IN ONLY 3 YEARS AND THE DEFICIT/GDP RATIO HAS INCREASED SUBSTANTIALLY



MORTGAGE RATES HAVE GENERALLY FOLLOWED A SIMILAR PATTERN TO FED PCE-INFLATION
BUT RECENTLY PCE HAS DECLINED WHILE RATES HAVE REMAINED HIGH DUE TO INFLATIONARY EXPECTATIONS BEING HIGH

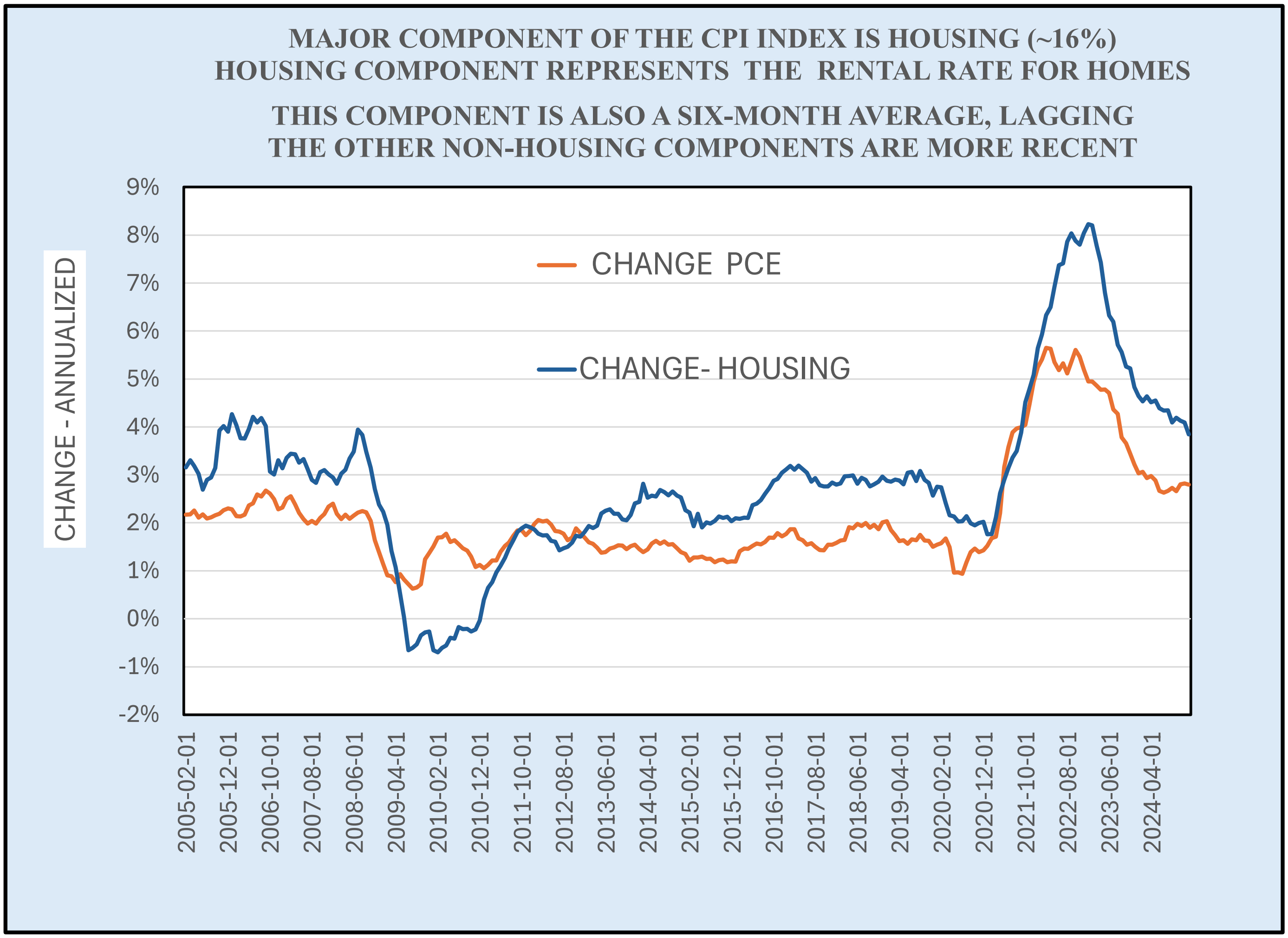


THE LEVEL OF EXISTING HOMES FOR CALIFORNIA DROPPED ~50% FROM EARLY 2021 PEAK LEVELS AS SALES INVENTORY HAS REMAINED LOW, SLIGHT INCREASE IN 2024

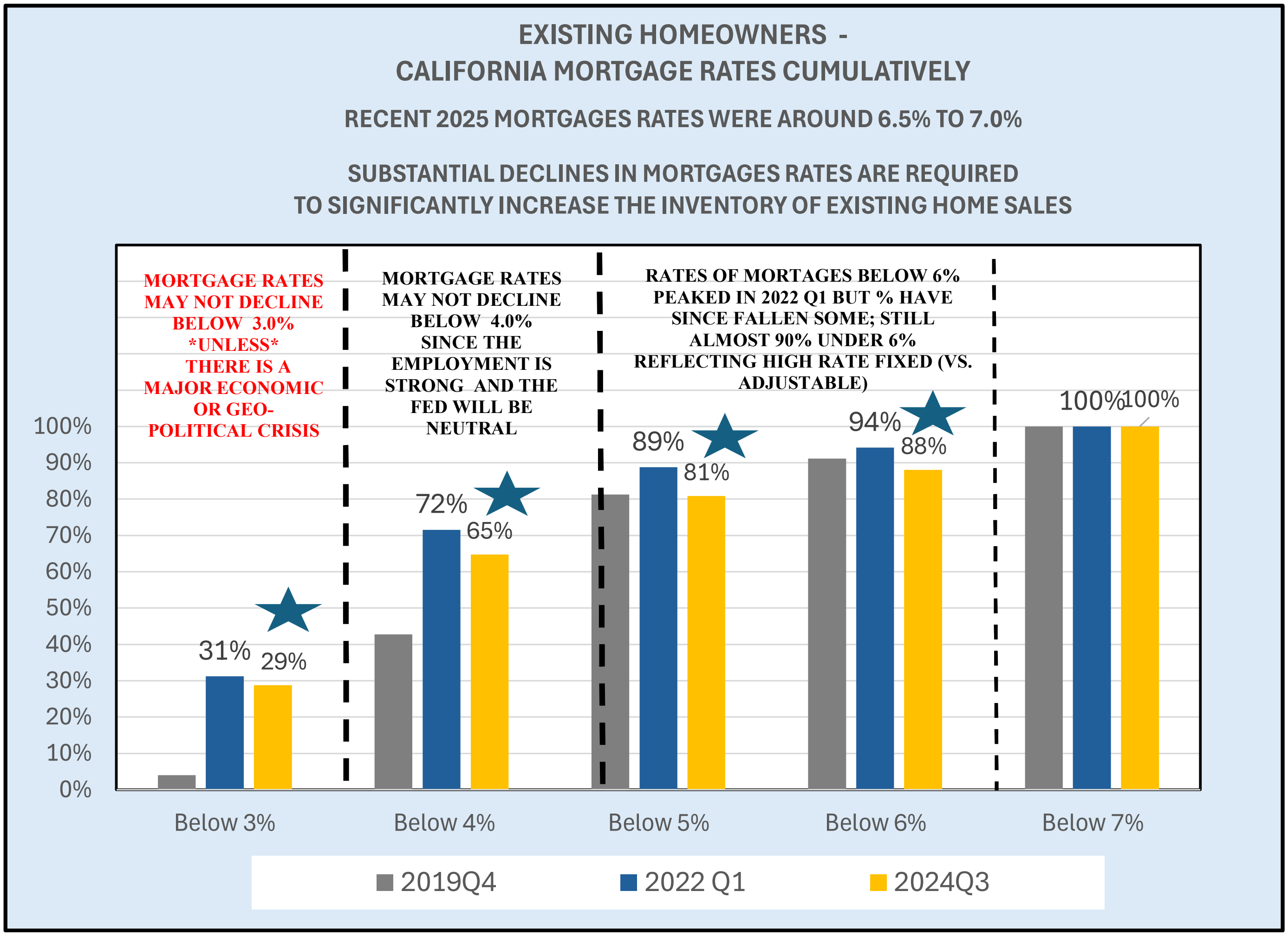


..

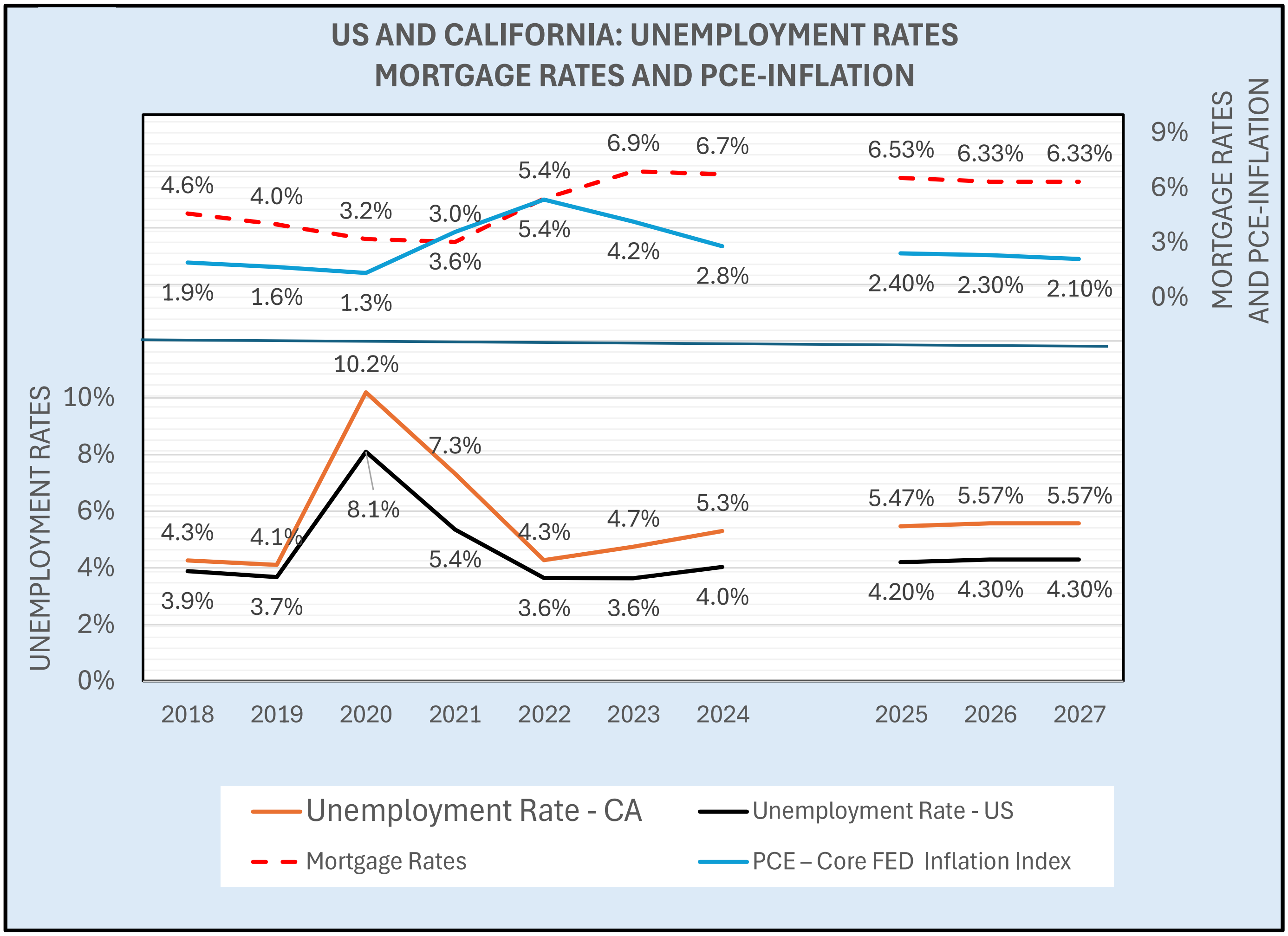
RECENTLY THE FED PCE CORE INFLATION RATE HAS BEEN BOLSTERED BY THE HIGH SHARE OF THE HOUSING COMPONENT WHICH HAS A SIX-MONTH LAG



FOR EXISTING HOMEOWNERS, 65% HAVE MORTGAGE RATES BELOW 4.0% SIGNIFICANTLY BELOW RECENT LEVELS OF 6.5%

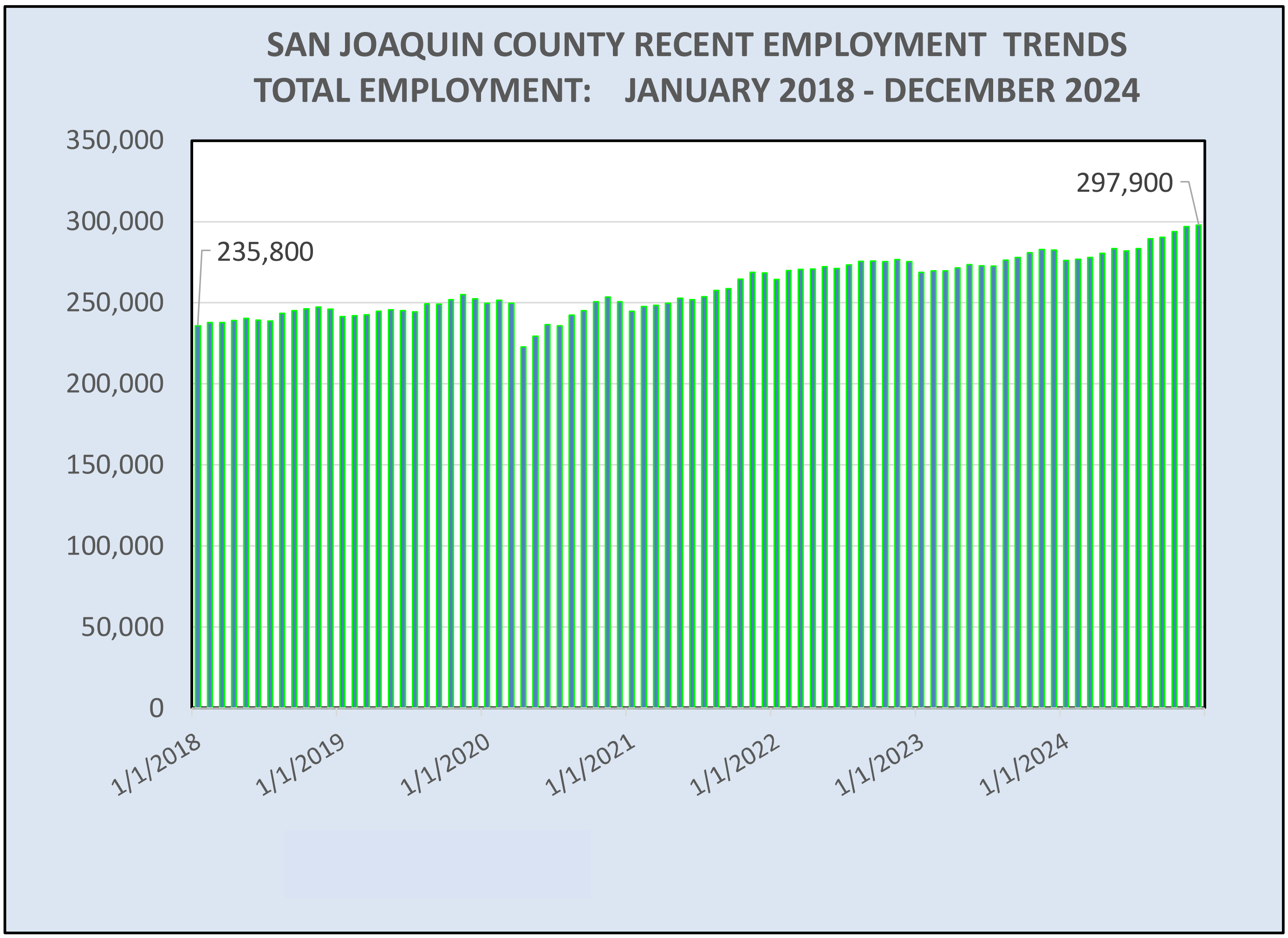


SURVEY OF 40 PROFESSIONAL FORECASTERS – CONSENSUS FORECAST
SOURCE: FEDERAL RESERVE BANK PHILADELPHIA 1ST QTR 2025



B. CFD NO. 2024-1 MARKET REGION EMPLOYMENT AND PRICE TRENDS

San Joaquin County's total nonfarm employment increased from 235,800 in January 2018 to 297,900 in December 2024, an increase of 62,100 positions - about 10,350 per year for a growth rate of 26%, about 4.4% per year.



San Joaquin County has experienced employment growth of some 26% between January 2018 to December 2024.

