

Appraisal of Real Property

City of Menifee CFD No. 2023-1 (Rockport Ranch)

Residential Subdivision

Sunset Pier Road

Menifee, Riverside County, California 92584

Prepared For:

City of Menifee

Date of the Report:

September 27, 2024

Report Format:

Appraisal Report

IRR - Los Angeles

File Number: 219-2024-0055



Subject Photographs



City of Menifee CFD No. 2023-1 (Rockport Ranch)
Sunset Pier Road
Menifee, California

Aerial Photograph





September 27, 2024

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

SUBJECT: Market Value Appraisal
 City of Menifee CFD No. 2023-1 (Rockport Ranch)
 Sunset Pier Road
 Menifee, Riverside County, California 92584
 IRR - Los Angeles File No. 219-2024-0055

Dear Mr. Hickey:

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

The subject is the City of Menifee Community Facilities District (CFD) No. 2023-1 (Rockport Ranch) ("CFD No. 2023-1"), which is generally located at the southwest corner of Old Newport Road and Briggs Road, within the city of Menifee, Riverside County, California. The subject is comprised three communities North, West, and South Shore at Rockport Ranch, which have 109, 96, and 100 lots, respectively. The communities have typical lot sizes ranging from 3,600 to 6,500 square feet. North and South Shore at Rockport Ranch have a traditional lot configuration, while West Shore at Rockport Ranch has an 8-lot cluster configuration. All three communities are being developed by Lennar Homes. As of the date of value, August 30, 2024, the subject consists of partially-improved lots, improved lots with homes under construction, and completed homes. The appraised property comprises 112 completed and sold homes, six completed (unsold) homes, 90 improved lots with homes under construction at various stages and 46 partially improved lots. In total, the appraised properties comprise 254 Assessor's Parcels; the balance of City of Menifee Community Facilities District No. 2023-1 (Rockport Ranch) is 51 completed and sold homes reflected on the County of Riverside Assessor's Tax Roll with a complete assessed value for both land and

improvements. As requested, these 51 Assessor's Parcels are not appraised herein; rather, the aggregate, or cumulative, Assessed Value according to the 2024/25 Tax Roll is presented herein for Bond Financing purposes. A more detailed legal and physical description of the subject property is contained within the attached report.

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

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

Based on the valuation analysis in the accompanying Appraisal Report, and subject to the hypothetical condition, definitions, assumptions, and limiting conditions expressed in the report, the concluded opinions of value, as of the date of value, August 30, 2024, is as follows:

Market Value by Ownership						
	Lots/Parcels /Homes	Lot/Home Value	Remaining Site Development Costs	Permits and Fees	Value per Component	Market Value (Rd.)
Lennar Homes of California, LLC / AG EHC II (LEN) CA 1, L.P.						
Partially-Improved Lots						
North Shore at Rockport Ranch	20	\$224,000	(\$47,985)	-	\$176,015	\$3,520,000
South Shore at Rockport Ranch	21	\$232,500	(\$47,985)	-	\$184,515	\$3,875,000
West Shore at Rockport Ranch	5	\$194,000	(\$47,985)	-	\$146,015	\$730,000
Homes Under Construction						
North Shore at Rockport Ranch	35	\$224,000	(\$47,985)	\$22,600	\$198,615	\$6,952,000
South Shore at Rockport Ranch	22	\$232,500	(\$47,985)	\$22,600	\$207,115	\$4,557,000
West Shore at Rockport Ranch	33	\$194,000	(\$47,985)	\$22,600	\$168,615	\$5,564,000
Completed Homes						
North Shore at Rockport Ranch	2	\$530,000	-	-	\$530,000	\$1,060,000 (Not-Less-Than)
South Shore at Rockport Ranch	4	\$550,000	-	-	\$550,000	\$2,200,000 (Not-Less-Than)
Total - Lennar Homes of California, LLC / AG EHC II (LEN) CA 1, L.P.	142					\$28,458,000
Individual Homeowners						
Completed Homes						
North Shore at Rockport Ranch	33	\$530,000	-	-	\$530,000	\$17,490,000 (Not-Less-Than)
South Shore at Rockport Ranch	39	\$550,000	-	-	\$550,000	\$21,450,000 (Not-Less-Than)
West Shore at Rockport Ranch	40	\$515,000	-	-	\$515,000	\$20,600,000 (Not-Less-Than)
Total - Individual Homeowners	112					\$59,540,000
Aggregate, or Cumulative, Appraised Values	254					\$87,998,000
Aggregate, or Cumulative, Assessed Values	51					\$28,930,504
Total Aggregate, or Cumulative, Value of CFD No. 2023-1 (Rockport Ranch)	305					\$116,928,504

Extraordinary Assumptions and Hypothetical Conditions

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

(None)

The value conclusions are based on the following hypothetical conditions. A hypothetical condition is a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.

1. The value derived herein is based on the hypothetical condition that certain impact fees to be financed by the CFD No. 2023-1 Revenue Bonds, Series 2024, have been paid.

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

The opinions of value represent a "not-less-than" value due to the fact we were requested to provide a market value for the smallest floor plan in each community improved with a completed home without a complete assessed improvement value reflected on the County of Riverside Assessor's Tax Roll.

Please note the aggregate of the appraised values is not the market value of the appraised properties in bulk. As defined by The Dictionary of Real Estate Appraisal, an aggregate value is the "total of multiple market value conclusions." For purposes of this Appraisal Report, market value is estimated by ownership.

As a condition of this assignment, the Assessed Values for certain Assessor's Parcels with completed and sold homes with a complete Assessed Value for both Land and Improvements (improvement value greater than \$300,000) is presented herein for illustration purposes, which will be relied upon for underwriting purposes.

Travis Hickey
City of Meniffee
September 27, 2024
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If you have any questions or comments, please contact the undersigned. Thank you for the opportunity to be of service.

Respectfully submitted,

Integra Realty Resources - Los Angeles



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Executive Summary

Property Name	City of Menifee CFD No. 2023-1 (Rockport Ranch)
Address	Sunset Pier Road Menifee, Riverside County, California 92584
Property Type	Land - Single Family Development Land
Owner of Record	Lennar Homes of California, LLC, AG EHC II (LEN) CA 1, L.P., and Individual Homeowners
Tax ID	364-460-001 through -034, -037 through -052, 364-470-001 through -026, -030 through -082, 364-480-001 through -050, 364-490-001 through -072 and 364-500-001 through -054
Land Area	78.80 acres; 3,432,528 SF
Zoning Designation	Rockport Ranch SP - MHDR and MDR, Rockport Ranch Specific Plan - Courtyard Residential and Single-Family Residential
Highest and Best Use	Residential use
Exposure Time; Marketing Period	6-9 months; 6-9 months
Effective Date of the Appraisal	August 30, 2024
Date of the Report	September 27, 2024
Property Interest Appraised	Fee Simple

Value Conclusion

Value Type & Appraisal Premise	Interest Appraised	Date of Value	No. of Lots	Value Conclusion
Aggregate, or Cumulative, Appraised Values	Fee Simple	August 30, 2024	254	\$87,998,000
Aggregate, or Cumulative, Assessed Values	-	-	51	\$28,930,504
Total Aggregate, or Cumulative, Value of CFD No. 2023-1 (Rockport Ranch)	Fee Simple	August 30, 2024	305	\$116,928,504

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

Extraordinary Assumptions and Hypothetical Conditions

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

(None)

The value conclusions are based on the following hypothetical conditions. A hypothetical condition is a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.

1. The value derived herein is based on the hypothetical condition that certain impact fees to be financed by the CFD No. 2023-1 Revenue Bonds, Series 2024, have been paid.

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

Identification of the Appraisal Problem

Subject Description

The subject is the City of Menifee Community Facilities District (CFD) No. 2023-1 (Rockport Ranch) ("CFD No. 2023-1"), which is generally located at the southwest corner of Old Newport Road and Briggs Road, within the city of Menifee, Riverside County, California. The subject is comprised three communities North, West, and South Shore at Rockport Ranch, which have 109, 96, and 100 lots, respectively. The communities have typical lot sizes ranging from 3,600 to 6,500 square feet. North and South Shore at Rockport Ranch have a traditional lot configuration, while West Shore at Rockport Ranch has an 8-lot cluster configuration. All three communities are being developed by Lennar Homes. As of the date of value, August 30, 2024, the subject consists of partially-improved lots, improved lots with homes under construction, and completed homes. The appraised property comprises 112 completed and sold homes, six completed (unsold) homes, 90 improved lots with homes under construction at various stages and 46 partially improved lots. In total, the appraised properties comprise 254 Assessor's Parcels; the balance of City of Menifee Community Facilities District No. 2023-1 (Rockport Ranch) is 51 completed and sold homes reflected on the County of Riverside Assessor's Tax Roll with a complete assessed value for both land and improvements. As requested, these 51 Assessor's Parcels are not appraised herein; rather, the aggregate, or cumulative, Assessed Value according to the 2024/25 Tax Roll is presented herein for Bond Financing purposes. A legal description of the property is provided in the addenda.

Property Identification

Property Name	City of Menifee CFD No. 2023-1 (Rockport Ranch)
Address	Sunset Pier Road Menifee, California 92584
Tax ID	364-460-001 through -034, -037 through -052, 364-470-001 through -026, -030 through -082, 364-480-001 through -050, 364-490-001 through -072 and 364-500-001 through -054
Owner of Record	Lennar Homes of California, LLC, AG EHC II (LEN) CA 1, L.P., and Individual Homeowners

Sale History

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

Lennar Homes of California, Inc. is utilizing a land bank (AG EHC II (LEN) CA 1, L.P.) to serve as a financing mechanism, which is relatively commonplace for transactions involving national homebuilders, especially within master planned communities such as the subject. Lennar had the option to acquire residential lots over time typically pursuant to a takedown schedule. This transaction is not considered an arm's length transfer of the subject lots, as defined; thus, no further consideration is warranted. For purposes of analysis herein, there is no delineation between Lennar Homes of California, Inc. and AG EHC II (LEN) CA 1, L.P. in the determination of market value, in bulk, of the properties held by the master developer.

Based on the scope of work for this assignment, a detailed sales history was not performed on a parcel-by-parcel basis. From information provided and the analysis included in this report, it is our understanding prior and pending home sales within the past 12 months were negotiated and transferred at prices consistent with market conditions as of the date of the sale.

Pending Transactions

Based on discussions with the appropriate contacts, the property is not subject to an agreement of sale or an option to buy, nor is it listed for sale, in bulk as of the effective appraisal date. However, some individual homes that are under construction are in contract from the homebuilder to individual homeowners.

Appraisal Purpose

The purpose of this Appraisal Report is to estimate the market value (fee simple estate), by Assessor's parcel, and the cumulative, or aggregate value of the appraised properties comprising City of Menifee CFD No. 2023-1 (Rockport Ranch), subject to the hypothetical condition certain proceeds from the 2024 Special Tax Bonds will be available to finance the certain impact fees, as of the effective date of the appraisal, August 30, 2024. The date of the report is September 27, 2024. The appraisal is valid only as of the stated effective date. The home values are based on a "not-less-than" value for the smallest floor plan within each community with a completed home, without consideration for upgrades and lot premiums. Further, we have excluded any contributory value of unfinished homes, but consider the value of permits and impact fees paid for lots with either construction underway or not yet begun.

Value Type Definitions

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

Market Value

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

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

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

Assessed Value

The value of a property according to the tax rolls in ad valorem taxation; may be higher or lower than market value, or based on an assessment ratio that is a percentage of market value.²

Property Rights Definitions

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

Fee Simple Estate

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.³

Client and Intended User(s)

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

Intended Use

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

Applicable Requirements

This appraisal report conforms to the following requirements and regulations:

- Uniform Standards of Professional Appraisal Practice (USPAP);
- Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute;
- Applicable state appraisal regulations;
- Interagency Appraisal and Evaluation Guidelines issued December 10, 2010;
- Appraisal Standards for Land Secured Financing published by the California Debt and Investment Advisory Commission (CDIAC) (2004).

Report Format

Standards Rule 2-2 (Content of a Real Property Appraisal Report) contained in the Uniform Standards of Professional Appraisal Practice (USPAP) requires each written real property appraisal report to be

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

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

³ Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 7th ed. (Chicago: Appraisal Institute, 2022)

prepared as either an Appraisal Report or a Restricted Appraisal Report. This report is prepared as an Appraisal Report as defined by USPAP under Standards Rule 2-2(a), and incorporates practical explanation of the data, reasoning, and analysis used to develop the opinion of value.

Prior Services

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

Appraiser Competency

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

Scope of Work

Introduction

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

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

Research and Analysis

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

Subject Property Data Sources

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

Inspection

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

Property Inspection		
Party	Inspection Type	Inspection Date
Blake Fassler	None	N/A
Kevin Ziegenmeyer, MAI	On-site	August 30, 2024
Eric Segal, MAI	On-site	August 30, 2024

The aerials of the subject were taken August 25, 2024.

Valuation Methodology

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

Approaches to Value

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

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

The market value of the residential lots was estimated utilizing the sales comparison approach and land residual analysis to value. In valuing the subject lots, we selected two benchmark lot categories. In the sales comparison approach, adjustments were applied to the prices of comparable bulk lot transactions, and a market value for each benchmark lot category was concluded. Additionally, we utilized a land residual analysis (a variation of the cost approach and income capitalization approaches), in which all direct and indirect costs are deducted from an estimate of the anticipated gross sales price of the improved home product; the resultant net sales proceeds are then discounted to present value at an anticipated discount rate over the development and absorption period to indicate the residual value of the lots. After reconciling the two approaches to value, we apply a lot size adjustment factor to account for differing lot sizes from the benchmark lot category.

As a condition of this assignment, the Assessed Values for certain Assessor's Parcels with completed and sold homes with a complete Assessed Value for both Land and Improvements (improvement value greater than \$300,000) is presented herein for illustration purposes, which will be relied upon for underwriting purposes.

This appraisal will utilize the term **“improved lot”** to denote a residential lot that has all off-sites and on-sites in place, and includes any impact fees due up until building permit. Building permits and fees due at building permit are excluded for finished lot. Terminology for this type of improved lot can vary by market area, and is sometimes referred to as a “loaded lot”.

The market value estimates for the various taxable land use components described above were then assigned to the various assessor’s parcels comprising the appraised properties in order to derive the cumulative, or aggregate, value of CFD No. 2023-1. Our analysis excluded a typical cost approach; however, costs associated with home construction were taken into consideration as part of the land residual analysis and determination of financial feasibility. Given the limited, if any, income producing potential of the land, an income approach was not utilized.

Economic Analysis

Area Analysis – Riverside County

Introduction

Riverside County is part of a region known as the Inland Empire of southern California, southeast of Los Angeles. The county is bordered by San Bernardino County to the north, Orange County to the west, San Diego and Imperial counties to the south, and the state of Arizona to the east. Major cities in the county include Riverside, Moreno Valley, Corona, Murrieta and Temecula. In general, Riverside County is one of California's fastest growing metropolitan areas as new residents locate here from the more expensive metropolitan areas of Los Angeles and San Diego.

Population

The county has a population of 2.44 million and has grown at an average rate of 0.5% per year over the past five years. The following table illustrates recent population trends for Riverside County.

