

APPRAISAL REPORT

COMMUNITY FACILITIES DISTRICT NO. 2022-2 (McLaughlin Village) OF THE CITY OF MENIFEE (The Village by Century Communities)

City of Menifee, Riverside County, California
(Appraiser's File No. 2025-1304)



Prepared For
City of Menifee
29844 Haun Road
Menifee, California 92586

Prepared By
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KITTY SIINO & ASSOCIATES, INC.
REAL ESTATE APPRAISERS & CONSULTANTS

May 5, 2025

Travis Hickey, Chief Financial Officer
City of Menifee
29844 Haun Road
Menifee, California 92586

Reference: Appraisal Report – City of Menifee
Community Facilities District No. 2022-2 (McLaughlin Village)
The Village, SEC Sun City Blvd. and McLaughlin Road, Menifee, California

Dear Mr. Hickey:

At the request and authorization of the City of Menifee, we have completed an Appraisal Report for Community Facilities District No. 2022-2 (McLaughlin Village) of the City of Menifee ("Menifee CFD No. 2022-2"). Menifee CFD No. 2022-2 consists of a new home neighborhood known as The Village by Century Communities of California, LLC ("Century Communities). The Village (formerly known as McLaughlin Village) includes a total of 126 proposed single-family detached homes on condominium lots. The Village includes three plans ranging in size from 2,021 to 2,420 square feet. Out of the total 126 proposed homes, 93 have closed escrow to individuals with an additional five homes in escrow. The remaining lots range in condition from completed model homes to production homes over 95 percent complete to production homes under construction and finished lots.

The valuation method used in this report is the Sales Comparison Approach along with a mass appraisal technique as defined within this report. The fee simple estate of the subject property has been valued subject to the Menifee CFD No. 2022-2 special tax lien. The fee simple estate valuation includes a bulk sale value due to multiple homes under a single ownership. This report is written with the hypothetical condition that the subject property is enhanced by the improvements and/or fee credits to be funded by bonds issued by City of Menifee CFD No. 2022-2. As a result of our investigation, the concluded market value for the subject property is:

Menifee CFD 2022-2 (McLaughlin Village)

| | |
|---|-----------------------------|
| Century Communities Ownership (22 lots & 11 houses) | \$ 8,471,254 |
| Individual Owners (93 houses) | <u>49,434,150</u> |
| Total Aggregate Value Menifee CFD No. 2022-2 | <u>\$ 57,905,404</u> |

The above values are stated subject to the Assumptions and Limiting Conditions of this report, the Appraiser's Certification and as of April 1, 2025.

Travis Hickey
CITY OF MENIFEE
May 5, 2025
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Some supporting documentation concerning the data, reasoning and analyses may be retained in the appraiser's files. The information contained in this report is specific to the needs of the client and for the intended use stated in this report. This Appraisal Report is intended to comply with both the Uniform Standards of Professional Appraisal Practice ("USPAP" January 2022) and with the Appraisal Standards of the California Debt and Investment Advisory Commission ("CDIAC"). The appraiser is not responsible for unauthorized use of this report. The appraised value contained within this report is being estimated with the hypothetical condition of the special tax lien of the Meniffee CFD No. 2022-2 bonds.

This letter of transmittal is part of the attached report, which sets forth the data and analyses upon which our opinion of value is, in part, predicated.

Respectfully submitted,

KITTY SIINO & ASSOCIATES, INC.

A handwritten signature in cursive script, reading "K. Siino".

Kitty S. Siino, MAI
California State Certified General
Real Estate Appraiser (AG004793)

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ADDENDA

Tract Map No. 36937 and Final Phase Condo Map
CalFire High Fire Severity Hazard Maps
Discounted Cash Flow Analysis
Residential Land Sales Map and Summary Chart
Improved Residential Sales Map and Summary Chart
Appraiser's Qualifications

ASSUMPTIONS AND LIMITING CONDITIONS

1. This report might not include full discussions of the data, reasoning and analyses that were used in the appraisal process to develop the appraiser's opinion of value. Some supporting documentation concerning the data, reasoning and analyses may be retained in the appraiser's files. The information contained in this report is specific to the needs of the client and for the intended use stated in this report. The appraiser is not responsible for unauthorized use of this report.
2. No responsibility is assumed for legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated in this report.
3. The property is appraised subject to the special tax lien of the bonds for City of Menifee CFD No. 2022-2.
4. Responsible ownership and competent property management are assumed unless otherwise stated in this report.
5. The information furnished by others is believed to be reliable, however, no warranty is given for its accuracy.
6. All engineering is assumed to be correct. Any plot plans and illustrative material used in this report are included only to assist the reader in visualizing the property and may not be to scale.
7. It is assumed that there are no hidden or unapparent conditions of the property, subsoil or structures that would render it more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.
8. It is assumed that there is full compliance with all applicable federal, state and local environmental regulations and laws unless otherwise stated in this report.
9. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless nonconformity has been stated, defined and considered in this appraisal report.
10. It is assumed that all required licenses, certificates of occupancy or other legislative or administrative authority from any local, state or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value estimates contained in this report are based.
11. Any sketch included in this report may show approximate dimensions and is included only to assist the reader in visualizing the properties. Maps and exhibits found in this report are provided for reader reference purposes only. No guarantee regarding accuracy is expressed or implied unless otherwise stated in this report. No survey has been made for the purpose of this report.

12. It is assumed that the utilization of the land and improvements are within the boundaries or property lines of the property described and that there is no encroachment or trespass unless otherwise stated in this report.
13. The appraiser is not qualified to detect hazardous waste and/or toxic materials. Any comment by the appraiser that might suggest the possibility of the presence of such substances should not be taken as confirmation of the presence of hazardous waste and/or toxic materials. Such determination would require investigation by a qualified expert relating to asbestos, urea-formaldehyde foam insulation or other potentially hazardous materials that may affect the value of the property. The appraiser's value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value unless otherwise stated in this report. No responsibility is assumed for any environmental conditions or for any expertise or engineering knowledge required to discover them. The appraiser's descriptions and resulting comments are the result of the routine observations made during the appraisal process.
14. Proposed improvements, if any, are assumed to be completed in a good workmanlike manner in accordance with the submitted plans and specifications.
15. The distribution, if any, of the total valuation in this report between land and improvements applies only under the stated program of utilization. The separate allocations for land and buildings, if any, must not be used in conjunction with any other appraisal and are invalid if so used.
16. The Americans with Disabilities Act ("ADA") became effective on January 26, 1992. The appraiser has made no specific compliance survey and analysis of the property to determine whether they conform to the various detailed requirements of the ADA, nor is the appraiser a qualified expert regarding the requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the ADA. If so, this fact could have a negative effect upon the value of the property. Since the appraiser has no direct evidence relating to this issue, a possible noncompliance with requirements of the ADA in estimating the value has not been considered.
17. It is assumed there are no environmental concerns that would slow or thwart development of the subject property and that the soils are adequate to support the highest and best use conclusion.
18. Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the appraiser, and in any event, only with proper qualification and only in its entirety. Permission is given for this appraisal to be published as a part of the Official Statement or similar document in association with the Menifee CFD No. 2022-2 Special Tax Bonds.

HYPOTHETICAL CONDITION

1. It is assumed that all improvements and/or benefits to the subject property, which are to be funded by the Menifee CFD No. 2022-2 Special Tax Bond proceeds, are completed and in place or have accrued to the property.

EXTRAORDINARY ASSUMPTION

1. It is an extraordinary assumption that the reported sales and remaining land development costs as received from the builder are true and accurate. We have reviewed both the sales and cost information and they appear reasonable. We have reviewed sample sales against public records in order to verify the sample sales, however we have not reviewed each sale against public record. Additionally, we are not experts in cost estimating and if the cost estimates change, it may change the value conclusions.



PURPOSE OF THE APPRAISAL

The purpose of this appraisal report is to estimate the value of the fee simple interest of the subject property, subject to the special tax lien of the City of Menifee CFD No. 2022-2 Special Tax Bonds.

THE SUBJECT PROPERTY

The subject property is located at the southeast corner of Sun City Boulevard and McLaughlin Road the northwestern most portion of the City of Menifee. It is encompassed by Menifee CFD No. 2022-2 and is proposed for 126 single-family detached homes on small, condominium lots being built out as The Village by Century Communities (formerly known as McLaughlin Village). The homes have unit numbers that correspond to the lot/pad numbers on the site plan for Tract Map No. 36937. A detailed table showing the status and ownership of the units is shown below.

| Description | No. Lots | Owner | Condition/Status |
|--|------------|---------------------|----------------------------------|
| Units 1-28, 42-79, 84-103, 108-112 and 114-115 | 93 | Individuals | Completed Homes |
| Units 82-83 | 2 | Century Communities | Model Homes |
| Units 39-41, 113, 116, 117, 124-126 | 9 | Century Communities | Over 95% Complete (4 in escrow) |
| Units 29-34, 37-38, 104-107, 118-119, 122-123, | 16 | Century Communities | Under Construction (1 in escrow) |
| Units 35-36, 80-81, 120-121 | <u>6</u> | Century Communities | Finished Lots (0 in escrow) |
| Menifee CFD No. 2022-2 Total | 126 | | |

INTENDED USE OF THE REPORT

It is the appraiser's understanding that the client, the City of Menifee, will utilize this report in disclosure documents associated with selling the bonds for Menifee CFD No. 2022-2 and that this report is to be included in the Official Statement or similar document to be

distributed in connection with the offering of the bonds. It is the appraiser's understanding that there are no other intended uses of this report.

DEFINITIONS

Market Value

The term "Market Value" as used in this report 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, 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 each acting in what he or she considers his or her own best interest;
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

Inherent in the Market Value definition is exposure time or the time the property would have had to have been exposed on the open market prior to the appraisal in order to sell at the concluded values. In the case at hand and considering current market conditions the exposure time for the builder-owned lots and houses, or for an individually owned home, is under one year.

Minimum Market Value

The term "Minimum Market Value" as used in this report is defined as:

"The base market value of a home. That is, most buyers purchase some upgrades, options and/or lot premiums when purchasing a new home. The sales price for the new home typically includes the base price for the plan, plus any upgrades, options or lot premiums, less concessions, if any, which were given or paid for by the builder. The concluded minimum market value is for the base value of the plan only, not taking into consideration any

¹ The Appraisal of Real Estate, 13th Edition

upgrades, options or premiums; however, does take into consideration all concessions given by the builder.”

Mass Appraisal

The term “Mass Appraisal” as used in this report is defined as:

“The process of valuing a universe of properties as of a given date using standard methodology employing common data and allowing for statistical testing”²

In the case at hand, the statistical testing included reviewing all original builder sales, reviewing the Multiple Listing Service for resales and current escrows (if any) and determining the actual range of sales and escrow prices for each plan type which is utilized in the valuation process.

Bulk Sale Value

The term “Bulk Sale Value” is defined in CDIAC as:

“The most probable price, in a sale of all parcels within a tract or development, to a single purchaser or sales to multiple buyers, over a reasonable absorption period discounted to present value, as of a specified date, in cash, or in terms equivalent to cash, for which the property rights should sell after reasonable exposure, in a competitive market under all conditions requisite to a fair sale, with buyer and seller each acting prudently, knowledgeable, and for self-interest, and assuming that neither is under undue stress”.

It is further stated within CDIAC that “the bulk sales value, in a land secured financing appraisal, is really a hypothetical definition of value, as a forced sale of the entire property ownership most likely will never occur. Nonetheless, the assumptions embedded in bulk sale value can and should be market driven.”

Hypothetical Condition

The term “Hypothetical Condition” is defined by USPAP as:

“That which is contrary to what exists but is supposed for the purpose of the analysis”

² USPAP 2020-2021 Edition

The Hypothetical Condition within this report is that subject property is enhanced by the improvements and/or fee credits to be funded by bonds issued by the bonds for Meniffee CFD No. 2022-2.

Extraordinary Assumption

The term “extraordinary assumption” is defined by USPAP as:

“An assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser’s opinions or conclusion”

The extraordinary assumption in this report is that the reported sales information and remaining land development cost information, as received from the builder, are true and accurate. We have reviewed the sales information and verified samples against public record information; however, all sales have not been verified through public record. In addition, we have reviewed the costs and they appear reasonable; however, we are not experts in the field of cost estimating. It should be noted that these costs were relied upon in the valuation of the subject properties and if actual costs differ, it could alter the value conclusions.

PROPERTY RIGHTS APPRAISED

The property rights being appraised are of a fee simple interest, subject to easements of record and both series of Meniffee CFD No. 2022-2 bonds. The definition of “fee simple estate” is defined by USPAP as:

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

EFFECTIVE DATE OF VALUE

The subject property is valued as of April 1, 2025.

DATE OF REPORT

The date of this report is May 5, 2025.

SCOPE OF APPRAISAL

As previously stated, the purpose of this appraisal is to report the appraiser's best estimate of the market value for the subject properties. This appraisal will be presented in the following format:

- County of Riverside Description
- City of Menifee Description
- Immediate Surroundings
- Brief Description of City of Menifee CFD No. 2022-2
- Subject Property Description
- Riverside County Housing Market Discussion
- Highest and Best Use Analysis
- Valuation Procedures, Analyses and Conclusions
- Appraisal Report Summary

The subject property consists of 126 proposed single-family houses on detached condominium lots (at times referred to as "pads"). There are 93 homes completed and closed to individuals, two models, nine homes over 95 percent complete (four in escrow to individuals), 16 homes under construction (one in escrow), and six finished lots. In valuing the subject property, the value estimates will be based upon the highest and best use conclusion using the Sales Comparison Approach. The Sales Comparison Approach to value is defined as:

"...a set of procedures in which a value indication is derived by comparing the property being appraised to similar properties that have been sold recently, then applying appropriate units of comparison and making adjustments to the sale prices of the comparables based on the elements of comparison. The sales comparison approach may be used to value improved properties, vacant land, or land being considered as though vacant; it is the most common and preferred method of land valuation when an adequate supply of comparable sales is available."³

In the Sales Comparison Approach, market value is estimated by comparing properties similar to the subject property that have recently been sold, are listed for sale or are under contract. Along with the Sales Comparison Approach, a Discounted Cash Flow Analysis is considered for the builder-owned existing homes. Due to the number of homes under a single ownership, a bulk value is needed in order to determine the current market value.

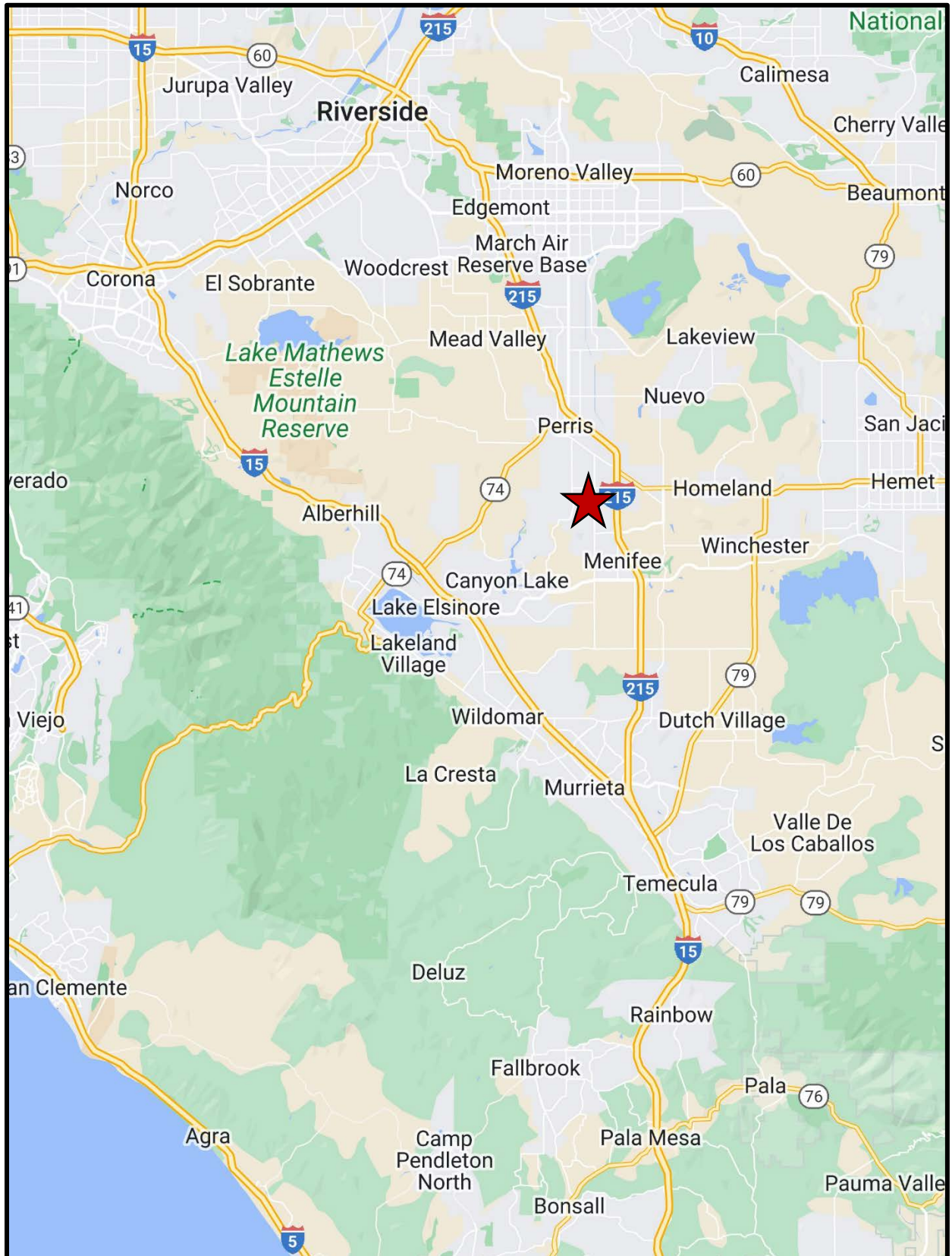
³Dictionary of Real Estate Appraisal, 4th Edition, 2002

Neither a cost nor income approach was utilized as they were not considered necessary to arrive at credible results.

The due diligence of this appraisal assignment included the following:

1. Compiled demographic information and related that data to the subject properties to perform a feasibility/demand analysis.
2. Gathered and analyzed information on the subject marketplace, reviewed several real estate brokerage publications on historical and projected growth in the subject market and researched the micro and macroeconomics within Riverside County and the Menifee area.
3. Inspected the subject property between March 15, 2025, and April 15, 2025.
4. Had the property flown for an aerial photograph on March 29, 2025.
5. Interviewed representatives from the builders to obtain available information on the subject property.
6. Reviewed a Preliminary Title Report on the subject property.
7. Reviewed Environmental Reports and Geotechnical Reports on the subject property.
8. Reviewed the City of Menifee General Plan Land Use Map, Zoning Map, tentative map/site plan, recorded Tract Map and several of the recorded condominium plans regarding entitlements and allowances on the subject site.
9. Searched the area for relevant comparable new home residential projects, including sales prices and concessions and interviewed representatives from each comparable neighborhood.
10. Reviewed sales brochures and sales information for The Village by Century Communities.
11. Reviewed actual builder sales information on all closed homes and current escrows within The Village by Century Communities.
12. Reviewed Multiple Listing Service ("MLS") information on resales and current listings of existing homes within City of Menifee CFD No. 2022-2.
13. Inspected the subject property for any for-sale or property listing signs of resale properties that may not be listed on the MLS yet.

REGIONAL AREA MAP



COUNTY OF RIVERSIDE AREA DESCRIPTION

Location

The subject property is located in the southwest portion of Riverside County (the "County") at the southeast corner of Sun City Boulevard and McLaughlin Road in the northwestern most portion of the City of Menifee ("City"). The County encompasses approximately 7,300 square miles, and includes large expanses of undeveloped deserts, valleys, canyons, and mountains. The County is a major beneficiary of outward urban pressure from Orange and Los Angeles Counties as well as growth from San Diego County to the south. Although located at the periphery of most urban activity in Southern California, Riverside County, particularly the western area, has been a major growth area and is perceived by most observers as an area expected to continue to grow. Riverside and San Bernardino Counties are considered distinct from Los Angeles and Orange Counties and belong to the same Metropolitan Statistical Area ("MSA"). This area, consisting of San Bernardino and Riverside Counties, is commonly referred to as the Inland Empire.