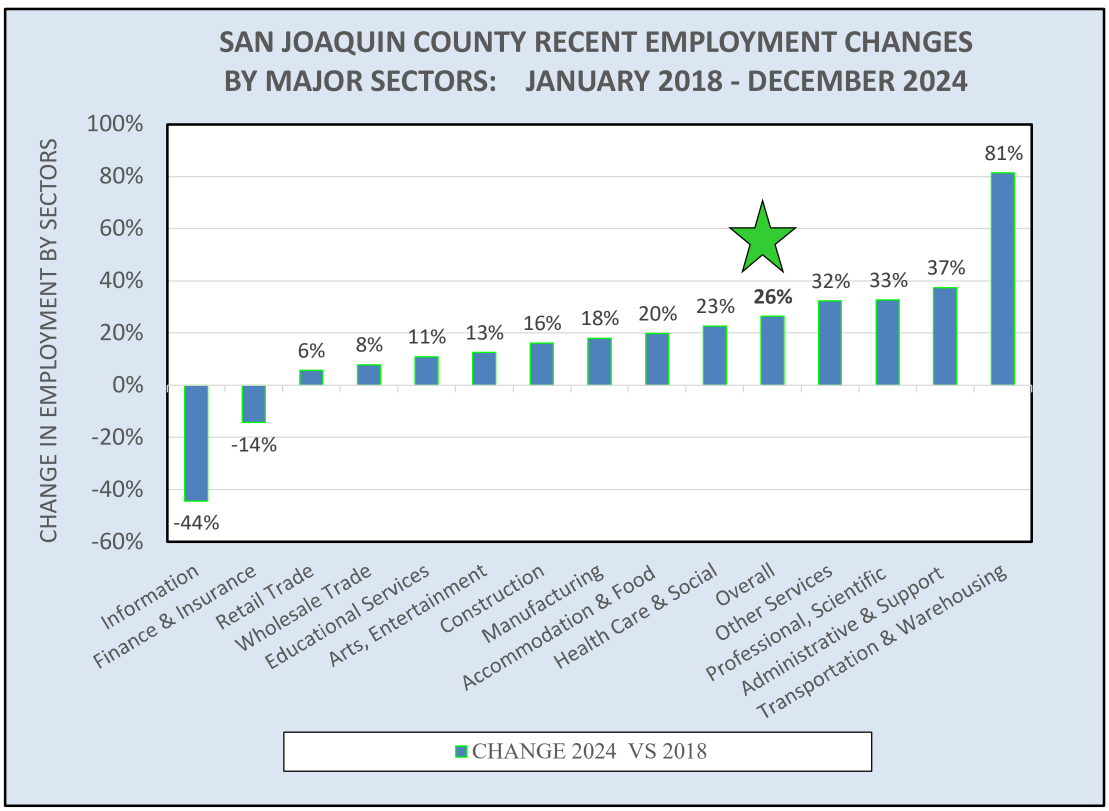
A more detailed analysis of the employment change by various sectors revealed some significant differentials amongst them.

- The most significant increase was for transportation/warehousing which grew by some 81%.

- Other sectors that were above the average included the following: other services, professional/ scientific as well as administrative & support.

- The sectors that had declines were information which decreased by- 44% and also finance & insurance declined by -14%.

- The remaining sectors that had increases, but those increases were below the averages, included healthcare, accommodations & food, manufacturing, construction, arts & entertainment, educational, wholesale and retail.

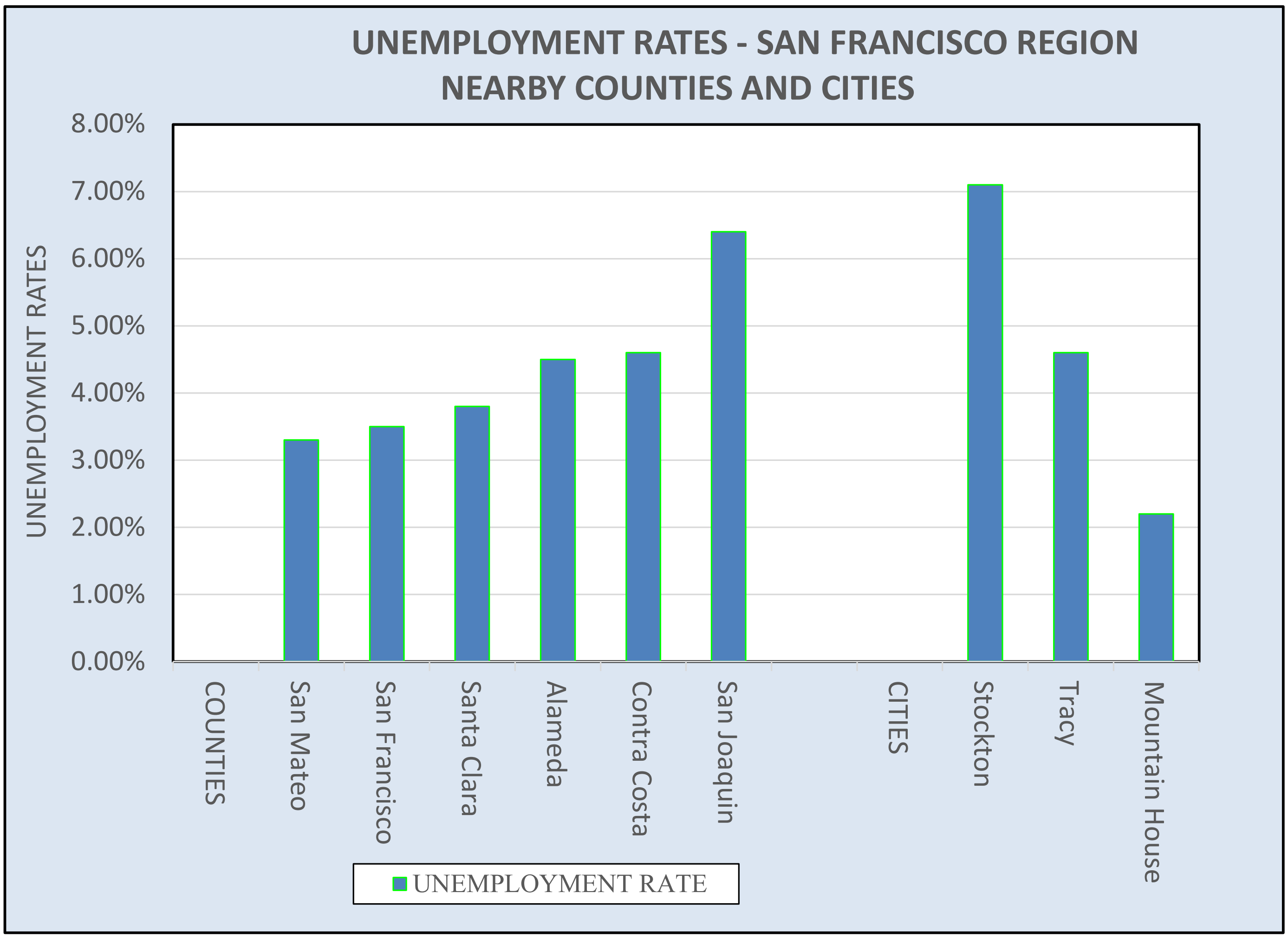


UNEMPLOYMENT RATES
SELECT NEARBY COUNTIES AND CITIES

Unemployment rates are calculated using the population of a geographic area, such as a county or city and then identifying the employment status of people residing in that county or city.

Consequently, the unemployment statistics do not differentiate between whether the household is employed within that county/city or elsewhere.

- San Joaquin County has a high unemployment rate, some 6.4%, relative to other nearby counties which range from 3.3% to 4.6%.
- However, within San Joaquin County, Mountain House has a relatively low unemployment rate of about 2.1%. By comparison, the City of Tracy is at 4.6% and Stockton is at 7.1%.



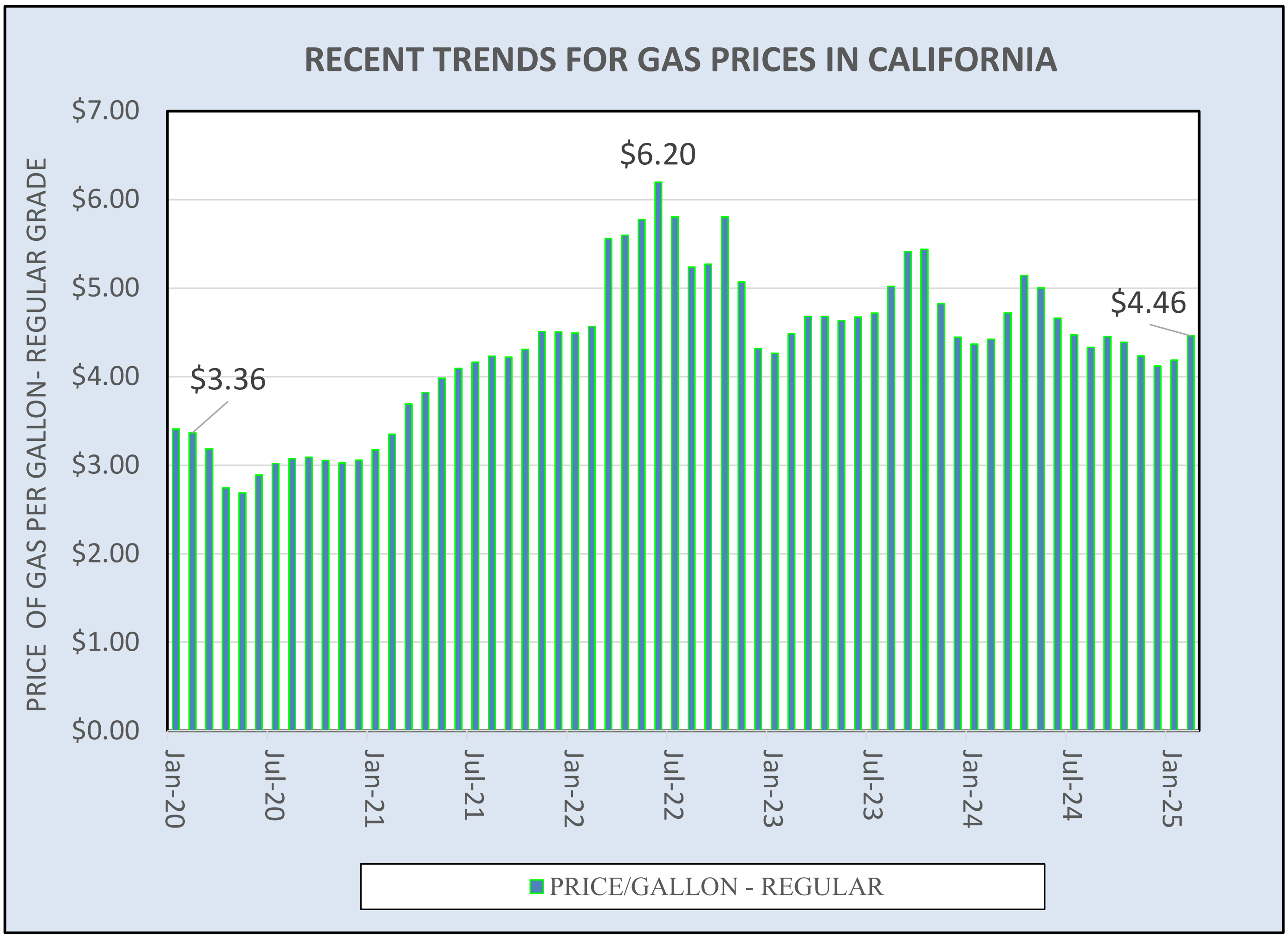
RECENT TRENDS FOR CALIFORNIA GAS PRICES

A contributing factor to housing demand, especially for households commuting to the suburbs for moderately priced single-family homes is the price of gas since this impacts commuting costs.

- The price/gallon for regular grade gas amounted to about $3.41 in January 2020..

- The price for gas rose to $6.20 in June 2022 due to an explosion at a refinery as well as the seasonal refinery downtime.

- Since then, the price of gas has declined to a recent low of around $4.12, but has increased slightly to $4.46 in February 2025.

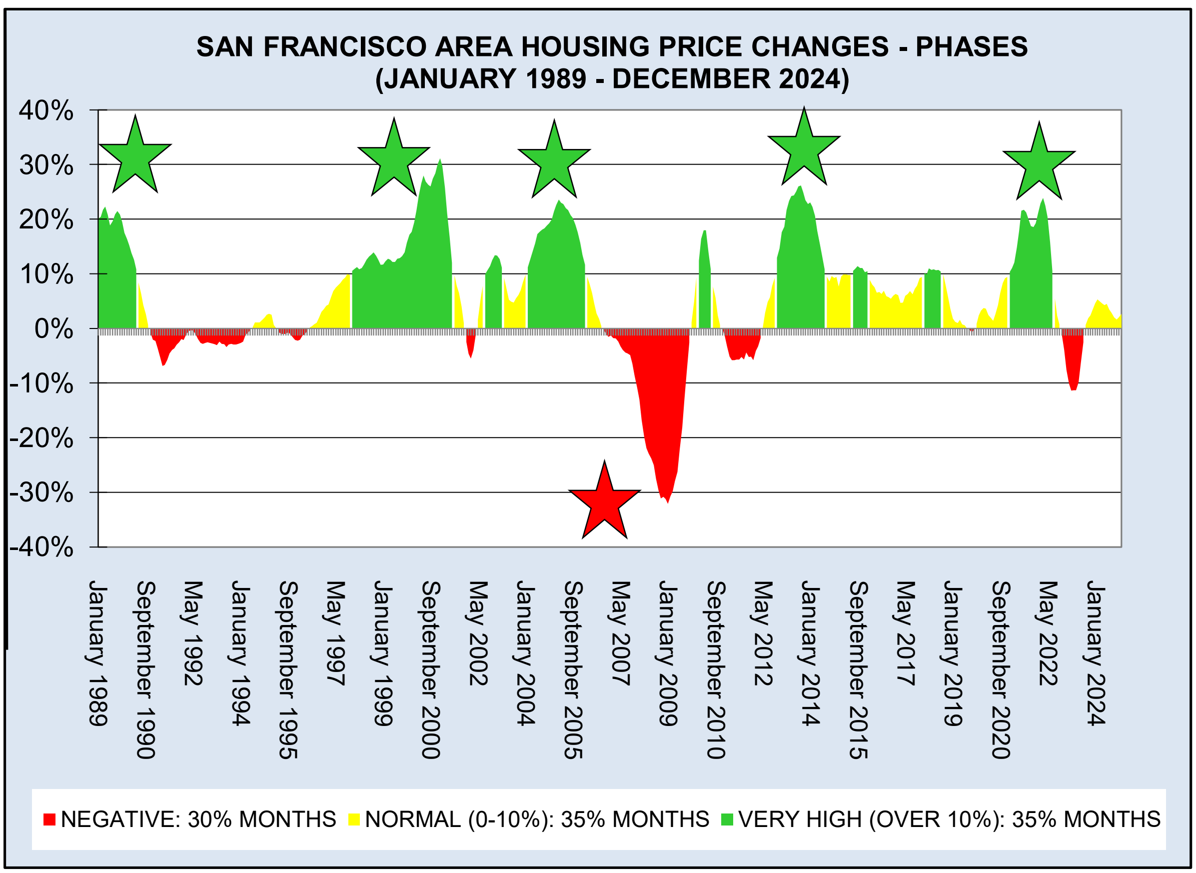


SAN FRANCISCO REGION - OVERALL PATTERNS OF PRICE APPRECIATION

Since 1989, the San Francisco Market Region has experienced five major appreciation phases that have had significant levels of appreciation, with peak levels of 20% or more.

- 1989: Post earthquake recovery, with economic expansion and limited supply of housing
- 2000: Dot.com boom, tech growth. Venture capital influx, resulting in a high demand for housing.
- 2005: Housing bubble due to subprime lending. Creative financing, speculation.
- 2013: Tech resurgence, low interest rates. Inventory shortages and bidding wars.
- 2021: Pandemic demand, historically low mortgage rates. Remote work trends, tech stability.

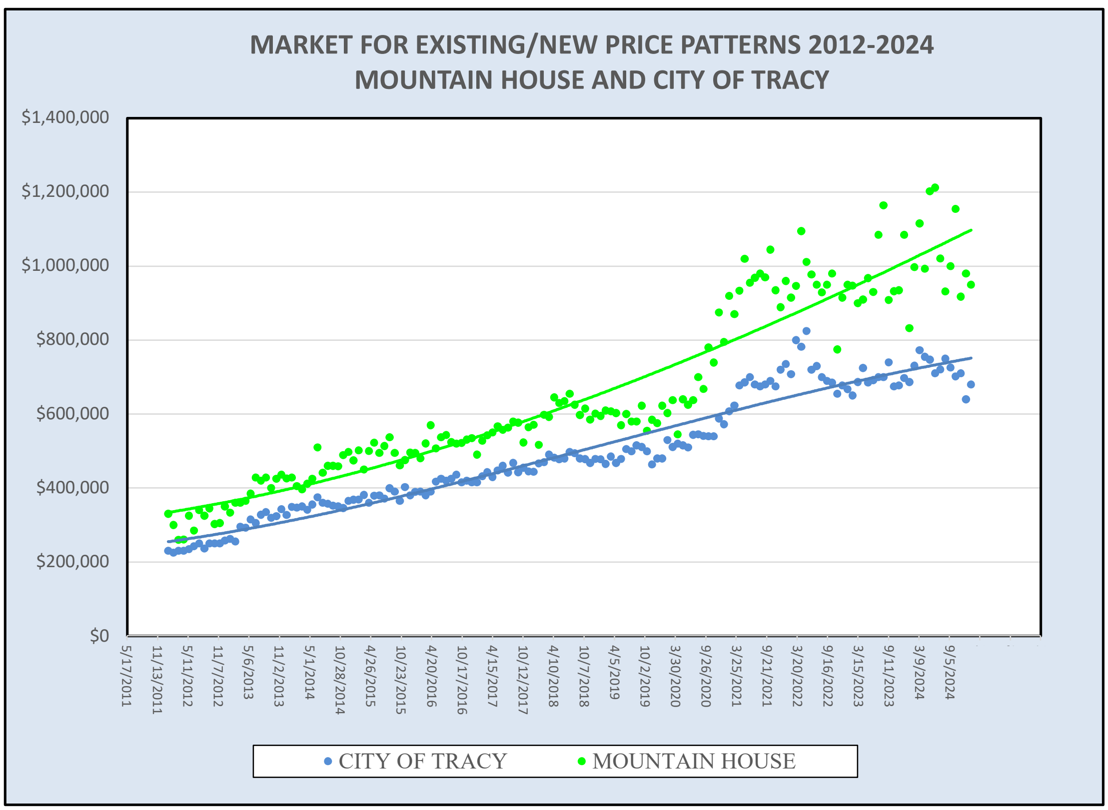
By comparison to the above, the downturns have been relatively mild with the main exception being -30% in 2008/2009 when the tech bubble imploded and sub-prime mortgages caused a recession.