Population Trends							
City	2018	2019	2020	2021	2022	2023	%/Yr (5-year)
Banning	31,014	31,068	30,621	30,592	30,856	31,250	0.2%
Beaumont	48,013	49,913	53,318	53,945	54,349	56,590	3.6%
Blythe	19,772	19,530	18,586	17,376	17,417	17,265	-2.5%
Calimesa	8,959	9,015	10,028	10,588	10,950	10,962	4.5%
Canyon Lake	10,990	11,021	11,069	11,082	11,003	10,949	-0.1%
Cathedral City	53,148	53,308	51,356	51,599	51,621	51,433	-0.6%
Coachella	46,697	47,318	41,900	41,931	41,935	42,462	-1.8%
Corona	166,299	166,937	156,637	157,182	157,139	157,005	-1.1%
Desert Hot Springs	29,823	30,019	32,415	32,351	32,389	32,608	1.9%
Eastvale	65,509	65,735	69,742	70,457	69,978	69,514	1.2%
Hemet	84,126	84,354	89,325	89,302	89,170	89,918	1.4%
Indian Wells	5,314	5,351	4,759	4,791	4,785	4,774	-2.0%
Indio	88,984	90,112	88,795	89,422	89,789	90,837	0.4%
Jurupa Valley	104,645	106,056	104,828	105,131	105,154	104,983	0.1%
Lake Elsinore	62,622	63,270	70,572	71,225	71,989	71,973	3.0%
La Quinta	40,563	40,663	37,504	37,727	37,562	37,979	-1.3%
Menifee	92,110	94,710	102,466	104,323	107,411	110,034	3.9%
Moreno Valley	205,450	207,190	208,237	208,387	208,302	208,289	0.3%
Murrieta	112,352	113,207	110,702	111,024	110,592	109,998	-0.4%
Norco	26,593	26,473	26,659	24,680	25,035	25,037	-1.2%
Palm Desert	53,554	53,695	50,696	50,683	50,626	50,615	-1.1%
Palm Springs	47,253	47,410	44,206	44,312	44,165	44,092	-1.3%
Perris	77,649	78,095	78,614	78,867	78,474	78,948	0.3%
Rancho Mirage	18,257	18,397	16,588	16,692	16,854	17,012	-1.4%
Riverside	325,916	327,076	316,307	309,598	314,818	313,676	-0.8%
San Jacinto	48,536	49,655	53,835	54,186	54,303	54,103	2.3%
Temecula	112,243	112,561	109,820	109,881	109,468	108,899	-0.6%
Wildomar	36,436	36,878	36,720	36,713	36,438	36,336	-0.1%
Unincorporated	374,835	380,040	391,880	394,680	398,404	401,693	1.4%
Total	2,397,662	2,419,057	2,418,185	2,418,727	2,430,976	2,439,234	0.3%

Source: California Department of Finance

Riverside is the fourth most populous county in California, following Los Angeles, San Diego and Orange Counties. The majority of residents live within incorporated areas, the largest of which is the city of Riverside, with a population of just over 313,000.

Employment & Economy

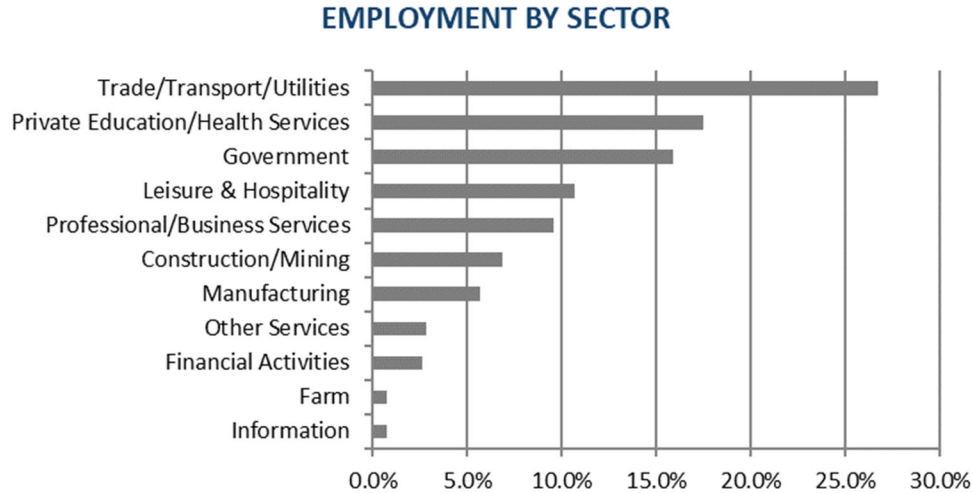
The California Employment Development Department (EDD) has reported the following employment data for Riverside County over the past five years.

Employment Trends						
	2018	2019	2020	2021	2022	2023
Labor Force	1,090,100	1,108,100	1,121,100	1,133,000	1,152,100	1,157,900
Employment	1,041,700	1,061,500	1,008,000	1,050,000	1,104,100	1,102,300
Annual Employment Change	27,500	19,800	-53,500	42,000	54,100	-1,800
Unemployment Rate	4.4%	4.2%	10.1%	7.3%	4.2%	4.8%
Source: California Employment Development Department						

Riverside County saw declining unemployment rates in 2004-2006, increases from 2007 to 2010, declines between 2011 and 2019, a significant increase in 2020 due to the pandemic followed by improvement in 2021 and 2022. A slowing economy has contributed to rising unemployment during 2023.

The California Employment Development Department reported an unemployment rate of 5.5% in Riverside County in January 2024, up from 4.5% a year ago and compared to 5.7% for California and 4.1% for the nation.

As of January 2024, it was reported 23,700 non-farm jobs were gained in the Riverside-San Bernardino-Ontario MSA year-over-year. Annual job growth has slowed in recent quarters. The greatest job growth was in the Private Education/Health Services sector with 22,300 jobs gained, followed by the Government sector with 12,400 jobs gained. The greatest job loss was in the Trade, Transportation/Utilities sector with a loss of 10,700 jobs, followed by Leisure/Hospitality with a loss of 3,800 jobs. The following chart indicates the percentage of total employment for each sector in the metro as of January 2024.



Source: California Employment Development Department

The region's largest employment sector, accounting for roughly 27% of total employment, is Trade/Transportation/Utilities, which includes wholesale and retail trade; followed by Private Education/Health Services (18%) and Government (16%).

The region's largest employers are listed in the following table.

Top Employers - Riverside County			
Employer	Location	Description	No. of Employees
County of Riverside	Countywide	County Government	25,366
Amazon	Countywide	E-Commerce	14,317
March Air Reserve Base	March ARB	Military Reserve Base	9,600
Nestle UA	Mira Loma	General Line Grocery Merchant Wholesalers	8,874
University of California, Riverside	Riverside	University	8,623
State of California	Countywide	State Government	8,383
Walmart	Countywide	Retail	7,494
Moreno Valley Unified School District	Moreno Valley	School District	6,020
Kaiser Permanente Riverside Medical Center	Riverside	Hospital	5,817
Corona-Norco Unified School District	Corona	School District	5,478
Riverside Unified School District	Riverside	School District	5,431
Mt. San Jacinto College	San Jacinto	Community College District	4,638
Marie Callender Wholesalers, Inc.	Corona	Wholesale Trade	4,454
Temecula Valley Unified School District	Temecula	School District	4,022
Eisenhower Medical Center	Rancho Mirage	Hospital	4,001
Pechanga Resort & Casino	Temecula	Resort/Casino	4,000
Hemet Unified School District	Hemet	School District	3,960
Murrieta Valley Unified School District	Murrieta	School District	3,552
Starcrest of California	Perris	E-Commerce	3,450
Palm Springs Unified School District	Palm Springs	School District	3,328
Stater Bros	Countywide	Retail Grocery	3,297
Lake Elsinore Unified School District	Lake Elsinore	School District	3,267
Home Depot	Countywide	Retail	3,115
Jurupa Unified School District	Jurupa Valley	School District	2,749
McDonalds	Countywide	Restaurant	2,721
City of Riverside	Riverside	City Government	2,700
Target	Countywide	Retail	2,631
Coachella Valley Unified School District	Thermal	School District	2,581
Albertsons/Sav-On	Countywide	Retail Grocery	2,231
Riverside Community College District	Riverside	Community College District	2,228
Hemet Valley Medical Center	Hemet	Hospital	2,214
Agua Caliente Band of Cahuilla Indians	Rancho Mirage	Tribal Government / Casinos	2,200
Spa Resort & Casino	Palm Springs	Resort & Spa	2,120
Beaumont Unified School District	Beaumont	School District	2,053
Kroger (Ralphs & Vons)	Countywide	Retail Grocery	2,035
Abbott Vascular, Inc.	Temecula	Medical Device Manufacturing	2,008
Desert Regional Medical Center	Palm Springs	Hospital	1,991
Alvord Unified School District	Corona	School District	1,936
Lowe's Home Improvement	Countywide	Retail	1,928
United Parcel Service	Countywide	Delivery Services	1,678

Source: Riverside County Economic Development Agency, with source cited as "DatabaseUSA.com, Websites, and Public Records, 2023"

Household Income

Median household income represents a broad statistical measure of well-being or standard of living in a community. The median income level divides households into two equal segments with one half of households earning less than the median and the other half earning more. The median income is considered to be a better indicator than the average household income as it is not dramatically affected by unusually high or low values. According to Claritas Spotlight data reporting service, the median household income estimated for Riverside County in 2024 is \$84,882, which is lower than the state of California's median income of \$92,191.

Transportation

Access to and through Riverside County is provided by several major routes, including Interstates 10, 15 and 215, as well as State Routes 60, 62, 74, 79, 86, 91, 111 and 243. The 10 Freeway is the primary

east-west connector while the 15 and 215 Freeways are the primary north-south highways. The 91 Freeway provides travel from the Inland Empire to Orange County via the 55 Freeway.

The 10 Freeway links the major southern California cities of Santa Monica, Los Angeles, Ontario, Beaumont, Palm Springs, Indio and Blythe, before intersecting with the City of Phoenix, Arizona and continuing east through New Mexico, Texas, Louisiana, Mississippi, Alabama, and terminating in Jacksonville, Florida.

As a primary north-south connector, Interstate 15 connects the counties of San Bernardino, Riverside and San Diego. The route extends north through Nevada, Arizona, Utah, Idaho and Montana to the Canadian border. Interstate 15 is a major thoroughfare for traffic between San Diego and the Inland Empire, as well as between Southern California and Las Vegas, Nevada. Interstate 215 comprises approximately 55 miles of interstate highway in the Inland Empire. The southern terminus of Interstate 215 is at the junction of Interstate 15 in Murrieta in south Riverside County and travels through Perris before joining the 60 Freeway in Moreno Valley. This interstate provides an alternative to Interstate 15 for travel between Phoenix, Las Vegas, San Bernardino and the San Diego area.

Public transportation is provided by various agencies. Riverside Transit Agency serves the western third of Riverside County, SunLine Transit Agency serves Palm Springs and the Coachella Valley area, Palo Verde Valley Transit Agency serves Blythe near the Arizona border, Pass Transit serves the San Geronio Pass communities, and Corona Cruiser serves the community of Corona. In addition, Riverside County is also served by Greyhound buses and Amtrak passenger trains.

The county's main airport is the Palm Springs International Airport. This two-runway airport is located about two miles east of downtown Palm Springs and is highly seasonal, with most flights operating during the winter.

Recreation & Culture

Riverside County offers innumerable recreational and cultural opportunities, including many public parks, schools, golf courses, museums and performing arts venues. Popular attractions include the Botanical Gardens at the University of California, Riverside; the historic Mission Inn in downtown Riverside; March Field Air Museum, an aviation museum near Moreno Valley and Riverside, adjacent to the March Air Reserve Base; Temecula Valley, a tourist destination in the southern part of the county with numerous wineries, wine tasting rooms, bed and breakfast inns and wedding venues; and Castle Park, an amusement park. Annual events in the county include the Festival of Lights in Riverside, known for its display of nearly three million Christmas lights; Ghost Walk Riverside; Temecula Valley Balloon and Wine Festival; and Harvest Wine Celebration.

Riverside County is home to multiple higher education institutions including, but not limited to, the University of California Riverside, California Baptist University, California Southern Law School, California State University San Bernardino and Mt. San Jacinto College.

Conclusion

In general, Riverside County is one of the fastest growing areas in the state. New residents have been relocating here from the more expensive metropolitan areas of Los Angeles and San Diego. The region

offers diverse employment opportunities, numerous colleges and universities, extensive transportation routes, shopping centers, public services and recreational activities.

In recent years, market and economic conditions were strong, with unemployment rates falling to historical lows. Employment conditions declined sharply in 2020 after the onset of the pandemic and though market and economic conditions have since improved, current macroeconomic factors, specifically high inflation and rising interest rates, have reintroduced uncertainty in the market. Recovery in the market is expected to be gradual and the long-term outlook for the region is good.

Surrounding Area Analysis

Introduction

This section of the report provides an analysis of the observable data that indicate patterns of growth, structure and/or change that may enhance or detract from property values. For the purpose of this analysis, a neighborhood is defined as “a group of complementary land uses; a congruous grouping of inhabitants, buildings, or business enterprises.”

Neighborhood Boundaries

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

The subject is located within the city of Menifee, Riverside County. The neighborhood boundaries can generally be described as Interstate 215 to the west, city limits of Menifee to the east, Garbani Road to the south, and McCall Boulevard to the north.

Access and Linkages

The subject is located just south of Domenigoni Parkway/Newport Road, which is a primary east and west throughfare that connects Lake Elsinore to the west and Hemet to the east. Interstate 215 is approximately two miles west of the subject (via Domenigoni Parkway/Newport Road), and extends approximately 55 miles of interstate highway in the Inland Empire. The southern terminus of Interstate 215 is at the junction of Interstate 15 in Murrieta in south Riverside County; to the north it travels through Perris before joining the 60 Freeway in Moreno Valley. State Route 74 runs east/west from San Juan Capistrano in Orange County to Palm Desert in Riverside County, stretching a total of 111 miles.

Public transportation is provided by the Riverside Transit Agency (RTA), which has a several stops along McCall and Murrieta Road to the northwest of the subject.

The county’s main airport is the Palm Springs International Airport. This two-runway airport is located about two miles east of downtown Palm Springs and is highly seasonal, with most flights operating during the winter; however, the nearest major airport to the appraised properties is Ontario International Airport (San Bernardino County), just northwest of Riverside County.

Demographics

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

Surrounding Area Demographics					
2024 Estimates	3-Mile Radius	5-Mile Radius	10-Mile Radius	92584 (Menifee, CA)	Riverside County, CA
Population 2020	48,638	118,513	474,019	55,643	2,418,185
Population 2024	52,343	127,603	497,226	60,413	2,500,920
Population 2029	57,124	139,135	528,861	66,285	2,623,551
Compound % Change 2020-2024	1.9%	1.9%	1.2%	2.1%	0.8%
Compound % Change 2024-2029	1.8%	1.7%	1.2%	1.9%	1.0%
Households 2020	15,161	39,093	149,299	16,864	763,283
Households 2024	16,169	41,615	155,940	18,183	791,632
Households 2029	17,529	44,971	165,401	19,836	832,792
Compound % Change 2020-2024	1.6%	1.6%	1.1%	1.9%	0.9%
Compound % Change 2024-2029	1.6%	1.6%	1.2%	1.8%	1.0%
Median Household Income 2024	\$106,759	\$93,912	\$92,810	\$112,051	\$84,882
Average Household Size	3.2	3.1	3.2	3.3	3.1
College Graduate %	26%	22%	23%	26%	24%
Median Age	37	39	38	36	38
Owner Occupied %	80%	78%	73%	81%	67%
Renter Occupied %	20%	22%	27%	19%	33%
Median Owner Occupied Housing Value	\$560,712	\$528,281	\$538,879	\$577,682	\$548,183
Median Year Structure Built	2004	2002	2000	2005	1989
Average Travel Time to Work in Minutes	42	42	40	43	35
Source: Claritas					

As shown above, the current population within a 3-mile radius of the subject is 52,343, and the average household size is 3.2. Population in the area has grown since the 2020 census, and this trend is projected to continue over the next five years. Compared to Riverside County overall, the population within a 3-mile radius is projected to grow at a faster rate.

Median household income is \$106,759, which is greater than the household income for Riverside County. Residents within a 3-mile radius have a slightly higher level of educational attainment than those of Riverside County with higher median owner-occupied home values. Note the median household income and owner-occupied housing value within the zip code is greater than Riverside County.

Land Use

The subject's immediate area consists mainly of residential development, agricultural, and vacant land. The subject is located adjacent to an egg farm that houses eggs. Most of the commercial development is located along the 215 Freeway. To the west of the subject along Newport Road at the 215 Freeway is a large retail development, which includes the Menifee Countryside Marketplace, Menifee Town Center, and Menifee Lakes Plaza. Some of the tenants within these centers include Lowes, Target, Ralphs, Aldi, Living Spaces, LA Fitness, Ross, Best Buy, Home Goods, Petsmart, Party City, and Ulta. These larger retailers are surrounded by numerous nationally-recognized in-line or pad retailers like In-N-Out Burger, Red Robin, Buffalo Wild Wings, Sonic Drive-in, Taco Bell, and Bank of America.