Transportation

The subject property is situated along the west side of I-215, the east side of Sun City Boulevard and the south side of McLaughlin Road in Menifee. I-15 travels in a northerly/southerly direction about ten miles west and provides access to Barstow and Nevada to the north and San Diego to the south. The intersection of Highway 74 and I-215 is approximately 3.5 miles northwest of the subject and provides access to the west into Orange County on what is also known as Ortega Highway and access to the east into the Cities of Perris and Hemet. Interstate 215 forms the eastern border of the site, travels in a northerly/southerly direction within the County, branching off from I-15 and heading generally north where it parallels I-15 to the east and merges back into I-15 approximately 40 miles northwest of the subject in San Bernardino County. In addition, the 60 Freeway runs in an east-west direction approximately 15 miles north of the subject providing access into Los Angeles County to the west and merges with Interstate 10 to the east, which provides access across California and into Arizona.

The County is served by Amtrak and Metrolink as well as several rail freight lines. The Ontario International Airport provides regional air service and is located approximately 30 miles northwest of the subject property while the Orange County Airport is located approximately 40 miles west and the San Diego International Airport is located about 65 miles south. In addition, the County has extensive trucking corridors along the previously referred to interstates, highways, and state freeways.

Population

The County has experienced population growth for several decades and is anticipated to continue to do so in the foreseeable future. Per the California Department of Finance, the July 1, 2024 (most recent available), County population was 2.456 million, representing a one-year increase of 0.18 percent. This compares to an average annual growth rate over the past thirteen years of about 0.8 percent, and an average annual growth rate of approximately 2.5 percent for the previous eighteen-year period. It should be noted however, California's overall population increased for the first time in July 2024 by 0.12 percent following four years of decreasing population statewide. Current State projections for Riverside County suggest the population is anticipated to reach approximately 2.516 million by 2030, indicating an average annual increase of approximately 0.48 percent over the next five years. The current growth of 0.18 percent is lower than the previous five-year annual average of about 0.27 percent and significantly lower than the previous 18-year average. Future growth is predicted to assume a more stable market than was seen prior to the Great Recession and during the disruption of COVID.

Economy

The U.S. economy in the past few years had experienced challenging times due the Great Recession followed by the COVID disruption. Current challenges include the unknowns from the shake-up in the new Federal Administration. Recent actions in the past 60 days by the new Administration to accomplish election promises include the creation of the Department of Government Efficiency (DOGE), deportation orders of non-legal citizens and increasing tariffs. These issues have caused a major shake-up as jobs have been slashed in various government agencies by DOGE, several of which are being challenged

in the courts. Deportations are occurring however they have their own court challenges and tariffs have been put into effect and then delayed over the past two months. All of these issues have created a decrease in consumer confidence and a volatile stock market as uncertainty looms.

During COVID, the Federal, State, County and City Governments (“Governments”) originally shut down non-essential businesses and areas where social gatherings occur in order to slow the spread of the virus. This created a strain on small and large businesses alike. Restaurants and hotels were hit hard, and travel reduced drastically as citizens were urged to stay home. Layoffs occurred with reports of 40 million people filing for unemployment in the first few months of the pandemic. The Governments attempted to curtail the job losses and hardships with the approval of over \$5.6 trillion in COVID relief to our nation. In addition, the Federal Reserve Board (“Board”) reduced interest rates and started quantitative easing by buying bonds. This legislation helped shore up the U.S. economy; however, due to the significant amount of new money introduced into the economy, inflation began occurring at a rate not seen for 40 years. Inflation peaked in June 2022 at 9.1 percent with annual rates ranging from an average of around 2.0 percent between 2010 to 2019, 1.4 percent in 2020, 7.0 percent in 2021, 6.5 percent in 2022, 3.4 percent in 2023 and 2.9 percent in 2024. As of February 2025, the national inflation rate was at 2.8 percent.

In an effort to curb inflation, the Federal Reserve Board (“Board”) began raising interest rates and selling off their balance sheet of bonds purchased during COVID. Between March 2022 and August 2023, there were eleven interest rate increases rising the Federal Funds Rate (“FFR”) from 0.25 – 0.50 percent to 5.25 – 5.50 percent. The Board has not increased rates since August 2023 due to the decrease in inflation coupled with other positive signs in the economy. In the last quarter of 2024, the Board decreased the FFR three times with the year-end rate at 4.48 percent. Unfortunately, these FFR rate decreases did not immediately translate into a significant drop in mortgage rates. The eleven FFR increases in 2022 and 2023 increased a typical 30-year fixed mortgage rate from 2.98 percent as of November 10, 2021, to the high of 7.79 percent as of October 2023; however, the current rate is 6.67 percent as of March 20, 2025 (per Federal

Reserve Economic Data-St. Louis). This steep increase significantly affected the real estate market.

The COVID disruption to the economy caused extreme volatility in the stock market with the Dow Jones Industrial Average (“DJIA”) dropping from 29,398 in February 2020 to 19,174 in March 2020, a drop of 37 percent. The Government interventions resulted in a bounce back in the DJIA to 27,111 by June 2020 with the stock market then climbing up to a peak of 44,910 in November 2024 after the election. More recently, due to all of the changes being put into effect by the new administration, the stock market fell to a six-month low of 37,645 on April 8, 2025, a loss of over 10 percent from the six-month high. Due to tariffs being delayed in the past couple weeks, the market has bounced back to 40,497 as of April 15, 2025, an increase of over seven percent from the recent low. It appears the market is going to be volatile as some of the new Administration’s changes are put into effect. Another concern for the U.S. economy is the government working together on the debt limit. The partisanship in our government caused a stand-off in increasing the debt limit which has been in danger of being reached numerous times with several temporary deals being reached, however, no permanent agreements at this time.

The significant increase in mortgage rates over the past three years is just one part of the puzzle affecting the impact of new housing on the broader economy. Additional risks include home builders dealing with possible tariffs on construction materials which may be causing some of them to cancel or delay the purchasing of new tracts of residential land. Recent estimates are, if the tariffs go into effect, the materials cost of building a new typical tract home in California would increase in the \$8,000 - \$10,000 range. Home prices in Riverside County increased 4.1 percent in 2020, 17.3 percent in 2021, 19.1 percent in 2022, 3.3 percent in 2023 and 5.8 percent in 2024, increases that are not sustainable in any market. During this five-year time period payments increased up to 88 percent (mid-tier home) in California (per the Legislative Analyst’s Office) due to price increases coupled with mortgage rate increases.

Over the past 25 years, the Inland Empire economy has had significant cycles with home prices almost doubling from 1995 to 2005, then falling by over 50 percent during the Great

Recession, taking prices back to 2002 levels. Home values appeared to hit bottom in 2009 then remained essentially flat for two to three years with the majority of the Inland Empire housing market seeing an improvement beginning in mid-2012. Contrary to homebuilders' original thoughts of a slowdown due to the pandemic, new home buyers stepped up in the spring of 2020 and new home sales were significantly higher during the second half of 2020 versus the previous year and continued extremely strong throughout 2021. This exceptional activity in new home sales was the one bright spot in the COVID disruption and was due to several factors, including: a tight supply of resale homes; historically low interest rates; millennials finally buying homes; and the work from home factor which began during the pandemic allowing residents to live in more suburban areas without long commutes. However, as rates began increasing in early 2022, there was a significant slowdown in existing home sales within the Inland Empire. The high mortgage rates have significantly slowed existing homeowners from moving as they do not want to trade in their existing under four percent mortgages for a current near seven percent mortgage. The limited availability of existing homes on the market has resulted in new homes capturing a larger share of total home sales. The scarcity of existing homes on the market, coupled with builders hesitant to build too many speculative homes has resulted in significant pressure on pricing due to the limited supply of homes for sale

While most jobs have come back, job losses were significant during the COVID recession as the Nation's unemployment rate went from 3.5 percent in February 2020 to 14.4 percent in April 2020, with the February 2025 National unemployment rate at 4.5 percent (Employment Development Department, not seasonally adjusted). The unemployment rate for the MSA was estimated at 5.1 percent as of February 2024. This reflects a decrease from the peak during the Great Recession of 15.1 percent in 2010 and a decrease from the peak during COVID of 14.9 percent. As of February 2025, Riverside County's unemployment rate was 5.2 and San Bernardino County had a 5.1 percent unemployment rate. The current unemployment rate for the MSA of 5.1 percent is lower than the state of California rate at 5.5 percent and higher than the February 2025 National rate of 4.5 percent. Below is a table comparing Riverside County's unemployment rate to the unemployment rates of the surrounding counties as of February 2025.

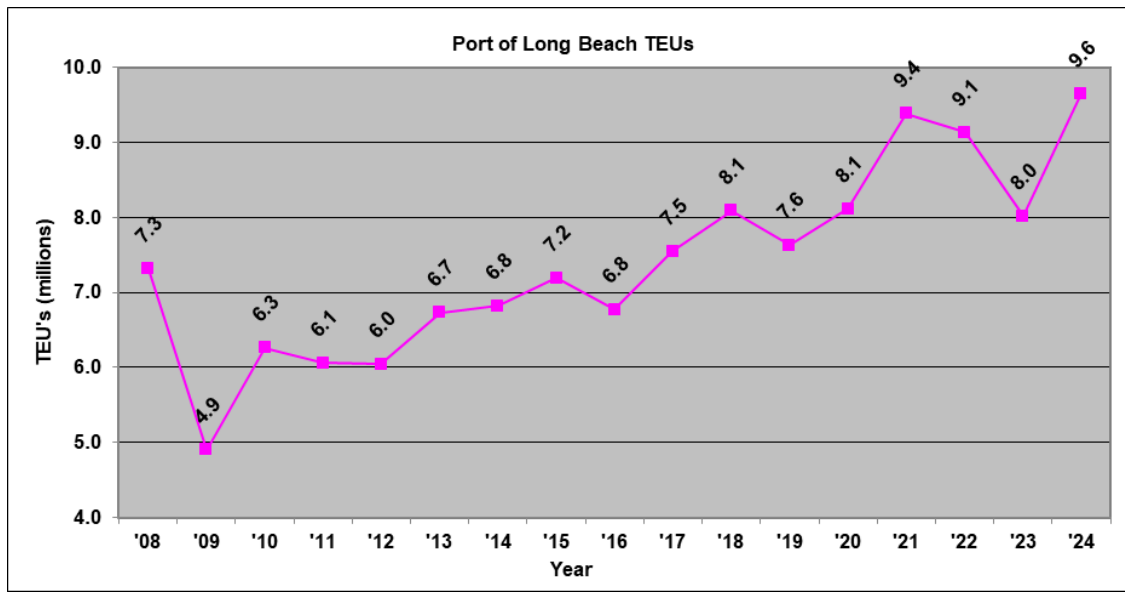
| Jurisdiction | As of | Unemployment Rate* |
|-----------------------|----------|--------------------|
| Los Angeles County | Feb-2025 | 5.9% |
| Riverside County | Feb-2025 | 5.2% |
| San Bernardino County | Feb-2025 | 5.1% |
| Orange County | Feb-2025 | 3.9% |
| San Diego County | Feb-2025 | 4.4% |

Source: State of California E.D.D.; *Not Seasonally Adjusted

The latest UCLA Anderson Special Forecast dated March 2025 announces a Recession Watch. As 2025 began, there were no signs of an imminent recession with 150,000+ added jobs in February and unemployment low, however, due to the Administration's attempt to dramatically transform the U.S. economy in its first 100 days, the Forecast questions if their changes could trigger a recession. The Special Forecast states three main triggers – (1) the current discussed tariff policies would likely lead to trade wars; (2) if DOGE reduces the government workforce by 10-15 percent it would lay off 1 – 1.5 million workers; (3) not only will the construction sector be vulnerable to mass deportations, it also affects immigrant communities as they stop spending, paying rent and paying taxes which in turn may lead to job losses for non-immigrants. The above items are being discussed by the Administration and dissected by the media which is causing a heightened level of uncertainty with business sentiment turning negative over the past month. If all of these changes do occur in the near future, it could trigger not only a recession but a recession with inflation which creates stagflation which occurred in the 1970s. Per the UCLA Forecast, a recession is avoidable. If the proposed policies are pared back or phased in more gradually, these changes are unlikely to trigger a recession.

As a final indicator of overall economic activity for the region, we have reviewed the rise and fall of TEUs (Twenty-foot Equivalent Units – i.e., containers) being processed in the local ports. This is especially important for the Inland communities, as it represents much of the growth in development of West Coast distribution centers and warehouses in the Inland Empire linked to supply-chain nodes in the Pacific Rim. The chart below shows TEU activity at the Port of Long Beach. Generally, there had been increases since 2009 except for slight dips in 2016, 2019, 2022 followed by an over 12 percent dip in 2023 due to cooling consumer demand. The calendar year 2024 saw an over 20 percent increase

which has wiped out the negative growth years and put TEU's back on a more normal growth trend. Thus far in 2025 total TEUs are showing a 27.4 percent increase over the first two months of 2024.



Government

A Board of Supervisors oversees the County as the governing body of the County, certain County special districts, and the County Housing Authority. The Supervisors enact ordinances and resolutions, adopt the annual budget, approve contracts, and appropriate funds, determine land use zoning for unincorporated areas, and appoint certain County officers and members of various boards and commissions. The Board of Supervisors is elected from five different districts within the County.

Education

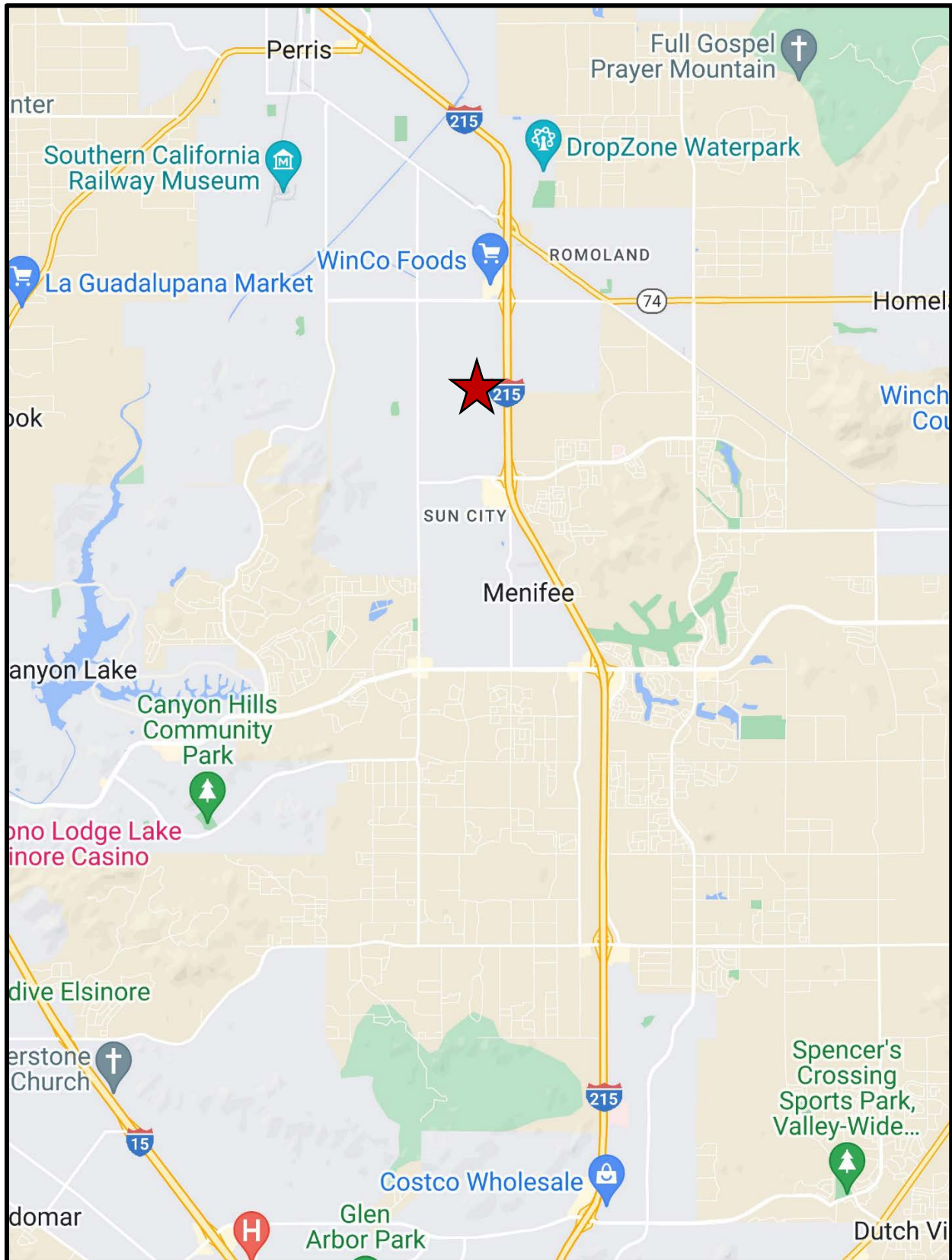
Romoland School District (TK thru 8th) and the Perris Union High School District serve the subject area. The Romoland School District operates four elementary schools, one 6-8 middle school and one TK-8 alternative school that offers a virtual learning program, a home school program and a middle school academy program. Perris Union High School District covers a larger area than the Romoland School District (includes Menifee Union School District) and operates five high schools, four alternative high schools and one alternative middle school to serve the greater Perris area including Menifee and

unincorporated areas. Higher education is available within an hour's drive at the University of California campuses at Riverside and Irvine or California State University campuses in San Bernardino, San Marcos, Fullerton, and Pomona along with several additional private colleges. The closest community college is Mt. San Jacinto College, which has a campus in Menifee.

Conclusion

Population in the County has increased over the past 20 years with predictions for continued population growth. The Nation's economy has been slowing after the Board increased the FFR over five percent to fight historical inflation which began during COVID. One bright spot during COVID was housing; the region's relative affordability and low interest rates, coupled with the rising prices in the coastal market and the demand for housing, set up a new housing boom in the Inland Empire. As rates increased, existing home sales began to drop significantly due to existing homeowners being unwilling to give up their low-rate mortgages, which in turn created a boon for new homes. Current concerns for the Inland Empire economy include the unknowns of the new Administration, stubborn inflation, the high prices of homes, high interest rates, possible tariff issues and, possible labor issues, all creating volatility in the economy. In conclusion, the County is expected to continue to grow in population due to its Southern California location, the availability of land, and the relatively lower land and housing prices in comparison to adjacent Orange, Los Angeles, and San Diego Counties. However, this growth may be tempered due to these current unknowns.

MENIFEE AREA MAP



CITY OF MENIFEE DESCRIPTION

The subject property is located in the northwest corner of the City of Menifee, which is located in the southwestern portion of the County. Menifee became a city in October 2008 after voting to incorporate. Menifee was the 26th city within the County of Riverside and is located along both sides of I-215 between Murrieta and Perris. The City includes the diverse lifestyle communities of Menifee, Sun City, Quail Valley, and portions of Romoland. The City is bordered by unincorporated lands and the City of Murrieta to the south, the cities of Lake Elsinore and Canyon Lake to the west, the City of Perris, area of Winchester and unincorporated lands to the north and unincorporated lands (portion known as the French Valley) to the east.