C: CFD NO. 2024-1 MARKET AREA PRICE PATTERNS AND SALES TRENDS

The prices for new and existing homes in Mountain House and the City of Tracy (westerly portion where new development is occurring) have experienced significant appreciation during 2010-2024; however, their appreciation rates differed and there have been some cycles.

- The price for homes in Mountain House and Tracy were generally similar during 2011- 2019. However, starting in 2020, prices for Mountain House appreciated at a faster rate than for Tracy. This can be attributed to Mountain House having a higher share of new housing units.
- Both areas were impacted by COVID as their prices dipped beneath the trend line for several years around 2020.
- However, due to be FED's policy of lowering mortgage rates to historically low levels during 2021 prices rebounded moving above their respective trendlines in 2022.
- Since 2022, prices in Mountain House have exhibited a higher degree of volatility around the trendline as compared to prices in Tracy. This can be attributed to the projects for new homes in Mountain House which have significant differences in their sizes of living area.

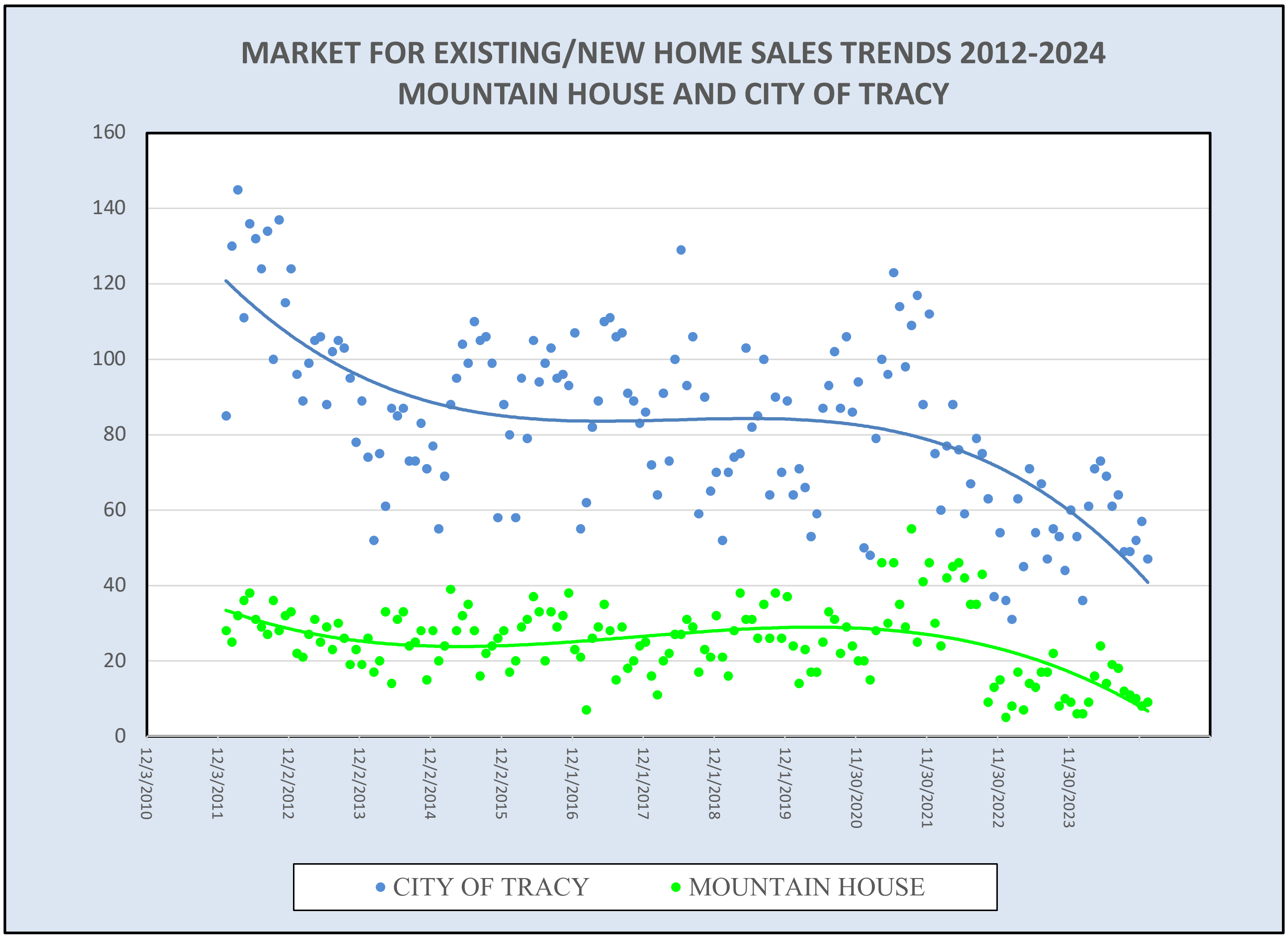


With regards to the level of housing sales, the City of Tracy (westerly area) has more such sales due to higher levels of existing as well as new housing. While Mountain House has somewhat fewer sales since it has primarily new housing units.

- With regards to the pattern of housing sales the two areas were similar: for 2011-2013 sales were relatively high but then they moderated during 2014-2020.

- Since 2022, due to many existing households being locked in with low mortgage rates, the level of housing sales has declined significantly.

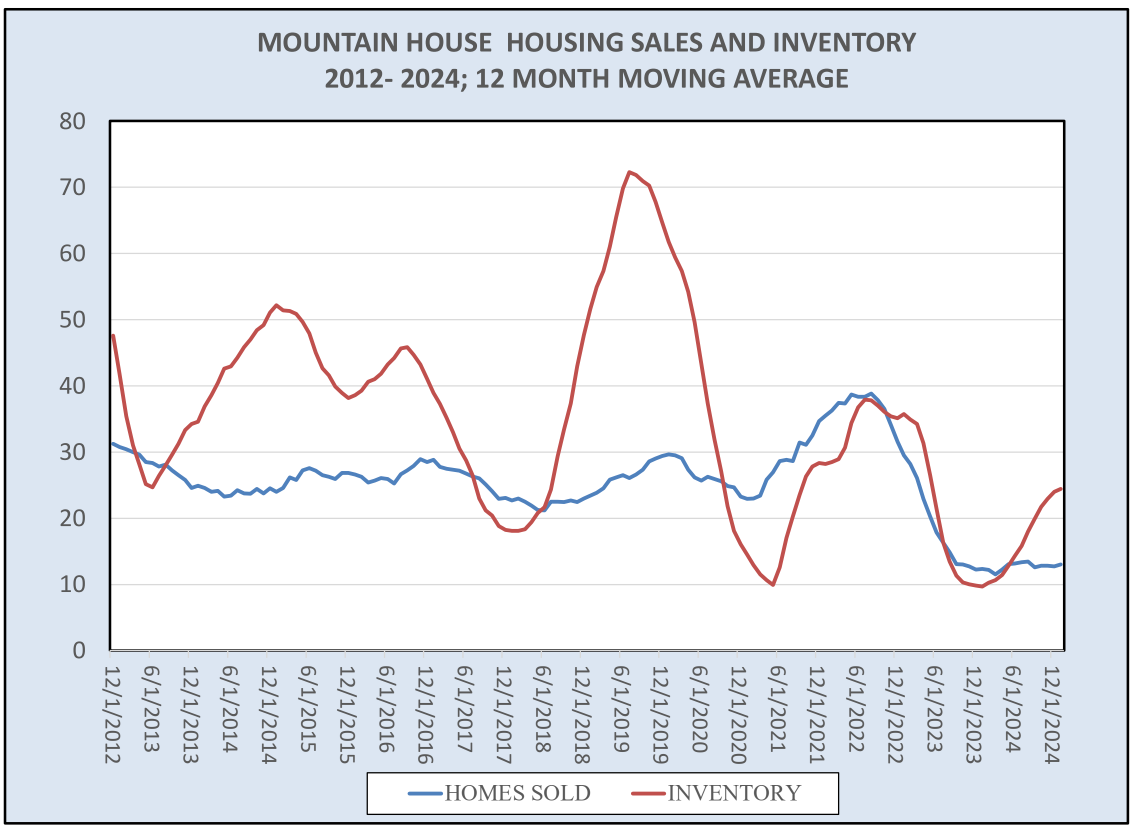
    - For the City of Tracy the sales recently have decreased to a level of about 40/month, while for Mountain House they are at a level of about 12/month/average, some 160 annually.



In a typical housing market the inventory level is substantially higher than the number of homes sold, allowing for homeowners to transition from their current residence to their new residence in a smooth manner.

However, recently many existing homeowners have become locked-in since they purchased or refinanced at historically low rates in order to refinance or purchase a home which would result in having a higher mortgage rate.

- For Mountain House during 2014 to 2016, the market was normal with respect to inventory being higher than sales.
- During 2018-2019 inventory was much higher than sales
- However, starting in 2021 and continuing through 2023, inventory and sales were at similar levels; the level of inventory essentially restricted the level of sales.
- Then starting in early 2024, inventory exceeded the level of sales.

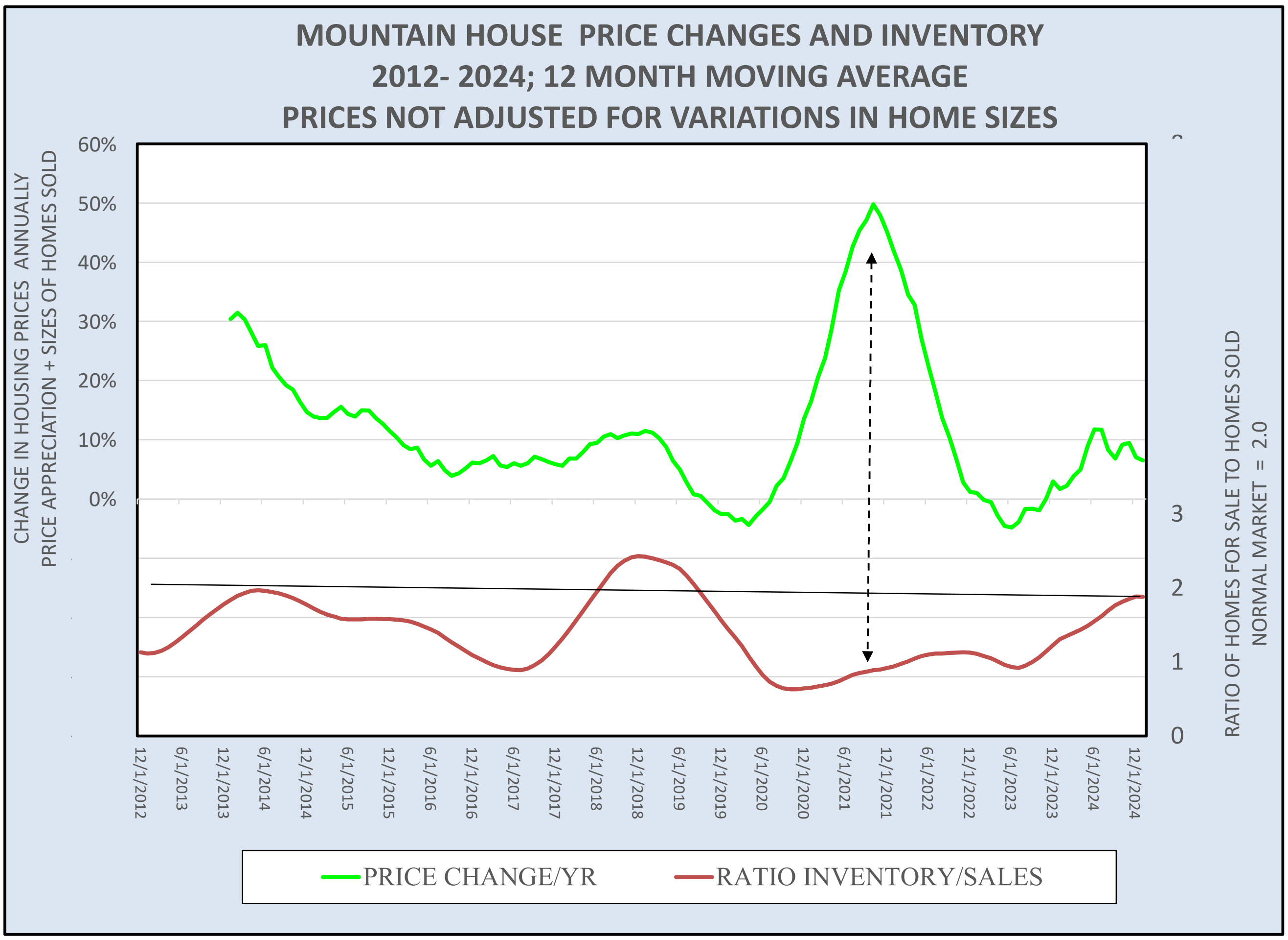


There is a strong causal relationship between the inventory to sales ratio and the amount of housing price appreciation that occurs.

- For this analysis, Empire calculated the ratio of inventory to number of homes being sold with 1.0 being a very tight market while 1.5 being a more normal market.
    - This ratio is lower than normal since Mountain House has primarily new homes.

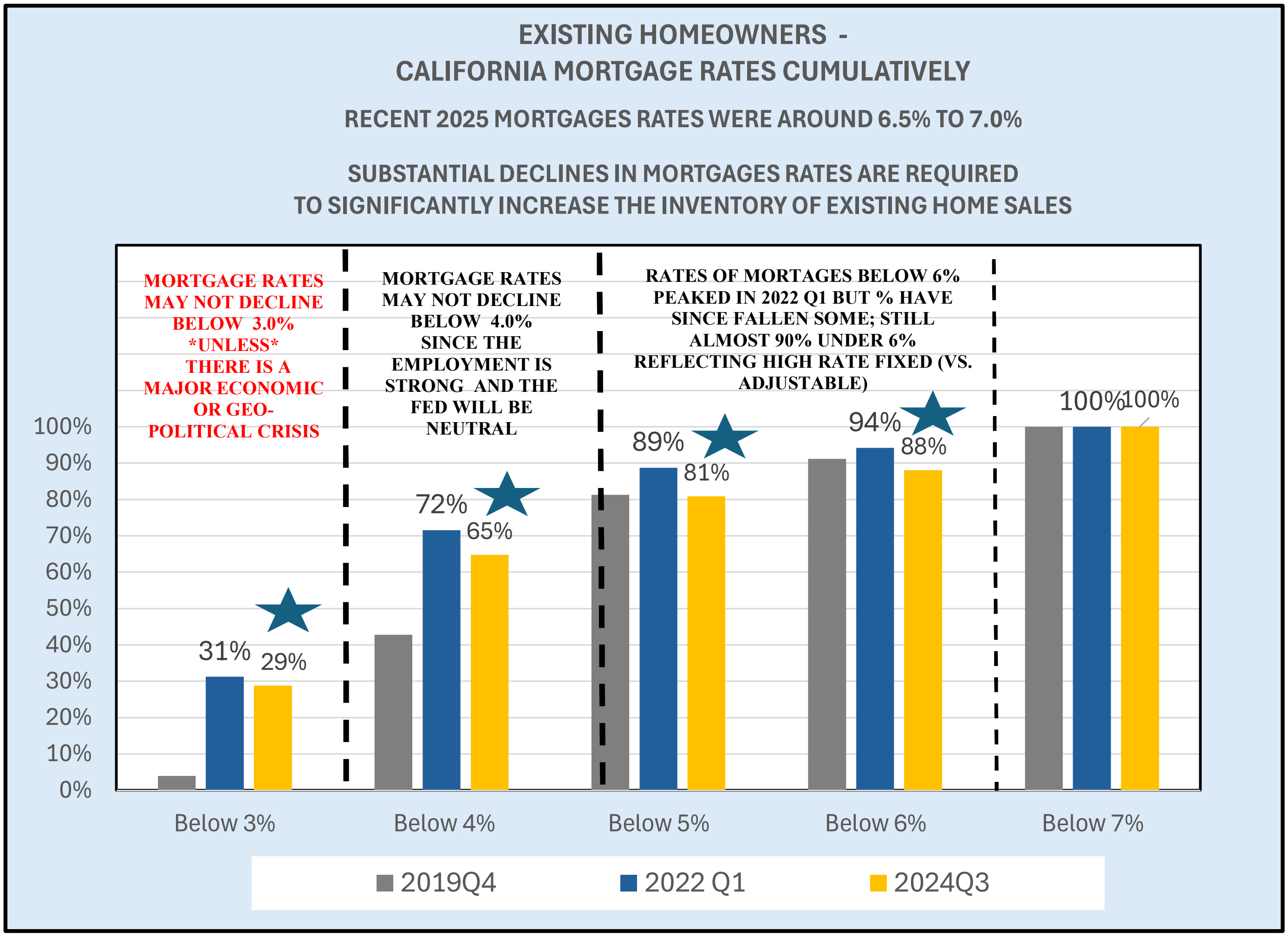
- Starting in 2020, due to Covid-19 the ratio dropped to about 1.0 resulting in high rates of housing price appreciation.