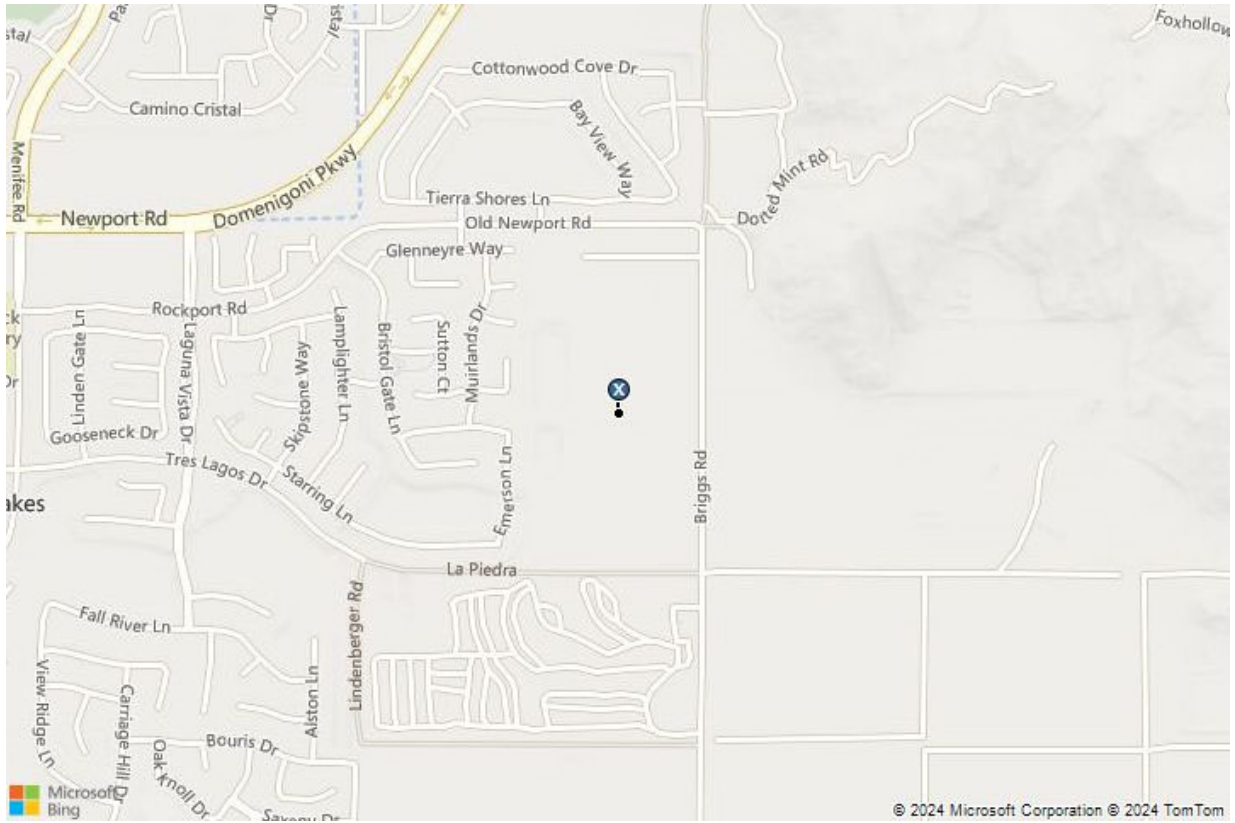
Diamond Valley Lake, which is one of the largest man-made reservoirs in Southern California, is located four miles to the east of the subject. The lake features various recreational activities like trails, fishing, and boating.

The University of California, Riverside campus is located on 1,900 acres in the suburban district of Riverside, approximately 26 miles northwest of the subject. The university is consistently ranked as one of the most ethnically and economically diverse universities in the U.S. Mt. San Jacinto College (MSJC) serves a 1,700 square-mile area from the San Geronimo Pass to Temecula. MSJC offers strong programs in nursing, administration of justice, automotive/ transportation technology, and business administration to name a few. Enrollment in the 2021-2022 school year was greater than 24,000 students. The closest hospital is the Menifee Global Medical Center approximately three miles to the northwest of the subject.

Outlook and Conclusions

The subject is located in city of Menifee, Riverside County. The neighborhood is primarily residential in nature, with commercial development in the neighborhood along the 215 Freeway. The subject benefits from good access to and from the neighborhood's main transportation routes and easy access to major highways. The subject's area has experienced steady development growth over the past five years.

Surrounding Area Map



Residential Market Analysis

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

Submarket Overview

The subject is located in the city of Menifee. The subject is adjacent to newer home construction and planned future development and is considered to have good transportation linkages. The neighborhood is characterized as a suburban area that appeals to both local workers and commuters. Based on existing surrounding homes and new projects under development, the subject characteristics best support a project designed for a combination of entry-level and/or first-time move-up home buyers.

Single-Family Building Permits

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

Single-Family Building Permits

Year	City of Menifee	% Change	County of Riverside	% Change
2014	490	--	5,074	--
2015	408	-16.73%	4,934	-2.76%
2016	565	38.48%	5,987	21.34%
2017	717	26.90%	6,703	11.96%
2018	976	36.12%	7,676	14.52%
2019	1,017	4.20%	7,002	-8.78%
2020	1,410	38.64%	8,895	27.04%
2021	1,264	-10.35%	7,835	-11.92%
2022	904	-28.48%	8,461	7.99%
2023	875	-3.21%	8,836	4.43%

Source: SOCDS Building Permits Monthly Request

Single-Family Building Permits: 2024 Preliminary Data

Month	City of Menifee	County of Riverside
January	20	670
February	24	678
March	36	610
April	61	651
May	75	838
June	-	<u>792</u>
Total	216	4,239

Source: SOCDS Building Permits Monthly Request

Active New Home Projects Pricing and Absorption

The city of Menifee is located within the South Riverside submarket of the Inland Empire. The Ryness Report provides a comparison of sales activity between various regions and markets, including year-to-date totals from the same week of the previous year. Their surveys and reports include sales, buyer traffic, and financing rates on activity in major residential developments throughout California, Arizona, and Nevada. The report for the Inland Empire for the week ending August 25, 2024, is included as follows.

THE RYNESS REPORT

A New Home Sales, Marketing & Research Company

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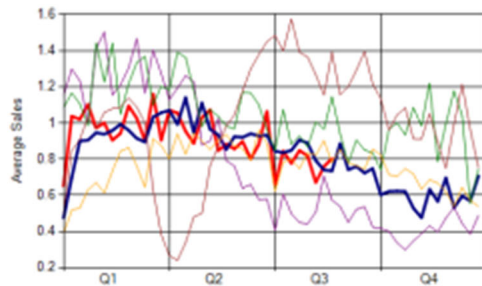
Inland Empire

Week 34

Ending: Sunday, August 25, 2024







Counties / Groups	Projects	Traffic	Sales	Cancel	Net Sales	Avg. Sales	Year to Date Avg.	Diff.	Prev. 13 Wks. Avg.	Diff.
Central-North Central Riverside	55	614	69	9	60	1.09	0.99	10%	0.90	22%
Desert Riverside	19	128	5	3	2	0.11	0.64	-84%	0.52	-80%
Murrieta - Temecula	9	305	8	0	8	0.89	1.04	-15%	0.92	-3%
Northwest Riverside	25	362	20	5	15	0.60	0.89	-32%	0.66	-8%
South Riverside	42	605	33	10	23	0.55	1.00	-45%	1.00	-45%
Central-East San Bernardino	33	417	29	3	26	0.79	0.81	-3%	0.73	8%
Desert San Bernardino	12	153	16	4	12	1.00	0.75	33%	0.69	44%
NW-SW San Bernardino	22	464	31	3	28	1.27	1.02	24%	0.94	36%
Current Week Totals	Traffic : Sales 14 : 1					217	3048	211	37	174
Per Project Average						14	0.97	0.17	0.80	
Year Ago - 08/27/2023	Traffic : Sales 38 : 1					245	4212	211	31	180
% Change						-11%	-28%	0%	19%	-3%

52 Weeks Comparison



Year to Date Averages Through Week 34

Annual

Graph Legend	Year	Avg. Weekly Projects	Avg. Weekly Traffic	Avg. Weekly Sales	Avg. Weekly Cancels	Avg. Project Sales	Year End Avg. Proj. Sales
	2019	213	31	0.93	0.14	0.79	0.76
	2020	244	24	1.16	0.17	0.99	1.01
	2021	196	26	1.24	0.12	1.12	1.05
	2022	194	23	1.13	0.20	0.93	0.74
	2023	246	24	1.04	0.12	0.91	0.82
	2024	236	17	1.06	0.14	0.92	0.92
% Change:		-4%	-26%	2%	13%	1%	12%

* Averages rounded for presentation. Change % calculated on actual numbers.



WEEKLY FINANCIAL NEWS

Financing			Market Commentary
CONV	RATE	APR	One unique challenge the FOMC may run into as it commences with rate cuts is the housing market, where a structural imbalance between strong underlying demand and scarce supply threatens to clog a critical channel through which monetary policy typically works. Amid a growing consensus that a number of rate cuts are on the 2024 calendar, mortgage rates have declined from about 7.2% in May to about 6.5% currently. The new home market continues to outperform. New home sales jumped 10.6% to a 739K-unit pace in July, helping offset a sharp decline over the previous two months. Home builders have dodged the full effects of restrictive monetary policy by providing mortgage-rate buydowns and other pricing incentives for buyers. As a result, new home sales have held up comparatively well this cycle. The stronger pace of sales during July brought down the supply of available new homes slightly, with months supply falling to 7.5 months. Although improved, new home supply is still elevated, most notably in the major homebuilding markets of the South and West regions. Consequently, builders now appear to be scaling back production for the time being. All told, lower rates should eventually provide a boost to the residential sector, but the positive impulse could take longer to be felt on account of poor affordability conditions and elevated supply of new construction. Source: Wells Fargo Bank Weekly Economic & Financial Commentary
FHA	5.99%	6.10%	
	5.75%	6.76%	
10 Yr Yield	3.81%		



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The absorption within the Inland Empire has increased 2% from a year ago. The number of projects within Inland Empire varies year by year due to the extended entitlement and development timelines.

The Ryness Report has identified 42 active projects in the South Riverside submarket, with 13 of those in the the city of Menifee. These projects are summarized as follows:

Development Name	Developer	City Code	Notes	Type	Projects Participating: 42									
South Riverside South Riverside					Units	New Rel.	Ref'd Rm/g	Traffic	Wk's Sales	Wk's Cons	Sold to Date	Sold YTD	Ax. Sale /Week	Ax. Sale /YTD
Boulder Creek	Beazer	WD		DTMU	108	0	1	2	0	0	104	25	0.86	0.74
Crestly at Alberhill	Centex	LE		DTMU	77	0	14	15	0	0	31	28	0.85	0.82
Village, The	Century	ME		DTMU	126	5	10	19	1	0	69	48	1.34	1.41
Avalino	DR Horton	WD		DTMU	117	0	2	21	1	0	11	11	1.05	1.05
Pradera Place	DR Horton	WN		DTMU	210	3	1	12	2	0	116	71	2.02	2.09
Pradera Pointe	DR Horton	WN		DTMU	210	3	2	15	3	1	108	73	1.88	2.15
Canera at Terracina	KB Home	LE		DTMU	224	0	34	20	0	0	51	42	1.10	1.24
Cheyenne at Olivebrook	KB Home	WN		DTMU	156	0	25	16	1	1	131	33	1.42	0.97
Crimson Hills	KB Home	LE		DTMU	178	0	10	9	1	0	167	37	1.10	1.09
Oak Shade at Shadow Mountain	KB Home	ME		DTMU	160	0	15	25	1	0	145	57	1.28	1.68
Poppy at Countryview	KB Home	ME		DTMU	177	13	36	16	0	0	110	40	1.01	1.18
Sage at Countryview	KB Home	ME		DTMU	173	0	26	20	5	1	138	52	1.27	1.53
Sedona at Olivebrook	KB Home	WN		DTMU	58	0	20	21	0	0	26	26	1.94	1.94
Villa Real at Terracina	KB Home	LE		DTMU	179	0	27	25	2	1	50	41	1.08	1.21
Horizon Place	Lennar	WD		ATMU	136	0	7	3	0	0	105	49	1.35	1.44
Quartz Ranch Meadow Walk	Lennar	ME		DTMU	157	3	7	14	1	1	124	47	1.09	1.38
Quartz Ranch Canyon View	Lennar	ME		DTMU	125	0	3	8	2	0	120	33	1.05	0.97
Rockport Ranch North Shore	Lennar	ME		DTMU	109	0	5	7	0	0	64	31	0.95	0.91
Rockport Ranch South Shore	Lennar	ME		DTMU	100	0	5	18	0	0	65	33	0.96	0.97
Rockport Ranch West Shore	Lennar	ME		DTMU	96	0	4	19	2	1	68	36	1.01	1.06
Sevilla	Lennar	WN		ATMU	180	0	3	13	1	0	140	39	1.12	1.15
Nichols Ranch Highland 50's	Meritage	LE		DTMU	91	0	8	10	2	1	50	26	0.79	0.76
Nichols Ranch Hilltop 45's	Meritage	LE		DTMU	77	0	4	10	0	0	62	31	0.98	0.91
Tierra Del Sol	Meritage	WN		DTMU	139	0	1	0	0	0	136	36	1.15	1.06
Fairfield at Alberhill Ranch	Pulte	LE		DTMU	87	5	17	21	0	1	24	24	0.66	0.71
Greenway at Cimarron Ridge	Pulte	ME		DTMU	70	0	9	12	0	1	55	33	0.61	0.97
Linden at Alberhill Ranch	Pulte	LE		DTMU	96	3	18	31	0	0	33	26	0.91	0.76
Meadows at Cimarron Ridge	Pulte	ME		DTMU	116	0	4	15	2	0	57	23	0.63	0.68
Pathway at Cimarron Ridge	Pulte	ME		DTMU	122	5	15	10	1	1	65	39	0.72	1.15
Ridgeline at Alberhill Ranch	Pulte	LE		DTMU	84	0	15	15	0	0	39	33	1.07	0.97
Legacy at Braverde	Richmond American	ME		DTMU	137	0	12	4	0	0	82	25	0.66	0.74
Running Deer Estates	Richmond American	LE		DTMU	96	0	2	3	1	0	94	18	0.67	0.53
Azul at Siena	Taylor Morrison	FRV		DTMU	142	0	3	14	0	0	57	14	0.64	0.41
Courts	Taylor Morrison	WN		DTMU	128	0	8	27	0	0	36	34	0.78	1.00
Oliva at Siena	Taylor Morrison	FRV		ATMU	157	0	3	4	0	0	1	1	0.41	0.41
Rosa at Siena	Taylor Morrison	FRV		DTMU	137	0	1	15	0	0	49	16	0.55	0.47
Towns	Taylor Morrison	WN		ATMU	124	0	6	13	0	0	26	26	0.69	0.76
Viola at Siena	Taylor Morrison	FRV		DTMU	93	0	1	11	2	0	70	35	0.79	1.03
Copper Skye at Outlook	TRI Pointe	WN		DTMU	140	0	7	3	0	0	129	52	1.09	1.53
Echo Highlands	TRI Pointe	LE		DTMU	135	0	6	1	0	0	58	58	1.85	1.85
Luminary at Outlook	TRI Pointe	WN		DTMU	145	0	7	67	0	0	64	64	1.71	1.88
Opal Skye at Outlook	TRI Pointe	WN		DTMU	136	1	2	1	2	0	124	45	1.05	1.32
TOTALS: No. Reporting: 42		Avg. Sales: 0.55		Traffic to Sales: 18 : 1		406	605	33	10	3254	1511	Net: 23		
City Codes: WD = Wildomar, LE = Lake Elsinore, ME = Menifee, WN = Winchester, FRV = French Valley														

Project Types: AAAT = Active Adult ATT, AASF = Active Adult SFD, ATMU = Attached Move-up, ATST = Attached Starter, ATT = Single Family Attached, COHT = Condo/Hotel, CONV = Conversion, DTMU = Detached Move-up, DTST = Detached Starter, HIGH = High Rise, LOFT = Loft, MIDR = Mid-Rise, RWHS = Row Houses, SFD = Single Family Detached

Abbreviations: SO = Sold Out, TSO = Temporarily Sold Out

Projects considered most similar to the subject are further detailed in the following table.