In the 1960s, early development of the Menifee Valley began when the concept of an active retirement community was envisioned for Sun City. Since that time the Menifee Valley has grown substantially. At incorporation in 2008, the City of Menifee had a total population of 60,000 residents. The Menifee Valley includes some portions of Romoland that are not included within the city limits. Although this area currently serves as a bedroom community for the workforces of North San Diego County, Temecula, Riverside, Corona and Orange County, economic development groups are in the process of recruiting future quality employers to relocate in the Menifee Valley. There have been several new commercial developments in the past 15 years on the I-215 corridor south of McCall Boulevard including major shopping centers at the Newport Road off ramp, the Menifee Town Center west of the off ramp and an additional shopping center at Clinton Keith Road. Per the City of Menifee there are 42 new commercial projects within 22 centers either recently opened, coming soon or under construction within the overall City. A more micro view of planned development within the subject's neighborhood (in the northwestern portion of the City of Menifee, west of I-215 and north of Newport Road), there are two small commercial projects planned, a gas station/convenience store at Goetz Road and Ethanac and a Truck Stop/Diesel gas station at Ethanac and the I-215 offramp. In addition, there are eight residential projects either in planning or engineering with the closest being three tract maps to the south and east (generally condominiums) and three larger tract maps (single family detached) to the south and southwest. Finally,

there are eight industrial projects north of McLaughlin, south of Ethanac and west of I-215 either in the planning or engineering stages. North of Ethanac is the City of Perris with Green Valley Ranch (immediately north of Ethanac), a master planned community originally approved in the early 1990s and proposed for over 4,000 homes. There are currently several neighborhoods selling including Silverstone and Amber Ridge by Lennar and a Seasons Collection by Richmond American.

Between 1990 and 2003, there was an extraordinary growth rate of 48 percent in the community of Menifee. The population is estimated at 111,560 as of January 2024 per the California Department of Finance (most recent available), representing a growth of about 2.0 percent year-over-year. This compares to Riverside County growth of 0.18 percent from July 2023 to July 2024. The City's higher growth rate than the County is due to the wide expanses of land available for development within the City, and because of the planned communities such as The Village (subject), Cimarron Ridge, Shadow Mountain, Town Center, Quartz Ranch, Countryview and Rockport Ranch along with the future development known as Legado (near I-215 and McCall).

In the past 15 years Menifee has had exceptional growth in the commercial and retail sector. Prior to the Great Recession several shopping centers were either constructed or planned. Included are the Town Center Marketplace, which is anchored by Aldi Market, PetSmart, and several national restaurants (located at the southwest corner of Haun and Newport Roads), and the popular Menifee Countryside Marketplace, which is anchored by Target, Lowe's, Kohls, Ulta, TJ Maxx, Best Buy and Home Goods along with numerous restaurants (located at the southeast corner of Haun and Newport Roads). The Town Center Specific Plan ("TCSP") includes 170 acres of mixed use with a proposed City Hall, a Fairfield Inn & Suites by Marriott on Town Center Drive, the recently opened Family and Civil Courthouse, along with several completed new home neighborhoods and Riverwalk Village at Town Center by Richmond American which is currently selling. Along the north side of Newport at Haun Road is a newer commercial area that houses the Menifee Union School District's administration building, the existing City Hall, a Post Office, and several national chain restaurants. McLaughlin Road is both the northern boundary of the subject site and is the northern border of the City of Menifee. Within one-half mile north, at

Ethanac Road and I-215 is Perris Crossing, a commercial center developed within the past 15 years anchored by Home Depot and WinCo Foods.

The Menifee community also benefits from its proximity to Diamond Valley Lake, which was dedicated on March 18, 2000, and initially filled by the end of 2002. Diamond Valley Lake is located approximately five miles east of the City and is a 13,000-acre site with a 4,500-acre reservoir for boating and fishing. There is no swimming, water skiing or personal watercraft allowed in Diamond Valley Lake. The reservoir contains 800,000 acre-feet (260 billion gallons) of water and is owned by the Metropolitan Water District. Access to Diamond Valley Lake is via Newport Road, which becomes Domenigoni Parkway east of I-215, and State Route 79, which was completed in 2008.

Land prices in the Menifee area have been historically lower than prices in the Murrieta and Temecula areas. As housing prices increased in the early 2000s, the price difference narrowed between Menifee and Murrieta/Temecula, however, there is still a variance. The price difference appears to be due to the Murrieta/Temecula area being along the I-15 corridor, which commands a premium due to easier commuting to adjacent counties. Menifee is located along the I-215 corridor, which creates a slightly longer commute to the major employment centers of San Diego, Riverside and Los Angeles Counties.

As discussed under the economy section under the County of Riverside Area Description, new home sales had prospered during the COVID pandemic and Menifee was no exception. New home projects in Menifee typically sold between 4 and 8 homes per month in 2021 and early 2022. Per the March 23, 2025, Ryness Report (a new home sales tracking and research company), there are 46 new home projects currently selling in the South Riverside submarket with 16 of the 46 new home projects located in Menifee. This compares to 53 new home projects within the South Riverside submarket selling one year ago, suggesting a reduction of 13 percent of new homes projects in the past year. The per project average sales rate year to date as of March 23, 2025, in the South Riverside submarket was 3.4 homes per month which is lower than the per project average year to date sales rate in 2024 of 4.5 sales per month. In comparing with the overall Inland Empire, the average sales rate per project year to date as of March 23, 2025, was 3.3

sales per month while the average 2024 year to date sales rate per project was at 4.2 sales per month. Thus, while Menifee has had slower sales over the past year, it is in line with the overall Inland Empire.

In summary, the future growth of Menifee should continue. While there are fewer projects than one year ago, there are still a significant number of new residential projects in Menifee, both currently selling and planned in the area. Housing is less expensive than the Murrieta/Temecula neighboring communities, which is attractive to homebuyers as price points are important in today's Inland Empire housing market. The South Riverside submarket, which houses the subject property, is experiencing a higher-than-average sales rate when compared to the overall Inland Empire. Diamond Valley Lake is another asset to the Menifee Valley area. The lower land prices and the availability of land for development combine to make Menifee an excellent candidate for future growth.

IMMEDIATE SURROUNDINGS

The subject site is located at the southeast corner of Sun City Boulevard and McLaughlin Road (northern border of Menifee at the subject), along the west side of I-215. The project has access both from I-215 via either the Ethanac Road or McCall Boulevard exit, west to Sun City Boulevard (under 0.25 mile) and then either north or south to the subject site. The site is bordered by I-215 on the east, existing residential to the south, Sun City Boulevard (beyond which is existing residential to the west) and McLaughlin Road to the north.

The immediate area is generally made up of existing homes to the south and west (area known as Sun City) with some high wires on a wide Edison easement and a Riverside County Flood Control Channel and adjacent vacant parcels to the north, beyond which is a large commercial center known as Perris Crossing, at the northwest quadrant of I-215 and Ethanac Road. I-215 forms the east boundary of the site beyond which is a Camping World and an RV Super Center which both sell and service recreational vehicles. Beyond the commercial uses to the east of I-215 is a large existing tract of homes built in the early 2000s beyond which older, more rural housing exists. Southeast of the subject along the east side of I-215 and south of Rouse Road is the new master planned Community of Legado is under construction. Legado is being developed by Lennar and will ultimately house upwards of 1,000 residential units along with a commercial area along I-215. Immediately south of the subject site is an existing neighborhood which was built in the mid-1990s with another tract built in the early 2000s to the west, beyond Sun City Boulevard. Beyond Ethanac Road to the northwest of the subject (which is the border between the cities of Perris and Menifee) is the master planned community of Green Valley Ranch, in Perris, with three new home communities currently selling.

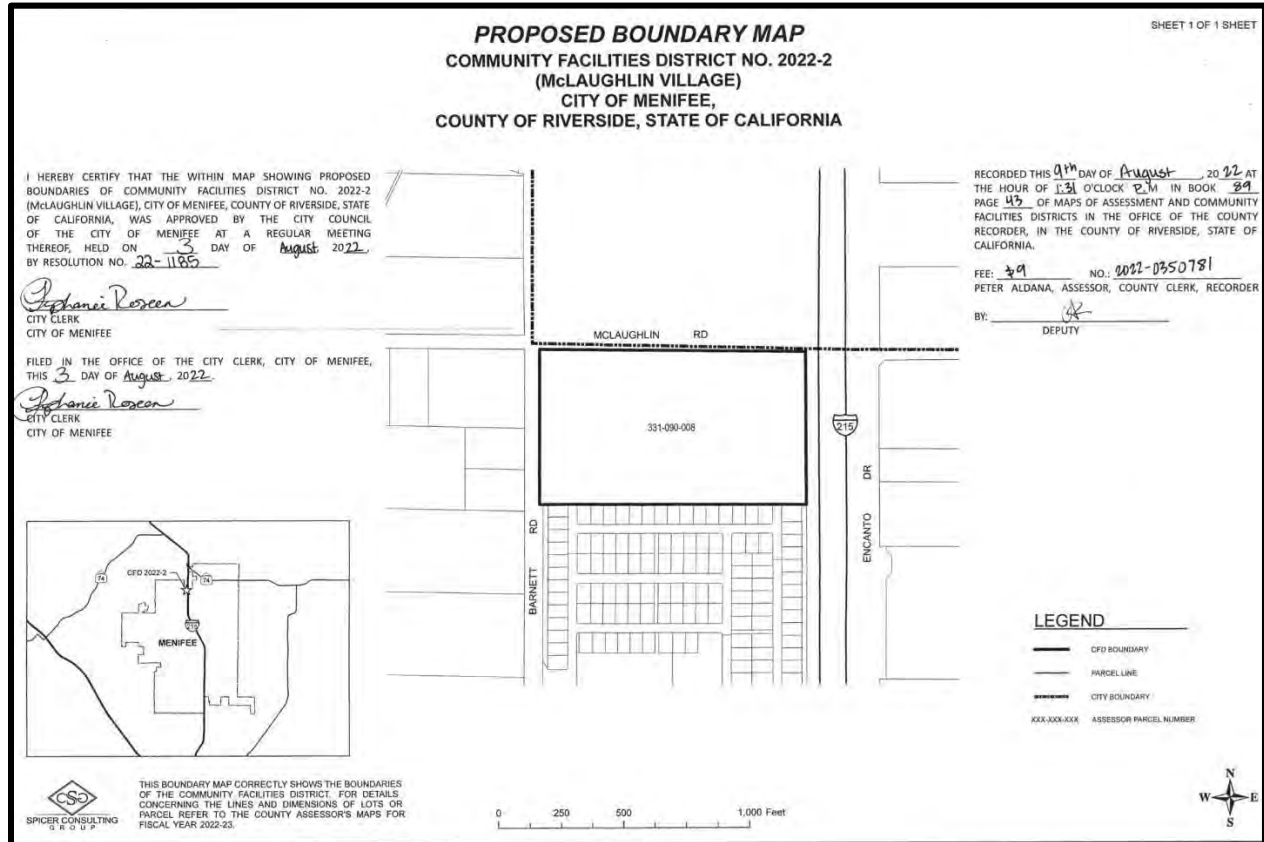
Shopping is available at Perris Crossing, about one-half mile north of the subject which is anchored by a Winco Supermarket and a Home Depot. About 1.3 miles south at the southwest quadrant of McCall Boulevard and I-215 are two additional neighborhood shopping centers anchored by Stater Bros and Von's Supermarkets. More regional shopping is available about 3.5 miles south at Menifee Countryside Marketplace at the

southwest intersection of Newport Road and I-215. The Countryside Marketplace is anchored by a Target, Home Depot, and a Kohls. Approximately fifteen miles south is Promenade Temecula, a major shopping mall anchored by Macy's and JC Penney, located off the I-15 near the intersection of I-15 and Winchester Road (State Route 79). In addition to the aforementioned shopping and entertainment, the community is about eight miles away from Loma Linda University Medical Center in Murrieta.

The subject property is located within the Romoland School District ("K-8th") and the Perris Union High School District (9th -12th). The community is served by Boulder Ridge Elementary School, about two miles southeast of the subject, Ethan A. Chase Middle School, about 3.2 miles southeast, and Heritage High School about three miles east of the subject.

CITY OF MENIFEE CFD NO. 2022-2 (McLAUGHLIN VILLAGE)

Menifee CFD No. 2022-2 (McLaughlin Village) was formed per the Resolution of Intention of the City Council of the City of Menifee dated August 3, 2022. Per the City of Menifee CFD No. 2022-2 CFD Report, the CFD is comprised of approximately 15 gross acres anticipated to include 126 residential properties at buildout. The boundary map is shown below.



Per the CFD Report prepared by Spicer Consulting Group and dated September 21, 2022, the types of facilities that are proposed by Menifee CFD No. 2022-2 consist of the construction, purchase, modification, expansion, rehabilitation and/or improvement of (i) drainage, library, park, roadway, traffic, administration and general government facilities, animal shelter facilities (although no animal shelter facilities are being funded), fire and safety and other public facilities of the City including the foregoing public facilities which are included in the City's fee programs with respect to such facilities and authorized to be financed under the Mello-Roos Community Facilities Act of 1982, as amended (the "City Facilities"); (ii) interim and permanent school facilities of Romoland School District,

including classrooms, multi-purpose facilities, administration and auxiliary space at school facilities, athletic fields, playgrounds and recreational facilities and improvements thereto, landscaping, access roadways, drainage, sidewalks and gutters and utility lines, furniture, equipment and technology, including technology upgrades and mobile devices and infrastructure therefore, with a useful life of at least five (5) years at such school facilities (the "School Facilities" and together, with the City Facilities, the Facilities"), and all appurtenances and appurtenant work in connection with the foregoing Facilities, including the cost of engineering, planning, designing, materials testing, coordination, construction staking, construction management and supervision for such Facilities. In addition, incidental expenses include the cost of engineering, planning and designing the Facilities; and all costs including costs of the property owner petitioning to form the District, associated with the creation of the District, the issuance of the bonds, the determination of the amount of special taxes to be levied and costs otherwise incurred in order to carry out the authorized purposes of the District and any other expenses incidental to the construction, acquisition, modification, rehabilitation, completion and inspection of the Facilities.

According to the CFD Report, the cost estimate of facilities are \$3,822,686 based upon fiscal year 2022-23 dollars. The costs are estimated within the CFD report as shown in the table below.

| City Fees | Total | Bond Allocation (1) |
|---|-------------|---------------------|
| Law Enforcement | \$29,106 | \$29,106 |
| Fire Facilities | \$77,364 | \$77,364 |
| Circulation | \$588,420 | \$588,420 |
| General Government | \$128,646 | \$128,646 |
| Public Use Facilities | \$19,404 | \$19,404 |
| Quimby | \$1,094,814 | \$1,094,814 |
| Parks -o Improvements | \$83,286 | \$83,286 |
| City Facilities | \$404,208 | \$404,208 |
| School Fees | \$1,462,980 | \$1,397,438 |
| Total Eligible Improvements | \$3,888,228 | \$3,822,686 |
| Incidental Financing Costs | | \$862,314 |
| Total Funded by Bond Proceeds | | \$4,685,000 |
| Total Fees/Improvements to be Funded by Developer | | \$65,542 |

(1) Amounts are allocated based upon estimated bond sizing and may change based upon market conditions at time of bond issuance. Allocation of bond proceeds between facility types to be determined at time of bond issuance.

Per the latest sources and uses of funds for the first series of bonds for Menifee CFD 2022-2 dated April 11, 2025, they are projecting a bond par amount of \$4,795,000 along with a net original issue discount of \$88,664 totaling \$4,706,336. The uses include \$3,984,129 of project fund deposits, a debt service reserve fund of \$438,294 and costs of issuance and underwriter's discount of \$283,913 (all estimated amounts subject to change).

SUBJECT PROPERTY DESCRIPTION

The subject property consists of 126 proposed single-family homes within the community known as The Village by Century Communities (formerly known as McLaughlin Village). The 126 lots are for single family detached homes on condominium sized lots. Below is a site plan map of The Village.



Location: Southeast corner of Sun City Boulevard and McLaughlin Road, Menifee, California

Legal Description: Units 1 – 126 of Tract Map No. 36937 located in City of Menifee, County of Riverside, California.

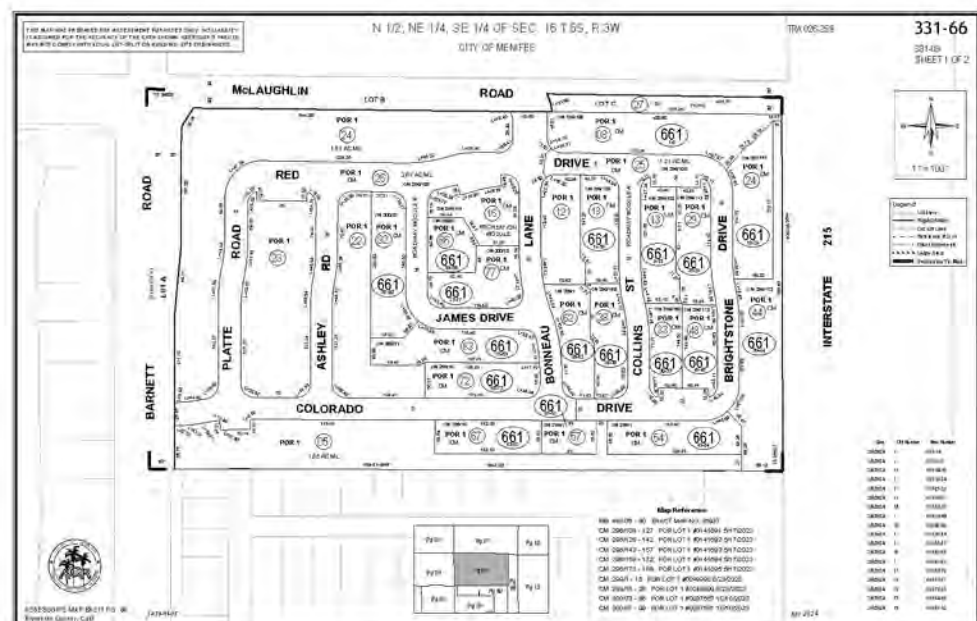
Owner of Record: Individual owners as to Units 1-28, 42-79, 84-103, 108-112 and 114-115 of Tract 36937. Century Communities of California LLC as to Units 29-41, 80-83, 104-107, 113 and 116-126 of Tract 36937.

Three-Year Sales History:

Century Communities of California LLC purchased the site from McLaughlin Apartments, LLC on April 7, 2022, for \$8,663,609 per the buyer. The property closed in an unimproved condition, with a tract map ready to record and entitlements for 126 single-family detached homes on condominium lots. Of the total 126 proposed homes, 93 have closed to individual homebuyers with closing dates between October 26, 2023, and April 1, 2025, with an additional five in escrow to individuals which are due to close upon completion.

Assessor's Parcel Numbers:

The original Assessor's Parcel Number for the site was 331-090-008 prior to subdivision. The subject 126 units are now included on Assessor Parcel Map 331-66 which is shown below.



Property Taxes:

We have reviewed the Riverside County Tax Collector's 2024 tax bills for APN 331-661-001, a sample lot within The Village. The 2025 tax bill is not available on the County web site at this time. Per the tax collector the total 2024 property tax invoice is \$10,086.86 based on an assessed value of \$509,990. The general-purpose taxes are \$5,099.89; the miscellaneous charges (includes Perris Union HS, Mt. San Jacinto Jr. College, MWD East 1301999 which total \$398.71; the Special Assessment charges include MWD Standby East for \$6.94; CFD 2015-2 (Tax Zone 27) for \$383.76, CFD 2022-2 (subject) for \$2,512.56 and EMWD CFD 2021-93 for \$1,685.00. This equates to a total tax rate of 1.98 percent based on the assessed value. Overall tax rates are typically in the 1.7 to 2.0 percent range for new homes in the subject market area.