  For 2021, the rate of appreciation was extraordinary, about 50%. This can be attributed to two factors: first, the low level of inventory and secondly, the sizes of the homes being relatively large.



D. CFD NO. 2024-1 MARKET AREA
RELATIONSHIP OF HOUSING DEMAND AND INVENTORY TO PRICE CHANGES

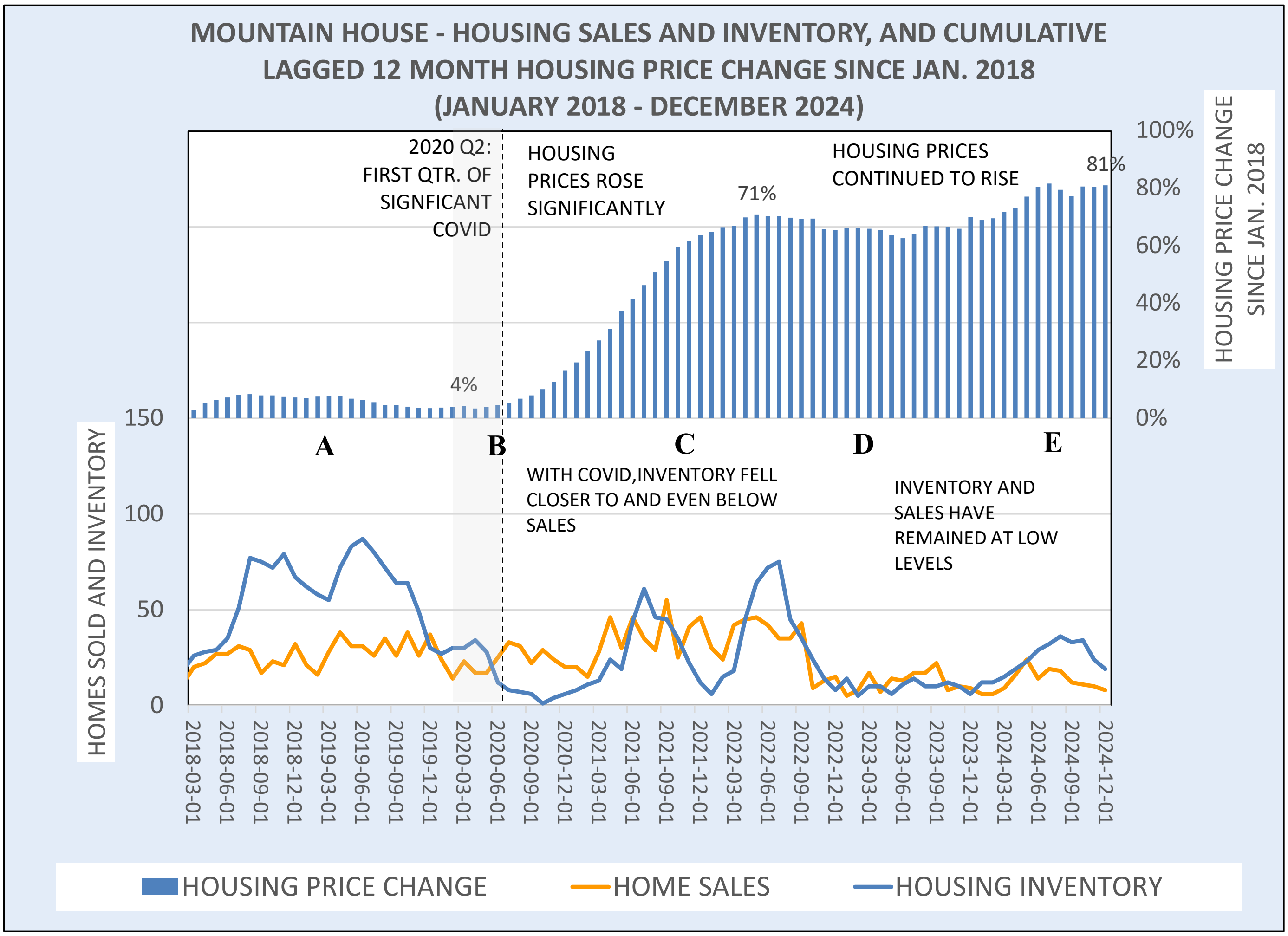
**FOR EXISTING HOMEOWNERS, 65% HAVE MORTGAGE RATES BELOW 4.0%
SIGNIFICANTLY BELOW RECENT LEVELS OF 6.5%**



SINCE 2020, HOME PRICES IN MOUNTAIN HOUSE HAVE INCREASED BY SOME 77%

THE RATE OF APPRECIATION HAS BEEN DRIVEN BY LIMITED INVENTORY OF EXISTING HOMES

DUE TO HOMEOWNERS BEING LOCKED IN WITH HISTORICALLY LOW MORTGAGE RATES



SINCE 2022, HIGHER LEVELS OF MORTGAGE RATES HAVE SUPPORTED

PRICE APPRECIATION DUE TO MORE EXISTING HOMEOWNERS BEING LOCKED-IN

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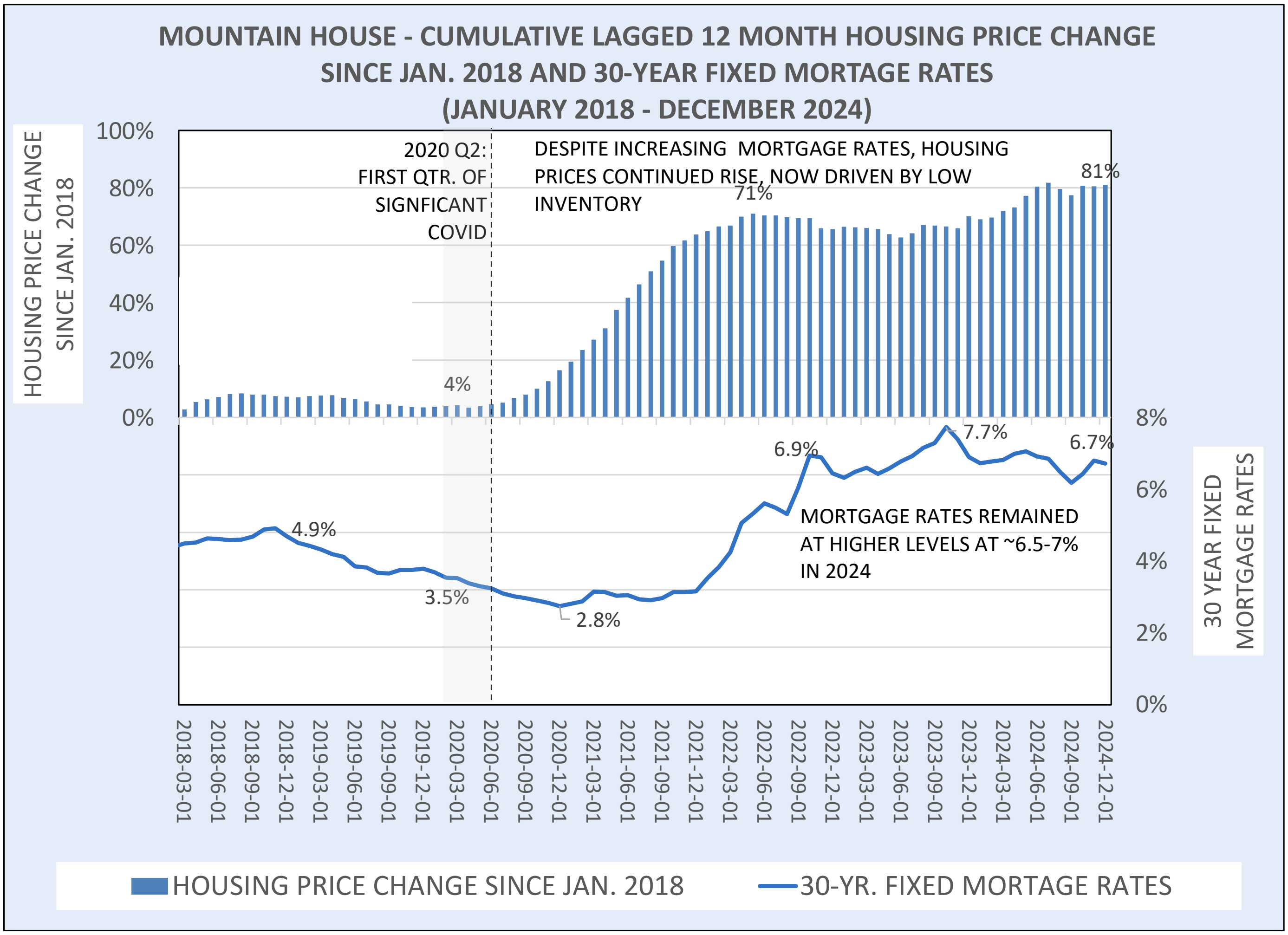


SECTION III
MICROECONOMIC ANALYSIS

A. METHODOLOGY UNDERLYING THE MICROECONOMIC ANALYSIS OF THE RESIDENTIAL PROJECTS/PLANS IN CFD NO. 2024-1

The microeconomic analysis focuses upon the competitiveness of the residential projects/plans in CFD No. 2024-1's Villages J & K that currently have final maps with regards to the regional geographic development patterns within the greater San Francisco Market Region and also the currently active comparable projects within Mountain House.

Competitiveness from a Geographical Regional Perspective

* Location of CFD No. 2024-1
Relative to Competing Planned Communities,
Retail Centers and Business Parks

* Socioeconomic Characteristics:
School Quality and Neighborhood Safety

The existing/active/forthcoming Planned Communities, Retail Centers and Business Parks, in conjunction with the transportation system, determine the locations of the employment centers and residential areas along with retail centers. Accordingly, these patterns can then be utilized to gauge the marketing potential of CFD No. 2024-1 from a geographic regional perspective.

Competitive Market Analysis of Projects in CFD No. 2024-1

Identification of the Active Residential Projects in the CFD
Market Area and Selection of the Comparable Projects

Competitive Market Analysis of the Projects in CFD No. 2024-1
Statistical Analysis of the Prices, Living Areas and Special Taxes

The Competitive Market Analysis evaluates the competitiveness of the residential projects in CFD No. 2024-1 relative to the currently active comparable projects, with regards to price, size of living area, and the amount of annual special tax obligations.

CFD Market Areas: Their geographical boundaries vary depending upon the metrics being analyzed.

- Market Area/Primary: City of Mountain House, including the projects in CFD No. 2024-1.
- Market Area/Competitive Market Analysis: Currently active projects in Mountain House.
- Market Area/School Quality: Lammersville Joint USD and other nearby school districts.
- Market Area/Safety: Mountain House or nearest city that has crime data available.

B. DEVELOPMENT TRENDS/PATTERNS IN THE CFD NO. 2024-1 MARKET AREA

From a regional perspective, the competitiveness of CFD No. 2024-1 Market Area, the City of Mountain House and nearby areas, is influenced by the geographic development patterns for employment and housing within the Market Region (San Joaquin, Alameda, Contra Costa, San Mateo, San Francisco and Santa Clara counties).

Specifically, Business Parks generate industrial-office development while Planned Communities generate residential development which, in turn, generates a demand for Retail Centers; additionally, the flow of traffic between them is facilitated by the freeways and transportation corridors.

- **Expansion of Employment Centers and Business Parks**

  The Major Employment Centers are Coastal/Urban: San Francisco/San Mateo and also the Bay Area: Alameda/Contra Costa/Santa Clara. By comparison, San Joaquin County has a much smaller employment center.

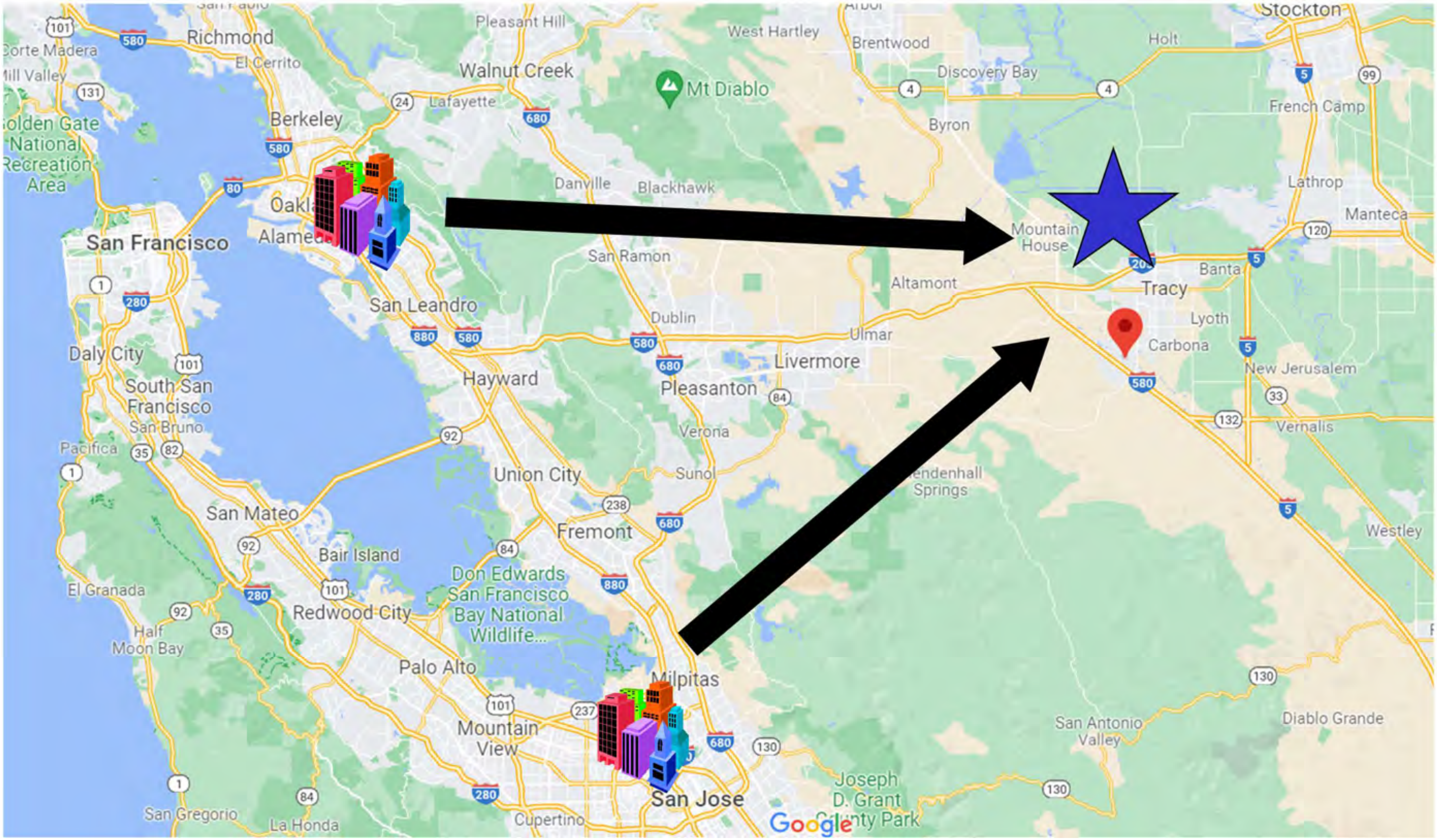
- **Commuting Patterns: Employment Centers to Residential Areas**

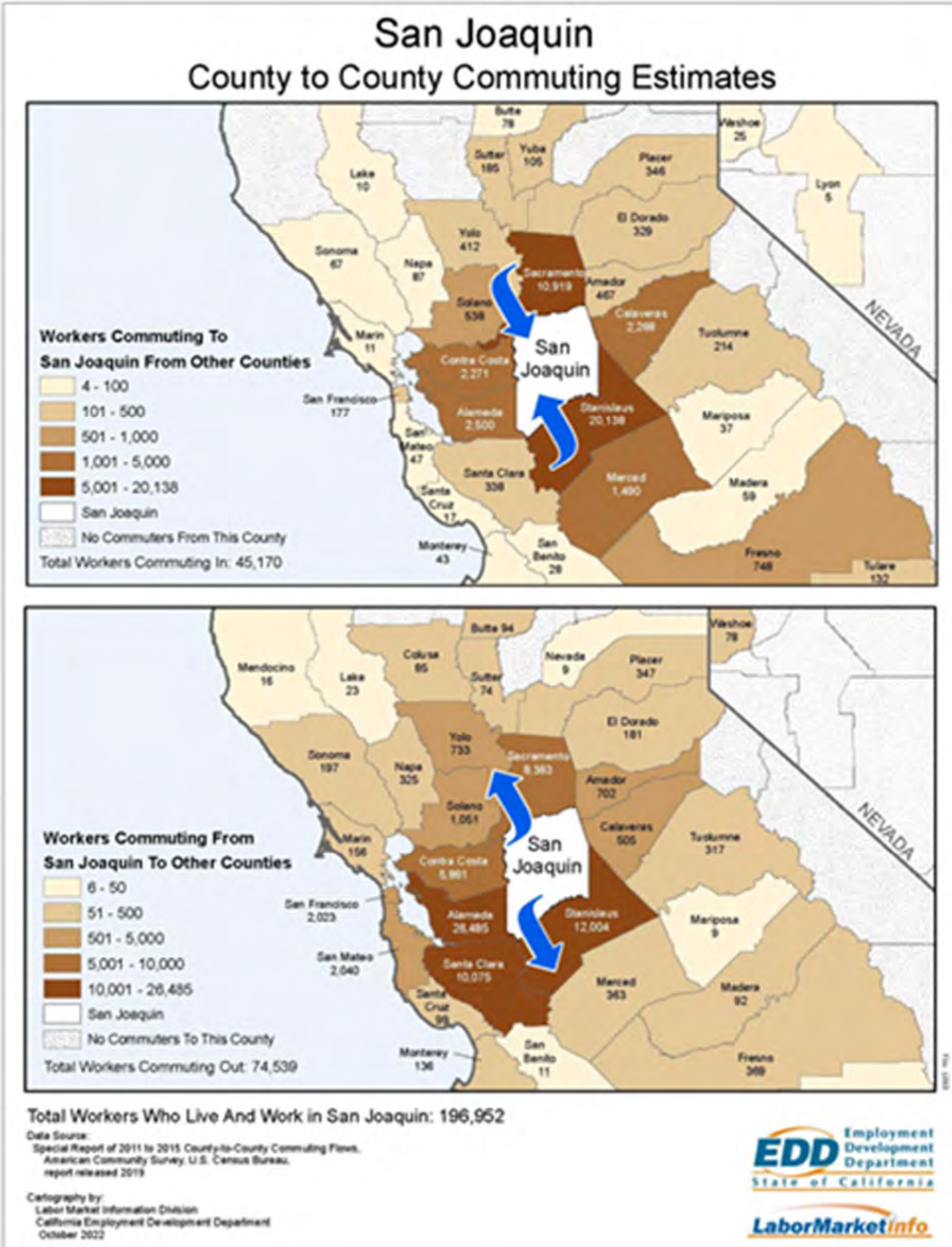
  The CFD No. 2024-1 Market Area, including Mountain House, provides homes at more moderate price points as compared to homes in the broader CFD Market Region – San Joaquin, San Francisco, San Mateo, Alameda, Contra Costa, and Santa Clara counties - and this, in turn, generates a substantial demand for moderately priced housing in the CFD Market Area.