Active Projects									
Project Name	Community	Developer	Average Price	Avg. Home Size (SF)	Average Price/SF	Units Planned	Units Sold	Avg. Sales/Week	Avg. Sales/Month
The Village	Menifee	Century Communities	\$547,323	2,220	\$246.54	126	69	1.34	5.36
Oak Shade at Shadow Mountain	Menifee	KB Homes	\$632,936	1,931	\$327.78	160	145	1.28	5.12
Poppy at Countryview	Menifee	KB Homes	\$528,823	2,189	\$241.58	177	110	1.10	4.40
Sage at Countryview	Menifee	KB Homes	\$562,657	2,485	\$226.42	173	138	1.27	5.08
Quartz Ranch Meadow Walk	Menifee	Lennar	\$633,784	2,197	\$288.48	157	124	1.09	4.36
Quartz Ranch Canyon View	Menifee	Lennar	\$771,809	3,090	\$249.78	125	120	1.05	4.20
Rockport Ranch North Shore	Menifee	Lennar	\$627,387	2,279	\$275.29	109	64	0.95	3.80
Rockport Ranch South Shore	Menifee	Lennar	\$736,385	2,975	\$247.52	100	65	0.96	3.84
Rockport Ranch West Shore	Menifee	Lennar	\$582,586	2,071	\$281.31	96	68	1.01	4.04
Greenway at Cimarron Ridge	Menifee	Pulte Homes	\$620,657	2,796	\$221.98	70	55	0.61	2.44
Meadows at Cimarron Ridge	Menifee	Pulte Homes	\$739,740	3,441	\$214.98	116	57	0.63	2.52
Pathway at Cimarron Ridge	Menifee	Pulte Homes	\$587,990	2,393	\$245.71	122	65	0.72	2.88
Legacy at Braverde	Menifee	Richmond American	-	3,052	-	137	82	0.66	2.64
		Minimum	\$528,823	1,931	\$214.98				2.44
		Maximum	\$771,809	3,441	\$327.78				5.36
		Average	\$631,006	2,548	\$255.61				3.90

Source: Ryness Reports and Developer's Websites. *Information available was not complete for the average sale price

The absorption within projects in Menifee most similar to the subject, including the three subject projects, ranged from 2.44 to 5.36 sales per month with an average of 3.90 sales per month.

Resale Pricing

The following table shows historical resale data for more recently built homes (2021 and newer) in the city of Menifee. The resale market is analyzed as a further gauge of buyer demand for housing. Often home buyers are considering housing purchase options that cover both the new home market, as well as the resale market.

Resales										
Address	Sale Date	Living Area (SF)	Sale Price	Last List Price	Sales Price/SF	Sale/List	Year Built	Days on Market	Lot Size (SF)	
28358 Patches DR	6/4/2024	2,381	\$587,687	\$617,990	\$247	95.10%	2023	151	7,540	
28298 Hopscotch DR	6/4/2024	2,381	\$610,000	\$622,368	\$256	98.01%	2023	96	8,000	
32573 Mckiernan LN	6/4/2024	2,615	\$755,000	\$725,000	\$289	104.14%	2022	50	8,712	
30442 Freeman DR	6/4/2024	3,405	\$780,965	\$732,165	\$229	106.67%	2023	8	6,020	
30467 Freeman DR	6/4/2024	3,136	\$790,044	\$788,681	\$252	100.17%	2023	114	7,432	
30454 Freeman DR	6/5/2024	3,048	\$730,068	\$740,068	\$240	98.65%	2023	197	6,020	
30407 Freeman DR	6/5/2024	2,970	\$752,397	\$749,172	\$253	100.43%	2023	226	6,717	
30431 Freeman DR	6/5/2024	3,040	\$759,324	\$758,393	\$250	100.12%	2023	100	7,385	
30443 Freeman DR	6/5/2024	2,910	\$852,518	\$852,518	\$293	100.00%	2023	6	6,923	
27094 Nolana WAY	6/6/2024	2,872	\$640,000	\$649,999	\$223	98.46%	2021	209	7,893	
26932 Chance DR	6/9/2024	1,620	\$542,990	\$542,990	\$335	100.00%	2023	67	5,071	
26925 Chance DR	6/9/2024	2,219	\$556,397	\$547,990	\$251	101.53%	2023	66	5,569	
27097 Lasso WAY	6/11/2024	1,906	\$615,000	\$615,000	\$323	100.00%	2021	26	7,292	
24068 Timber Farm DR	6/11/2024	2,418	\$799,900	\$799,900	\$331	100.00%	2021	9	7,684	
26920 Chance DR	6/12/2024	1,977	\$605,928	\$546,990	\$306	110.77%	2023	11	5,011	
30466 Freeman DR	6/14/2024	2,970	\$719,101	\$729,101	\$242	98.63%	2023	175	6,453	
32630 Bullard ST	6/16/2024	1,740	\$659,990	\$659,990	\$379	100.00%	2021	94	5,990	
28438 Blackjack DR	6/17/2024	2,219	\$626,000	\$625,000	\$282	100.16%	2023	13	5,507	
28199 Schola DR	6/21/2024	1,889	\$610,000	\$600,000	\$323	101.67%	2021	18	5,663	
25181 Fortuna ST	6/21/2024	2,175	\$633,888	\$628,888	\$291	100.80%	2021	10	9,148	
26029 Redoak ST	6/21/2024	2,539	\$620,000	\$649,900	\$244	95.40%	2021	115	7,841	
25375 Summer creek drive	6/23/2024	1,959	\$600,000	\$600,000	\$306	100.00%	2023	10	7,453	
29847 Canary wood Ct	6/23/2024	3,047	\$689,000	\$689,000	\$226	100.00%	2022	9	6,000	
29528 Tulipwood ST	6/23/2024	2,845	\$700,000	\$700,000	\$246	100.00%	2023	16	6,717	
29451 Santa Ynez CIR	6/28/2024	2,605	\$825,000	\$824,990	\$317	100.00%	2022	55	7,841	
26908 Chance DR	7/1/2024	2,766	\$660,594	\$601,990	\$239	109.74%	2023	107	5,053	
32822 Forgecroft ST	7/1/2024	2,911	\$725,000	\$725,000	\$249	100.00%	2022	19	9,056	
29538 Holsteiner WAY	7/1/2024	3,903	\$900,000	\$850,000	\$231	105.88%	2021	1	8,276	
24079 Kerrigan DR	7/2/2024	2,418	\$660,000	\$669,999	\$273	98.51%	2022	5	7,200	
32256 Bullard ST	7/2/2024	2,730	\$660,540	\$675,540	\$242	97.78%	2023	10	5,100	
32652 Bullard ST	7/2/2024	2,080	\$778,482	\$693,990	\$374	112.17%	2021	122	5,665	
32087 Parker ST	7/3/2024	2,780	\$714,540	\$724,540	\$257	98.62%	2023	63	6,000	
29414 Whitewood ST	7/4/2024	3,013	\$735,000	\$740,000	\$244	99.32%	2022	27	6,050	
32093 Parker ST	7/6/2024	3,100	\$719,705	\$729,705	\$232	98.63%	2023	96	6,000	
32190 Bullard ST	7/9/2024	3,172	\$800,000	\$829,990	\$252	96.39%	2023	78	5,587	
31104 Alcove LN	7/10/2024	2,531	\$708,000	\$698,888	\$280	101.30%	2021	27	8,215	
24326 Fair Oaks CT	7/16/2024	2,898	\$685,000	\$675,000	\$236	101.48%	2021	3	6,970	
28384 Abbey LN	7/18/2024	3,107	\$716,200	\$719,900	\$231	99.49%	2022	14	6,395	
26853 Chance DR	7/22/2024	1,977	\$578,990	\$578,990	\$293	100.00%	2023	24	5,150	
25417 Circle Stone DR	7/24/2024	1,959	\$564,112	\$564,112	\$288	100.00%	2023	222	8,304	
32520 Bullard ST	7/24/2024	2,075	\$620,000	\$615,000	\$299	100.81%	2022	117	5,227	
32716 Dahl Jr LN	7/24/2024	3,040	\$698,952	\$689,866	\$230	101.32%	2023	38	6,050	
25367 Circlestone DR	7/24/2024	3,125	\$724,721	\$708,320	\$232	102.32%	2023	251	7,076	
32697 Jaenichen LN	7/30/2024	2,371	\$620,000	\$650,000	\$261	95.38%	2022	52	6,098	
32071 Parker ST	7/30/2024	3,240	\$720,342	\$740,342	\$222	97.30%	2023	36	6,000	
32737 Dahl Jr LN	7/31/2024	2,680	\$665,390	\$665,390	\$248	100.00%	2023	97	6,500	
29299 Chandler DR	8/1/2024	2,907	\$642,000	\$639,999	\$221	100.31%	2021	11	6,647	
30811 Cats Paw LN	8/2/2024	2,017	\$590,000	\$599,000	\$293	98.50%	2021	5	4,965	
32738 Dahl Jr LN	8/2/2024	2,680	\$650,000	\$658,158	\$243	98.76%	2023	110	6,500	
Total Sales	49	2,620	\$685,689	\$682,445	\$267	100.50%	2022	69	6,652	
		(avg.)	(avg.)	(avg.)	(avg.)	(avg.)	(avg.)	(avg.)	(avg.)	

Source: Local Multiple Listing Service (MLS)

It's worth noting, the resale market remains active; though, the days on market is averaging more than two months. This is due, in large part, to the higher mortgage interest rate environment. New home communities, such as the subject, are providing in the form of incentives mortgage interest rate buy downs for qualified homebuyers, which is resulting in an appreciably higher sales volume than the resale market.

Ability to Pay

In this section, we will examine the ability to pay among prospective buyers for a representative base price point of the lowest priced and the highest priced homes within the three communities. The base price for a 1,860 square foot home in West Shore at Rockport Ranch is \$559,545, while the base price for a 4,134 square foot home in South Shore at Rockport Ranch is \$885,850.

First, we will estimate the required annual household income based on typical mortgage parameters in the subject's market area. Specifically, we will employ a loan-to-value ratio of 80% (down payment of 20%), mortgage interest rate of 6.25%, 360 monthly payments, and a 40% ratio for the housing costs as a percent of monthly income (inclusive of principal, interest, all taxes and insurance). Property tax payments are accounted for in the analysis as well as homeowner's insurance and homeowner's association. The following table shows the estimate of the annual household income that would be required to afford homes priced at the price point.

Income Required		
	South Shore at Rockport Ranch	West Shore at Rockport Ranch
Home Price	\$885,850	\$559,545
Loan % of Price (Loan to Value)	80%	80%
Loan Amount	\$708,680	\$447,636
Interest Rate	6.25%	6.25%
Mortgage Payment	\$4,363	\$2,756
Property Taxes	\$933	\$617
City of Menifee CFD No. 2023-1 (Rockport Ranch)	\$405	\$227
Homeowner's Association Fee	\$205	\$205
Property Insurance	\$185	\$117
Total Monthly Obligation	\$6,091	\$3,922
Mortgage Payment % of Income	40%	40%
Monthly Income	\$15,227	\$9,804
Annual Income	\$182,722	\$117,652

Based on 1.159060% and direct charges of \$923

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

Household Ability									
Household Income	South Shore at Rockport Ranch					West Shore at Rockport Ranch			
	Households	Percent of Households	Percent Able to Pay	Households	Households Able to Pay	Households	Percent of Households	Percent Able to Pay	Households
< \$15,000	8,402	5.4%	0.0%	0	0.0%	5,402	5.4%	0.0%	0
\$15,000 - \$24,999	8,539	5.5%	0.0%	0	0.0%	8,539	5.5%	0.0%	0
\$25,000 - \$34,999	8,498	5.4%	0.0%	0	0.0%	8,498	5.4%	0.0%	0
\$35,000 - \$49,999	13,020	8.3%	0.0%	0	0.0%	13,020	8.3%	0.0%	0
\$50,000 - \$74,999	24,092	15.4%	0.0%	0	0.0%	24,092	15.4%	0.0%	0
\$75,000 - \$99,999	21,258	13.6%	0.0%	0	0.0%	21,258	13.6%	0.0%	0
\$100,000 - \$124,999	18,639	12.0%	0.0%	0	0.0%	18,639	12.0%	29.4%	5,478
\$125,000 - \$149,999	15,171	9.7%	0.0%	0	0.0%	15,171	9.7%	100.0%	15,171
\$150,000 - \$199,999	17,312	11.1%	34.6%	5,982	3.8%	17,312	11.1%	100.0%	17,312
\$200,000 - \$249,999	8,932	5.7%	100.0%	8,932	5.7%	8,932	5.7%	100.0%	8,932
\$250,000 - \$499,999	8,583	5.5%	100.0%	8,583	5.5%	8,583	5.5%	100.0%	8,583
\$500,000+	<u>3,496</u>	<u>2.2%</u>	100.0%	<u>3,496</u>	<u>2.2%</u>	<u>3,496</u>	<u>2.2%</u>	100.0%	<u>3,496</u>
	155,942	100.0%		26,993	17.3%	100.0%			58,972

Conclusions

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

Property Analysis

Land Description and Analysis

Location and Project Details

The subject is located at the southwest corner of Old Newport Road and Briggs Road, within the city of Menifee, Riverside County, California. CFD No. 2023-1 comprises Assessor's Parcel Numbers 364-460-001 through -034, -037 through -052, 364-470-001 through -026, -030 through -082, 364-480-001 through -050, 364-490-001 through -072, and 364-500-001 through -054. The parcel numbers include both the appraised and assessed parcels. Note there are also common area parcels throughout the community, but they are not a part of the appraised property. Several of the homes in West and South Shore at Rockport Ranch have a waterfront premium along a man-made lake. The details of each community comprising the subject is shown in the following table.

Property Summary						
Community	Builder	Tax Zones	No. of Units	Typical Lot Size	Lot Configuration	No. of Units w/Water Premium
North Shore at Rockport Ranch	Lennar	Tax Zone 2	109	6,000	Traditional	-
West Shore at Rockport Ranch	Lennar	Tax Zone 1	96	3,600	8-Pack Cluster	3
South Shore at Rockport Ranch	Lennar	Tax Zone 2	100	6,500	Traditional	33
Total - City of Menifee CFD No. 2023-1 (Rockport Ranch)			305			

As noted, the appraised property comprises 112 completed and sold homes, six completed (unsold) homes, 90 improved lots with homes under construction at various stages and 46 partially improved lots. In total, the appraised properties comprise 254 Assessor's Parcels; the balance of City of Menifee Community Facilities District No. 2023-1 (Rockport Ranch) is 51 completed and sold homes reflected on the County of Riverside Assessor's Tax Roll with a complete assessed value for both land and improvements.

The subject has several community amenities such as a man-made lake and pond, community swimming pool, picnic area, BBQ area, several parks and trails. All of the communities are also gated.

Shape and Dimensions

The site is irregular in shape; however, the individual single-family lots are also generally rectangular in shape. Site utility based on shape and dimensions is average.

Topography

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

Drainage

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

Flood Hazard Status

The following table provides flood hazard information.

Flood Hazard Status	
Community Panel Number	06065C-2070H
Date	August 18, 2014
Zone	A and X
Description	FEMA Zone A: Special flood hazard areas subject to inundation by the 100-year flood. Because detailed hydraulic analyses have not been performed, no base flood elevations or depths are shown. Mandatory flood insurance purchase requirements apply. FEMA Zone X: Areas determined to be outside the 500-year flood plain.
Insurance Required?	No

A portion of the subject property is located within FEMA Zone A; however, given the construction of the man-made lake and pond. This mitigates the risk of flood across all three communities and it is anticipated that all of the lots and homes will be located in FEMA Zone X once completed.