- Flood Zone:** Per the County of Riverside a flood plain review is not required.
- Size and Shape:** The neighborhood is generally rectangular in shape and contains 15.93 gross acres and 14.40 net acres per recorded Tract Map No. 36937. The difference between the gross and net acreages appears to be for the surrounding streets and setback areas. It appears the net acreage includes the recreation/pool area.
- Zoning:** Per both the City of Menifee Land Use Map and the City of Menifee Zoning map, the subject site is shown as MDR for medium density residential which allows for between 8-14 dwelling units per acre either attached or detached. The overall density equates to 8.75 dwelling units per acre based on the 126 proposed units and the 14.40 net acres.
- Entitlements:** The subject property is covered by Tract Map No. 36937 which recorded February 22, 2023, a copy of which is located in the Addenda. Per the approved site plan there are 126 allowed units on the site. We have reviewed several of the condominium plans which have been recorded. A copy of the final phase Condominium Plan for Tract 36937 which shows the various modules is located in the Addenda for your review.
- Topography:** The original topography appears to have been generally level at surrounding street grade of both McLaughlin Road, Sun City Boulevard and I-215, the west, north and east borders. The property has been developed into 126 detached single-family pads for small-lot detached homes on condominium lots or pads. Drainage is within an engineered street drainage system which appears to have on-site drainage along the northern border (McLaughlin Road), at the southeast corner and along the southern border. The southeast corner of the site has a nicely landscaped area that appears to be a retention basin.
- Soils Condition:** We have reviewed an Update Geotechnical Report dated February 19, 2015, prepared by Leighton and Associates, Inc. which covers the subject site. The Update Report is an update from their original report for the site dated 2004 with generally no changes to the soils between 2004 and 2015. The report concludes that the site appears suitable for the intended use provided the recommendations included within the report are properly incorporated during design and construction phases of development. It is an assumption of this report that the soils are adequate to support the highest and best use conclusion and that all recommendations made within any soil's reports were adhered to during construction. This is supported by existing development on the subject lands which was overseen by City inspectors.

| | |
|-----------------------------|--|
| Seismic Conditions: | Per the County of Riverside, the subject is not located in a Fault Zone or in a Liquefaction Area. |
| Fire Hazard Map: | Per the March 2025 CalFire Fire Severity Zone Map, the subject is not located within a high fire zone. |
| Environmental Concerns: | We have reviewed a Phase I Environmental Site Assessment prepared by Stantec of Redlands and dated February 17, 2015, on the subject site. The report revealed one recognized environmental condition which was that dry land farming had occurred on the site; thus, pesticides and herbicides may have been used. They recommend that a soils test be performed prior to development. It is assumed in this appraisal report that all recommendations stated in the report were adhered to during construction. This appraisal assumes that there are no additional environmental issues that would slow or thwart the development of the site. This is supported by existing development on the subject lands which were overseen by City inspectors. |
| Easements/ Encumbrances: | <p>We have reviewed a Preliminary Title Report on the subject Tract Map No. 36937 prepared by First American Title. The Report is dated February 20, 2024, and is shown as Report NHSC-5045600. The exceptions are as follows:</p> <p>Item Nos. 1-6 pertain to property taxes and assessments on the property including CFD 2015-2 (Maintenance Services Annexation No. 27), CFD 2021-93 (EMWD – not yet funded) and CFD 2022-2 (subject CFD). Item No. 7 refers to abutter's rights of ingress and egress to I-215. Item No. 8 is in regard to a waiver of any claims for damages by reason of the location, construction, landscaping or maintenance of I-215. Item Nos. 9, 10, 11, 18, 19, 20, 21, 28 and 37 refer to public easements on the site. Item No. 12 refers to a funding agreement for Barnett Road Improvement (also known as Sun City Boulevard at the subject). Item No. 13 is in regard to a grading, construction, drainage and maintenance easement deed recorded in 2021 and amended in 2023. Item No. 14 pertains to an agreement for permanent residential water service. Item No. 15 states the property is notified of high-water pressure. Item No. 16 refers to the easement to City of Menifee and EMWD for storm and drainage waters. Item No. 17 pertains to abutter's rights to Barnett Road (Sun City Boulevard) or McLaughlin Road except as shown on said map. Item No. 22 pertains to the environmental constraints on said map. Item No. 23 states the property is located in the Homeland/Romoland drainage plan area and subject to their fees. Item No. 24 is in regard to the effect of a recital on said map that land divider may defer payment of drainage fees to time of grading or building permit. Item No. 25 refers to CC & Rs recorded on the property. Item Nos. 26 and</p> |

27 state the property is annexed into Improvement District U-31 and U-32 of EMWD. Item Nos. 29 thru 33 and 38 thru 47 pertain to condominium plans recorded on the site. Item No. 34 is in regard to a master declaration for binding dispute resolution and Title 7 for The Village. Item Nos. 35 and 36 pertain to Easements, Covenants and Conditions recorded on the site. Item No. 48 refers to the rights of the public in the portion of land lying within any road, street, alley or highway. Item No. 49 pertains to water rights and Item No. 50 refers to the rights of parties in possession.

It is an assumption in this appraisal report that the subject lands are free and clear of any liens and/or encumbrances except for Menifee CFD No. 2022-2 and the aforementioned assessments and CFDs. The appraiser is not a title expert, and it is recommended that any concerns relating to title should be addressed to the appropriate experts.

Utilities: All normal utilities serve the subject site by the following companies:

- Electrical: Southern California Edison Company
- Natural Gas: The Gas Company
- Sewer/Water: Eastern Municipal Water District
- Schools: Romoland School District /
Perris Union High School District

Streets/Access: Access to the subject is via I-215 to Ethanac Road, west about 0.15 mile to Barnett Road (turns into Sun City Boulevard); south 0.5 mile to McLaughlin Road and the subject property. There are two entrances into the subject, off McLaughlin Road onto Bonneau Lane which houses the model homes or off Sun City Boulevard (also known as Barnett Road) onto Colorado Drive. Sun City Boulevard becomes Barnett Road at McLaughlin Road which is also the Menifee City limit.

I-215 is a major Southern California Freeway beginning at the I-15 in Murrieta in Southern Riverside County and providing access north through Riverside and into San Bernardino where it combines with I-15 once again.

Ethanac Road is an arterial with on/off ramps from I-215 and provided the original access into Sun City (prior to Menifee's incorporation). West of I-215 Ethanac Road now provides access to the master planned community of Green Valley Ranch (along the north side) in the City of Perris. Ethanac Road currently terminates about one mile west of Goetz Road.

McLaughlin Road is an access road which begins and ends in northern Menifee, on both sides of I-215. McLaughlin Road is a dirt road in some areas, however, is paved at the subject.

Internal streets within the subject property include Red Drive, Bonneau Lane, James Drive, Brightstone Drive, Colins Street, Colorado Drive, Ashley Road and Platte Road. The entrance off Sun City Boulevard onto Colorado Drive is gated.

Current Condition: The subject property has been developed into 126 single-family detached lots which have an approximate size range from 2,200 to 3,000 square feet. The lots have been graded with streets completed and utilities stubbed to each lot. Ninety-three of the completed homes have closed to individuals. In addition, there are two completed model homes, an additional nine production homes are over 95 percent complete (four in escrow), 16 homes under construction (under 95 percent complete with one in escrow) and six finished and/or partially finished lots.

Conditions of Approval: It is the appraiser's understanding that there are no conditions of approval which could slow or thwart development of the 126 homes.

Remaining Costs: The majority of the subject lots are in a physically finished lot condition with estimated remaining hard costs for land development which include landscaping, walls, streets, dry utilities, pad certifications and consultant costs are estimated to be \$999,469. The remaining impact fees are estimated at \$403,468, however \$194,190 of these fees are estimated to be funded by Menifee CFD 2022-2 leaving \$209,278 to be paid by the builder. The remaining land development costs and fees for the subject property of \$1,208,747 are associated with all of the builder-owned property which includes 33 lots/pads (two models, nine homes over 95 percent complete, 16 pads with homes under construction and six remaining pads) suggesting an average amount of \$36,628.69 per lot in remaining costs for each of the builder-owned parcels. These costs will be taken into consideration in the valuation section later within this report.

HOA Amounts: There is a Homeowner's Association at The Village which maintains the community lighting, landscaping, drainage swales, a playground and a pool/social area with a restroom building. The HOA monthly assessment for the overall community is \$193 per month per home.

Improvement Description: The Village by Century Communities includes 126 proposed single-family detached homes on condominium lots. There are three floor plans with sizes ranging from 2,021 to 2,420 square feet with 3 to 4 bedrooms and 2.5 to 3 bathrooms. The homes are built on condominium lots sized generally from 2,200 to 3,000 square feet and are of Farmhouse, Spanish, Santa Barbara or Cottage architectural design.

All of the homes offer attached two-car garages, concrete tile roofs and roll-up garage doors; gourmet kitchens with Euro frameless cabinets and Whirlpool stainless appliances. Interiors include 9-foot first floor ceilings, 6-panel doors, upstairs laundry rooms, rocker light switches and recessed lighting along with luxury vinyl plank flooring and Shaw carpet. Primary suites include dual sinks and walk-in closets. Homes include front door smart locks and a google home hub.

Ninety-three of the 126 proposed homes have closed to individual homebuyers with closing dates between October 26, 2023, and April 1, 2025. Actual sales prices to individuals (including premium, upgrades, options, and all incentives including mortgage incentives) within The Village ranged from \$462,547 to \$598,245. There are an additional five homes in escrow to individuals which are due to close upon completion with estimated pricing from \$510,291 to \$591,251. Base pricing at project opening in August 2023 ranged from \$479,990 to \$511,990 with current base pricing ranging from \$529,990 to \$579,990. It should be noted that Century Communities is offering concessions including interest rate buy-down options and closing cost help. Concessions within The Village ranged from \$0 to upwards of \$80,000 with the average concession per home on all closed homes equating to \$39,525. All plans have seen base price increases ranging from 10.4 to 14.7 percent with no plans seeing price decreases.

Our search of the MLS revealed no closed resales and one home on the resale market within The Village. Our physical search noted all homes appeared to be in excellent condition. The plans are detailed below.

| The Village by Century Communities | | | | | |
|---|---------|--------------------|---------|---------------|------------------|
| Plan | Bd/Ba | Floors/ Parking | Sq. Ft. | Ind. Owned | Builder Owned |
| 1 | 3 / 2.5 | 2 / 2 | 2,021 | 31 | 6 |
| 2 | 4 / 3 | 2 / 2 | 2,220 | 31 | 3* |
| 3 | 4 / 3 | 2 / 2 | 2,420 | 31 | 2* |
| Total The Village | | | | 93 | 11 |

*One of each of these plans is a model home. There are an additional 16 homes under construction, and six additional finished lots.

RIVERSIDE COUNTY HOUSING MARKET

In analyzing the County's housing market, population growth and economic conditions need to first be considered.

Population

The County population grew approximately 0.2 percent between July 2023 (population estimated 2.451 million) and July 2024 (2.456 latest available statistics per the Department of Finance). This compares to an average annual growth rate over the past ten years of about 0.8 percent, and an average annual growth rate of approximately 2.5 percent for the previous eighteen-year period. Predictions are for the County to grow at an average annual rate of 0.5 percent over the next five years. This equates to an increase of approximately 12,500 residents per year, suggesting the need for about 4,100 homes per year within the County.

Economic Conditions

Over the past twenty-five years the Inland Empire has seen various cycles in the housing market. The Great Recession impacted the Inland Empire significantly and resulted in a longer recovery period than that of other Southern California regions. The rise and then fall of housing prices in the Inland Empire between 2004 and 2009 were considerably steeper than almost anywhere in the State. Unfortunately, this meant that the people who bought near the peak of the market likely faced significant negative equity at the bottom of the market. After essentially remaining flat for a few years, housing prices began to increase in late 2012 through January 2020. Once the COVID pandemic hit in March 2020, the economy entered what is now known as the COVID disruption. The housing market slowed down significantly early on, but by May 2020, new homes were going under contract and selling at well above average absorption rates from May 2020 through Spring of 2022 in the region. Beginning in mid-2022, the new home market saw a slowdown in absorption rates due to the increasing interest rates, the high prices of homes, and the high rate of inflation which began shaking consumer confidence. While existing homes sales were way down due to homeowners unwilling to change in their under-four percent mortgage for a 6.5 percent mortgage, new home sales were still selling

at good absorption rates. As the U.S. Administration began changing in November 2024, consumer confidence originally rose, however due to the upheaval resulting from the many changes being made in the Federal Government thus far in 2025, consumer confidence has eroded. This, in turn, is affecting the economy along with new home sales as builder's pull back due to the uncertainties at this time.

Economic growth in the Inland Empire was strong generally between 2015 (after the Great Recession), and until the economic shutdown due to COVID. The second half of 2020 and all of 2021 saw economic growth, however 2022 saw GDP growth shrinking as interest rates rose and consumer confidence slowed. In the 4th quarter of 2023 GDP growth year over year was 3.2 percent while in the 4th quarter of 2024 it was 2.5 percent. Current estimates for 2025 generally range from 1.7 percent to 2.6 percent. The most recent unemployment rate for the MSA is 5.1 percent (per the February 2025 EDD report), which is lower than the previous month (5.3 percent) and lower than one year prior (5.5%). While these unemployment rates are still near historical lows, the inflation factor coupled with higher interest rates and the uncertainty in the global economy has significantly affected the economy.

The housing market played a large role in the past two recessions. In the Great Recession, due to increased interest rates and rising home prices between June 2004 and mid-2006, the market reaction was to create non-conventional financing alternatives, such as sub-prime and non-conventional mortgages, to artificially maintain the boom housing market of 2004 and 2005. By 2007, the housing market saw a shake-up because of the problems in the sub-prime and non-conventional mortgage markets, which played a role in the 2008 upheaval of Wall Street and contributed significantly to the U.S. economic downturn of the Great Recession. Due to stricter income verification on new loans and the lack of available credit, coupled with job losses and declining home prices, sales of new homes slowed for the next few years and essentially remained flat until mid-2012 when home prices began a steady climb.

During the COVID disruption, new home sales were one of the brightest spots in both the local and national economies. While new home sales slowed in March and April 2020 due

to the onset of the COVID pandemic, both sales and prices increased significantly due to strong demand from May 2020 throughout COVID until spring 2022 when interest rate increases began affecting the home-buying market. The rising interest rates alone did not seem to slow sales in Spring 2022. However, a combination of increasing home prices and falling consumer confidence, added to the significant interest rate increases, slowed new home sales significantly beginning in mid-2022. Due to the significantly higher mortgage interest rates, existing homeowners are not moving which has stifled the existing home market, making the new home market the only option for some. In January 2022 mortgage rates were 3.22 percent (for a typical 30-year fixed conventional mortgage) while as of March 27, 2025, the rate for the same loan is 6.65 percent; however, this is down from over seven percent in January 2025. On a \$450,000 mortgage, the monthly payment for this loan has increased from \$1,946 to \$2,873 or almost 50 percent. Not only have mortgage interest rates increased, insurance costs have also risen significantly with an average 25.9 percent annual increase as of December 2024 reported in California. The recent wildfires in Los Angeles and the new CalFire maps may also add to these insurance cost increases.

The larger public homebuilders began offering significant interest rate buy-downs in early 2023 in order to keep absorption rates steady, which reportedly cost between \$30,000 and \$100,000 in incentives per home. The builders are attempting to find the “sweet spot” in incentives. Per John Burns, the new home sale is much more personalized with the homes being more spec homes but the builders working with buyers to figure out the magic combination of incentives to get the buyer across the finish line. The possible help options include rate buy-downs, help with closing costs and help with design options. Across the Country, 53 percent of builders starts were planned on spec homes. This allows the builder to build homes quicker and rein in the costs, along with focusing on the custom sales process. Within the subject property, the builder is offering both mortgage and design incentives with the average total concessions being around \$40,000 per home. These incentives are a huge advantage for builders. Despite offering all the incentives, the builders have a bigger advantage over the resale market as they can help buyers with their closing costs and mortgage rates in this constrained affordability environment.

Per the Zonda Riverside-San Bernardino Market Report dated January 2025, the number of new home sales in the past year is down 9.6 percent at 10,514 sales in San Bernardino and Riverside. Additionally, the total number of current selling communities in the Inland Empire was down 12 percent (from 245 new communities in March 2024 to 216 new communities in March 2025). The year 2024 started off positively with increasing sales numbers from November 2023 until March 2024 when sales began slowing. Per John Burns, a new home marketing company, homebuilders are excited about 2025 and are putting 2024 in the rear view when uncertainties the second half of the year prevailed. However, there is thought that even with the election behind us, there is still some uncertainty in 2025 with the talks of tariffs and immigration which may affect inflation and labor resulting in higher home costs. As of the end of 2024, homebuilders across the nation when surveyed, were expecting double digit growth across sales, starts and closings and community counts. In the Inland Empire, double digit increases shouldn't be hard to reach due to new home sales being down 9.6 percent annually in December and active projects being down 12 percent from one year ago. However, with the rapid changes occurring due to the new Administration, builders are cautious as consumer confidence drops. Several homebuilders have delayed closing on land transactions due to this uncertainty.

Home loan mortgage rates have been and are still playing a huge part in the housing market. The Board held rates at all-time lows after the Great Recession and again after the COVID Recession in an attempt to assist the housing market's recovery. Low rates helped home sales during this time. However, first-time buyers are now having a hard time entering the housing market due to high prices and high interest rates. Interest rates began rising in mid-2022 as the Board increased the rate eleven times between March 2022 and August 2023. This increased the FFR from 0.25-0.50 percent to 5.25-5.50 percent. The Board stopped the increases after August 2023 and the market began anticipating decreases in 2024. In 2024 rates dropped as the Federal Reserve Board began dropping the FFR with a drop of 50 basis points in September, then two 25 basis point drops in November and December. However, the last two decreases by the Board in November and December 2024 did not reflect as much on mortgage rates until recently.

The stock market was still reeling from anticipating further FFR rate cuts that did not happen. The FFR increases were designed to help slow the high inflation rate in the Nation, which appeared to happen as the latest reports are showing inflation in January 2025 at 3.0 percent and February at 2.8 percent, significantly down from a high of 9.1 percent in June 2022 however slightly higher than other recent readings.

While new home builders were showing optimism for 2025, this was partly based on slower than normal sales in 2024. The recent changes in the Federal Government by the new Administration are shaking consumer confidence, which in turn is shaking builders' confidence. New home sales in the Inland Empire decreased between 2023 and 2024 by 9.6 percent to an annualized rate of 10,514 units. Existing homeowners that are locked into an under-four percent mortgage are not moving up due to the current 6.5 to 7.0 percent mortgage rates. This is creating a supply issue for existing homes. New home sales are benefiting from this supply issue as in some cases, the only option for homebuyers are new homes. Per Zonda, historically, new homes captured 10 to 13 percent of all home sales; however, due to the limited supply of existing homes currently on the market, new homes are capturing closer to 25 percent of all home sales in the Inland Empire.

Residential Land Development

While there had been little land development going on in most of the Inland Empire during the Great Recession years of 2008-2011, the second half of 2012 saw a resurgence in the more coveted areas of the Inland Empire. The increase in housing prices since 2012 combined with the limited availability of supply made land development feasible once again for homebuilders. It is thought that the increase in regulations, which has significantly increased the timeline for processing entitlements, has limited the master developers' further entitlement of developable land in California. While prior to the recession it was not unusual to see numerous large master-planned communities selling lots to various builders, there are few currently available in the subject area with Green Valley and the new Legado the only master plans currently available to sell to various builders in the area. The majority of land sales over the past few years include single tracts of land with maps ready to record (such as the subject property) or a public builder

purchasing a larger piece of land but developing the land for its own use such as Cimarron Ridge by Pulte. However, it is interesting to note that Pulte, when purchasing Cimarron Ridge (totals 750 proposed homes) diversified by selling 127 homes to Invitation Homes to hold for investment as rental homes and by building out the project into two distinct neighborhoods, one (consisting of approximately half the homes) as a Del Webb age qualified community.

Land sales in the Inland Empire slowly grew from 2012 until home sales exploded in May 2020 with land sales following. In 2022 as rates rose, home builders slowed on buying land which has created a lower supply of lots at this time. According to Zonda's survey, there are 9,930 vacant developed lots as of the end of the 4th quarter 2024 in the Inland Empire which is 11.7 percent lower than one year prior. It should be noted that the number of vacant developed lots in 4th quarter 2023 was 20 percent below one year prior. According to Zonda's survey of builders regarding residential land purchases, as of January 2023 only 2 percent of builders surveyed were "full steam ahead," and almost 40 percent were pausing transactions or bidding lower on land transactions. As of March 2024, these percentages had changed drastically with 49 percent stating they are going "full steam ahead" and 46 percent moving "cautiously forward." As of March 2025 however, builders are once again more cautious with most builders in the Inland Empire delaying closing on new land transactions due to the uncertainty in the markets at this time.