Therefore, the CFD No. 2024-1 Market Area, including Mountain House, is strategically situated in relatively close proximity to the CFD Market Region San Francisco Bay Area Urban Core and since it offers moderately priced housing opportunities, many households are employed in the CFD Market Region's employment centers.

For additional information on the regional development patterns, please refer to the following exhibit.

ECONOMIC BASES SUPPORTING DEVELOPMENT FOR CFD NO. 2024-1




San Joaquin
County to County Commuting Estimates
Workers Commuting To
San Joaquin From Other Counties
4 - 100
101 - 500
501 - 1,000
1,001 - 5,000
5,001 - 20,138
San Joaquin
No Commuters From This County
Total Workers Commuting In: 45,170
Sutter 185
Yuba 105
Placer 346
Washoe 25
Lyon 5
Lake 10
El Dorado 329
Yolo 412
Sonoma 67
Napa 87
Sacramento 10,919
Amador 467
Solano 538
Calaveras 2,268
Tuolumne 214
Marin 11
San Joaquin
Contra Costa 2,271
San Francisco 177
Alameda 2,500
Stanislaus 20,138
Mariposa 37
San Mateo 47
Santa Clara 338
Merced 1,490
Madera 59
Santa Cruz 17
Monterey 43
Fresno 748
NEVADA
Workers Commuting From
San Joaquin To Other Counties
6 - 50
51 - 500
501 - 5,000
5,001 - 10,000
10,001 - 26,485
San Joaquin
No Commuters To This County
Total Workers Commuting Out: 74,539
Butte 94
Washoe 78
Colusa 65
Nevada 9
Placer 347
Mendocino 16
Lake 23
Sutter 74
El Dorado 181
Yolo 733
Sonoma 197
Napa 325
Sacramento 8,363
Amador 702
Solano 1,051
Calaveras 505
Tuolumne 317
Marin 156
San Joaquin
Contra Costa 5,861
San Francisco 2,023
Alameda 26,485
Stanislaus 12,004
Mariposa 9
San Mateo 2,040
Santa Clara 10,075
Merced 363
Madera 92
Santa Cruz 95
Monterey 136
San Benito 11
Fresno 369
NEVADA
Total Workers Who Live And Work in San Joaquin: 196,952
Data Source:
Special Report of 2011 to 2015 County-to-County Commuting Flows,
American Community Survey, U.S. Census Bureau,
report released 2019
Cartography by:
Labor Market Information Division
California Employment Development Department
October 2022
EDD Employment Development Department
State of California
LaborMarketInfo

C. GENERAL DESCRIPTION OF MOUNTAIN HOUSE

The Mountain House (Incorporated in July 1, 2024) in San Joaquin County California has experienced rapid growth since its development commenced in 2003: some key metrics are as follows:

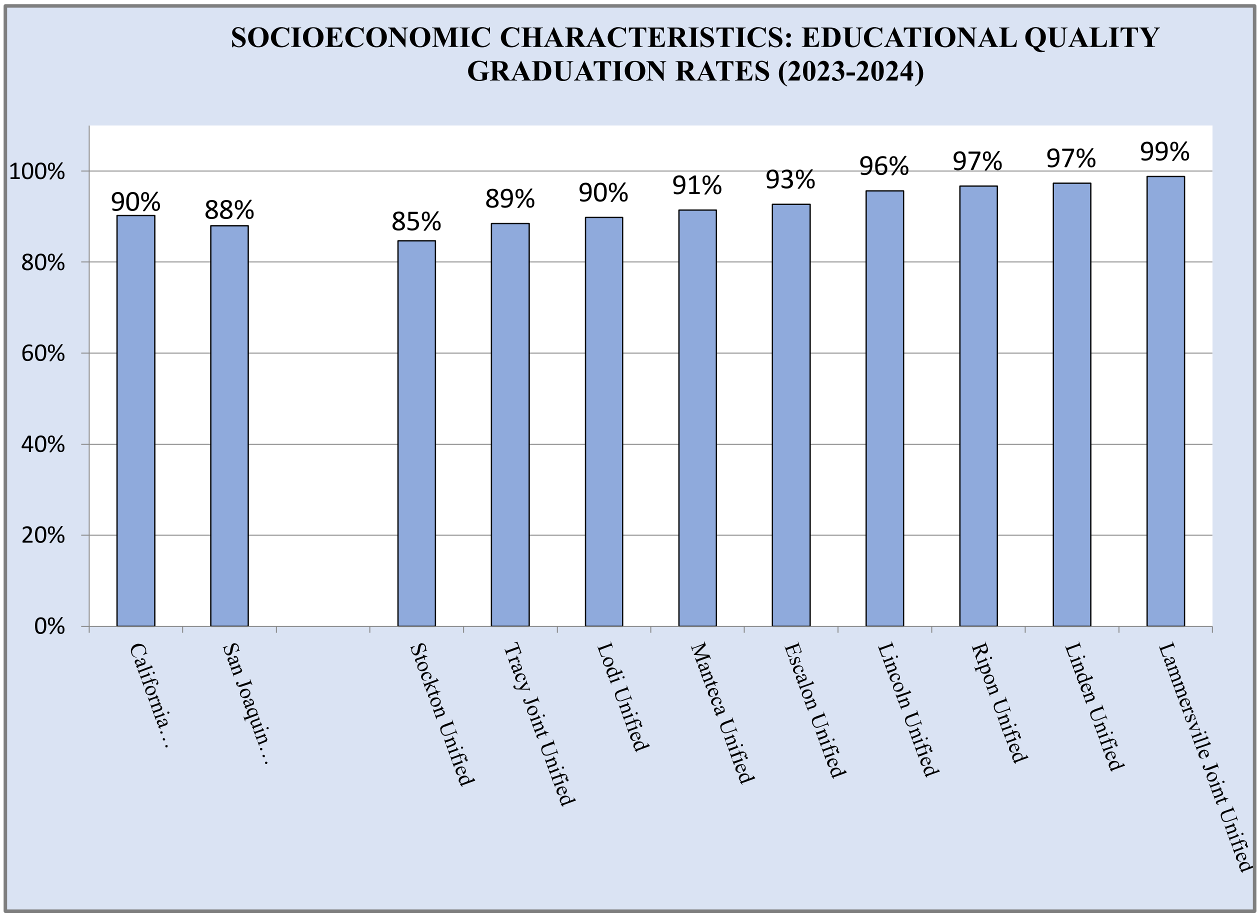
- ✓ Projected population for 2025 of 31,183 residents, a 12% growth rate from 2024.
- ✓ Mountain House High School has a graduation rate of some 99%.
- ✓ Elementary schools are ranked in the top 3% statewide.
- ✓ The median age is approximately 34 years, with the median income level of about $180,000.
- ✓ Most residents are employed in nearby cities such as Pleasanton and Livermore.
- ✓ The median commute time is about 57 minutes, with traffic congestion increasing over time.
- ✓ Governor Newsom's recently mandated for a 4 day in-office requirement for state workers and private sector firms are also moving towards this policy.
- ✓ Consequently, hybrid home/office employees may be impacted with additional commuting time along with the cost of commuting such as for gas, tolls and parking.

Sample of Silicon Valley and San Jose AI Recent/Expected Investments

Company	Planned 2025 Investment	Focus Area
Amazon	$100+ billion	AWS AI data centers
Microsoft	$80 billion	AI data center expansion
Alphabet (Google)	$75 billion	AI infrastructure
Meta	$60–65 billion	AI R&D and data centers
Nvidia	$30 billion (estimated)	GPU production for AI
OpenAI	$15 billion (estimated)	Model training/development
Tesla	$10 billion (estimated)	Autonomous driving AI
Cisco	$8 billion (estimated)	AI-driven networking
Adobe	$5 billion (estimated)	Generative AI for creative
DeepSeek (China)*	$1 billion (reported)	Open-source AI models

D. SOCIOECONOMIC CHARACTERISTICS:
QUALITY OF SCHOOLS AND NEIGHBORHOOD SAFETY

To gauge the quality of schools in the CFD No. 2024-1 Market Area and its vicinity, information was compiled on educational achievement, four-year adjusted cohort graduating rates for high schools, published by the California Department of Education.



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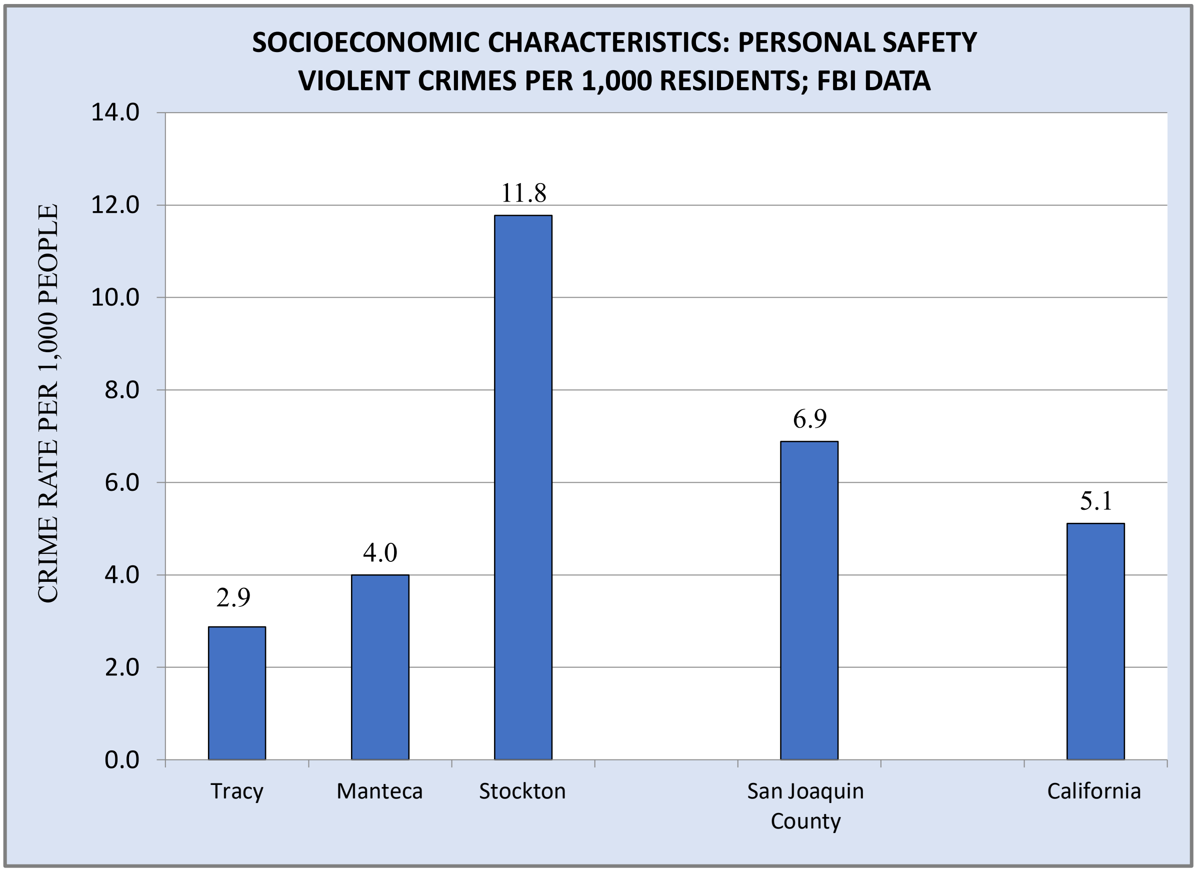
Accordingly, Lammersville Joint USD has a four-year adjusted graduation rate of 99%, higher than the averages of 88% for San Joaquin County and 90% for California, as a whole.

The personal safety of a neighborhood is also a significant socioeconomic factor considered by prospective housing purchasers. Specifically, this is evaluated by using FBI data on violent crimes per 1,000 people per year.



The nearest City for which data on crime levels is available is the City of Tracy located several miles to the southeast has a crime rating of only 2.9 per one thousand residents, which is much lower than for San Joaquin County as a whole, 6.9, as well as other cities in the county such as Manteca at 4.0 and Stockton at 11.8.

Therefore, from a socioeconomic perspective, the CFD No. 2024-1 Mountain House Market Area has a higher educational achievement level than California and San Joaquin County, and also among the highest of the other school districts in the county. Additionally, the City of Tracy Mountain House, has a substantially lower rate of violent crime than for San Joaquin County as a whole.

Accordingly, these are positive socioeconomic factors that supports the demand for homes in CFD No. 2024-1.

E. COMPETITIVE MARKET ANALYSIS OF THE PROJECTS PLANS IN CFD NO. 2024-1

A Competitive Market Analysis of the active/forthcoming projects in CFD No. 2024-1 Villages J & K with final maps is performed by comparing the characteristics of these projects with the characteristics of the nearby currently active projects that are in Mountain House.

Empire Economics, based upon its market surveys, identified the following projects:

Mountain House: CFD No. 2024-1 Villages J & K with Final Maps

- Century Communities: Malana & Lotus
- Rurka Homes: Alserio & Bolsena
- Taylor Morrison: Silverleaf & Trailview
- Richmond American: Belleza
- Master Developer: Parcel, no project name
- Projects by Lennar Homes:
  - Lugano
  - Maggiore
  - Mezzano
  - Turano

Mountain House: Other - Creekside

- Projects by Lennar Homes:
  - Parson Place
  - Banbury Park

Mountain House: Other – College Park

- Projects by Pulte Homes in Avina:
  - Cypress
  - Laurel
  - Sequoia

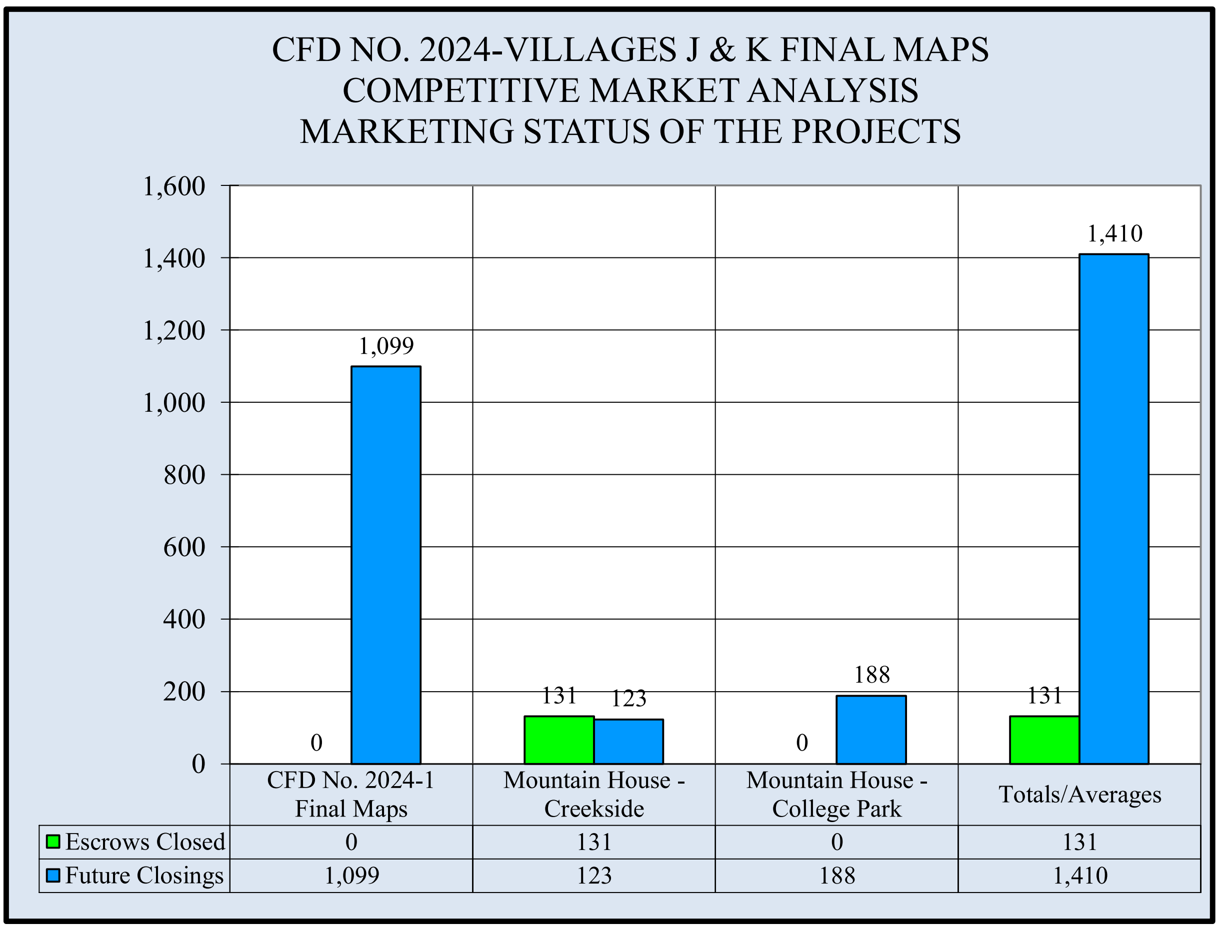
The active/forthcoming projects in CFD No. 2024-1 Villages J & K with final maps along with the market comparable projects in Mountain House are expected to have a total of 1,353 homes; of these, 145 have closed their escrows.