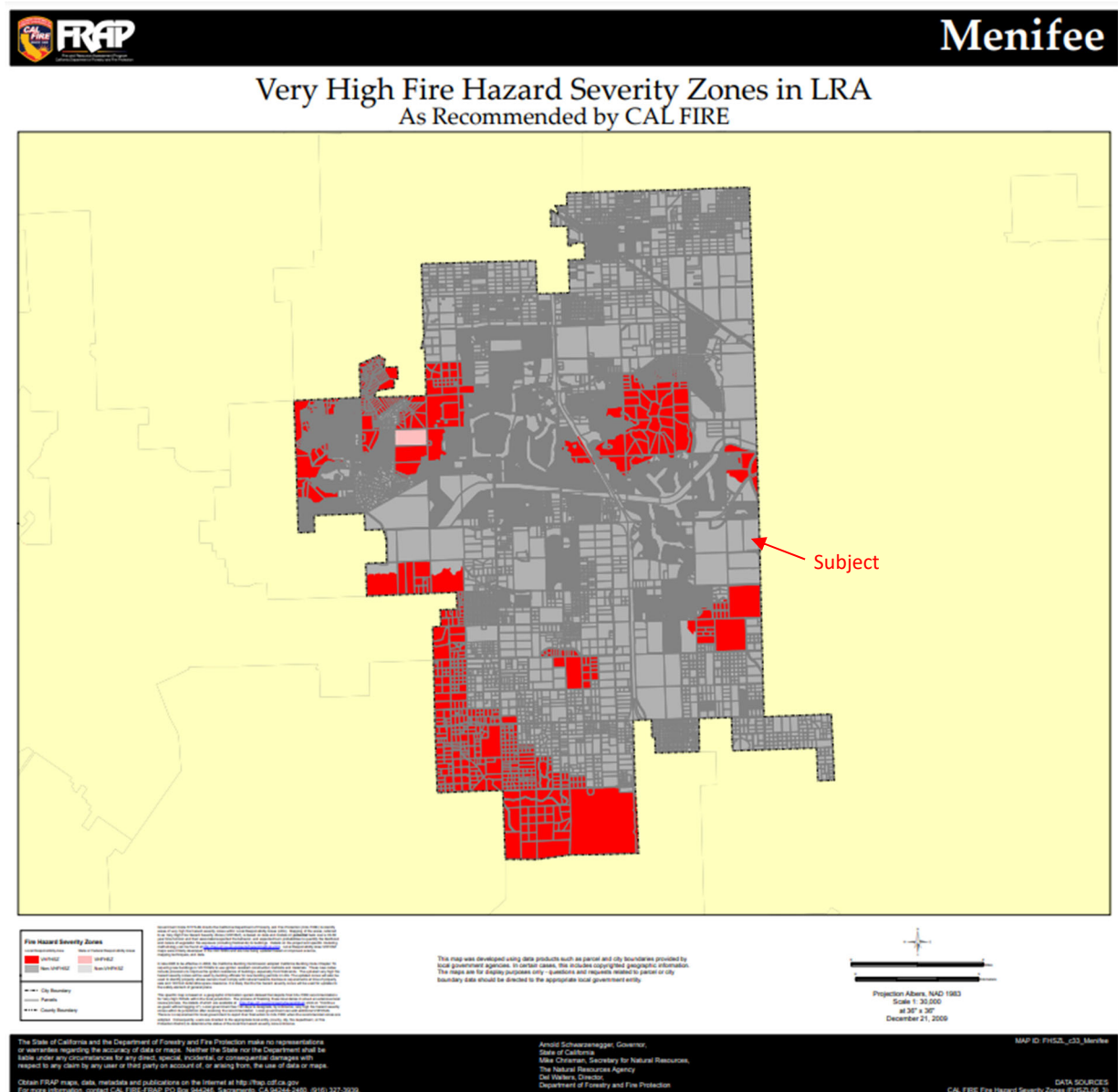
Seismic Hazards

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

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

Fire Hazard Risk

The Fire and Resource Assessment Program of CAL FIRE has classified areas of the subject's City by Fire Hazard Severity Zone. As shown in the following map, the subject's area has not been classified as an area of concern.



Environmental Hazards

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

Ground Stability

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

Utilities

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

Utilities	
Service	Provider
Water	Eastern Municipal Water District
Sewer	Eastern Municipal Water District
Electricity	Southern California Edison
Natural Gas	Southern California Gas
Local Phone	Various providers

Zoning

The following table summarizes the zoning for the subject.

Zoning Summary	
Zoning Jurisdiction	City of Menifee Planning Department
Zoning Designation	Rockport Ranch SP - MHDR and MDR
Description	Rockport Ranch Specific Plan - Courtyard Residential and Single-Family Residential
Legally Conforming?	Appears to be legally conforming
Zoning Change Likely?	No
Permitted Uses	Residential uses

According to the local planning department, there are no pending or prospective zoning changes. It appears the current use of the site is a legally conforming use. We are not experts in the interpretation of zoning ordinances. An appropriately qualified land use attorney should be engaged if a determination of compliance is required.

Other Land Use Regulations

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

Easements, Encroachments and Restrictions

We have reviewed a title policy prepared by Lennar Title dated August 7, 2024. The report identifies exceptions to title, which include various utility and access easements that are typical for a property of this type. Such exceptions would not appear to have an adverse effect on value. Our valuation assumes no adverse impacts from easements, encroachments or restrictions and further assumes that the subject has clear and marketable title.

Development/Construction Status

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

Appraised Property Summary

Community	Partially-Improved SFR Lots	Partially Completed Homes	Completed Homes*	Homes Sold to Individuals*	Total Appraised Parcels	Assessed Parcels
North Shore at Rockport Ranch	20	35	2	33	90	19
South Shore at Rockport Ranch	21	22	4	39	86	14
West Shore at Rockport Ranch	5	33	0	40	78	18
TOTAL	46	90	6	112	254	51

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

Of the 51 assessed parcel, three of the parcels are model homes of West Shore at Rockport Ranch and the remainder of the parcels represent completed homes held by individual homeowners within the three communities comprising the subject.

Permits and Fees

Based on information provided by the developer, permits and fees due at building permit average \$75,650 per lot. This figure is generally consistent with fees at other projects in the area. Additionally, there is an estimated \$16,184,260 or \$53,063 per lot in bond proceeds will be used to finance impact fees. The calculation of the subject's net permits and fees are shown in the following table.

Permits and Fees due at Building Permit

Gross Permits and Fees	\$75,650	per unit
Less: Bond Proceeds	<u>(\$53,063)</u>	per unit
Net Permits and Fees	\$22,587	per unit
Rd.	\$22,600	per unit

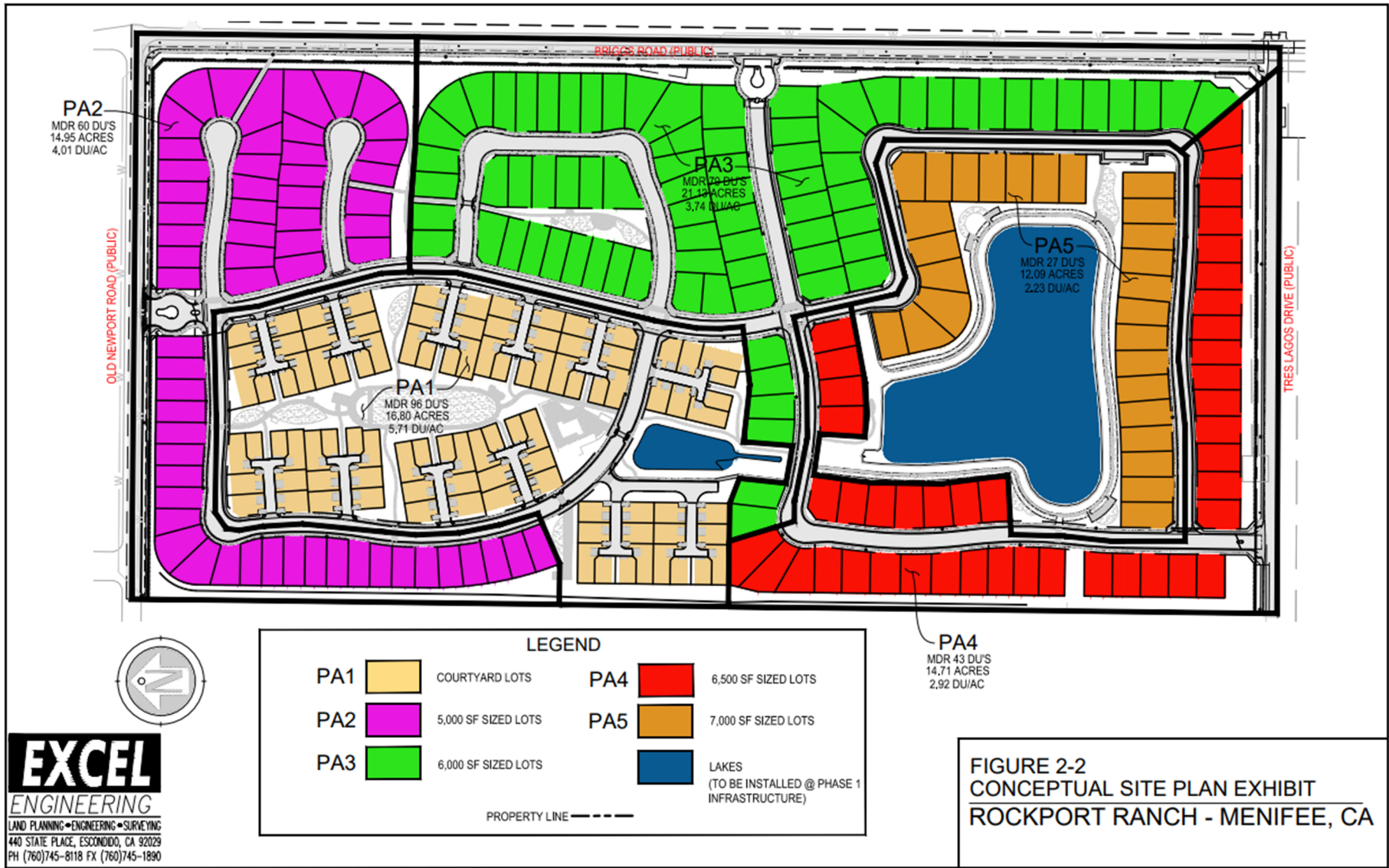
Site Development Costs

Site development is substantially completed at the subject property. However, there are still some remaining items related to grading, street improvements, dry utilities, walls, and common areas. The remaining site development costs are estimated at \$6,215,155, which will be accounted for in the *Market Value by Ownership* section.

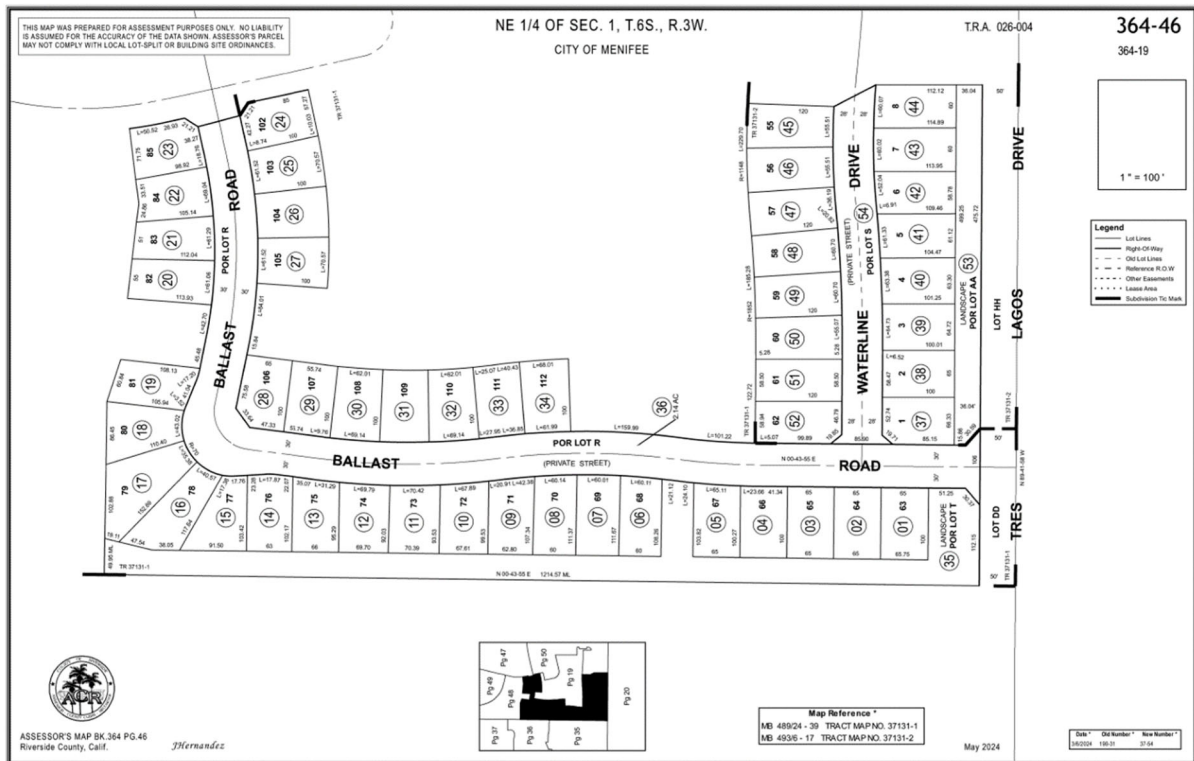
Conclusion of Site Analysis

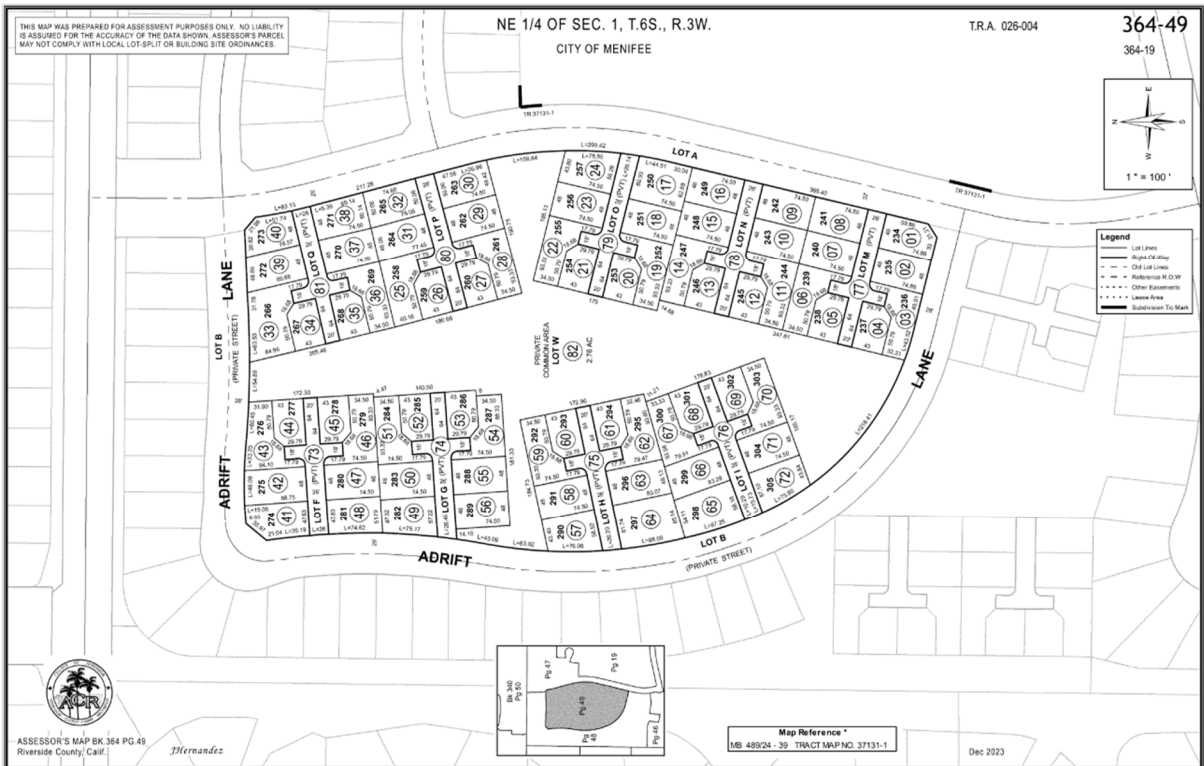
Overall, the physical characteristics of the site and the availability of utilities result in functional utility suitable for a variety of uses including those permitted by zoning. Uses permitted by zoning include residential uses. We are not aware of any other particular restrictions on development.