New Home Sales and Pricing

We have researched new single-family homes within the subject's market in order to reflect residential trends. It should be noted these sales numbers and prices pertain to new home sales while later in this section we discuss existing home sales. In reviewing new home sales in the Inland Empire market area, per the March 23, 2025, Ryness Report, the year-to-date average sales rate (3.2 sales per month) is significantly lower than the same time period of the previous year (4.2 sales per month). It should be noted that the week ending March 23, 2025, saw an uptick to 3.8 homes per month. This may be due to the approximate half percent decrease seen in mortgage rates in February and March 2025. The last two years sales rates of generally over three homes per month, even with the higher mortgage rates, suggest homebuyers are accepting the higher rates

as the new normal, with new homes enjoying a boost due to the limited supply of existing homes. It is interesting to note that as rates increase and decrease, purchasing power becomes lower or higher respectively. Along with home sales comes a demand for appliances, furniture, building materials and services such as insurance, mortgage services, inspections, interior designers, and landscapers, all contributing to the area economy.

When comparing the March 23, 2025, Inland Empire Ryness Report to one year prior, there are 29 fewer projects (245 in March 2024 and 216 in March 2025) and sales are about 22 percent lower year-to-date than the previous year at 3.3 sales per month. Looking back, in 2024 the average sales rate per project in the Inland Empire was 3.6 sales per month, with 2023 at 3.6 sales per month, with 2022 at 3.2 sales per month, 2021 at 4.5 homes per month, 2020 at 4.3 homes per month while in 2019, prior to COVID, the average sales rate was 3.3 homes per month per project, lower than the year to date in 2025 in the Inland Empire.

New single-family home pricing (combines both attached and detached) in the Inland Empire has also seen changes. The average new home price in the Inland Empire changed from the peak value of \$437,200 in the third quarter of 2006 to \$268,155 in early 2009 (during the Great Recession, a decrease of 39 percent) while the current Inland Empire median new home price is \$615,301 which is up 6.3 percent from one year prior per Zonda. New home sales prices fluctuate based on the land value and competition more than on the cost of building the home. While finishes and sizes of homes can change, the basic costs on a per square foot basis typically do not fluctuate as much as land values; however, there have been inflationary increases in construction costs adding to this increase. Construction materials have increased an estimated 40 percent since 2019 and with the new tariffs, this increase may rise.

Within our search for the most comparable actively selling new home communities, we searched the subject's city of Menifee and adjacent to the north in the City of Perris and the area known as Winchester, which have a multitude of actively selling new homes communities. Because the market area currently holds so many new communities, we focused on those with the most similar product and that were nearest in proximity to the subject. Our search for similar new home projects to the subject area resulted in seven

new home projects (including the subject) with base pricing ranging from \$509,990 to \$634,990, with the majority of base pricing in the \$530,000 to \$600,000 range. The subject's most recent base pricing falls within the comparables price range, with the floorplans falling in the low to mid-range.

Existing Homes Sales and Pricing

While the previous section looked at new home sales and pricing, this section refers to existing homes in the Inland Empire. According to the California Association of Realtors' most recent sales data, within overall Southern California, the median price paid for an existing single-family home in February 2025 (\$866,400) reflects an increase of 4.8 percent from the previous year (\$827,000 in February 2024) and up 1.9 percent from the previous month (\$850,500 in January 2025). Existing home sales in Southern California overall were down 3.0 percent year-over-year as of February 2025, however up 9.3 percent from the previous month. The overall Southern California numbers compare to Riverside County with \$646,840 as the median price paid for an existing home in the County in February 2025, up 0.3 percent from the previous month and up 3.5 percent from the previous year. Sales of existing homes in the County were up 14.2 percent month-over-month, however down 1.6 percent year-over-year. Sales slowed significantly for existing homes in 2022 and 2023 reflecting homeowners not ready to sell due to the changing market. Historically, the new home market captures 10-13 percent of the overall home sales; however, in the past year, new home sales have captured about 25 percent of total home sales. Below is a table showing the sales and prices for the Southern California area by County per the California Association of Realtors.

| Southern California Existing Home Sales | | | | | | |
|--|-----------------|------------------|------------------|-------------------------------|-------------------------------|-------------------------------|
| County | Feb.2025 | Jan. 2025 | Feb. 2024 | Price MTM % Change | Price YTY % Change | Sales YTY % Change |
| Los Angeles | \$852,190 | \$886,400 | \$817,100 | (3.9%) | 4.3% | (2.4%) |
| Orange | \$1,465,500 | \$1,430,000 | \$1,350,000 | 2.5% | 8.6% | 0.00% |
| Riverside | \$646,840 | \$645,000 | \$624,900 | 0.3% | 3.5% | (1.6%) |
| San Bernardino | \$490,000 | \$505,000 | \$450,000 | (3.0%) | 8.9% | (8.7%) |
| San Diego | \$1,040,000 | \$1,030,000 | \$980,000 | 1.0% | 6.1% | (6.2%) |
| Ventura | \$969,500 | \$875,000 | \$890,000 | 10.8% | 8.9% | 1.4% |
| Southern Calif. | \$866,400 | \$850,500 | \$827,000 | 1.9% | 4.8% | (3.0%) |

Source: California Association of Realtors

Based on February 2025 median existing homes prices, in comparison to the majority of the surrounding counties, Riverside County has a definite price advantage. The “Riverside County Advantage” (price difference between Riverside and surrounding counties) is \$205,350 as compared to Los Angeles County, \$322,660 as compared to Ventura County, \$393,160 as compared to San Diego County and \$818,660 as compared to Orange County. That is, in February 2025, the median priced home in Riverside County was \$818,660 less (or over 50 percent less) than the median priced home in Orange County (\$1,465,500). However, San Bernardino County has a \$156,840 price advantage over Riverside County. Typically, as the price advantage widens, homebuyers are more open to commuting to further out areas. With the work-from-home concept, the suburban areas have seen more growth which put pressure on home prices in the Inland Empire.

In a separate attempt to capture the neighborhood specific price changes, the resale activity of existing homes in the subject area (per Redfin.com’s Housing Market Trends) has been reviewed. The number of sales and sale prices of existing homes within market areas in the immediate area of the subject are shown in the table below.

| ZIP Code/Community Name | Border To Subject | Sales of Homes Feb. 2025 | Sales % Change from Feb. 2024 | Feb 2025 Price Median | Price % Change from Feb. 2024 | Feb. 2025 PSF Median |
|--|-------------------|--------------------------|-------------------------------|-----------------------|-------------------------------|----------------------|
| 92586 (Subject Zip – Sun City area of Menifee) | Subject | 99 | 8.8% | \$375,000 | 0.00% | \$271 |
| 92584 (Menifee) | South | 154 | 4.1% | \$636,000 | 5.6% | \$287 |
| 92587 (Canyon Lake) | West | 55 | 19.6% | \$650,000 | 1.6% | \$312 |
| 92570 (Perris) | West | 71 | 91.9% | \$586,450 | 6.1% | \$257 |
| 92596 (Winchester) | East | 180 | (10.4%) | \$611,260 | (1.4%) | \$287 |
| 92563 (Murrieta Hot Springs) | Southeast | 149 | 12.9% | \$680,000 | 2.8% | \$309 |
| 92595 (Wildomar) | South | 35 | (36.4%) | \$629,990 | (1.4%) | \$303 |
| 92585 (Perris) | Northwest | 74 | (10.8%) | \$575,495 | 2.8% | \$265 |

Source: Redfin.com Housing Market Trends February 2025

The median price of a detached resale home in the subject’s market area is \$375,000 which is the lowest of the surrounding area due to the location being in the Sun City area of Menifee, generally with older and smaller homes, including mobile homes. The above price fluctuations from year-to-year relate to the California Association of Realtors overall Riverside County detached home resale price increase of 3.5 percent year-over-year. The extremely large increase in sales in the 92570 (Perris) Zip Code is likely due to the new master planned community of Green Valley with several new communities selling new homes.

The Village Sales, Pricing and Competition

The Village by Century Communities opened for sale at the end of August 2023 with opening base pricing ranging from \$479,990 to \$511,990. The current base pricing at The Village ranges from \$529,990 to \$579,990, with all plans showing base price increases ranging from 10.4 to 14.7 percent, or \$50,000 to \$72,000. It is important to note that the vast majority of the homes within The Village are closing with premiums, upgrades and options along with incentives, which are common in today's marketplace. Actual closed prices, including options, upgrades, and premiums, along with taking all concessions into consideration, have ranged from \$462,547 to \$604,411. Within the subject, Century Communities closed 93 homes to individuals between October 2023, and April 1, 2025, with an additional five homes in escrow to individuals which are due to close upon completion. The total 98 sales equate to an average overall absorption rate of 5.7 homes per month which is an excellent absorption rate over the past 17 months and higher than the Inland Empire's overall average sales rate in 2024 of (4.2 sales per month). According to the Ryness Report dated March 27, 2025, there are currently 46 new home communities in the South Riverside submarket which includes the areas of Winchester, Menifee, Wildomar, Lake Elsinore and the French Valley. The 46 projects include 16 projects within Menifee. The average absorption rate within the 46 South Riverside communities year to date per the March 27, 2025, Ryness Report is 3.4 sales per month. The subject sales rate of 5.7 sales per month compares favorably to both the average in the overall area and the average in the subject's South Riverside market area.

Summary

Riverside County has seen a substantial increase in pricing since 2012 with most areas, including the subject, showing astronomical increases from mid-2020 through today. While existing home sales were originally down when COVID began in spring/early summer 2020, new home sales subsequently shot up due to the existing home market supply being constrained and interest rates hitting all-time lows. The year 2024 saw a slowdown in residential sales due to limited inventory, high pricing and high interest rates. However, buyers appear to be resilient to the increases. The subject market area saw an increase in pricing consistent with most of Southern California over the past few years. While sales slowed and prices softened due to uncertainty in the economy, the past year has seen both price increases and builders offering incentives. Despite uncertainty hitting

the market due to the change in Administration, interest rates and inflation, most observers agree that the Inland Empire housing market is healthy and population growth is still estimated to occur in the area. It is believed that as the population continues to increase, housing growth will also continue.

HIGHEST AND BEST USE ANALYSIS

The highest and best use is a basic concept in real estate valuation due to the fact that it represents the underlying premise (i.e., land use) upon which the estimate of value is based. In this report, the highest and best use is defined as:

"the reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value"⁴

Proper application of this analysis requires the subject properties to first be considered "As If Vacant" in order to identify the "ideal" improvements in terms of use, size and timing of development. The existing improvements (if any) are then compared to the "ideal" improvements to determine if the use should be continued, altered or demolished preparatory to redevelopment of the site with a more productive or ideal use.

"As If Vacant"

In the following analysis, we have considered the site's probable uses, or those uses which are physically possible; the legality of use, or those uses which are allowed by zoning or deed restrictions; the financially feasible uses, or those uses which generate a positive return on investment; and the maximally productive uses, or those probable permissible uses which combine to give the owner of the land the highest net return on value in the foreseeable future.

Physically Possible Uses

The subject property consists of an estimated 15.93 gross and 14.4 net acres in a rectangular shaped parcel at the southeast corner of Sun City Boulevard and McLaughlin Road in Menifee. The site has access from I-215 via either Ethanac Road or McCall Boulevard, west one block to Sun City Boulevard and north from McCall Road 1.2 miles or south from Ethanac Road 0.5 miles to the subject. The site was generally at street grade of the surrounding streets to Sun City Boulevard (west boundary), McLaughlin Road (north boundary) and I-215 (east boundary). The property has been graded and developed into 126 generally level, mostly finished small lots with internal streets in and

⁴ The Appraisal of Real Estate, 11th Edition

utilities stubbed to each lot. The property is surrounded by McLaughlin Road to the north beyond which is an Edison High Wire Easement and some vacant lands; Sun City Boulevard to the west beyond which are existing residences; existing residences to the south and I-215 to the east. McLaughlin Road to the north of the subject is the current border of the City of Menifee beyond which is the City of Perris. The subject area is generally known as Sun City, which was an original retirement area that was incorporated into Menifee when the City was formed. We have reviewed a Phase I Environmental Report and a geotechnical report, all of which concluded that development of the site was feasible. It is an assumption of this report that the soils are adequate to support the highest and best use conclusion and that there are no environmental issues which would slow or thwart development of the site. This is evidenced by City approvals along with City inspectors on site during construction. An engineered drainage system appears to have been designed to alleviate any potential flooding problems and to control project water runoff with detention basins and swale drainage areas surrounding and incorporated throughout the site. All standard utilities serve the subject property. There are neighborhood shopping and major shopping centers within two miles of the subject site.

Based on the physical analysis, the size, access, and topography make the subject property physically suited for numerous types of development; however, the grading and development that has occurred on the site along with the surrounding uses, suggests single-family residential use.

Legality of Use

The subject property is located within the City of Menifee, the entity responsible for land use and zoning regulation. Per the City's Land Use Map and the City's Zoning Map, the subject site is designated as MDR (Medium Density Residential) which allows for 8-14 dwelling units per acre. Tract Map No. 36937 recorded on the site and per the site plan, there are 126 single-family detached units allowed on condominium lots suggesting a density of 8.75 dwelling units per acre based on the net acreage of the recorded map of 14.4 acres. In addition, detached condominium plans have been recorded on the site creating the 126 proposed homes. The approved mapping is consistent with the current General Plan and Zoning Map of the City. Based on the legality of use analysis, the type

of development for which the subject properties can be utilized is narrowed to residential use. This is consistent with the findings of the physically possible uses.

Feasibility of Development

The third and fourth considerations in the highest and best use analysis are economic in nature, i.e., the use that can be expected to be most profitable. As discussed under the Riverside County Housing Market section earlier within this report, the market had shown strong increases in both sales and pricing since COVID. There was a slowdown in sales in late 2022 when high home prices and increasing interest rates began to slow sales with another slow-down occurring now as uncertainty looms due to the Administration change. Overall home sales have slowed down significantly, partially due to existing homeowners not moving due to the higher interest rates, which is stifling the existing home market, at times leaving new homes the only option for homebuyers. Interest rates seem to have stabilized in the 6.5 to 7.0 percent range and new home buyers appear to have adapted to the new rates as they are still purchasing homes.

Within Menifee CFD No. 2022-2, out of 126 proposed houses, there have been 98 home sales to individuals to date including 93 home closings to individuals. All structures appear to be in excellent condition with no physical depreciation apparent. Within the new home market in Menifee and the surrounding area, we found seven additional projects to be comparable to the subject community of The Village. Homebuilding had not been able to keep up with the demand during COVID with low interest rates, millennials joining the home buying market and the work from home factor all adding to the demand. As interest rates increased, the market softened, however the limited supply of existing homes on the market has increased the capture of new homes in the overall real estate market. The Menifee housing market is priced slightly higher when compared to the nearby areas of Perris and Lake Elsinore, however lower than Murrieta and Temecula (adjoining north San Diego County). Population growth is still occurring in the area and will continue to create the need for housing. Our search of the Menifee and immediately surrounding area for comparable land sales resulted in seven land sales in the subject marketplace. Due to the minimal small lot sales, we have gone back 24 months in our search of the market area, including the neighboring areas Winchester, Perris and Temecula.

Based on the above analysis, the highest and best use for the subject property appears to be for single-family detached residential development at the right price points.

Maximum Productivity

Based on the market activity of residential lands in the immediate area, we have concluded there is a need/demand for residential lands.

Highest and Best Use Conclusion – “As If Vacant”

The final determinant of highest and best use, as vacant, is the interaction of the previously discussed factors (i.e., physical, legal, financial feasibility and maximum productivity considerations). Based upon the foregoing analysis, it is our opinion that the highest and best use for the subject property “As if Vacant” is for residential development.

Highest and Best Use – “As Improved”

The subject property consists of the community known as The Village by Century Communities which has three home plans with sizes ranging from 2,021 to 2,420 square feet. The Village opened for sale August 26, 2023, and sold 98 homes to individuals resulting in a sales rate of 5.76 units per month. The average sales rate in the subject’s South Riverside market area year to date has been 3.4 sales per month. Thus, the subject is selling well above the average sales rate in the area. It appears The Village has been well received and is selling at or near the correct price points for the area. Our search within the subject area found seven additional projects considered to be comparable with similar sized homes in the subject market area. The absorption or sales rates within the comparable projects used in our analysis range from 2.0 to 7.6 sales per month.

Base pricing within The Village has had price adjustments since opening, with all showing significant price increases ranging from 10.4 to 14.7 percent (generally \$50,000 to \$72,000 per plan) over the 17 months since the project’s grand opening in late August 2023. While base pricing has seen significant increases since opening, the seller is offering incentives which have averaged nearly \$40,000 per sale which includes both sales incentives and mortgage incentives, which may include a buy-down in the interest

rate. This is typical for public builders in the Inland Empire as they attempt to keep their absorption rates up as the interest rates have increased.

The sales rates within the subject and the competitive projects in the immediate area suggest there is demand for the subject homes in the current market at the right price points. All of the homes are of good design and appear to be of good quality workmanship. In addition there are a significant number of homes in escrow. Based on the excellent sales rates within The Village, current demand and the condition of the homes, it is our conclusion that the highest and best use for the subject property is for the continued use of new homes for sale, as improved.

VALUATION ANALYSIS AND CONCLUSIONS

The Sales Comparison Approach will be used to value the subject property. This approach compares similar properties that have recently sold or are in escrow. In determining the value for the property, a unit of comparison needs to be addressed. For single-family detached condominium lots, the lots are typically sold on a finished lot basis. That is, the sales price is determined by a finished lot value and then the remaining costs to develop the property to a finished lot condition are considered in the sales price. Therefore, in determining a current market value for the residential lands, the current condition of the lots will be considered. In the case of the existing home valuations, a single home sale is the unit of comparison. In determining the value for each existing house, a base value will be concluded for each plan which will be considered a minimum market value as most buyers typically purchase some premiums, upgrades or options which increase the price of the home.

The valuation will be presented as follows. First, a discussion of the single-family detached lot/pad market data will be given. Each of the comparable market data (on a finished lot/pad basis) will be detailed along with a comparison discussion of their relationship to the subject property. The remaining construction costs and development fees for the subject site will be taken into consideration. This analysis will be followed by a finished lot/pad value conclusion for the subject property. Houses which are under construction (under 95 percent complete) will be valued on the basis of a finished lot/pad rather than attribute value to a partially complete improvement.

In the case of the completed (over 95 percent complete) builder-owned models and production units, the homes will be valued using a DCF due to the “bulk” or single ownership of the homes. The DCF will consider the fair market value of the completed homes (utilizing the Sales Comparison Approach), any remaining land development costs and fees, the marketing and carrying costs associated with selling off the homes, a profit due to the developer of the homes, and a discount rate reflecting both the risk associated with selling off the homes along with the time value of money during the estimated absorption period.

In the case of the individually owned homes, a concluded base value will be used for each plan and a mass appraisal technique will be addressed. In determining the concluded base value, new home sales in the area will be reviewed and compared with sales of the subject completed homes using standard methodology and statistical testing. In addition, resales, if any, will be taken into consideration. All of the value conclusions will take into consideration improvements funded by the Menifee CFD No. 2022-2 Special Tax Bonds and their lien. A summary of the final value conclusions will be reported at the end of this valuation section.

Market Data Discussion – Detached Residential Lots

The Village consists of 93 individually owned homes, two model homes, nine production homes over 95 complete (four in escrow), 16 homes under construction (under 95 percent complete, one in escrow) and six remaining lots/pads. The Village lots/pads are generally minimum 2,500 square feet. The homes under construction (under 95 percent complete) will be valued on the basis of a finished lot rather than attribute value to a partially completed improvement, therefore, we will value 22 lots/pads (six lots/pads plus 16 lots/pads with homes under construction that are under 95 percent complete).