- **CFD No. 2024-1:** 12 active/forthcoming projects with a total of 1,099 homes; no escrow closings.

- **Mountain House –Creekside:** 2 active projects with a total of 254 homes; 131 escrows closed.

- **Mountain House –College Park:** 3 newly active projects with a total of 188 homes; no escrow closings

  For Creekside, sales/escrow closings are reported since the projects have been on the market for some time and have experienced escrow closings, while for the CFD and College Park areas, they are just entering the marketplace, and so they have not yet had escrow closings.



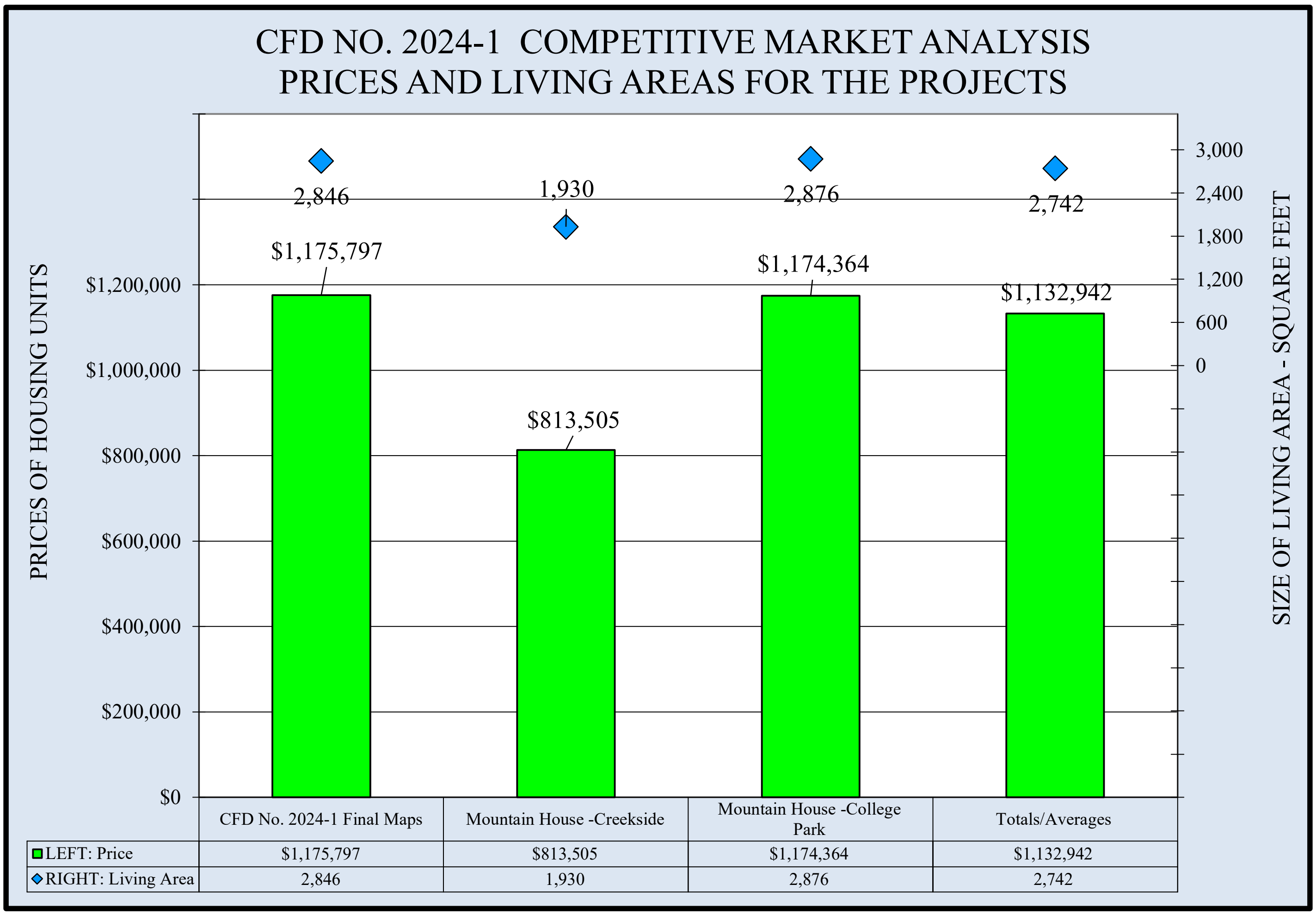
For all of the comparable projects in Mountain House as well as active/forthcoming projects in CFD No. 2024-1, their average price is $1,132,942 while their living area is 2,742 sq.ft., on the average.

- **CFD No. 2024-1 Final Map :** Base prices average $1,175,797 with 2,846 sq.ft. of living area.

- **Mountain House - Creekside:** Base prices average $813,505 with 1,930 sq.ft. of living area.

- **Mountain House – College Park:** Base prices average $1,174,364 with 2,876 sq.ft. of living area.

Currently active projects typically offer lender incentives for utilizing their preferred mortgage lender.

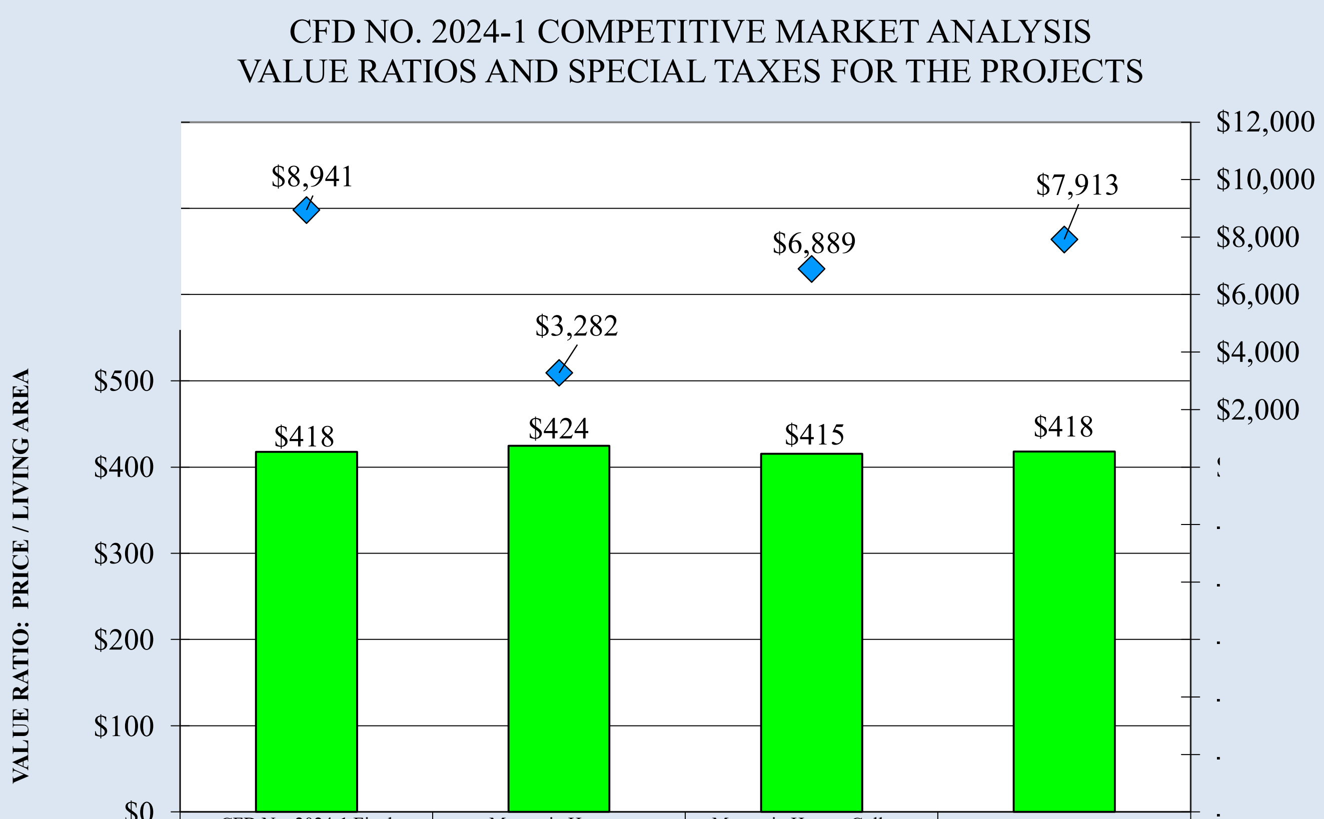


To compare the prices of the comparable projects as well as the active projects in CFD No. 2024-1 their value ratios are utilized, since this effectively makes adjustments for differences in their sizes of living areas.

Value Ratio = Housing Price “divided by” Living Area

Accordingly, the value ratios average $418 per sq.ft. and their Special Taxes/Assessments (excluding ad valorem) average some $7,913/yr. (0.70%) as a ratio to the average housing prices):

- **CFD No. 2024-1 Final Maps :** Value Ratio of $418 and Special Taxes of $8,941/yr. (0.77%/price).
- **Mountain House–Creekside** Value Ratio of $424 and Special Taxes of $3,282/yr. (0.40%/price).
- **Mountain House–College Park** Value Ratio of $415 and Special Taxes of $6,889/yr. (0.62%/price).



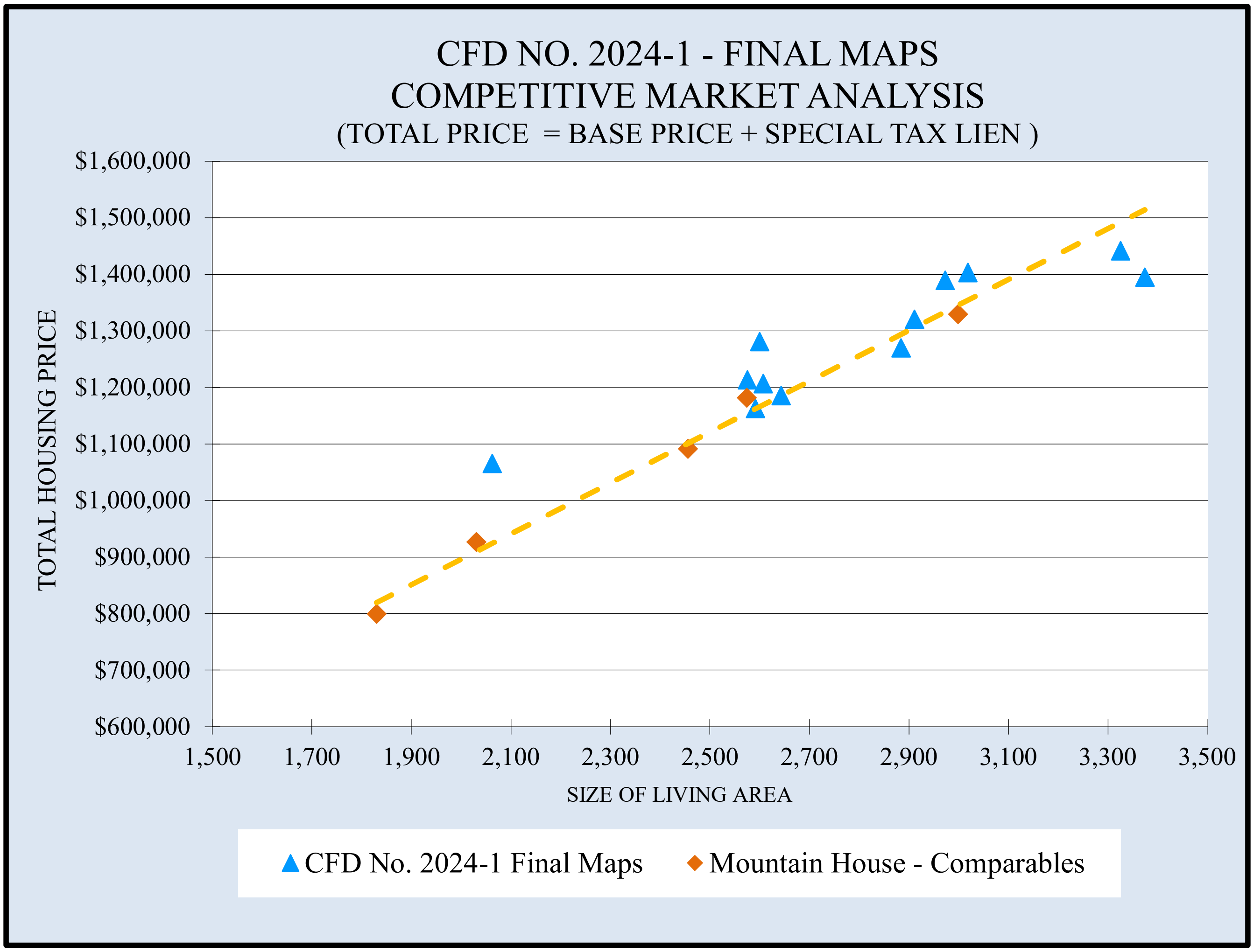
	CFD No. 2024-1 Final Maps	Mountain House - Creekside	Mountain House -College Park	Totals/Averages
LEFT: Value Ratio	$418	$424	$415	$418
RIGHT: Special Assmt/Tax	$8,941	$3,282	$6,889	$7,913

For the Competitive Market Analysis, the active/forthcoming projects in CFD No. 2024-1 (blue triangles) are compared to the Creekside and College Park market comparable projects plans (orange dots/trendline) in Mountain House using the following formula:

The Total Price = Base Price + Special Tax Lien

The CFD No. 2024-1 Final Maps active/forthcoming projects average prices (blue triangles) are generally similar, slightly above/below the market comparable trendline projects (orange dots/trendline) and so they are considered to be priced competitively in the marketplace.

However, the CFD 2024-1 Final Map projects generally have significantly higher sizes of living area and prices as compared to the Mountain House comparable projects.