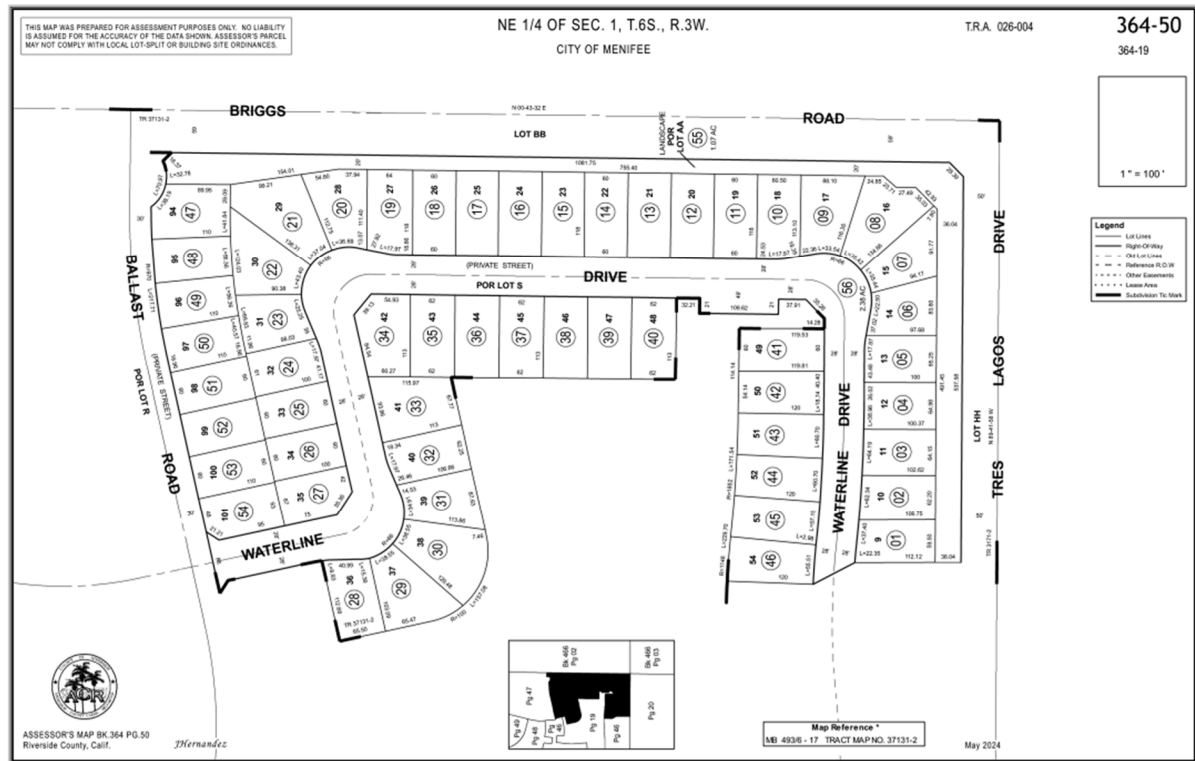
Site Plan



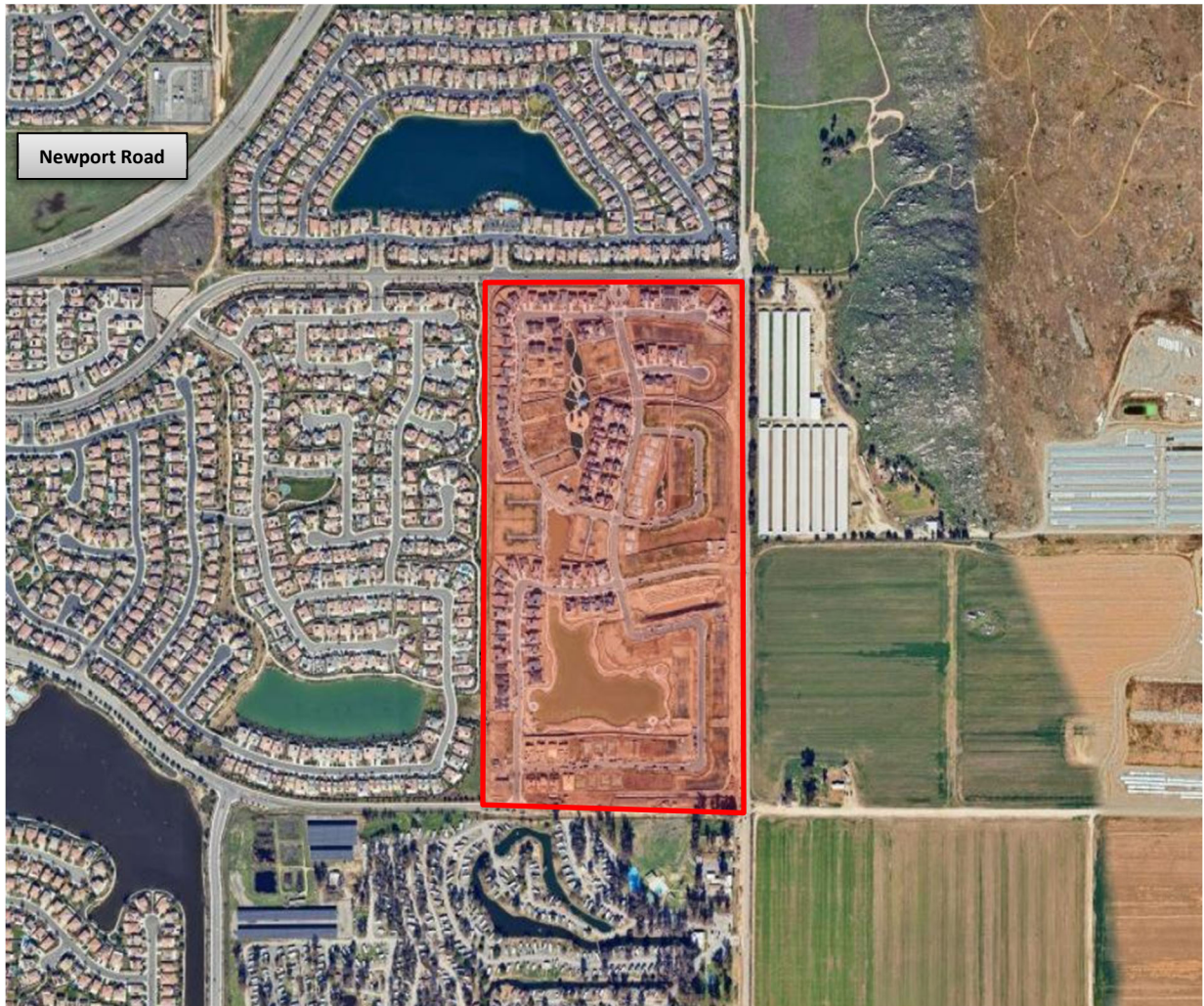
Parcel Map







Aerial



*Source: Google Maps, Boundaries are approximate and aerial does not show the current development status of the subject.

Proposed Improvements Description

Overview

The subject property is being developed by Lennar and details of the communities are presented in the following table.

Floor Plan Summary

Floor Plan	Living Area (SF)	Bedroom	Bathroom	Stories	Garage	Typical Lot Size (SF)	Developer's Base Price	Comments
<i>West Shore at Rockport Ranch</i>								
Residence One	1,860	3	2.5	Two	2-Car	3,600	\$559,545	
Residence Two	1,987	3	2.5	Two	2-Car	3,600	\$582,335	
Residence Three	2,207	4	3.0	Two	2-Car	3,600	\$604,945	
Residence Four	2,228	5	3.0	Two	2-Car	3,600	\$583,520	
<i>North Shore at Rockport Ranch</i>								
Residence One	1,772	3	2.0	One	2-Car	6,000	\$593,185	
Residence Two	2,443	4	3.0	Two	2-Car	6,000	\$633,065	
Residence Three	2,623	4	3.0	Two	2-Car	6,000	\$655,910	
<i>South Shore at Rockport Ranch</i>								
Residence One	1,950	3	2.0	One	2-Car	6,500	\$611,270	
Residence Two	2,760	4	3.5	One	2-Car	6,500	\$700,750	
Residence Three	2,876	4	2.5	One	2-Car	6,500	\$714,780	
Residence Four	3,157	5	3.5	Two	2-Car w/storage	6,500	\$769,140	Next Gen Suite
Residence Five	4,134	7	4.5	Two	3-Car	6,500	\$885,850	Next Gen Suite

The interior finish profile is considered to be of a typical quality for the area with generally average to good overall quality. Note there are inconsistencies in the base prices; however, it is estimated there are possibly options/upgrades included in the base prices. Some of the floor plans offer a multigenerational suite, which has become very common over the past several years. The separate suite can be rented out to offset some of the mortgage or have a separate living space for another generation of the household. The Developer estimates that dues will be approximately \$205 per home per month, to be paid by the future homeowners. The subject's floor plans can be seen on the developer's website.









Real Estate Taxes

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

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

Ad Valorem Taxes

The existing ad valorem taxes are of nominal consequence in this appraisal, primarily due to the fact these taxes will be adjusted substantially as the remaining property improvements are completed and in consideration of the definition of market value employed in this appraisal, which assumes a sale of the appraised properties. According to the Riverside County Treasurer-Tax Collector's Office, the subject has a tax rate of 1.159060% for tax year 2023-2024 (latest available), based on assessed value. In addition, the appraised properties are subject to direct charges. Based on information provided by the special tax consultant, it is estimated the subject would have direct charges of approximately \$923 per lot.

Special Assessments

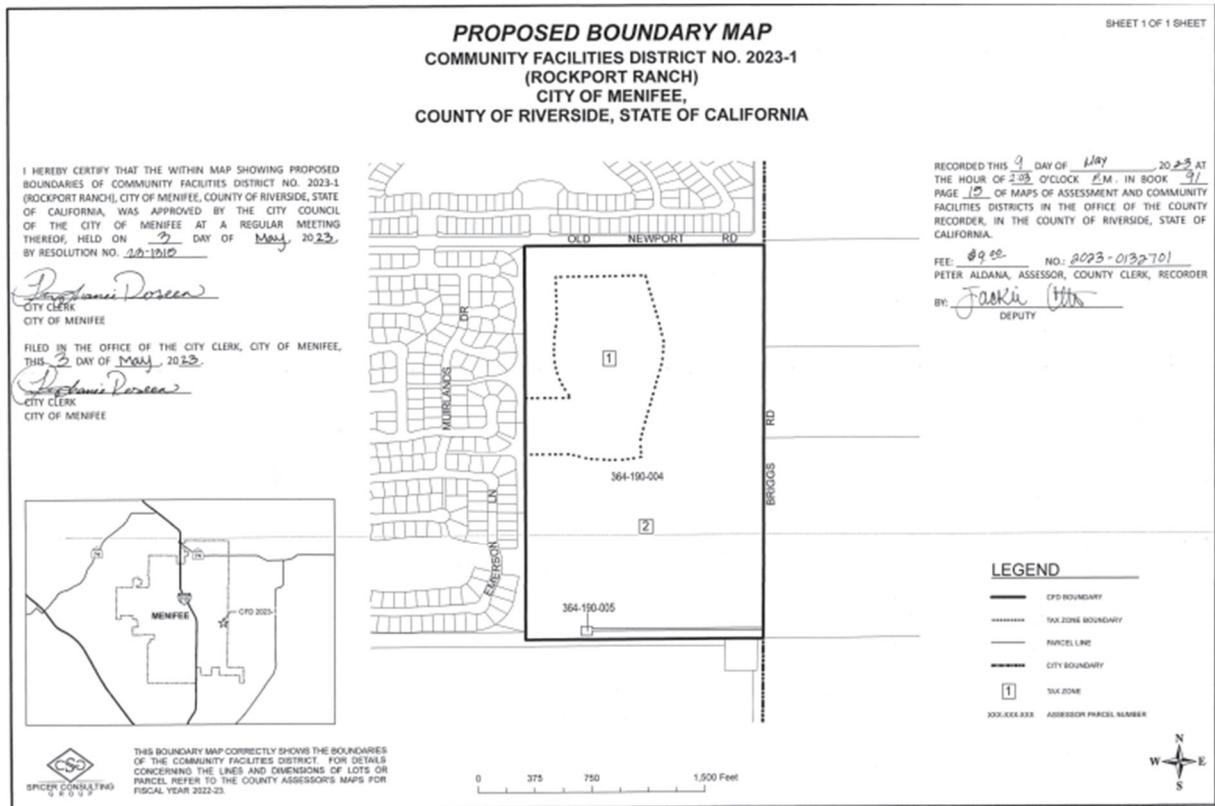
All of the appraised properties are encumbered by the Special Tax Lien of City of Menifee CFD No. 2023-1 (Rockport Ranch) that also increases 2% per year. The subject communities are separated into two tax zones, which West Shore at Rockport Ranch is located within Tax Zone 1 and North and South Shore at Rockport Ranch are located within Tax Zone 2. With respect to special taxes, the annual special tax levy on the appraised properties are as follows for tax year 2024-2025:

Special Tax Table (Fiscal Year 2024-2025)

Land Use Category	Square Footage Category	Assigned Special Tax
Tax Zone 1		
Single-Family Residential Property	Less than 1,900 SF	\$2,647 per unit
Single-Family Residential Property	1,900 - 2,050 SF	\$2,719 per unit
Single-Family Residential Property	2,051 - 2,200 SF	\$2,763 per unit
Single-Family Residential Property	Greater than 2,200 SF	\$2,807 per unit
Multifamily Property	N/A	\$36,276 per acre
Non-Residential Property	N/A	\$36,276 per acre
Tax Zone 2		
Single-Family Residential Property	Less than 1,900 SF	\$2,798 per unit
Single-Family Residential Property	1,900 - 2,100 SF	\$2,978 per unit
Single-Family Residential Property	2,101 - 2,300 SF	\$3,068 per unit
Single-Family Residential Property	2,301 - 2,500 SF	\$3,157 per unit
Single-Family Residential Property	2,501 - 2,700 SF	\$3,260 per unit
Single-Family Residential Property	2,701 - 2,900 SF	\$3,471 per unit
Single-Family Residential Property	2,901 - 3,100 SF	\$3,630 per unit
Single-Family Residential Property	3,101 - 3,300 SF	\$3,788 per unit
Single-Family Residential Property	3,301 - 3,500 SF	\$4,057 per unit
Single-Family Residential Property	3,501 - 3,700 SF	\$4,326 per unit
Single-Family Residential Property	3,701 - 3,900 SF	\$4,594 per unit
Single-Family Residential Property	Greater than 3,900 SF	\$4,862 per unit
Multifamily Property	N/A	\$26,112 per acre
Non-Residential Property	N/A	\$26,112 per acre

Source: Rate and Method of Apportionment of Special Taxes

Tax Zones



Highest and Best Use

Process

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

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

Highest and Best Use As If Vacant

Legally Permissible

The site is zoned Rockport Ranch SP - MHDR and MDR, Rockport Ranch Specific Plan - Courtyard Residential and Single-Family Residential. Permitted uses are limited to residential. To our knowledge, there are no legal restrictions such as easements or deed restrictions that would effectively limit the use of the property. The subject property has an approved final map for 305 single-family homes on individual lots and associated improvements. The subject's present entitlements are the result of significant planning and review, and any rezone or land use different than currently approved is unlikely. Given prevailing land use patterns in the area, only residential use is given further consideration in determining the highest and best use of the site, as though vacant.

Physically Possible

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

Based on our physical inspection of the subject property, we know of no reason why the property would not support development. All utilities are available, and the property is not located within an adverse earthquake, flood, or fire zone. As noted, there is a man-made lake and pond at the project to mitigate the risk of flood across all three communities and it is anticipated that all of the lots and homes will be located in FEMA Zone X once completed. Further, the subject is proximate to new development and development appears possible. Surrounding land uses are compatible and/or similar. Development on adjacent properties provides support that soils are adequate for development. Based on the physical characteristics of the subject property, residential development is considered physically possible and most appropriate.

Financially Feasible

Financial feasibility depends on supply and demand influences. With respect to financial feasibility of single-family residential development, in recent months merchant builders have acquired unimproved

lots for near term construction, and there are multiple active projects in the area that demonstrate demand for new homes. Finished lots are transferring for prices that exceed the sum of unimproved lots and site development costs, which reflects completion of site development is financially feasible.

Maximally Productive

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

As Improved (Proposed)

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

In the case of land under development, consideration must be given to whether it makes sense to demolish existing improvements (either on-site or off-site improvements) for replacement with another use. The time and expense to demolish existing improvements, re-grade, reroute utilities or re-map must be weighed against alternative uses. If the existing or proposed improvements are not performing well, then it may produce a higher return to demolish existing improvements, if any, and re-grade the site for development of an alternative use.

Based on the current condition, the improvements completed contribute to the overall property value. The value of the subject property as improved exceeds its value as vacant less demolition. The highest and best use of the subject property as improved is for continuing construction of homes, as dictated by demand.

Most Probable Buyer

In conjunction with the definition of market value, this appraisal assumes a hypothetical sale of the subject properties to a probable buyer/user, as of the date of value. The subject is considered to have good appeal for production homes. The most probable buyer would be a homebuilder for the partially-improved lots and homes under construction. The most probable buyer for the completed homes would be an individual homeowner.

Valuation

Valuation Methodology

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

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

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

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

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

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

The methodology employed in this assignment is summarized as follows:

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

Market Valuation – Floor Plans

The market value of the subject's smallest floor plans within each community with a completed home, North, South, and West Shore at Rockport Ranch, are estimated in this section. The objective of the analysis is to estimate the base price, net of incentives, upgrades and lot premiums. Incentives can take the form of direct price reductions or non-price incentives such as upgrades, interest rate buydowns, or non-recurring closing costs. The sales comparison approach to value is employed in order to provide an opinion of market value for smallest floor plan offered in the communities.

This approach is based on the economic principle of substitution. According to The Appraisal of Real Estate, 15th Edition (Chicago: Appraisal Institute, 2020), *"The principle of substitution holds that the value of property tends to be set by the cost of acquiring a substitute or alternative property of similar utility and desirability within a reasonable amount of time."* The sales comparison approach is applicable when there are sufficient recent, reliable transactions to indicate value patterns or trends in the market.