We have searched the area and found the seven land transactions summarized in the Addenda. A discussion of each transaction in relation to the subject site is below.

Land Sale No. 1 refers to the most recent closed residential land transaction found in our search of the subject area. The lands are located along the south side of Salt Creek Drive, east of Leon Road in Winchester, about 6.5 miles southeast of the subject property. This area was originally entitled prior to the great recession, was stalled in development for about ten years and is now being built out. Richmond American purchased 186 cluster lots in January 2025 for \$172,661 based on a finished lot estimated price of \$257,000, assuming a CFD on the site similar to the subject. Cluster lots are typically in the 2,500- to 4,000-square-foot range with typically four to six homes in a “cluster” with a shared driveway. The lots were in a blue-topped condition with approved mapping at time of closing. In comparison to the subject property these lots are considered similar in size to

the subject. The location is considered to be slightly inferior, further out for commuters, however there is no freeway frontage which makes it superior in that aspect.

Land Sale No. 2 is known as Planning Area 4 of Park West, a master planned community located in Perris, about five miles northeast of the subject property. While the Park West Specific Plan was approved in 2006, this appears to be the first planning area to be developed. However, there are several master planned communities that have recently been developed to the north and northwest. KB Home purchased the 184 mapped lots in a blue-topped condition for \$34,478,042 or \$187,381 per lot based on a finished lot of \$257,500 assuming a CFD on the site similar to the subject. The lots have a minimum lot size of 5,000 square feet. In comparison to the subject property, this site is considered to be slightly inferior in location as Perris is further out for commuters, however this site does not have freeway frontage which makes it superior in that aspect. When comparing lot size, these 5,000 square foot lots are considered to be superior to the subject's 2,500 square foot lots.

Land Sale No. 3 is known as Nautical Cove Phase I and is located at the northwest corner of Briggs Road and Holland Road in Menifee about six miles southeast of the subject site. KB Home purchased the site which was in an unimproved condition at time of sale and mapped for 120 lots with a minimum lot size of 6,000 square feet. The lots sold for \$6,143,330 or \$51,194 per lot based on a \$253,000 finished lot with a similar CFD to the subject. This is the first take-down on a total of 230 lots that are anticipated to be phased in three takedowns at the reported price per lot. The phasing of the purchase is due to agency permits needed on the remaining 110 lots. The second phase is currently estimated to close in June 2025, once the permits are obtained, however the closing has been delayed. This site is located adjacent to The Lakes master planned community in the eastern portion of Menifee within walking distance to a park and elementary school. In comparison to the subject site, this location is considered to be superior due to the walkability to schools and the no freeway frontage. In addition, the lot size at 6,000 square foot minimum is considered to be superior to the subject lots/pads. Finally, this site was purchased in an unimproved condition which is considered inferior to the subject's

finished lots. While the costs of development are taken into consideration, there is risk associated with the grading and development of the lots which need to be considered.

Land Sale No. 4 is known as Canterwood Phase II and is located at the northwest corner of Leon Road and Craig Avenue in Menifee, about seven miles southeast of the subject property. KB Home purchased the 53 lots, with a minimum lot size of 5,500 square feet, in June 2024. They are currently scheduled to purchase Phase 3 consisting of an additional 93 lots once the amendment to the Winchester Highway 79 Policy area plan is finalized, anticipated by year-end. The lots were purchased in an unimproved condition with approved final mapping for \$4,246,364 or \$80,120 per lot based on an estimated finished lot price of \$227,500 with a similar CFD to the subject property. In comparison to the subject property this location is considered to be superior due to no freeway frontage and the lot size is also considered to be superior when comparing the 5,500 square foot lots to the subject's 2,500 square foot lot/pads. However, these lots were sold in an unimproved condition which is considered inferior to the finished subject lots. Additionally, this transaction was negotiated in late 2023, prior to a substantial amount of appreciation in the marketplace.

Land Sale No. 5 is the closest comparable to the subject as it is located about three miles south of the subject in Menifee at the southwest corner of Bradley Road and Boynton Lane. Richmond American purchased the 198 lots in December 2023 for \$22,077,500 or \$111,502 per lot based on an estimated finished lot price of \$225,000. The lots have a 3,000 square foot minimum, which is similar to the subject's average 2,500 square foot lots. This is an infill site within Menifee which was purchased in an unimproved condition, however surrounding streets are in place making finishing costs lower than typical. In comparison to the subject property this site is considered to be slightly inferior due to lot size and the unimproved condition of the lands at time of purchase and slightly inferior due to the date of sale. While finishing costs are taken into consideration, the risk associated with development is still a concern. Additionally, the market has seen a significant increase in appreciation since late 2023.

Land Sale No. 6 refers to the sale of a property located in Temecula about 14 miles south of the subject known as Prado at Date Street and Temecula Center Drive. Meritage Homes purchased the site which is mapped for 237 small lots (minimum 3,000 square feet) in August 2023 for \$37,000,000 or \$156,118 per lot based on an estimated finished lot price of \$255,000. This is located within Planning Area 12 of the successful Harveston Specific Plan which was formerly designated as service commercial, however amended in 2020 to have a residential overlay on the site. In addition, an approved final map was processed on the site for 237 lots with a minimum lot size of 3,000 square feet. The site had been mass graded in 2003 (at time of the original approvals for the Specific Plan). This site is just off I-15, similar to the subject's I-215 frontage. In comparison to the subject site this transaction is considered to be similar in lot size, however slightly superior in location (Temecula versus Menifee). Per Redfin Market Trends, during March 2025, the median home price in Temecula was \$730,000 or about 30 percent higher than the median home price in Menifee of \$563,000.

Land Sale No. 7 is in regard to the May 2023 purchase of a site located at the northwest corner of Leon Road and Olive Avenue in Winchester about five miles southeast of the subject site. The property had a recorded final map (Map #34677) and was sold in an unimproved condition. The Map allowed for 420 units on detached lots of 2,900 and 3,500 square feet. D.R. Horton purchased the site for \$12,078,000 or \$28,757 per unit based on a blended finished lot price of \$175,000 assuming a similar CFD. In comparison to the subject property this transaction is considered to be similar in lot size, inferior in date of sale (mid-2023, prior to a significant amount of appreciation in the subject marketplace) and condition, while superior due to the non-freeway frontage.

The chart on the following page summarizes the considerations used in adjusting the market data to the subject lot.

| Data No. | Location | Date of Sale | Lot Size | Finished Lot Price | Comparison to Subject |
|-----------------|-----------------|---------------------|-----------------|---------------------------|--|
| 1 | Winchester | 1 / 25 | Cluster | \$257,000 | Superior – No Fwy Frontage Slightly Inferior – Location |
| 2 | Perris | 12 / 24 | 5,000 | \$257,500 | Superior – Lot Size and No Fwy Frontage Inferior – Location |
| 3 | Menifee | 7 / 24 | 6,000 | \$253,000 | Superior – Lot Size & No Fwy Frontage Inferior - Condition |
| 4 | Menifee | 6 / 24 | 5,500 | \$227,500 | Superior – Lot Size and No Fwy Frontage Inferior – Condition |
| 5 | Menifee | 12 / 23 | 3,000 | \$225,000 | Superior – No Fwy Frontage Inferior – Condition and Date of Sale |
| 6 | Temecula | 8 / 23 | 3,000 | \$255,000 | Superior – Location & no Fwy Frontage Inferior – Condition and Date of Sale |
| 7 | Winchester | 5 / 23 | 2,900 – 3,500 | \$175,000 | Superior – No Fwy Frontage Inferior – Condition and Date of Sale |

The majority of the most recent residential land sales in the subject market area are for larger lots than the subject's minimum 2,500 square foot lots, thus we have expanded our search to include some older sales with similar lot sizes that need a date of sale adjustment due to the appreciation in the subject marketplace over the past two years. The market data has an overall finished lot range from \$175,000 to \$257,000. With the lowest sale occurring about two years ago, prior to a substantial amount of appreciation in the subject market place. Data Nos. 2, 3 and 4 are all for larger lots. Data No. 6 is located in Temecula, a superior location which compared to Menifee. The most recent sale is Data No. 1 which closed in January at \$257,000 per finished lot, for cluster lots, similar in size to the subject lots, however without freeway frontage. The subject lots are generally in a physically finished condition with no remaining development risk. The above market data is considered to be good and plentiful.

We have concluded that the subject lots have a current market value of \$230,000 for the 2,500-square-foot lots in a finished condition. As discussed under the Property Description Section, there are remaining costs associated with developing the subject

property into true finished lots. These costs are estimated at \$36,628.69 per lot. The value conclusion for the lots within The Village is calculated below:

| | |
|--|---------------------|
| 22 Lots x \$230,000 | \$ 5,060,000 |
| Less: Remaining Costs (\$36,628.69 x 22) | (805,831) |
| Current Value for Remaining Lots | <u>\$ 4,254,169</u> |

Retail House Valuations

Due to the single ownership of multiple houses by Century Communities (including two model homes and nine production homes over 95 percent complete), a Discounted Cash Flow ("DCF") analysis is needed in order to arrive at a bulk sale value. First, a retail value for each plan will be concluded followed by a DCF for the builder-owned lots, which will consider the absorption time to sell off the houses, the costs associated with selling off the homes and any remaining costs owed by the builder. The resulting revenue will be discounted using an appropriate rate to determine the builder-owned bulk value. The DCF analyses will be followed by a reporting of the concluded values for the individually owned homes using the concluded base retail value for each plan with a separate check of the analysis utilizing a mass appraisal technique based on actual sales prices of the homes and considering any resale market data.

The Village consists of 93 individually owned homes, two model homes, nine production homes over 95 percent complete (four in escrow), 16 houses under construction (one in escrow), and six additional finished lots/pads. The homes under construction and the lots have been valued above. The 11 builder-owned homes over 95 percent complete (including two model homes) are addressed in this section with a separate valuation for each plan, followed by a valuation for the individually owned homes.

Below is a summary of the floor plans within The Village. A listing of the improved residential comparable properties is located in the Addenda of this report. All of the improved residential properties are located within the subject area of Menifee or nearby areas of Homeland, Winchester or Green Valley Ranch in Perris. Our search of the subject property and the local Multiple Listing Service (MLS) has resulted in no closed resales and one current resale listing within The Village.

The plans are detailed below.

| The Village by Century Communities | | | | | |
|---|---------|--------------------|---------|---------------|------------------|
| Plan | Bd/Ba | Floors/ Parking | Sq. Ft. | Ind. Owned | Builder Owned |
| 1 | 3 / 2.5 | 2 / 2 | 2,021 | 31 | 6 |
| 2 | 4 / 3 | 2 / 2 | 2,220 | 31 | 3* |
| 3 | 4 / 3 | 2 / 2 | 2,420 | 31 | 2* |
| Total The Village | | | | 93 | 11 |

*One of each of these plans is a model home. There are an additional 16 homes under construction, and six additional finished pads.

The most appropriate new home comparable data for Plan 1 are shown below.

| Data | Model | Rm. Ct. | Flrs/Pkg. | Sq. Ft. | Price/SF |
|-------------|--------------|----------------|------------------|----------------|-----------------|
| Subj. | 1 | 3 / 2.5 | 2 / 2 | 2,021 | -- |
| 1 | 2 | 4 / 3 | 2 / 2 | 2,220 | \$253.15 |
| 2 | 4 | 4 / 2.5 | 2 / 2 | 1,790 | \$325.69 |
| 3 | 2 | 5 / 2.5 | 2 / 2 | 2,397 | \$249.47 |
| 4 | 3 | 4 / 3 | 2 / 2 | 2,203 | \$297.49 |
| 5 | 3 | 4 / 2.5 | 2 / 2 | 1,835 | \$313.62 |
| 5 | 4 | 4 / 3 | 2 / 2 | 2,059 | \$296.01 |
| 6 | 5 | 5 / 3 | 2 / 2 | 1,874 | \$313.50 |
| 7 | 1 | 3 / 2.5 | 2 / 2 | 1,846 | \$276.27 |
| 7 | 2 | 4 / 2.5 | 2 / 2 | 2,151 | \$248.72 |
| 8 | 4 | 4 / 3 | 2 / 2 | 1,977 | \$313.12 |

All new home comparables are located within Menifee or Winchester. All are of similar quality, design, and appeal. Adjustments were considered (when applicable) for location, master plan amenities, lot size, stories, sales concessions, CFD taxes, common area benefits, total square footage, room count, garage space and other amenities. The new home comparables have a base price range from \$248.72 to \$325.69 per square foot with the smallest sized plan having the highest price per square foot. This is typical due to the economies of scale savings obtained during construction. Plan 1 has a current base asking price of \$262.24 per square foot. There have been 31 closings of Plan 1 with sales prices ranging from \$228.87 to \$267.50 per square foot. There are currently two escrows of Plan 1, with a price range of \$252.49 to \$254.88 per square foot with the escrows reflecting the appreciation which has occurred in the marketplace. It should be noted that the reported

sales prices include upgrades, premiums, and options along with any concessions given by the builder while the concluded value relates to a base price for the plan considering concessions. The builder is currently giving concessions which may include an interest rate buy-down. There is currently one Plan 1 home on the resale market with an asking price of \$574,990 or \$284.51 per square foot. The home has been on the market for over 50 days. The home originally closed in December 2024 for \$499,990 after sales incentives of \$77,000 due to the house being a standing inventory at year-end. All of the homes appear to be in excellent condition with no depreciation visible. It has been concluded that Plan 1 has a base current market value of \$250.00 per square foot. This calculates as follows:

$$2,021 \text{ sf} \times \$250.00 = \$505,250$$

The most appropriate new home comparable data for Plan 2 are shown below.

| Data | Model | Rm. Ct. | Firs/Pkg. | Sq. Ft. | Price/SF |
|-------------|--------------|----------------|------------------|----------------|-----------------|
| Subj. | 2 | 4 / 3 | 2 / 2 | 2,220 | -- |
| 1 | 1 | 3 / 2.5 | 2 / 2 | 2,021 | \$262.24 |
| 1 | 3 | 4 / 3 | 2 / 2 | 2,420 | \$239.67 |
| 2 | 4 | 4 / 2.5 | 2 / 2 | 1,790 | \$325.69 |
| 3 | 2 | 5 / 2.5 | 2 / 2 | 2,397 | \$249.47 |
| 4 | 3 | 4 / 3 | 2 / 2 | 2,203 | \$297.49 |
| 5 | 4 | 4 / 3 | 2 / 2 | 2,059 | \$296.01 |
| 5 | 5 | 5 / 3 | 2 / 2 | 2,384 | \$258.39 |
| 7 | 2 | 4 / 2.5 | 2 / 2 | 2,151 | \$248.72 |
| 7 | 3 | 4 / 3 | 2 / 2 | 2,375 | \$244.63 |
| 8 | 5 | 4 / 3 | 2 / 2 | 2,219 | \$287.78 |

All new home comparables are located within Menifee or Winchester. All are of similar quality, design, and appeal. Adjustments were considered (when applicable) for location, master plan amenities, lot size, stories, sales concessions, CFD taxes, common area benefits, total square footage, room count, garage space and other amenities. The new home comparables have a base price range from \$239.67 to \$325.69 per square foot with the smallest sized plan having the highest price per square foot. This is typical due to the economies of scale savings obtained during construction. Plan 2 has a current base asking price of \$253.15 per square foot. There have been 31 closings of Plan 2 with sales prices ranging from \$219.43 to \$258.18 per square foot. There is currently one escrow of Plan 2,

with a price of \$246.00 per square foot. It should be noted that the reported sales prices include upgrades, premiums, and options along with any concessions given by the builder while the concluded value relates to a base price for the plan considering concessions. The builder is currently giving concessions which may include an interest rate buy-down. All of the homes appear to be in excellent condition with no depreciation visible. It has been concluded that Plan 2 has a base current market value of \$240.00 per square foot. This calculates as follows:

$$2,220 \text{ sf} \times \$240.00 = \$532,800$$

The most appropriate new home comparable data for Plan 3 are shown below.

| Data | Model | Rm. Ct. | Flrs/Pkg. | Sq. Ft. | Price/SF |
|-------------|--------------|----------------|------------------|----------------|-----------------|
| Subj. | 3 | 4 / 3 | 2 / 2 | 2,420 | -- |
| 1 | 2 | 4 / 3 | 2 / 2 | 2,220 | \$253.15 |
| 2 | 4 | 4 / 2.5 | 2 / 2 | 1,790 | \$325.69 |
| 3 | 2 | 5 / 2.5 | 2 / 2 | 2,397 | \$249.47 |
| 3 | 3 | 5 / 3 | 2 / 2 | 2,824 | \$224.85 |
| 4 | 4 | 4 / 3 | 2 / 2 | 2,419 | \$278.48 |
| 5 | 5 | 5 / 3 | 2 / 2 | 2,384 | \$258.39 |
| 7 | 3 | 4 / 3 | 2 / 2 | 2,375 | \$244.63 |
| 8 | 5 | 4 / 3 | 2 / 2 | 2,219 | \$287.78 |
| 8 | 6 | 4 / 3 | 2 / 2 | 2,454 | \$285.24 |

All new home comparables are located within Menifee or Winchester. All are of similar quality, design, and appeal. Adjustments were considered (when applicable) for location, master plan amenities, lot size, stories, sales concessions, CFD taxes, common area benefits, total square footage, room count, garage space and other amenities. The new home comparables have a base price range from \$224.85 to \$325.69 per square foot with the smallest sized plan having the highest price per square foot and the largest sized home having the lowest price per square foot. This is typical due to the economies of scale savings obtained during construction. Plan 3 has a current base asking price of \$239.67 per square foot. There have been 31 closings of Plan 3 with sales prices ranging from \$208.89 to \$249.76 per square foot. There are currently two escrows of Plan 3, with a sales price range of \$239.66 to \$244.32 per square foot with the escrows showing the appreciation in the subject marketplace. It should be noted that the reported sales prices include upgrades,

premiums, and options along with any concessions given by the builder while the concluded value relates to a base price for the plan considering concessions. The builder is currently giving concessions which may include an interest rate buy-down. All of the homes appear to be in excellent condition with no depreciation visible. It has been concluded that Plan 3 has a base current market value of \$230.00 per square foot. This calculates as follows:

$$2,420 \text{ sf} \times \$230.00 = \$556,600$$

Bulk Sales Value – Century Communities Ownership

Due to the number of homes under a single ownership (Century Communities owns nine homes over 95 percent complete along with two model homes), a Discounted Cash Flow Analysis needs to be considered.

Retail Value

Within The Village there are 11 builder-owned homes over 95 percent complete which includes two model homes. Per interviews with builders, upgrades, and landscape/hardscape of up to \$120,000 are installed in the model homes, however, the builders generally consider this a marketing cost and do not anticipate recovering this investment on a dollar-for-dollar basis. Based on actual sales information of the subject model homes and the current real estate market, a consideration of a \$60,000 premium has been included with each of the model homes. As concluded above, the retail base value conclusions for the builder-owned homes are calculated as follows:

| | |
|-------------------------------|---------------------|
| Plan 1 (6 x \$505,250) | \$ 3,031,500 |
| Plan 2 (3 x \$532,800) | 1,598,400 |
| Plan 3 (2 x \$556,600) | 1,113,200 |
| Model Upgrades (2 x \$60,000) | <u>120,000</u> |
| Retail Value | <u>\$ 5,863,100</u> |

Absorption Period

In order to arrive at an absorption period for the 11 builder-owned homes, the absorption rate for the subject neighborhoods along with the surrounding developments has been reviewed. The Village grand opened on August 26, 2023. and there have been 98 sales since that time, suggesting an average absorption of 5.8 homes per month. Within the overall Inland Empire, the average sales rate per project year to date 2025 is 3.3 sales per month while within the subject's market area of South Riverside, the average sales per

project was 3.4 sales per month. When reviewing the comparable projects utilized in our valuation analysis, the communities have an absorption range from 3.8 to 8.8 per month. It appears the subject project and immediate area are enjoying higher than average absorption rates when compared to the larger market areas. Four of the 11 builder-owned homes are in escrow with closings scheduled as the homes are completed. Taking into consideration the product and concluded sales prices along with the current escrows and current market conditions, it is the appraiser's opinion that the 11 builder-owned homes will be absorbed within a three-month period at the concluded values.