CHARACTERISTICS OF THE PROJECTS PLANS IN CFD NO. 2024-1 AND THE MARKET COMPETITIVE PROJECTS

Project Locations & Planned Communiies (PC)	Project Name	Builder/ Developer	Product Type	Project Size and Sales			Housing Prices				Size of Living Area				Value	Special Taxes-Est. (Above Base Rate)	
				Total	Escrows Closed	Future	Plan #1	Plan #2	Plan #3	Plan #4	Plan #1	Plan #2	Plan #3	Plan #4	Ratio	Amount/ Year	Ratio/ Price
CFD No. 2024-1 Final Map	Malana	Century	Detached	61	0	61	$1,000,000	$1,070,000	$1,100,000		2,355	2,616	2,803		$408	$8,136	0.77%
CFD No. 2024-1 Final Map	Lotus	Century	Detached	87	0	87	$1,060,000	$1,100,000	$1,130,000		2,443	2,628	2,750		$421	$8,444	0.77%
CFD No. 2024-1 Final Map	Alserio	Rurka Homes	Detached	74	0	74	$1,100,000	$1,200,000	$1,350,000	$1,400,000	2,315	2,769	3,306	3,500	$425	$9,721	0.77%
CFD No. 2024-1 Final Map	Bolsena	Rurka Homes	Detached	89	0	89	$1,200,000	$1,250,000	$1,300,000	$1,350,000	2,681	2,925	3,101	3,366	$422	$9,818	0.77%
CFD No. 2024-1 Final Map	Silverleaf	Taylor Morrison	Detached	87	0	87	$1,120,000	$1,115,000	$1,170,000	$1,210,000	2,654	2,813	3,001	3,067	$400	$8,884	0.77%
CFD No. 2024-1 Final Map	Trailview	Taylor Morrison	Detached	116	0	116	$1,230,000	$1,250,000	$1,285,000	$1,305,000	3,168	3,255	3,482	3,590	$376	$9,760	0.77%
CFD No. 2024-1 Final Map	Belleza	Richmond American	Detached	55	0	55	$1,045,000	$1,043,000	$1,144,000		2,462	2,550	2,916		$408	$8,295	0.77%
CFD No. 2024-1 Final Map	TBD	Rurka Homes	Detached	27	0	27	$1,074,000	$1,164,000	$1,254,000		2,400	2,600	2,800		$448	$8,963	0.77%
CFD No. 2024-1 Final Map	Lugano	Lennar	Detached	134	0	134	$905,880	$948,880	$988,800	$1,028,880	1,829	1,992	2,140	2,289	$469	$7,454	0.77%
CFD No. 2024-1 Final Map	Maggiore	Lennar	Detached	113	0	113	$1,048,880	$1,088,880	$1,118,880	$1,153,880	2,356	2,514	2,658	2,772	$428	$8,490	0.77%
CFD No. 2024-1 Final Map	Mezzano	Lennar	Detached	126	0	126	$1,028,880	$1,213,880	$1,233,880	$1,323,880	2,258	2,965	3,097	3,324	$412	$9,241	0.77%
CFD No. 2024-1 Final Map	Turano	Lennar	Detached	130	0	130	$1,158,880	$1,318,880	$1,343,880	$1,418,880	2,710	3,355	3,525	3,711	$394	$10,088	0.77%
Mountain House -Creekside	Parson Place	Lennar	Detached/Duplex	144	58	86	$694,880	$765,880	$752,880	$825,880	1,603	1,854	1,840	2,024	$415	$3,040	0.40%
Mountain House -Creekside	Banbury Park	Lennar	Detached	110	73	37	$849,880	$876,880	$915,880		1,915	2,041	2,136		$434	$3,524	0.40%
Mountain House -College Park	Cypress	Pulte Homes	Detached	31	0	31	$954,990	$1,064,990			2,222	2,689			$411	$6,262	0.62%
Mountain House -College Park	Laurel	Pulte Homes	Detached	74	0	74	$994,990	$1,089,980	$1,194,990		2,168	2,562	2,992		$425	$6,779	0.62%
Mountain House -College Park	Sequoia	Pulte Homes	Detached	83	0	83	$1,129,990	$1,199,990	$1,269,990	$1,319,990	2,590	2,839	3,159	3,404	$410	$7,626	0.62%
Statistical Summary																	
CFD No. 2024-1 Final Maps				1,099	0	1,099	$1,080,960	$1,146,877	$1,201,537	$1,273,815	2,469	2,749	2,965	3,202	$418	$8,941	0.77%
Mountain House -Creekside				254	131	123	$772,380	$821,380	$834,380	$825,880	1,759	1,948	1,988	2,024	$424	$3,282	0.40%
Mountain House -College Park				188	0	188	$1,026,657	$1,118,320	$1,232,490	$1,319,990	2,327	2,697	3,076	3,404	$415	$6,889	0.62%
Totals/Averages				1,541	131	1,410	$1,035,074	$1,103,544	$1,159,511	$1,233,639	2,361	2,645	2,857	3,105	$418	$7,913	0.70%

SECTION IV

ESTIMATED ABSORPTION SCHEDULES FOR THE RESIDENTIAL PRODUCTS IN CFD NO. 2024-1 VILLAGES J & K FINAL MAPS

SYNOPSIS OF ECONOMIC/FINANCIAL/HOUSING MARKET CONDITIONS

A. Overview of Monetary and Fiscal Policies: Impacts on Mortgage Rates

Federal Reserve Board - Jerome Powell
Holding Steadfast its Policy Of Pursuing a 2.00% Inflation Rate.
Holding Federal Funds Rate Higher than Expected as Long as Unemployment is Moderate

B. Fiscal Policies – President Trump
Renew 2017 Tax Policies and Further Reduce Other Taxes
Levying Tariffs and Cost/Efficiency Efforts May Offset Tax Reduction
But Fiscal Deficits Likely to Remain High or Increase

Restrictive Fed Policies + Expansionary Fiscal Policies
=
Likely Continuation of High Interest/Mortgage Rates

B. Market for New Homes will Face Challenging Conditions: Most Probable Scenario

Delicate Balance Between:
FED 2% goal with moderate employment growth
Near term inflationary pressures: US deficit: tax reductions, tariffs

Limited inventory of existing homes for sale support current price levels
But higher construction costs for builders due to tariffs, such as wood and appliances.

Housing prices not likely to decline significantly due to Constrained Supply
versus a normal market demand-supply price reduction.

When mortgage rates go up they affect demand and supply differently.
Demand declines due to a reduction in affordability, but only moderately.
Supply, due to more existing homeowners being locked into their mortgages, decreases significantly.

New homes benefit from moderately high mortgage rates, existing homeowners locked-in, low rates
Spillover of demand from existing to new homes

Potential major risk factor: If mortgage rates > 7.0% builder buy-downs too expensive.

CFD No. 2024-1 Macroeconomic Conditions – Market Region

San Joaquin County's employment recently increased at an annual rate of 15,500, +5.5%.
Since 2018, transportation/warehousing has grown by +81%.
Since 2018, there were declines for information, 44% and finance/insurance, -14%.
A significant source of housing demand for Mountain House is from households employed by AI/technology firms located in San Jose and Silicon Valley

San Joaquin County has a relatively high unemployment rate, some 6.4%
Within San Joaquin County, Mountain House has a low unemployment rate of about 2.1%
While the City of Tracy at 4.6% and Stockton at 7.1%, are somewhat higher

Since 1989, the San Francisco Market Region has experienced five major appreciation phases of 20%+.
Major downturn of -30% occurred in 2008/2009 when the tech bubble and sub-prime mortgages imploded.

Since 2020, home prices in Mountain House have increased by some +77%
Limited inventory of existing homes, homeowners being locked in with historically low mortgage rates.

Since 2011 Mountain House prices increased at a faster rate than Tracy, due to more new homes.

Due to many existing households being locked in with low mortgage rates, housing sales recently declined.
City of Tracy, about 40/month/average, about 480 annually.
Mountain House about 12/month/average, some 160 annually.

Lammersville Joint Unified School District has a higher graduation rate than San Joaquin County.
Mountain House area has a substantially lower rate of violent crime than San Joaquin County.

San Joaquin County and Mountain House have recently experienced strong employment conditions, Lammersville Joint USD educational facilities are highly rated.

Due to existing homeowners being locked in with low mortgage rates,
Mountain House home prices have increased significantly
But the level of housing sales has declined substantially.

<u>CFD No. 2024-1 Market Area: Competitive Market Analysis</u>

The Competitive Market Analysis of the active/forthcoming projects in CFD No. 2024-1 are compared to other nearby active projects in Mountain House.

CFD No. 2024-1 Final Maps : 12 active/forthcoming projects with 1,099 planned homes; no closings.
Mountain House –Creekside: 2 active projects with a total of 254 homes; 131 closings.
Mountain House –College Park: 3 newly active projects with a total of 188 homes; no closings

CFD 2024-1's active/forthcoming projects have relatively higher sizes of living areas/prices.
oriented towards move-up households ($1,176,000 for 2,846 sq.ft./avg.).
By comparison, other active projects are oriented to first-time buyers ($814,000 for 1,930 sq.ft)/avg.)

CFD No. 2024-1's active/forthcoming projects are significantly different than the comparables.
CFD projects have estimated prices and living area that are 45%+ higher.
CFD projects have more planned homes 1,099 vs. 254.
Therefore, CFD No. 2024-1's projects are primarily oriented towards move-up households, many of whom may now have lower mortgage rates and property taxes on their existing homes.

Active/forthcoming Supply of New Homes
CFD No. 2024-1 Villages K & J and Active Comparables

Mountain House is currently experiencing a significant increase in the number of projects that are entering the marketplace:

Market Comparables:

For Creekside, there are still two projects on the market.

Recently, three new projects by Pulte Homes in College Park are building models/presales.

CFD No. 2024-1: Villages J & K Final Maps

Lennar Homes with four new projects, model openings February–April 2025

Various builders with 7 new projects in the CFD, models expected April – October 2025

Remaining new project in the CFD with models expected in early 2026.

Therefore, the overall number of new homes for future escrow closings amounts to 1,410 homes.

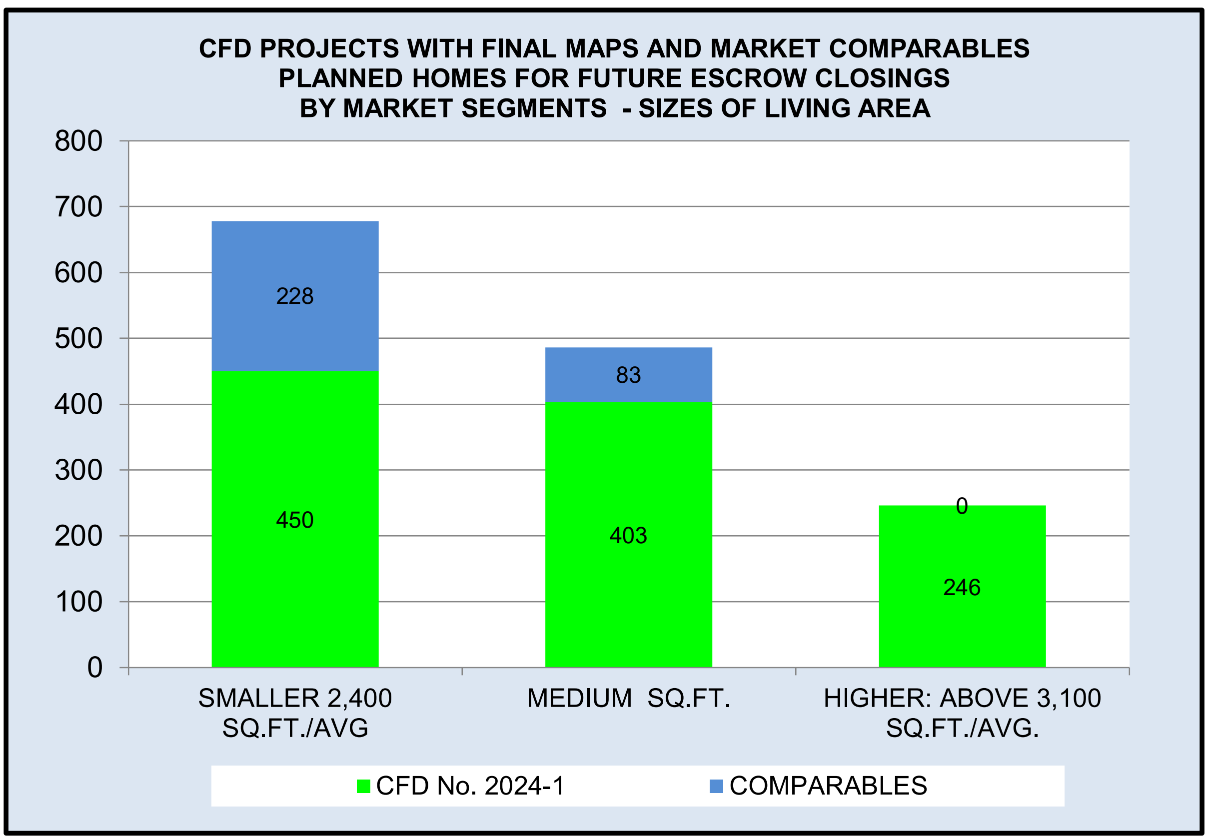
CFD No. 2024-1 Villages J & K projects with final map projects have a total of 1,099 home.

Market comparable projects have another 311 homes.

With regards to the composition of the active/forthcoming homes for future escrow closings by various market segments, there are some significant differences between the CFD projects and the market comparables.

The market comparables primarily have homes with smaller to medium size square footages.

The CFD projects have the highest shares of medium to higher square footage products.



DESCRIPTION OF FUNDAMENTAL FACTORS UNDERLYING ABSORPTION SCHEDULES

Open Model Complexes

Malana	**Lotus**	**Alserio**	**Bolsena**	**Silverleaf**	**Trailview**	**Belleza**	**TBD**
August 2025	.October 2025	.April 2025	. August 2025	. May 2025	. May 2025	. August 2025	. February 2026

Lugano	**Maggiore**	**Mezzano**	**Turano**
. February 2025	. February 2025	. April 2025	.February 2025

Estimated Absorption Rates – Annually

Malana	Lotus	Alserio	Bolsena	Silverleaf	Trailview	Belleza	TBD
40	40	30	30	35	25	40	35

Lugano	Maggiore	Mezzano	Turano
45	40	35	25

Absorption is defined herein as the escrow closing of a home, since this represents the diversification of ownership which is of interest to prospective bond purchasers.

Empire provides for a time adjustment between when the sales of homes occurs and when an escrow actually closes; the time span required for the construction of the homes and the certificate of occupancy.

Economic/Employment and Housing Market Adjustment Factors

ANNUAL ADJUSTMENT FACTORS	**RATIOS**	**REMARKS**
Benchmark	1.00	Based Upon Current Market Conditions
March -December 2025	0.80	Significant Level of Economic Uncertainty
2026	0.90	Market Conditions Improve
2027	1.00	Market Conditions Normalized
2028	1.10	Projects Approach Closing -Out
.2029+	2.00	Projects Close-Out

ESTIMATED ABSORPTION SCHEDULES FOR THE RESIDENTIAL PRODUCTS IN CFD NO. 2024-1 VILLAGES J & K FINAL MAPS

Based upon a consideration of the characteristics of the active/forthcoming projects in CFD No. 2024-1 Villages J & K with Final Maps along with the expected economic and housing market conditions, the estimated absorption schedules are now estimated.

The critical components underlying the estimated absorption schedule with regards to the economy/employment, financial markets/mortgage rates and housing market conditions in Mountain House are as follows:

Economy/employment growth expected to be moderate/slow but not decline.
RISK FACTOR – RECESSION

Financial market/mortgage rates are expected to be stable:
RISK FACTOR: INFLATION RISES DUE TO TARIFFS AND/OR FISCAL DEFICITS

CFD No. 2024-1 and comparable projects are expected to adjust to demand-supply conditions:
RISK FACTOR: Builders increase the supply of homes, then lower prices due to high inventory

Therefore, Empire takes into consideration the favorable reputation that Mountain House has established in attracting households to a Planned Community which has strong socioeconomic factors along with desirable amenities.

For purposes of a municipal bond financing, Empire integrates various safeguards into its forecasts to provide the most probable absorption schedules balancing the positive and risk factors presented above.

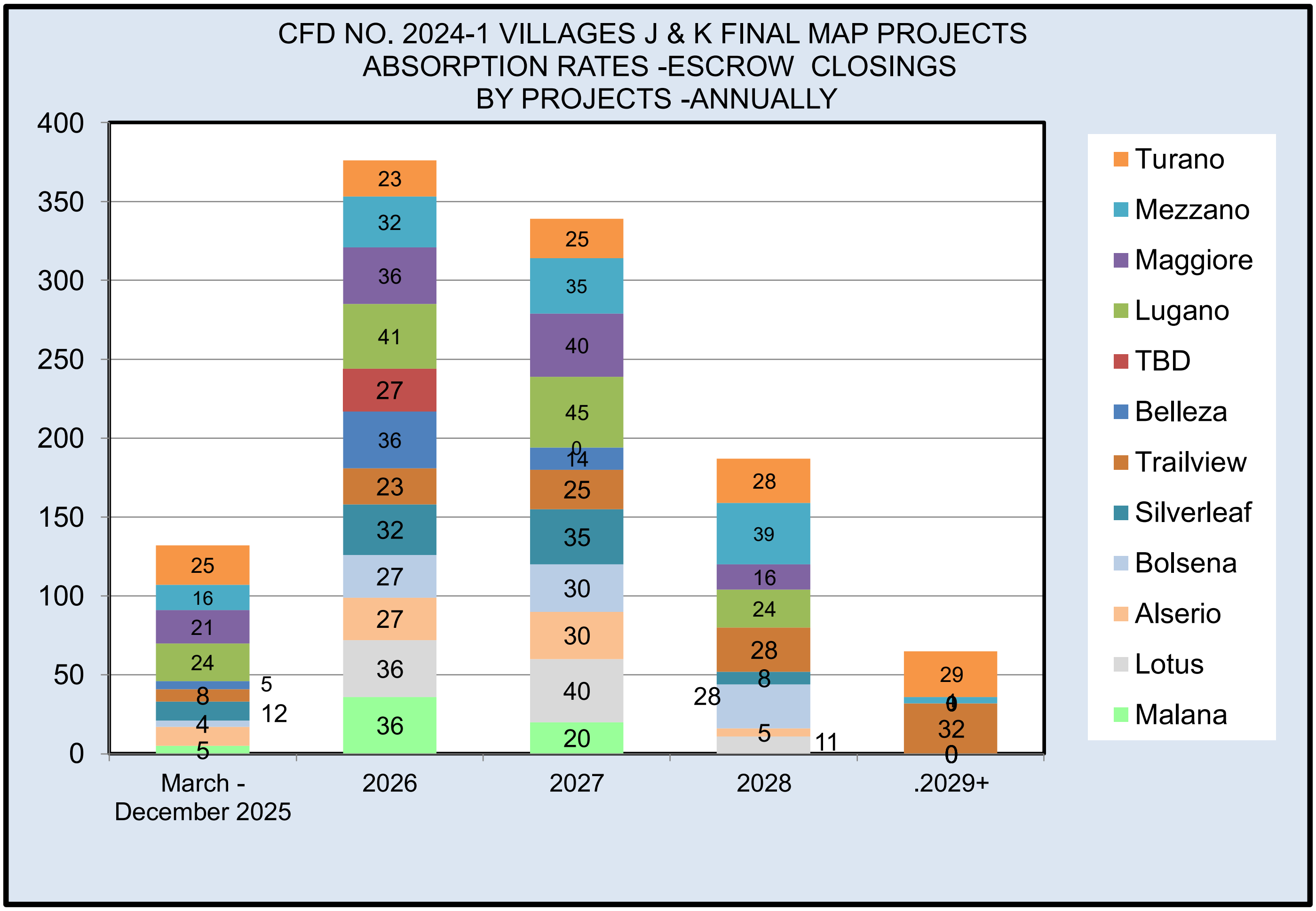
March-December 2025: 132 escrow closings
Projects open model complexes.
But time required to construct homes and close escrows.