The proper application of this approach requires obtaining recent sales data for comparison with the appraised properties. In order to assemble the comparable sales, we searched public records and other data sources for leads, then confirmed the raw data obtained with parties directly related to the transactions (primarily brokers, buyers and sellers). Attempts were made to obtain comparable sales from surrounding communities; however, not every attempt was returned. Further, we searched the Multiple Listing Service (MLS) for resales of comparable properties. The comparables utilized in the following analysis are from sales within the subject's active communities and sales from surrounding communities.

For the homes with various options of the number of bedrooms or bathrooms, consistent with the "not-less-than" valuation, we will utilize the lesser of the two options. The base prices within the subject communities have increased significantly since the beginning of 2024; however, the level of incentives has also increased over this same time period. Given most homebuilders are buying down interest rates and/or offsetting closing costs, homebuilders are able to increase their base prices, while not affecting the pace of absorption or profits. The floor plans within the communities are shown in the following table.

Floor Plan Summary

Floor Plan	Living Area (SF)	Bedroom	Bathroom	Stories	Garage	Typical Lot Size (SF)	Developer's Base Price	Comments
<i>West Shore at Rockport Ranch</i>								
Residence One	1,860	3	2.5	Two	2-Car	3,600	\$559,545	
Residence Two	1,987	3	2.5	Two	2-Car	3,600	\$582,335	
Residence Three	2,207	4	3.0	Two	2-Car	3,600	\$604,945	
Residence Four	2,228	5	3.0	Two	2-Car	3,600	\$583,520	
<i>North Shore at Rockport Ranch</i>								
Residence One	1,772	3	2.0	One	2-Car	6,000	\$593,185	
Residence Two	2,443	4	3.0	Two	2-Car	6,000	\$633,065	
Residence Three	2,623	4	3.0	Two	2-Car	6,000	\$655,910	
<i>South Shore at Rockport Ranch</i>								
Residence One	1,950	3	2.0	One	2-Car	6,500	\$611,270	
Residence Two	2,760	4	3.5	One	2-Car	6,500	\$700,750	
Residence Three	2,876	4	2.5	One	2-Car	6,500	\$714,780	
Residence Four	3,157	5	3.5	Two	2-Car w/storage	6,500	\$769,140	Next Gen Suite
Residence Five	4,134	7	4.5	Two	3-Car	6,500	\$885,850	Next Gen Suite

The comparable sales are summarized in the following table.

Comparable Home Sale Summary

No.	Address	City	Contract Date	Sale Price	Close of Escrow	Living Area (SF)	Bedroom	Bathroom	Garage	Year Built	Lot Size (SF)
1	30241 Adrift Lane	Menifee	8/4/2024	\$559,990	Pending	1,860	3	2.5	2-Car	2024	3,305
2	30241 Adrift Lane	Menifee	7/17/2024	\$551,216	Pending	1,860	3	2.5	2-Car	2024	3,305
3	29571 Grizzly Ct	Winchester	5/19/2024	\$498,706	Pending	1,882	3	2.5	2-Car	2024	3,000
4	29370 Novi Way	Winchester	5/18/2024	\$518,017	Pending	1,882	3	2.5	2-Car	2024	3,000
5	30421 Adrift Lane	Menifee	6/9/2024	\$567,075	Pending	1,772	3	2.0	2-Car	2024	8,892
6	30379 Adrift Lane	Menifee	5/27/2024	\$576,224	7/25/2024	1,772	3	2.0	2-Car	2024	6,024
7	30475 Adrift Lane	Menifee	5/25/2024	\$554,245	9/3/2024	1,772	3	2.0	2-Car	2024	6,686
8	30417 Waterline Drive	Menifee	3/23/2024	\$623,730	8/2/2024	1,950	3	2.0	2-Car	2024	7,062
9	25344 Picket Range Way	Menifee	8/8/2024	\$615,675	9/4/2024	2,024	3	2.0	2-Car	2024	5,901

Discussion of Adjustments

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

Adjustment Factor	Accounts For	Comments
Special Taxes	Bond debt has a direct impact on the amount for which the end product will sell. In an effort to account for the impact of bond indebtedness on the sales price, we establish a present value amount for the difference in the bond encumbrance between the subject and comparables based on the annual assessment, and the estimated average holding period of a single-family home, which is estimated at 12 years.	The subject and all of the comparables have a bond encumbrance and are adjusted accordingly.
Upgrades and Incentives	The objective of the analysis is to estimate the base value per floor plan, net of incentives. Incentives can take the form of direct price reductions or non-price incentives such as upgrades or non-recurring closing costs.	Incentives and upgrades included in the sales have been considered and adjusted for in this analysis.
Real Property Rights	Fee simple, leased fee, leasehold, partial interest, etc.	All the comparables represent fee simple estate transactions. Therefore, adjustments for property rights are not necessary.
Financing Terms	Seller financing, or assumption of existing financing, at non-market terms.	The comparable sales were cash to the seller transactions and do not require adjustments.
Conditions of Sale	Extraordinary motivation of buyer or seller, assemblage, forced sale.	The comparables did not involve any non-market or atypical conditions of sale. Adjustments for this factor do not apply.
Market Conditions (Date of Sale, Phase Adjustment)	The market conditions vary over time, but the date of this appraisal is for a specific point in time. In a dynamic economy – one that is undergoing changes in the value of the dollar, interest rates and economic growth or decline – extra	As demonstrated in the previous market analysis section, new home pricing has been fluctuating over the past twelve months in the subject's market area, as well as within the region overall. Comparable 8 went under contract

Adjustment Factor	Accounts For	Comments
	attention needs to be paid to assess changing market conditions. Significant monthly changes in price levels can occur in several areas of a neighborhood, while prices in other areas remain relatively stable. Although the adjustment for market conditions is often referred to as a time adjustment, time is not the cause of the adjustment.	in March of 2024 and market conditions since improved. Therefore, this comparable warrants a slight upward adjustment. All of the remaining comparables went under contract within the last several months and do not warrant an adjustment for market conditions.
Location	Location is a very important factor to consider when making comparisons. The comparables need not be in the same neighborhood but should be in neighborhoods that offer the same advantage and have, in general, the same overall desirability to the most probable buyer or user.	The subject is located within the city of Menifee. Comparables 9 and 10 are located in an inferior location of Menifee and warrant an upward adjustment. The remaining comparables are considered to be in similar locations do not warrant an adjustment for location.
Community Appeal	Community characteristics that may influence sale prices include a gated amenity or the condition of surrounding development.	The subject communities have superior amenities compared to most neighborhoods in the region. Comparables located outside of the subject communities are considered to have inferior community appeal and warrant an upward adjustment.
Lot Size	The lot size adjustment pertains to the differences between the subject's average lot size and comparables with either larger or smaller lots. It does not include any lot premium adjustments, which are adjusted for separately. The amount of the adjustment used in the comparison of the base lot sizes comes from a survey of premiums paid for larger lots.	Considering the average lot size adjustment factors indicated by the comparable sales utilized in this analysis, a lot size adjustment of \$10.00 /SF is considered reasonable for the subject's residential lots. This figure is supported by observations of sales in the subject's market area.
Lot Premiums/ Discounts	Properties sometimes achieve premiums for corner or cul-de-sac positioning, or proximity to open space or views. Adjustments for lot position premiums would be in	Appropriate adjustments are applied based upon lot placement and configuration within their respective projects.

Adjustment Factor	Accounts For	Comments
Design and Appeal	<p>addition to lot size adjustments previously considered.</p> <p>Design and appeal of a floor plan is consumer specific. One exterior may appeal to one buyer, while another appeals to a different buyer. These types of features for new homes with similar functional utility are not typically noted in the base sales prices.</p>	All of the comparables are similar to the subject in regard to design and appeal.
Quality of Construction	Construction quality can differ from slightly to substantially between projects and is noted in the exterior and interior materials and design features of a standard unit. In terms of quality of construction, the subject represents good construction quality.	All of the comparable sales feature similar construction quality and do not require adjustments.
Age/Condition	When comparing resale to resale, the market generally reflects a difference of 1% per year of difference in effective age.	All of the comparable sales represent new construction; thus, no adjustments are required.
Functional Utility	Ability to adequately provide for its intended purpose.	The appraised properties and comparables represent traditional detached single-family residential as well as cluster configured lots and are construction on similar lot size categories as the subject. Adjustments for this factor do not apply.
Room Count	For similar size units the differences between room count is a buyer preference. One buyer might prefer two bedrooms and a den versus a three-bedroom unit. Extra rooms typically result in additional building area and are accounted for in the size adjustment. Therefore, no adjustments are made for number of total rooms or bedrooms.	Because bathrooms are a functional item for each floor plan and add substantial cost due to the number of plumbing fixtures, an adjustment is made for the difference in the number of fixtures between the subject and the comparable sales. The adjustment is based on an amount of \$7,500 per fixture (or half-bath) and is supported by cost estimates for an average quality home in the Residential Cost

Adjustment Factor	Accounts For	Comments
		Handbook, published by the Marshall and Swift Corporation. Considering the fact that plumbing upgrades for existing bathrooms generally range from \$5,000 to over \$25,000 for the various fixtures, the \$7,500 per fixture, or half-bath, is supported. Consequently, a factor of \$15,000 per full bath is also applied in our analysis. The subject and all of the comparables had a similar bath count and no adjustments were warranted.
Unit Size/Living Area	Units similar (in the same development), except for size, were compared to derive the applicable adjustment for unit size. Those used for comparison purposes, are units within similar projects. Units within the same project were used since they have a high degree of similarity in quality, workmanship, design and appeal. Other items such as a single level or two-story designs, number of bathrooms and number of garage spaces were generally similar in these comparisons, in order to avoid other influences in price per square foot. Where differences exist, they are minor and do not impact the overall range or average concluded.	The typical range indicated by the paired units in this analysis generally demonstrated a value range from approximately \$50 to upwards of \$100 per square foot. Considering the information cited above, a factor of \$85.00 per square foot is concluded to be appropriate and reasonable for the difference in living area between the subject and the comparables, given the quality of the product.
Number of Stories	For similar size units, the differences between the number of stories is typically a buyer preference. One buyer might prefer a single-story versus a two-story unit.	In current market conditions, single story floor plans typically demand a slight premium; as such, an adjustment of 1% is applied for story differences. The subject and all of the comparables have a similar number of stories and do not warrant an adjustment.

Adjustment Factor	Accounts For	Comments
Parking/Garage	Number of garage spaces	The subject's floor plans offer two-car garages. Our survey of local real estate professionals indicates a premium value of approximately \$15,000 for a full garage space and approximately half, or \$7,500, for tandem garage spaces. The subject and all of the comparables have a similar number of parking/garage spaces and do not warrant an adjustment.
Landscaping	Included landscaping	The subject and all of the comparables include only front yard landscaping. Therefore, no adjustments are warranted for landscaping.

Adjustment Grids

The following pages include grids reflecting the aforementioned adjustments.

Residence One - West Shore at Rockport Ranch									
Project Information	Subject Property	Comparable 1		Comparable 2		Comparable 3		Comparable 4	
Project Name	West Shore at Rockport Ranch	West Shore		West Shore		Opal Skye		Opal Skye	
Plan	Residence One	Residence One		Residence One		Plan 5		Plan 5	
Address/Lot Number		30241 Adrift Lane		30241 Adrift Lane		29571 Grizzly Ct		29370 Novi Way	
City/Area	Menifee	Menifee		Menifee		Winchester		Winchester	
Price	N/Ap		\$559,990		\$551,216		\$498,706		\$518,017
Price Per SF	N/Ap	\$301.07		\$296.35		\$264.99		\$275.25	
Special Taxes (12-year hold at 5.5%)	\$22,813		\$22,813		\$22,813		\$19,165		\$19,165
Adjustment			\$0		\$0		-\$3,649		-\$3,649
Adjusted Price (Including Bonds)			\$559,990		\$551,216		\$495,057		\$514,368
Total Consideration per SF		\$301.07		\$296.35		\$263.05		\$273.31	
Data Source		Project sales agent		Project sales agent		Project sales agent		Project sales agent	
Incentives	N/Ap	Yes	(\$21,428)	Yes	(\$13,196)	Yes	(\$16,500)	Yes	(\$15,000)
Upgrades	Base	No	\$0	Yes	(\$6,771)	Yes	(\$16,206)	Yes	(\$24,517)
Effective Base Sales Price			\$538,562		\$531,249		\$462,351		\$474,851
Adjustments:	Factor	Description	+ / (-)	Description	+ / (-)	Description	+ / (-)	Description	+ / (-)
Property Rights	Fee Simple	Similar		Similar		Similar		Similar	
Financing Terms	Cash Equivalent	Similar		Similar		Similar		Similar	
Conditions of Sale	Market	Market		Market		Market		Market	
Market Conditions									
Contract Date	8/30/2024	8/4/2024		7/17/2024		5/19/2024		5/18/2024	
Project Location	Menifee	Menifee		Menifee		Winchester		Winchester	
Community Appeal	Average	Similar		Similar		Inferior	\$30,000	Inferior	\$30,000
Lot Size	\$10.00 3,600	3,305	\$2,950	3,305	\$2,950	3,000	\$6,000	3,000	\$6,000
Lot Premium	N/Ap	Similar		Similar		Similar		Similar	
Design and Appeal	Average	Similar		Similar		Similar		Similar	
Quality of Construction	Good	Similar		Similar		Similar		Similar	
Age (Total/Effective)	New	Similar		Similar		Similar		Similar	
Condition	Good/New	Similar		Similar		Similar		Similar	
Functional Utility	Average	Similar		Similar		Similar		Similar	
Room Count									
Bedrooms	3	3		3		3		3	
Baths	\$15,000 2.5	2.5	\$0	2.5	\$0	2.5	\$0	2.5	\$0
Living Area (SF)	\$85.00 1,860	1,860	\$0	1,860	\$0	1,882	(\$1,870)	1,882	(\$1,870)
Number of Stories	Two	Two		Two		Two		Two	
Heating/Cooling	Central/Forced	Similar		Similar		Similar		Similar	
Garage	\$15,000 2-Car	2-Car		2-Car		2-Car		2-Car	
Landscaping	Front	Similar		Similar		Similar		Similar	
Pool/Spa	None	Similar		Similar		Similar		Similar	
Patios/Decks	Patio	Similar		Similar		Similar		Similar	
Fencing	Rear	Similar		Similar		Similar		Similar	
Kitchen Equipment	Average	Similar		Similar		Similar		Similar	
Other	None	Similar		Similar		Similar		Similar	
Gross Adjustments			\$2,950		\$2,950		\$37,870		\$37,870
Net Adjustments			\$2,950		\$2,950		\$34,130		\$34,130
Adjusted Retail Value			\$541,512		\$534,199		\$496,481		\$508,981
Concluded Retail Value		\$515,000							
Indicated Value Per SF		\$276.88							

Adjustments were necessary to account for differences between these homes and the subject's floor plan. The sales provide a range of indicators of \$496,481 to \$541,512. All of the comparables are considered to be good indicators of value as they have all the same lot configuration. As noted, the base prices for the subject's floor plans have increased significantly since the beginning of 2024 along with the level of concessions. Therefore, we have tempered the most recent sales of the subject's floor plans with the other comparables. We have concluded an estimate of value of \$515,000 for Residence One at West Shore at Rockport Ranch.