Remaining Costs

As discussed under the property description section above, there is \$36,628.69 per lot remaining for land development costs and fees associated with the builder-owned property. For the 11 builder-owned homes, this equates to \$402,916 ($\$36,628.69 \times 11$) in remaining costs. For analysis purposes this will be spread evenly over the three-month absorption period.

Expenses

In determining an expense rate, several builders in the subject area have been interviewed as to their expenses on selling existing inventory. Expenses include marketing and general administrative costs. These costs typically range from six to ten percent depending on varying factors such as absorption period, intensity of marketing, etc. Due to possible buy-downs of interest and help with closing costs in the current market, an eight percent marketing cost is estimated along with two percent for general and administrative costs for a total of ten percent in expenses for this analysis.

Profit

Several interviews with merchant builders in the area were conducted in order to determine an appropriate profit percentage for the subject properties. In the early 2000s, developers typically attempted to achieve a 10 to 12 percent profit based on gross sales proceeds. During the Great Recession, this range was lowered considerably to six to 10 percent with some builders drastically lowering their profit potential in order to maintain their work force. The subject has experienced a good sales rate. A ten percent profit is considered appropriate in the analysis for this project.

Discount Rate

In selecting a discount rate, the following was completed:

1. Interviews with merchant builders in the Menifee area
2. Review of current market conditions including current market rates as well as yields reflected in other markets (i.e., municipal bonds, corporate bonds, etc.)
3. The quality, construction, historical sales, and product on the subject property

The homes within The Village grand opened August 26, 2023, with the product being well received in the marketplace with over five homes per month being sold to date. Based on the sales rate within the subject project, the competition, the product and location, a ten percent discount rate is considered appropriate for this analysis.

Discounted Cash Flow Summary

The discounted revenue (see DCF Analysis in addenda) for the Century Communities-owned homes is \$4,217,085.

Century Communities Ownership Final Valuation

The builder-owned homes within The Village consist of two models along with nine production homes over 95 percent complete, 16 homes under construction (valued based on a finished lot) and six additional finished lots owned by Century Communities. The final valuation of the builder-owned property is shown below:

| | |
|--|----------------------------|
| 22 Lots | \$ 4,254,169 |
| 11 Houses | <u>4,217,085</u> |
| Total Century Communities Ownership | <u>\$ 8,471,254</u> |

Individual Owned Homes Valuation Conclusion

There are 93 individually owned homes within The Village. Based on the concluded value for each plan, the individually owned homes are valued as:

| | |
|-------------------------------|-----------------------------|
| Plan 1 (31 x \$505,250) | \$ 15,662,750 |
| Plan 2 (31 x \$532,800) | 16,516,800 |
| Plan 3 (31 x \$556,600) | <u>17,254,600</u> |
| Total Individual Owned | <u>\$ 49,434,150</u> |

In an additional review, we have reviewed the original builder sales prices for the homes within The Village community. Closings for the 93 homes occurred between October 2023, and April 1, 2025. The reported net closing prices by the builder for the individually owned homes total \$49,557,220. The builder's reported prices include premiums, upgrades and purchased options as well as took into consideration the concessions given by the builder. All of the plans have had base price increases since the project opened, ranging from 10.4 to 14.7 percent. The difference between the concluded value of \$49,434,150 and the reported sales price of \$49,557,220 is due to offsetting factors. The premiums, upgrades and options purchased, and the appreciation would suggest the current value would be higher than the actual sales prices. However, the concessions given in the subject marketplace include both sales concessions along with mortgage incentives which offset the appreciation, along with the premiums, upgrades and options purchased. The above valuation is for the minimum market value as it takes into consideration the base plan price only and does not consider any options, premiums or upgrades which were purchased by the buyers; however, it does take into account all incentives and concessions. It is our conclusion that the original builder's sales prices further substantiate the concluded minimum market value for the individually owned homes.

APPRAISAL REPORT SUMMARY

The appraisal assignment was to value the subject property which is within the boundaries of Menifee CFD No. 2022-2. The property is being developed into the community known as The Village by Century Communities. The Village has been well received in the marketplace with the community enjoying above average absorption rates.

The Village includes a total of 126 single-family proposed homes with 93 closed to individuals and an additional five houses are in escrow to individuals and due to close upon completion. We have reviewed the builder sales and reviewed the area's Multiple Listing Service. Our search resulted in no closed resale homes and one current listing of a resale home within the subject property. All homes appear to be in excellent condition with no depreciation apparent. The 93 home closings occurred between October 2023, and April 1, 2025. There are two models and nine production homes over 95 percent complete, with an additional 16 homes under construction and six finished lots/pads.

The subject property was valued using the Sales Comparison Approach to value and a mass appraisal technique. A minimum value was determined for the existing homes by concluding a base value for each plan. The valuation considered the improvements/benefits to be funded by both the Menifee CFD No. 2022-2 bond proceeds, along with the Menifee CFD No. 2022-2 special tax lien. As a result of our investigation, the concluded market value for the subject property is:

The Village by Century Communities

| | |
|---|----------------------------|
| Century Communities Ownership (22 lots & 11 houses) | \$ 8,471,254 |
| Individual Owners (93 houses) | <u>49,434,150</u> |
| Total Aggregate Value Menifee CFD No. 2022-2 | <u>\$57,905,404</u> |

The above values are stated subject to the Assumptions and Limiting Conditions of this report, the Appraiser's Certification and as of April 1, 2025.

APPRAISER'S CERTIFICATION

The appraiser certifies that to the best of his 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 my personal, unbiased, professional analyses, opinions, and conclusions.
3. The appraiser has no present or prospective interest in the property that is the subject of this report, and no personal interest or bias with respect to the parties involved.
4. The appraiser's compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result or the occurrence of a subsequent event.
5. This appraisal was not based on a requested minimum valuation, a specific valuation or the approval of a loan.
6. The analyses, opinions and conclusions were developed, and this report was prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
7. Kitty Siino has made a personal inspection of the property that is the subject of this report.
8. Kitty Siino has not performed appraisal services on the subject property in the past three years.
9. No other appraisers have provided significant professional assistance to the persons signing this report.
10. The reported analyses, opinions and conclusions were developed, and this report was prepared, in conformity with the requirements of the Appraisal Institute's Code of Professional Ethics and Standards of Professional Appraisal Practice, which include the Uniform Standards of Professional Appraisal Practice.
11. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
12. As of the date of this report, Kitty Siino has completed the requirements of the continuing education program of the Appraisal Institute.



Kitty S. Siino, MAI
State Certified General
Real Estate Appraiser (AG004793)

ADDENDA

TRACT MAP NO. 36937
and Condominium Plan

TRACT MAP NO. 36937

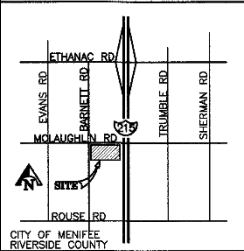
LOTS 1284, 1285, 1298 & 1299, ROMOLA FARMS NO. 12 IN THE COUNTY OF RIVERSIDE STATE OF CALIFORNIA, AS SHOWN BY MAP ON FILE IN BOOK 15, PAGES 77 AND 78 OF MAPS IN THE OFFICE OF THE COUNTY RECORDS OF SAID COUNTY. PREPARED 6/19/19

W.J. McKEEVER INC.

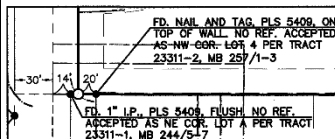
FOR CONDOMINIUM PURPOSES
BOUNDARY CONTROL

APRIL 2019

CITY OF PERRIS



VICINITY MAP
N.T.S.



DETAIL
1" = 60'

LOT 1252

LOT 1283

POR. ROMOLA FARMS NO. 12
M.B. 15/77-78

LOT 1300

CITY OF MENIFEE

P.M. NO. 15194
P.M. 86/2

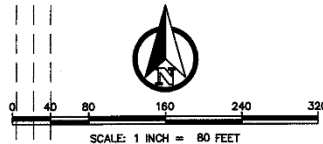
PAR 1
P.M. NO. 13723
P.M. 65/33-34

BARNETT ROAD

NOVA LANE

RECORD MAP REFERENCES

R1 INDICATES RECORD DATA PER TRACT NO. 23311-2, MB 257/1-3
R2 INDICATES RECORD DATA PER RECORD OF SURVEY 141/52-63.
RECORD DISTANCES PER THIS MAP ARE GRID. RECORD DISTANCES SHOWN HEREON HAVE BEEN CONVERTED TO GROUND BY DIVIDING GRID DISTANCES BY A SCALE FACTOR OF 0.99992229.



LINE DATA

| LINE # | LENGTH | BEARING |
|--------|--------|-------------|
| L1 | 30.25 | N35°07'22"E |
| L2 | 98.71 | N6°25'00"E |
| L3 | 50.00 | S0°08'08"W |
| L4 | 252.82 | S89°06'06"E |
| L5 | 34.59 | S0°51'54"W |

CURVE DATA

| CURVE # | LENGTH | RADIUS | DELTA | TANGENT |
|---------|--------|---------|-----------|---------|
| C1 | 8.99' | 82.00' | 6°16'51" | 4.50' |
| C2 | 12.94' | 118.00' | 6°16'51" | 6.47' |
| C3 | 77.12' | 228.00' | 19°22'51" | 38.93' |
| C4 | 7.74' | 372.00' | 11°13'3" | 3.87' |

SURVEYOR'S NOTES

1. THE BASIS OF BEARINGS FOR THIS SURVEY IS THE CALIFORNIA STATE PLANE COORDINATE SYSTEM, ZONE 6, CONSTRAINED TO CONTINUOUS GPS STATIONS BILL & PRRF. SAID BEARING IS NORTH 20°23'41" WEST.
2. ALL DISTANCES SHOWN ARE GROUND. GROUND DISTANCES CAN BE CONVERTED TO GRID BY DIVIDING BY A SCALE FACTOR OF 1.00008408454734.

● INDICATES FOUND AS NOTED
○ INDICATES SET 1" IRON PIPE TAGGED
R.C.E. 22502
() INDICATES RECORD DATA PER RECORD MAP REFERENCE

ALL MONUMENTS SHOWN AS "SET" ARE SET PER RIVERSIDE COUNTY ORDINANCE 461.21 AND IN ACCORDANCE FOR THIS WITH THE TERMS OF THE MONUMENT AGREEMENT FOR THIS MAP.

INTERSTATE 215 FREEWAY

SEARCHED FOR 1" I.P. LS 5784 PER TRACT NO. 23311-1 MB 244/5-7, NOT FOUND. ESTABLISHED BY PROLONGATION AT 20.00' RECORD DISTANCE

FD. NAIL AND TAG, PLS 5409, ON TOP OF FOOTING, NO REF. ACCEPTED AS NW COR. LOT 20 PER TRACT 23311-2, MB 257/1-3

EASEMENT NOTES

1. AN EASEMENT FOR SEWAGE PIPELINES AND INCIDENTAL PURPOSES GRANTED TO EASTERN MUNICIPAL WATER DISTRICT, RECORDED JULY 21, 1988 AS INSTRUMENT NO. 88-201948 OF OFFICIAL RECORDS
2. AN EASEMENT FOR PUBLIC UTILITIES AND INCIDENTAL PURPOSES GRANTED TO EASTERN MUNICIPAL WATER DISTRICT, RECORDED NOVEMBER 09, 1982 AS INSTRUMENT NO. 92-425086 OF OFFICIAL RECORDS

SHEET 2 OF 4

SCALE: 1" = 150'

TRACT 36937
CONDOMINIUM PLAN
THE VILLAGE
PHASE 14

SHEET 4 OF 13 SHEETS

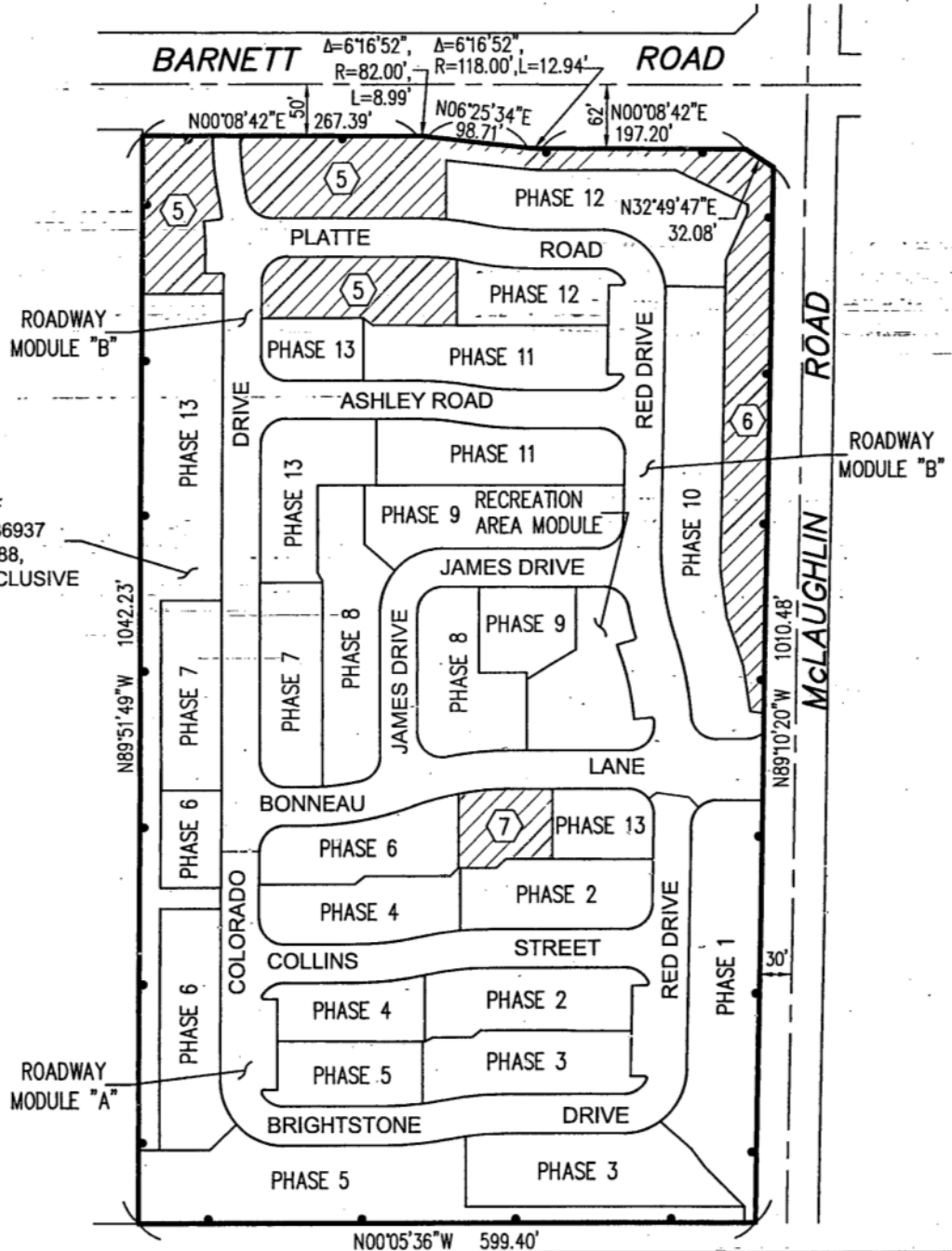
MODULES AND PROJECT BOUNDARY



LEGEND:

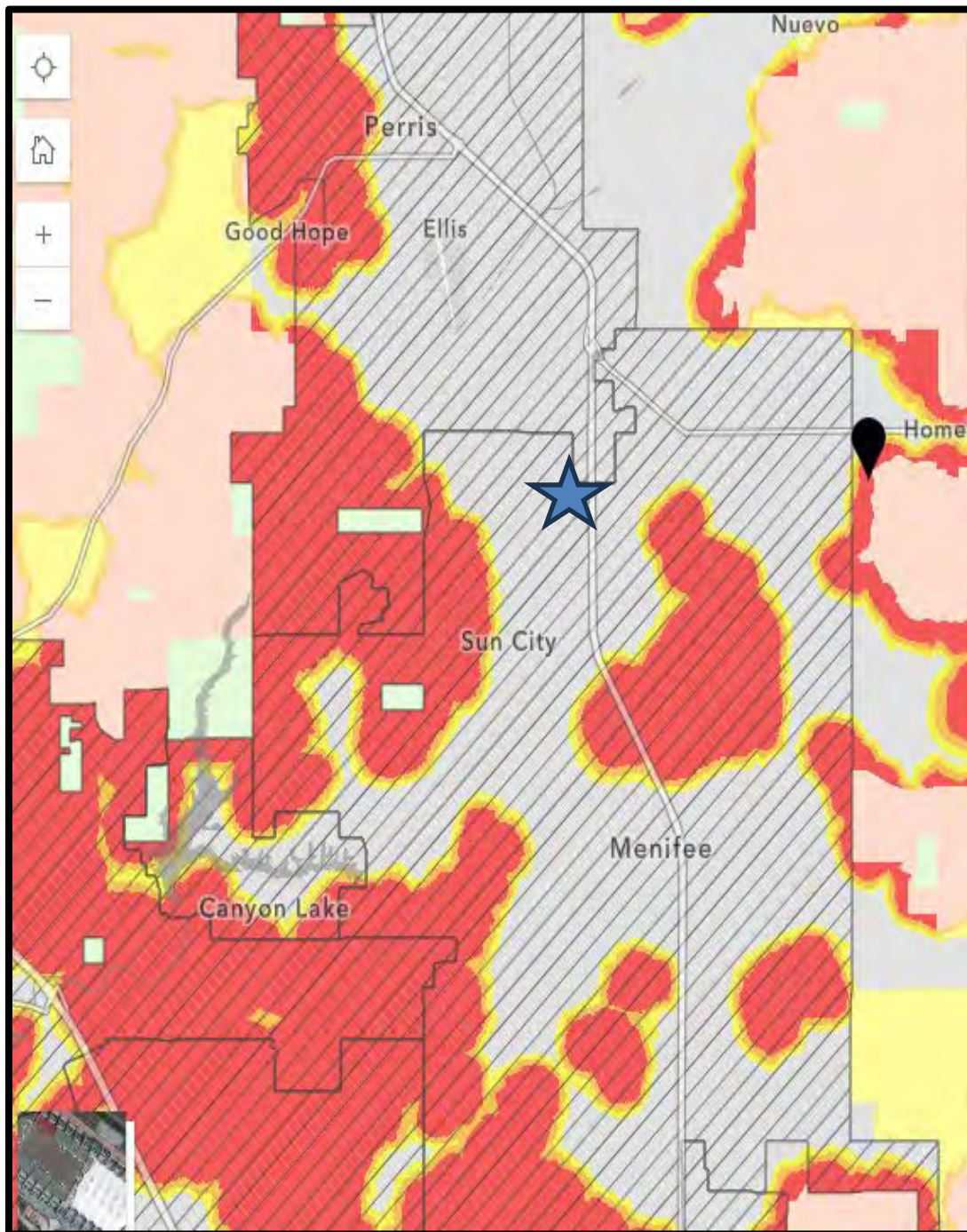
- PROJECT BOUNDARY
- ROADWAY MODULE LIMITS (PHASE 1)
- PHASE 14 MODULE LIMITS
- REFERENCE SHEET NUMBER

LOT 1 OF
TRACT NO. 36937
PER M.B. 488,
PAGES 76-80, INCLUSIVE



CALFIRE
HIGH FIRE SEVERITY HAZARD MAP

CalFire Fire Severity Zone Map
(Updated March 2025)



Blue Star approximate location of subject.
Grey area is outside of High Fire Severity Zone.