2026: 376 escrow closings
Projects all on the marketplace, along with time for the economy to adjust to new economic and housing market conditions.

2027: 339 escrow closings
Three of the twelve projects close-out, so a lower inventory of for-sale homes.

2028: 187 escrow closings
Seven more projects close-out, so minimal inventory of homes remaining

2029: Remaining two projects with 65 homes are closed-out.


CFD NO. 2024-1 VILLAGES J & K FINAL MAP PROJECTS
ABSORPTION RATES -ESCROW CLOSINGS
BY PROJECTS -ANNUALLY
400
350
300
250
200
150
100
50
0
March - December 2025
2026
2027
2028
.2029+
Turano
Mezzano
Maggiore
Lugano
TBD
Belleza
Trailview
Silverleaf
Bolsena
Alserio
Lotus
Malana
25
16
21
24
5
8
12
4
5
23
32
36
41
27
36
23
32
27
27
36
36
25
35
40
45
0
14
25
35
30
30
40
20
28
39
16
24
28
8
28
5
11
29
0
0
32
0

CFD NO. 2024-1 CFD NO. 2024-1 VILLAGES J & K FINAL MAPS
ESTIMATED ABSORPTION SCHEDULES

	Village K	Village J	Village J	Village J	Village J	Village J	Village K	Village K
Project Name	**Malana**	**Lotus**	**Alserio**	**Bolsena**	**Silverleaf**	**Trailview**	**Belleza**	**TBD**
Tract #	3926	3974	3973 - 74	3974	3975	3975	3926	3926
Builder/Property Owner	Century	Century	Rurka Homes	Rurka Homes	Taylor Morrison	Taylor Morrison	ichmond America	Rurka Homes
	Communities	Communities						
Product Type	Detached	Detached	Detached	Detached	Detached	Detached	Detached	Detached
Lot Size Sq.Ft.	3,600	3,825	5,500	5,000	5,500	6,000	4,050	4,050
Expected Homes	61	87	74	89	87	116	55	27
Expected Model Complexes Open	August 2025	.October 2025	.April 2025	. August 2025	. May 2025	. May 2025	. August 2025	. February 2026
Expected Escrow Closing	.October 2025	. December 2025	. June 2025	.October 2025	. July 2025	. July 2025	. October 2025	. April 2026
Escrows Closed	0	0	0	0	0	0	0	0
Future Closings	61	87	74	89	87	116	55	27
Empire's Absorption/ Schedules - Cumulatively								
March -December 2025	5	0	12	4	12	8	5	0
2026	41	36	39	31	44	31	41	27
2027	61	76	69	61	79	56	55	27
2028	61	87	74	89	87	84	55	27
.2029+	61	87	74	89	87	116	55	27
Empire's Absorption/ Schedules - Annually								
March -December 2025	5	0	12	4	12	8	5	0
2026	36	36	27	27	32	23	36	27
2027	20	40	30	30	35	25	14	0
2028	0	11	5	28	8	28	0	0
.2029+	0	0	0	0	0	32	0	0
Totals	**61**	**87**	**74**	**89**	**87**	**116**	**55**	**27**

CFD NO. 2024-1 CFD NO. 2024-1 VILLAGES J & K FINAL MAPS
ESTIMATED ABSORPTION SCHEDULES

	Village-J	Village-J	Village-J	Village-J	Overall
Project Name	**Lugano**	**Maggiore**	**Mezzano**	**Turano**	**Totals/**
					Averages
Tract #	3968,69,71	3968-71	3968, 70, 72	3968, 3972	
Builder/Property Owner	Lennar	Lennar	Lennar	Lennar	
Product Type	Detached	Detached	Detached	Detached	
Lot Size Sq.Ft.	4,050	5,000	5,500	6,000	
Expected Homes	134	113	126	130	1,099
Expected Model Complexes Open	. February 2025	. February 2025	. April 2025	.February 2025	
Expected Escrow Closing	.April 2025	. April 2025	.May 2025	.April 2025	
Escrows Closed	0	0	0	0	0
Future Closings	134	113	126	130	1,099
Empire's Absorption/ Schedules - Cumulatively					**Cumulatively**
March -December 2025	24	21	16	25	132
2026	65	57	48	48	508
2027	110	97	83	73	847
2028	134	113	122	101	1,034
.2029+	134	113	126	130	1,099
Empire's Absorption/ Schedules - Annually					**Annually**
March -December 2025	24	21	16	25	132
2026	41	36	32	23	376
2027	45	40	35	25	339
2028	24	16	39	28	187
.2029+	0	0	4	29	65
Totals	**134**	**113**	**126**	**130**	**1,099**

SECTION V: ASSUMPTIONS AND LIMITING CONDITIONS

The Market Absorption Study is based upon various assumptions and limiting conditions; accordingly, these are as follows:

Property Boundaries

No survey or engineering analysis of CFD No. 2024-1 property has been made by the market analyst. The CFD Boundary Map utilized for CFD No. 2024-1 is deemed to be reliable. The market analyst assumes the existing boundaries to be correct, that no encroachments exist and assumes no responsibility for any condition not readily observable from customary investigation and inspection of the premise, which might affect the valuation, excepting those items which were specifically mentioned in the report.

Maps and Exhibits

Maps and exhibits included in this report are for illustration only as an aid in visualizing matters discussed within the report. They should not be considered as surveys, or relied upon for any other purpose, nor should they be removed from, reproduced, or used apart from the report.

Title to Property

No opinion as to title is rendered. Data related to ownership and legal description, obtained from governmental records related to the formation of the District that forms the basis for identifying the boundaries of CFD No. 2024-1 are considered reliable. Title is assumed to be marketable and free and clear of all liens, encumbrances, easements and restrictions except those specifically discussed in the report. The property is evaluated assuming it is under responsible ownership and competent management and available for development to highest and best use.

Earthquakes and Seismic Hazards

The property which is the subject of this market analysis is within a geographic area prone to earthquakes and seismic disturbances. Except as specifically indicated in the report, no seismic or geologic studies have been provided to the market analyst concerning the geologic and/or seismic condition of the subject property. The market analyst assumes no responsibility for the possible effect on the subject property of seismic activity and/or earthquakes.

Soil and Geological Studies

No detailed soil studies or geological studies or reports were made available to the market analyst. Assumptions employed in this report regarding soils and geologic qualities of the subject property have been provided to the client. However, such assumptions are not conclusive and the market analyst assumes no responsibility for soils or geologic conditions discovered to be different from the conditions assumed unless otherwise stated in this report.

Hidden or Unapparent Conditions

The market analyst assumes no responsibility for hidden or unapparent conditions of the property, subsoil, groundwater or structures that render the subject property more or less valuable. No responsibility is assumed for arranging for engineering, geologic or environmental studies that may be required to discover such hidden or unapparent conditions.

Presence and Impact of Hazardous Material

Unless otherwise stated in the report, the market analyst did not become aware of the presence of any hazardous material or substance during the market analyst's general inspection of the subject property. However, the market analyst is not qualified to investigate or test for the presence of such materials or substances. The presence of such materials or substances may adversely affect the evaluation of the subject property. The market analyst assumes no responsibility for the presence of any such substance or material on or in the subject property, nor for any expertise or engineering knowledge required to discover the presence of such substance or material.

Structural Deficiencies of Improvements

The market analyst has not performed a thorough inspection of the subject property, and except as noted in this report has not found obvious evidence of structural deficiencies in any improvements located on the subject property. Consequently, the market analyst assumes no responsibility for hidden defects or nonconformity with specific governmental requirements, such as fire, building and safety, earthquake or occupancy codes, unless inspections by qualified independent professions or governmental agencies were provided to the market analyst. Further, the market analyst is not a licensed engineer or architect and assumes no responsibility for structural deficiencies not apparent to the market analyst at the time of their inspection.

Presence of Asbestos

The market analyst is not aware of the existence of asbestos in any existing improvements on the subject property. However, the market analyst is not trained to discover the presence of asbestos and assumes no responsibility should asbestos be found in or at the subject property. For the purposes of this report, the market analyst assumes the subject property is free of asbestos and the subject property meets all federal, state and local laws regarding asbestos abatement.

Environmental and Other Regulations

The property is evaluated assuming it to be in full compliance with all applicable federal, state and local environmental regulations and laws, unless otherwise stated, and that there are no lawsuits that may adversely impact the rate of development.

Required Permits and Other Governmental Authority

Unless otherwise stated, the property evaluated is assumed to have all required licenses, permits, certificates, consents or other legislative and/or administrative authority from any local, state or national government or private entity or organization that have been or can be obtained or renewed for any use on which the evaluation analysis contained in this report is based upon.

Designated Economic Scenario

The Market Absorption Study focuses upon the expected absorption schedule for the products in CFD No. 2024-1 according to the designated economic scenario. Specifically, this scenario represents the economic and real estate conditions for the Market Region and also the Market Area during the foreseeable future according to the most probable conditions, and this is regarded as being appropriate for the Bond Financing. However, the economic and market conditions which actually materialize on a year by year basis may differ from those presented according to the designated economic scenario, as a result of exogenous factors which are difficult to forecast/quantify. Accordingly, the designated scenario should be utilized as an economic framework for evaluating the marketing prospects of the properties within CFD No. 2024-1 rather than a "literal" representation of what is expected to occur on a year/year basis during the foreseeable future.

Provision of the Infrastructure

The Market Absorption Study assumes that the governmental agencies that supply public facilities and services, including water, provide these in a timely manner so that the proposed products/projects in CFD No. 2024-1 can respond to the expected market demand for their products. Otherwise, if the required infrastructure is not available in a timely manner, then the absorption of the products/projects could be adversely impacted.

Developer/Builders Responsiveness to Market Conditions

The Market Absorption Study assumes that the developer/builders in CFD No. 2024-1 responds to the market conditions with products that are competitively priced and have the features/amenities that are desired by the purchasers. The projects/homes in CFD No. 2024-1 just recently entered the marketplace Consequently, to the extent that future products/projects have prices/features that differ from the competitive market standards, then their absorption schedule would need to be modified.

Financial Strength of the Projects' Developer/Builders

The Market Absorption Study assumes that the developer/builders in CFD No. 2024-1 (and also their lenders) have sufficient financial strength to adequately fund their projects, including paying their Special Taxes/Assessments, and that they have sufficient financial reserves which could be utilized to supplement their cash flow positions, in the event that adverse economic or market conditions occur.

Accuracy of Information from Others

In preparing this report, the market analyst was required to rely on information furnished by other individuals or found in previously existing records and/or documents. Unless otherwise indicated, such information is presumed to be reliable. However, no warranty, either expressed or implied, is given by the market analyst for the accuracy of such information and the market analyst assumes no responsibility for information relied upon and later found to have been inaccurate. The market analyst reserves the right to make such adjustments to the analyses, opinions and conclusions set forth in this report as may be required by consideration of additional data or more reliable data that may become available.

Liability of Market Analyst

The liability of Empire Economics, the market analyst responsible for this report, is limited to the client only and to the fee actually received by the market analyst. Further, there is no accountability, obligation or liability to any third party. If this report is placed in the hands of anyone other than the client, the client shall make such party aware of all limiting conditions and assumptions of the assignment and related discussion. The market analyst is in no way to be responsible for any costs incurred to discover or correct any deficiencies or any type present in the property--physical, financial, and/or legal.

Testimony or Court Attendance

Testimony or attendance in court or at any other hearing is not required by reason of rendering this market analysis, unless such arrangements are made a reasonable time in advance of said hearing. Separate arrangements would need to be made concerning compensation for the market analyst's time to prepare for and attend any such hearing.

Right of Publication of Report

Possession of this report, or a copy of it, does not carry with it the right of publication except for the party to whom it is addressed. Without the written consent of the market analyst, this report may not be used for any purpose by any person other than the party to whom it is addressed. In any event, this report may be used only with properly written qualification and only in its entirety for its stated purpose.

Timeliness of the Market Absorption Study

The Market Absorption Study performs a comprehensive analysis of the relevant land-use, economic and residential market conditions that are expected to influence the marketing success of the products/projects in CFD No. 2024-1. Nevertheless, the Study should be dated within six-months of the bond sale, or even sooner, should these land-use and/or economic market as well as real estate conditions change significantly.

APPENDIX A
CREDENTIALS/QUALIFICATIONS OF EMPIRE ECONOMICS
RESUME: JOSEPH T. JANCZYK, Ph.D.

Education: University of California, Riverside, Ph.D. in Economics, Completed in 1976
Specializations in Urban Economics, Mathematical Modeling and Econometric Analysis

State University of New York at Buffalo, Bachelors, Completed in 1970
Dual Majors: Economics and Psychology

Prior Employment: California State University, Tenured Economics Professor: 1976-1985
Courses Taught: Microeconomics, Macroeconomics, Urban Economics, Regional, Computer Modeling, Econometrics, among others

Empire Economics: Chairman and President: 1986-Present

- Perform Independent Real Estate Consulting Services Primarily for Land Secured Financings
- Work for Public Entities including Counties, Cities, School Districts and Water Districts
- Long-term Relationships with Many Clients, 25+ years
- Well Established Relationships with Numerous Professionals in the Municipal Finance Industry
- Performed 500+ Studies on behalf of Public Entities for $15B+ in municipal financing
  - Land Secured Financings for Planned Communities, Business Parks and Retail Centers for 400+ CFDs/ADs for $7.5B bonds
    - Price Point Study – Establish Special Taxes that conform to public entities' policies
    - Market Absorption Studies - Provide timelines for phasing infrastructure
    - Homeowner Equity Studies and Forecasts of Assessed Values
    - Economic Forecasting Studies: Forecast Employment and Housing Demand
- Socioeconomic Studies Orange County Transportation Corridors: 2 studies $2.75B bonds
  - Designated as Municipal Bond Issue of the Year for 1999
  - Rating Agency and Bond Insurer Presentations – Trips to New York City
- Mortgage Revenue Bond Issues: Lower Mortgage Rates 50+ studies for $1.7B bonds
- Other Municipal Bond Issues: 35+ studies $2B+ bonds; Certificates of Participation, others
- Forthcoming Bond Issues: 30+ studies for $500M+ future bond sales

Industry Contributions – Regular Speaker/Panelist at Following Events:

- State Treasurer, Mr. John Chiang: Council of Economic Advisors: January 2015 – December 2018
  - Bi-annual meetings and published articles in the Treasurer's Newsletter, Intersections
- UCLA Municipal Bond Financing Seminars (10+ times, as Featured Speaker)
- Bond Buyer Conference
- League of Cities
- Municipal Bond Industry Association
- Best Practices for Continuing Disclosure
- Appraisal Standards for Land Secured Financing by CDIAC
- Meetings with Municipal Bond Funds

Dedicated to Public Sector: Certifications Provided in each Study:

- Empire has not performed any consulting services for the CFD/AD property owners nor the developers/builders, during the past thirty+ years.
- Empire will not perform any consulting services for the CFD/AD property owner nor the developers/builders, during the next five years.

EMPIRE'S CONFORMANCE WITH CALIFORNIA DEBT AND INVESTMENT ADVISORY COMMISSION RECOMMENDATIONS

The California Debt and Investment Advisory Commission (CDIAC), of which the State Treasurer serves as chair, published the Appraisal Standards for Land-Secured Financings (CDIAC Standards), with the input of municipal finance professionals. Many California issuers have recognized the CDIAC Standards as a basis for appraisals under the Mello-Roos Act, as well as providing standards for market absorption studies. Empire Economics surpasses the minimum recommended qualifications as proposed by CDIAC for market absorption studies, with respect to independence as well as qualifications and experience.

CDIAC Recommendations	**Empire Economics**
Independence	
<u>1. Avoid Conflicts of Interest:</u> Knowing that developers and builders may influence the outcome of a market absorption study, market absorption analysts should describe their business relations with developers and builders during the past three years in the market absorption study.	1. Empire Economics conducts market absorption studies <u>only</u> for governmental entities, and this has provided numerous public entities with a high level of comfort. By comparison, other firms that provide services to developers/builders may encounter "conflicts of interest" in trying to represent both the private and public sectors. 2. Empire Economics, as part of the Market Study, signs a Certification of Independence which includes the following: * Empire Economics has not performed any consulting services for the District's property owners nor the developers/builders during at least the past thirty+ years. * Empire Economics will not perform any consulting services for the District's property owners nor developers/builders during at least the next five years.
Qualifications and Experience	
<u>1. Educational Qualifications:</u> The market absorption analysts should possess at least a Bachelor's degree but preferably an advanced degree with courses in real estate and economics.	1. Dr. Janczyk received his Doctorate in Economics from the University of California. As a tenured Economics Professor at California State University, he taught courses in microeconomics, macroeconomics, regional economics, and computer modeling. Dr. Janczyk has been a featured speaker at numerous seminars including the California Debt Advisory Commission, Bond Buyer Conference, League of Cities, Municipal Bond Analysts, California Association of Realtors, and Moody's Investor Services, among others.
<u>2. Experience with Land-Secured Financings:</u> The market absorption analysts should possess a minimum of five years of experience in performing market studies for land-secured financings. Additionally, they should be well versed in analyzing economic and real estate data that relates to the pricing and absorption of properties contained within a CFD and through this experience be capable of addressing issues unique to land-secured financing, including the use of Price Points in the Rate and Method of Apportionment.	2. During the past thirty+ years, Dr. Joseph T. Janczyk, president of Empire Economics, has prepared market absorption studies for more than five hundred land-secured Bond Issues, providing the comfort level required for numerous California counties, cities, school districts, water districts and other special districts to finance approximately $15+ billion worth of capital improvement projects.

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