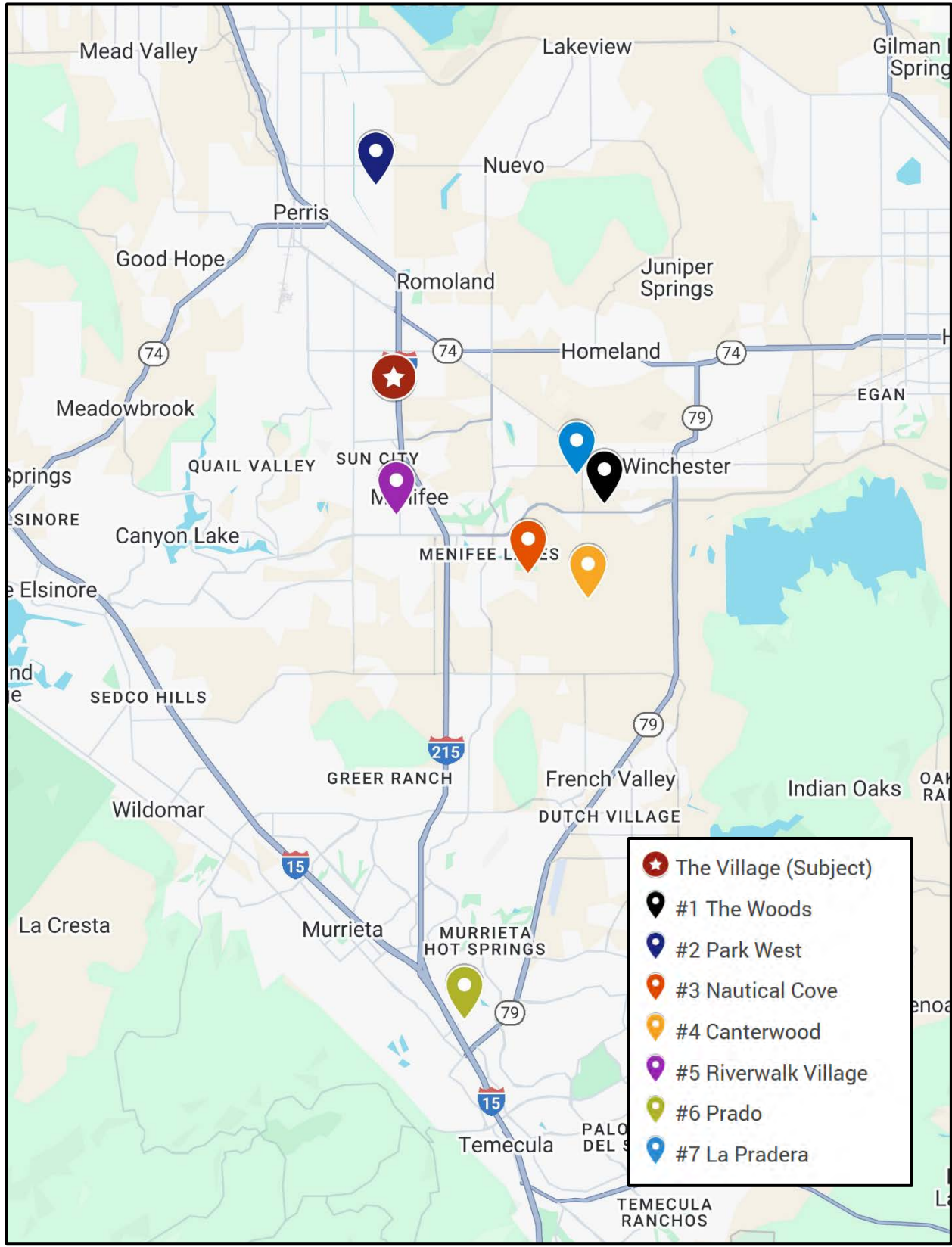
DISCOUNTED CASH FLOW ANALYSIS

The Village Builder-Owned Houses Discounted Cash Flow Analysis

| MONTH | Months | <u>MONTH 1</u> | <u>MONTH 2</u> | <u>MONTH 3</u> | <u>TOTAL</u> |
|---------------------------------|-----------|--------------------|--------------------|--------------------|--------------------|
| | 3 | | | | |
| INCOME: | | | | | |
| Retail Sales | 5,863,100 | \$1,954,367 | \$1,954,367 | \$1,954,367 | \$5,863,100 |
| TOTAL INCOME | | <u>\$1,954,367</u> | <u>\$1,954,367</u> | <u>\$1,954,367</u> | <u>\$5,863,100</u> |
| EXPENSES: | | | | | |
| Remaining Costs | | (\$134,305) | (\$134,305) | (\$134,306) | (\$402,916) |
| Marketing & Carrying Expenses | 10% | (\$195,437) | (\$195,437) | (\$195,437) | (\$586,310) |
| Profit | 10% | (\$195,437) | (\$195,437) | (\$195,437) | (\$586,310) |
| TOTAL EXPENSES | | (\$525,178) | (\$525,178) | (\$525,179) | (\$1,575,536) |
| NET CASH FLOW | | \$1,429,188 | \$1,429,188 | \$1,429,187 | \$4,287,564 |
| Discount Factor | 10% | <u>0.9917</u> | <u>0.9835</u> | <u>0.9754</u> | |
| DISCOUNTED CASH FLOW | | \$1,417,377 | \$1,405,663 | \$1,394,045 | \$4,217,085 |
| CUMULATIVE DISCOUNTED CASH FLOW | | <u>\$1,417,377</u> | <u>\$2,823,040</u> | <u>\$4,217,085</u> | <u>\$4,217,085</u> |

RESIDENTIAL LAND SALES MAP
& SUMMARY CHART

RESIDENTIAL LAND SALES MAP

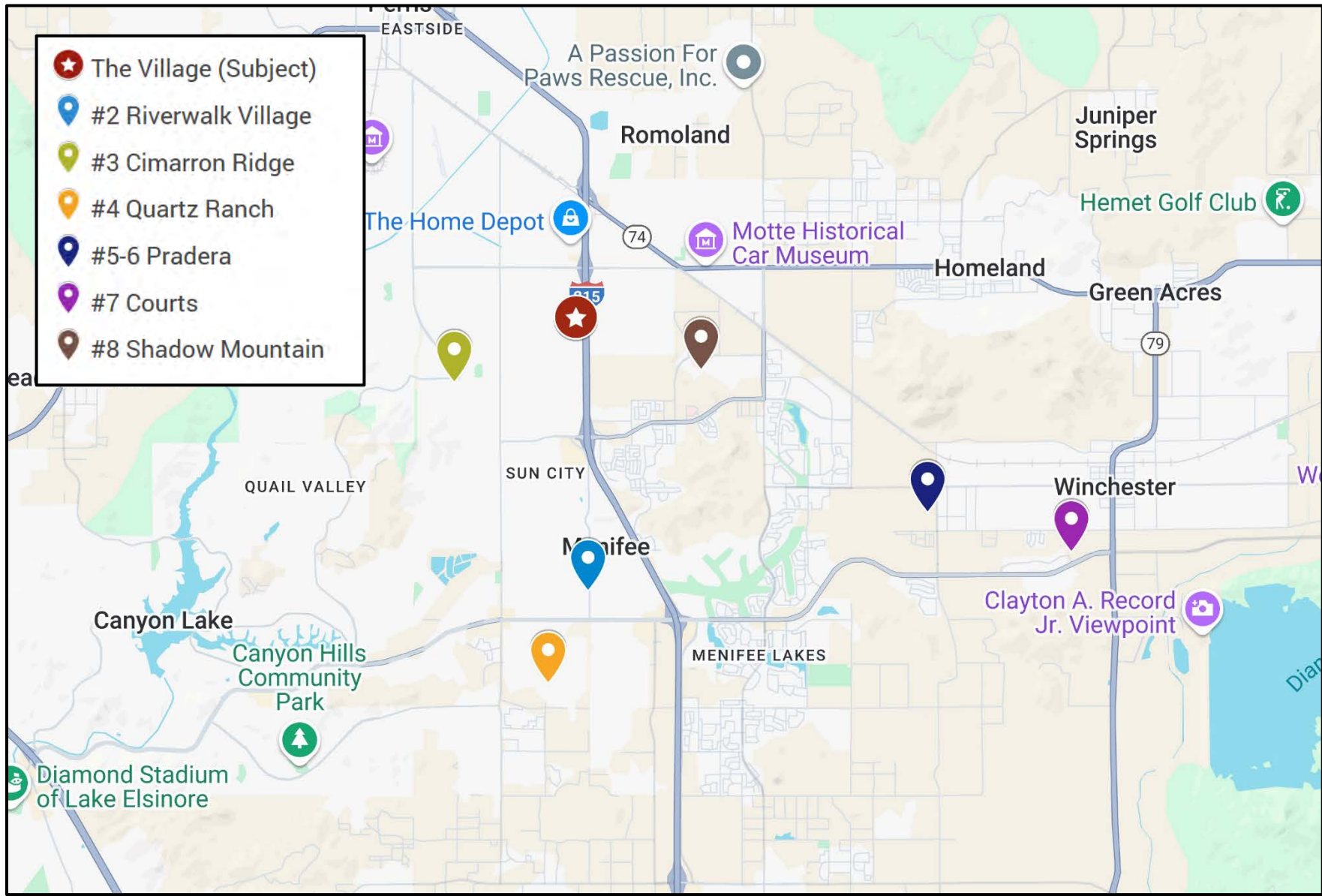


FINISHED LOT LAND SALES SUMMARY CHART

| Data No. | Location / APN / Buyer / Seller | Sales Date | # Lots | Lot Size | Sales Price / Price per Lot | Est. Finished Lot Price | Comments |
|-----------------|--|-------------------|---------------|-----------------|------------------------------------|--------------------------------|---|
| 1 | The Woods / E/O Leon Road southside of Salt Creek Drive, Winchester / 416-820-001 / Richmond American / Foremost Pacific | January 2025 | 186 | Cluster | \$32,115,000 / \$172,661 | \$257,000 | Closed in blue-topped condition with an approved final map. |
| 2 | Park West PA 4 / S/O Nuevo Road at Evans Road, Perris / 310-180-072 / KB Home / Mission Pacific | December 2024 | 184 | 5,000 | \$34,478,042 / \$187,381 | \$257,500 | Closed in a blue-topped lot condition with an approved final map. |
| 3 | Nautical Cove Phase 1, NWC Briggs Road and Holland Road, Menifee / 364-200-009 / KB Home / Ambient | July 2024 | 120 | 6,000 | \$6,143,330 / \$51,194 | \$253,000 | Closed in an unimproved condition with an approved final map. Three phase take down. |
| 4 | Canterwood Phase 2, NWC of Leon Road and Craig Avenue, Menifee / 466-310-026 / KB Home / Ambient | June 2024 | 53 | 5,500 | \$4,246,364 / \$80,120 | \$227,500 | Closing with an approved Final Map in an unimproved condition. Phase 2 closed 6/20/24 (Phase 3 additional 93 lots scheduled to close by end of year). |
| 5 | Riverwalk Village / SWC Bradley Road and Boynton Lane, Menifee / 338-150-046 & 031 / Richmond American / Cal West Homes | December 2023 | 198 | 3,000 | \$22,077,500 / \$111,502 | \$225,000 | Purchased with final map approval in unimproved condition. In-fill parcel in Menifee. |
| 6 | Prado, Date Street and Temecula Center Drive, Temecula / 916-400-070 / Meritage Homes / AHV Homes | August 2023 | 237 | 3,000 | \$37,000,000 / \$156,118 | \$255,000 | Closed with an approved Final Map in an unimproved condition. |
| 7 | La Pradera, NWC Leon & Olive, Winchester / 461-660-032 / D.R. Horton (Brpld – Brookfield OBS partner) / Rancon | May 2023 | 420 | 3,500 & 2,900 | \$12,078,000 / \$28,757 | \$175,000 | Closed with a recorded final map (34677) in an unimproved condition. |

IMPROVED RESIDENTIAL SALES MAP
& SUMMARY CHART

IMPROVED RESIDENTIAL SALES MAP



IMPROVED RESIDENTIAL SALES SUMMARY CHART

| Data No. | Project Name Location/Developer | Plan | Room Count | Floors/Parking | Size (SF) | Lot Size or Density / Absorption | Base Sales Price | Price/SF |
|----------|--|------|------------|----------------|-----------|----------------------------------|------------------|----------|
| 1 | The Village / SEC McLaughlin Road and Sun City Blvd, Menifee / Century Communities | 1 | 3 / 2.5 | 2 / 2 | 2,021 | 2,600 sf lots | \$529,990 | \$262.24 |
| | | 2 | 4 / 3 | 2 / 2 | 2,220 | 5.0 sales/mo | \$561,990 | \$253.15 |
| | | 3 | 4 / 3 | 2 / 2 | 2,420 | | \$579,990 | \$239.67 |
| 2 | Riverwalk Village / SWC Bradley Road and Boynton Lane, Menifee / Richmond American | 1 | 3 / 2.5 | 2 / 2 | 1,390 | 3,000 sf lots | \$535,990 | \$385.60 |
| | | 2 | 3 / 2.5 | 2 / 2 | 1,500 | N/A | \$547,990 | \$365.33 |
| | | 3 | 4 / 2.5 | 2 / 2 | 1,650 | Opened Jan 2025 | \$572,990 | \$347.27 |
| | | 4 | 4 / 2.5 | 2 / 2 | 1,790 | | \$582,990 | \$325.69 |
| 3 | Pathway at Cimarron Ridge, Goetz Road and Heard Court, Menifee / Pulte | 1 | 4 / 2 | 1 / 2 | 1,959 | 6,000 sf lots | \$562,990 | \$287.39 |
| | | 2 | 5 / 2.5 | 2 / 2 | 2,397 | 3.8 sales/mo | \$597,990 | \$249.47 |
| | | 3 | 5 / 3 | 2 / 2 | 2,824 | | \$634,990 | \$224.85 |
| 4 | Meadow Walk at Quartz Ranch, Evans and Cherry Birch Avenue, Menifee / Lennar | 1 | 3 / 2.5 | 2 / 2 | 1,823 | 4,500 sf lots 4.8 sales/mo | \$643,260 | \$352.86 |
| | | 2 | 3 / 2 | 1 / 2 | 1,950 | | \$674,445 | \$345.87 |
| | | 3 | 4 / 3 | 2 / 2 | 2,203 | | \$655,380 | \$297.49 |
| | | 4 | 4 / 3 | 2 / 2 | 2,419 | | \$673,655 | \$278.48 |
| | | 5 | 4 / 3 | 2 / 2 | 2,590 | | \$740,572 | \$285.94 |
| 5 | Pradera Pointe / SWC Leon Road and Hornet Ave, Winchester / DR Horton Express | 1 | 3 / 2 | 1 / 2 | 1,342 | 3,600 sf lots 7.6 sales/mo | \$532,000 | \$396.42 |
| | | 2 | 3 / 2.5 | 2 / 2 | 1,583 | | \$554,900 | \$350.54 |
| | | 3 | 4 / 2.5 | 2 / 2 | 1,835 | | \$575,490 | \$313.62 |
| | | 4 | 4 / 3 | 2 / 2 | 2,059 | | \$609,490 | \$296.01 |
| | | 5 | 5 / 3 | 2 / 2 | 2,384 | | \$615,990 | \$258.39 |
| 6 | Pradera Place / NWC Leon Road and Hornet Ave, Winchester / DR Horton Express | 1 | 3 / 2 | 1 / 2 | 1,352 | 3,600 sf lots 8.8 sales/mo | \$534,990 | \$395.70 |
| | | 2 | 3 / 3 | 2 / 2 | 1,378 | | \$532,990 | \$386.79 |
| | | 3 | 3 / 3 | 2 / 2 | 1,575 | | \$553,490 | \$351.42 |
| | | 4 | 4 / 3 | 2 / 2 | 1,775 | | \$569,490 | \$320.84 |
| | | 5 | 5 / 3 | 2 / 2 | 1,874 | | \$587,490 | \$313.50 |

| | | | | | | | | |
|---|---|---|---------|-------|-------|-------------------------------|-----------|----------|
| 7 | Courts / NWC Domenigoni Pkwy and Rice Road, Winchester / Taylor Morrison | 1 | 3 / 2.5 | 2 / 2 | 1,846 | 2,900 sf lots 4.1 sales/mo | \$509,990 | \$276.27 |
| | | 2 | 4 / 2.5 | 2 / 2 | 2,151 | | \$534,990 | \$248.72 |
| | | 3 | 4 / 3 | 2 / 2 | 2,375 | | \$580,990 | \$244.63 |
| 8 | Oak Shade at Shadow Mountain / SW of Palomar Road and Rouse Road, Menifee / KB Home | 1 | 3 / 2 | 1 / 2 | 1,472 | 5,250 sf lots 4.6 sales/mo | \$549,990 | \$373.63 |
| | | 2 | 3 / 2 | 1 / 2 | 1,620 | | \$565,990 | \$349.38 |
| | | 3 | 4 / 2 | 1 / 2 | 1,846 | | \$599,990 | \$325.02 |
| | | 4 | 4 / 3 | 2 / 2 | 1,977 | | \$619,046 | \$313.12 |
| | | 5 | 4 / 3 | 2 / 2 | 2,219 | | \$638,580 | \$287.78 |
| | | 6 | 4 / 3 | 2 / 2 | 2,454 | | \$699,990 | \$285.24 |

APPRAISER'S QUALIFICATIONS

QUALIFICATIONS OF KITTY S. SIINO, MAI

Education

Bachelor of Arts in Business Administration, Financial Investments, California State University, Long Beach, California (1980)

Post-Graduate Study, Real Estate Development, University of California, Irvine, California

Appraisal Institute Classes: Uniform Standards of Professional Appraisal Practice, A & B; Appraisal Principles; Appraisal Procedures; Basic Income Capitalization; Advanced Income Capitalization; Narrative Report Writing; Advanced Applications, Case Studies. Successfully completed all classes in addition to successfully completing the writing of a Demonstration Report and taking the Comprehensive Exam. Became a Member of the Appraisal Institute in December 1996. Have completed over 100 hours of continuing education through the Appraisal Institute every five years.

Employment

1988 - Present:

Self-Employed Real Estate Appraiser. Duties include the appraisal of various types of properties such as commercial, retail, industrial and vacant land. More complex assignments include easements, right-of-ways and special assessment districts. From 1996 to present, specialized in special assessment districts and community facilities districts appraisals for public entities, including Jurupa Community Services District, Corona Norco Unified School District, City of Corona, City of Chula Vista, City of San Marcos, and City of Moreno Valley.

1986-1988:

Project Manager of Development for Ferguson Partners, Irvine, California. Duties included land acquisitions; review of fee appraisals and valuations; analysis of proposed development; planning and design; and management of development, construction and lease-up. The types of properties developed were commercial and industrial. Duties ranged from raw, vacant site development through property management of recently developed projects.

1981 - 1986

Manager of Finance, Construction for Community Development Division, The Irvine Company, Irvine, California. Duties included originating and managing a newly formed division of finance to bridge between the accounting functions and project management functions. Worked with analysis and budgets for Community Development Division. Coordinated with cities in forming new Assessment Districts and Community Facilities Districts to finance major infrastructure improvements. Types of properties were apartments and single-family residential lots on a for sale basis to apartment and homebuilders.

1980 - 1981

Investment Counselor, Newport Equity Funds, Newport Beach, California. Duties included obtaining private financing for residential properties, working with appraisals of properties and analyzing the investments.

Licenses

Real Estate Sales Person, State of California, 1980
Certified General Appraiser, State of California (#AG004793)

Organizations

MAI #11145 - The Appraisal Institute

Public Financing

CASTOFF Meetings, 2006, 2007, 2008, 2009, 2010, 2011, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2022 and 2024

Speaker, Mello-Roos & Special Assessment Financing, UCLA Extension Public Policy Program, February 2009 and March 2011