Residence One - North Shore at Rockport Ranch										
Project Information		Subject Property	Comparable 5		Comparable 6		Comparable 7		Comparable 8	
Project Name		North Shore at Rockport Ranch	North Shore		North Shore		North Shore		South Shore	
Plan		Residence One	Residence One		Residence One		Residence One		Residence One	
Address/Lot Number		30421 Adrift Lane	30421 Adrift Lane		30379 Adrift Lane		30475 Adrift Lane		30417 Waterline Drive	
City/Area		Menifee	Menifee		Menifee		Menifee		Menifee	
Price		N/A	\$567,075		\$576,224		\$554,245		\$623,730	
Price Per SF		N/A	\$320.02		\$312.78		\$312.78		\$319.86	
Special Taxes (12-year hold at 5.5%)		\$24,115	\$24,115		\$24,115		\$24,115		\$25,666	
Adjustment			\$0		\$0		\$0		\$1,551	
Adjusted Price (Including Bonds)			\$567,075		\$576,224		\$554,245		\$625,281	
Total Consideration per SF			\$320.02		\$312.78		\$312.78		\$320.66	
Data Source			Project sales agent		Project sales agent		Project sales agent		Project sales agent	
Incentives		N/A	Yes		Yes		Yes		No	
Upgrades		Base	Yes		Yes		Yes		Yes	
Effective Base Sales Price			\$539,725		\$506,099		\$549,600		\$567,069	
Adjustments:		Factor	Description	+/-	Description	+/-	Description	+/-	Description	+/-
Property Rights		Fee Simple	Similar		Similar		Similar		Similar	
Financing Terms		Cash Equivalent	Similar		Similar		Similar		Similar	
Conditions of Sale		Market	Market		Market		Market		Market	
Market Conditions										
Contract Date		8/30/2024	6/9/2024		5/27/2024		5/25/2024		3/23/2024	\$11,341
Project Location		Menifee	Menifee		Menifee		Menifee		Menifee	
Community Appeal		Average	Similar		Similar		Similar		Similar	
Lot Size		6,000	8,892	(\$28,920)	6,024	(\$240)	6,686	(\$6,860)	7,062	(\$10,620)
Lot Premium		N/A	Similar		Similar		Similar		Similar	
Design and Appeal		Average	Similar		Similar		Similar		Similar	
Quality of Construction		Good	Similar		Similar		Similar		Similar	
Age (Total/Effective)		New	Similar		Similar		Similar		Similar	
Condition		Good/New	Similar		Similar		Similar		Similar	
Functional Utility		Average	Similar		Similar		Similar		Similar	
Room Count										
Bedrooms		3	3		3		3		3	
Baths		2.0	2.0	\$0	2.0	\$0	2.0	\$0	2.0	\$0
Living Area (SF)		\$85.00	1,772	\$0	1,772	\$0	1,772	\$0	1,950	(\$15,130)
Number of Stories		One	One		One		One		One	
Heating/Cooling		Central/Forced	Similar		Similar		Similar		Similar	
Garage		2-Car	2-Car		2-Car		2-Car		2-Car	
Landscaping		Front	Similar		Similar		Similar		Similar	
Pool/Spa		None	Similar		Similar		Similar		Similar	
Patios/Decks		Patio	Similar		Similar		Similar		Similar	
Fencing		Rear	Similar		Similar		Similar		Similar	
Kitchen Equipment		Average	Similar		Similar		Similar		Similar	
Other		None	Similar		Similar		Similar		Similar	
Gross Adjustments				\$28,920		\$240		\$6,860		\$37,091
Net Adjustments				(\$28,920)		(\$240)		(\$6,860)		(\$14,409)
Adjusted Retail Value				\$510,805		\$505,859		\$542,740		\$552,661
Concluded Retail Value				\$530,000						
Indicated Value Per SF				\$299.10						

Adjustments were necessary to account for differences between these homes and the subject's floor plan. The sales provide a range of indicators of \$505,859 to \$552,661. As previously stated, the subject has increased their base prices significantly along with their concessions, which has lead to some inconsistencies in the comparables. For example, Comparables 6 and 7 are the same floor plan as the subject that went under contract close to the same time and differ significantly. Therefore, to arrive an estimate of value, we gave equal emphasis to all of the comparables in the data set despite some having a larger amount of gross adjustments. We have concluded an estimate of value of \$530,000 for Residence One at North Shore at Rockport Ranch.

Residence One - South Shore at Rockport Ranch													
Project Information		Subject Property		Comparable 5		Comparable 6		Comparable 7		Comparable 8		Comparable 9	
Project Name		South Shore at Rockport Ranch		North Shore		North Shore		North Shore		South Shore		Greenway at Cimarron Ridge	
Plan		Residence One		Residence One		Residence One		Residence One		Residence One		Gateway	
Address/Lot Number		30421 Adrift Lane		30379 Adrift Lane		30475 Adrift Lane		30475 Adrift Lane		30417 Waterline Drive		25344 Picket Range Way	
City/Area		Menifee		Menifee		Menifee		Menifee		Menifee		Menifee	
Price		N/Ap		\$567,075		\$576,224		\$554,245		\$623,730		\$615,675	
Price Per SF		N/Ap		\$320.02		\$325.18		\$312.78		\$319.86		\$304.19	
Special Taxes (12-year hold at 5.5%)		\$25,666		\$24,115		\$24,115		\$24,115		\$25,666		\$7,119	
Adjustment				-\$1,551		-\$1,551		-\$1,551		\$0		-\$18,547	
Adjusted Price (Including Bonds)				\$565,524		\$574,673		\$552,694		\$623,730		\$597,128	
Total Consideration per SF		\$319.14		\$324.31		\$311.90		\$319.86		\$295.02			
Data Source		Project sales agent		Project sales agent		Project sales agent		Project sales agent		Project sales agent		Project sales agent	
Incentives		N/Ap		Yes		Yes		Yes		Yes		No	
Upgrades		Base		Yes		Yes		Yes		Yes		Yes	
Effective Base Sales Price				\$538,174		\$504,548		\$548,049		\$565,518		\$517,232	
Adjustments:		Factor	Description	+/()	Description	+/()	Description	+/()	Description	+/()	Description	+/()	
Property Rights		Fee Simple	Similar		Similar		Similar		Similar		Similar		
Financing Terms		Cash Equivalent	Similar		Similar		Similar		Similar		Similar		
Conditions of Sale		Market	Market		Market		Market		Market		Market		
Market Conditions													
Contract Date		8/30/2024	6/9/2024		5/27/2024		5/25/2024		3/23/2024	\$11,310	8/8/2024		
Project Location		Menifee	Menifee		Menifee		Menifee		Menifee		Menifee	\$10,000	
Community Appeal		Average	Similar		Similar		Similar		Similar		Inferior	\$20,000	
Lot Size		\$10.00 6,500	8,892	(\$23,920)	6,024	\$4,760	6,686	(\$1,860)	7,062	(\$5,620)	5,901	\$5,990	
Lot Premium		N/Ap	Similar		Similar		Similar		Similar		Similar		
Design and Appeal		Average	Similar		Similar		Similar		Similar		Similar		
Quality of Construction		Good	Similar		Similar		Similar		Similar		Similar		
Age (Total/Effective)		New	Similar		Similar		Similar		Similar		Similar		
Condition		Good/New	Similar		Similar		Similar		Similar		Similar		
Functional Utility		Average	Similar		Similar		Similar		Similar		Similar		
Room Count													
Bedrooms		3	3		3		3		3		3		
Baths		\$15,000 2.0	2.0	\$0	2.0	\$0	2.0	\$0	2.0	\$0	2.0	\$0	
Living Area (SF)		\$85.00 1,950	1,772	\$15,130	1,772	\$15,130	1,772	\$15,130	1,950	\$0	2,024	(\$6,290)	
Number of Stories		One	One		One		One		One		One		
Heating/Cooling		Central/Forced	Similar		Similar		Similar		Similar		Similar		
Garage		\$15,000 2-Car	2-Car		2-Car		2-Car		2-Car		2-Car		
Landscaping		Front	Similar		Similar		Similar		Similar		Similar		
Pool/Spa		None	Similar		Similar		Similar		Similar		Similar		
Patios/Decks		Patio	Similar		Similar		Similar		Similar		Similar		
Fencing		Rear	Similar		Similar		Similar		Similar		Similar		
Kitchen Equipment		Average	Similar		Similar		Similar		Similar		Similar		
Other		None	Similar		Similar		Similar		Similar		Similar		
Gross Adjustments				\$39,050		\$19,890		\$16,990		\$16,930		\$42,280	
Net Adjustments				(\$8,790)		\$19,890		\$13,270		\$5,690		\$29,700	
Adjusted Retail Value				\$529,384		\$524,438		\$561,319		\$571,208		\$546,932	
Concluded Retail Value			\$550,000										
Indicated Value Per SF			\$282.05										

Adjustments were necessary to account for differences between these homes and the subject's floor plan. The sales provide a range of indicators of \$524,438 to \$571,208. Comparable 8 is considered to be the most similar comparable and given the greatest emphasis. However, again due to the inconsistencies in the data, we temper this indication with the balance of the data set. We have concluded an estimate of value of \$550,000 for Residence One at South Shore at Rockport Ranch.

Conclusion of Home Values

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

Floor Plan Value Conclusions								
Floor Plan	Floor Plan	Living Area (SF)	Bedroom	Bathroom	Stories	Garage	Typical Lot Size (SF)	Concluded Base Retail Value
West Shore at Rockport Ranch	Residence One	1,860	3	2.5	Two	2-Car	3,600	\$515,000
North Shore at Rockport Ranch	Residence One	1,772	3	2.0	One	2-Car	6,000	\$530,000
South Shore at Rockport Ranch	Residence One	1,950	3	2.0	One	2-Car	6,500	\$550,000

Residential Lot Valuation

For the purpose of estimating the value of the subject's lots, we have identified the benchmark lot categories of North and West Shore at Rockport Ranch. Following the conclusion of value for the benchmark lots we will address the differences between the benchmark lot categories compared to the remaining lot categories comprising the subject property. The following table presents all of the subject lots.

Property Summary						
Community	Builder	Tax Zones	No. of Units	Typical Lot Size	Lot Configuration	No. of Units w/Water Premium
North Shore at Rockport Ranch	Lennar	Tax Zone 2	109	6,000	Traditional	-
West Shore at Rockport Ranch	Lennar	Tax Zone 1	96	3,600	8-Pack Cluster	3
South Shore at Rockport Ranch	Lennar	Tax Zone 2	100	6,500	Traditional	33
Total - City of Menifee CFD No. 2023-1 (Rockport Ranch)			305			

We will utilize the sales comparison approach and a land residual analysis to estimate the market value of a finished lot. For purposes of this analysis, two benchmark lot categories will be utilized: North Shore (6,000 square feet) and West Shore (3,600 square feet). The estimate of value assumes the lots would sell on a bulk, or wholesale, basis. That is, a group of lots would transfer in one transaction to a single buyer.

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

Sales Comparison Approach

In this section of the report, we will utilize the sales comparison approach to estimate the market value of the subject lots. This value estimate assumes the subject property would sell on a bulk, or wholesale, basis. That is, it would transfer in one transaction to a single buyer. This approach develops an indication of value by researching, verifying, and analyzing sales of similar properties. Our sales research focused on transactions within the following parameters:

- Location: Menifee and surrounding areas
- Typical Lot Size: 2,000 to 8,000 square feet
- Number of Lots: 40 to 250 lots
- Transaction Date: 2021 or later

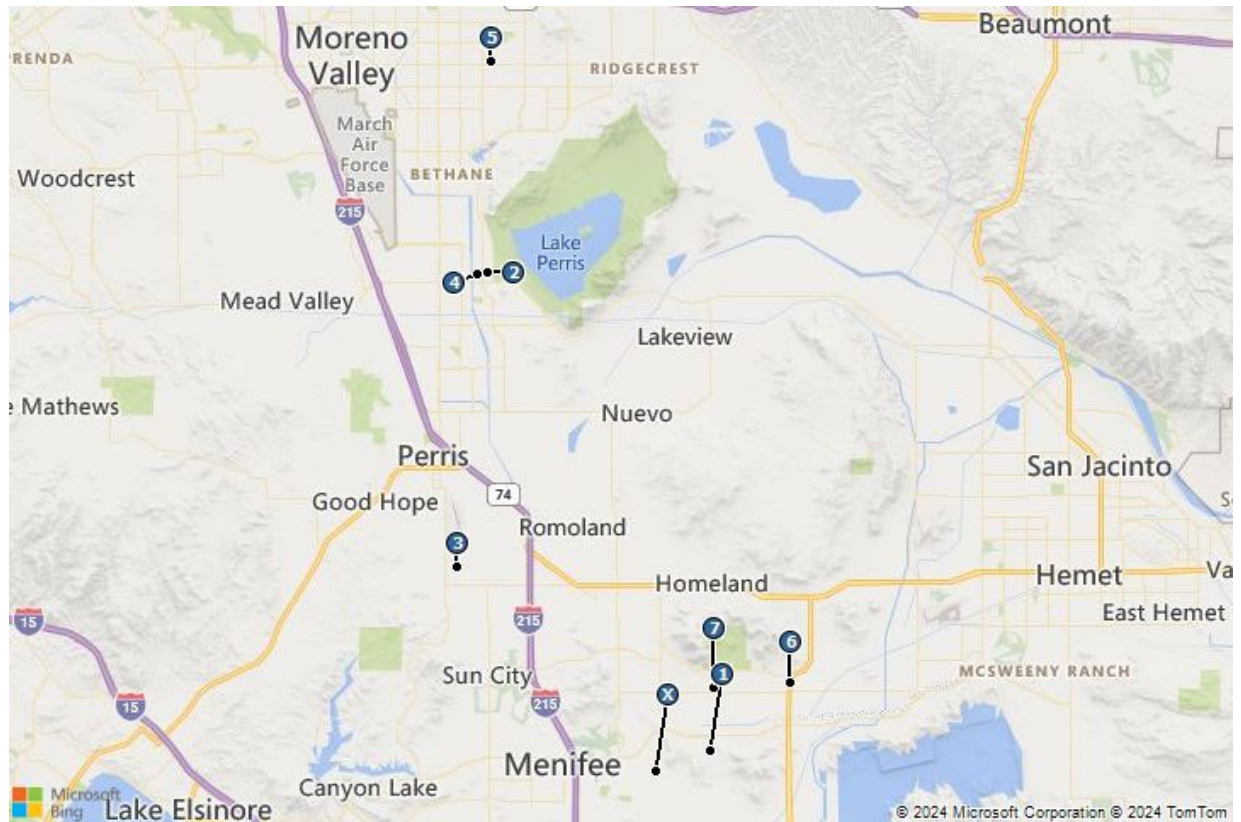
The bulk lot sales are analyzed on a loaded lot basis. Loaded lot is the equivalent of underlying land, any remaining site development costs and all fees paid through the building permit for home construction. The most relevant sales are summarized in the following table:

Summary of Comparable Land Sales - North Shore at Rockport Ranch							
No.	Name/Address	Sale Date; Status	Sale Price; Bond Consideration/Lot	Typical Lot Size	Number of Lots	\$/Lot	Expenditures After Purchase
1	ES Leon Rd., SO Domenigoni Pkwy. Winchester Riverside County Comments: This is the pending sale of 182 final mapped lots on 84.8 total acres. The lots will be delivered in blue-top condition. Additional estimated costs for a finished lot total \$141,209 per lot. A bond district had not yet been created for the property but was anticipated for the project. Given surrounding projects also utilize bond financing, it is estimate the property would have an estimated special tax of \$2,000 per lot.	Jan-24 In-Contract	\$21,000,000 \$4,000	7,200	182	\$115,385	\$141,209
2	Stratford Place II - East Evans Rd. Perris Riverside County Comments: This is a sale 107 unimproved lots with a typical lot size of 6,000 square feet. The finished lot price is estimated at \$225,000 per lot. A building permit is estimated at \$3,000 per lot. It is unclear if the project will utilize bond financing. However, given the surrounding projects also utilize bond financing, it is estimated the property would have an estimated special tax of \$3,000 per lot.	Oct-23 Closed	\$13,186,466 \$6,000	6,000	107	\$123,238	\$104,762
3	Green Valley Ranch PA 12 Green Valley Pky. Perris Riverside County Comments: This is a sale of 191 unimproved lots with a typical lot size of 6,500 square feet. The finished lot price is estimated at \$200,000 per lot. A building permit is estimated at \$3,000 per lot. It is unclear if the project will utilize bond financing. However, given the surrounding projects also utilize bond financing, it is estimated the property would have an estimated special tax of \$2,000 per lot.	Sep-23 Closed	\$11,795,535 \$4,000	6,500	191	\$61,757	\$141,243
4	Stratford Place II Evans Rd. Perris Riverside County Comments: This is a sale of 90 unimproved lots with a tentative map in place and a typical lot size of 6,000 square feet. The lots were purchased for \$4,906,500 or \$54,517. According to the broker, the lots were purchased at a finished lot price of \$230,000 per lot. The buyer is developing the 270 lots adjacent to the north of this project. It is assumed there was a degree of assemblage influencing a part of the sale, but this was not confirmed. It is estimated this project will have a similar degree of bond debt as the adjacent project, which has an estimated \$2,983 per lot.	Nov-22 Closed	\$4,906,500 \$5,966	6,000	90	\$54,517	\$175,483
5	Windsong NWQ Alessandro Blvd. and Darwin Dr. Moreno Valley Riverside County Comments: This sale encompasses two adjacent parcels purchased by D.R. Horton from two different sellers. D.R. Horton closed on the first 18.01-acre parcel for \$3,755,000 on August 1, 2022 and closed on the second 17.63-acre parcel for \$3,745,000 on August 2, 2022. The site will be developed into a 177-lot subdivision called Windsong. Floor plans will range from 1,898 to 2,537 square feet and the typical lot size will be approximately 5,000 square feet. Finishing costs are estimated at approximately \$197,345 per lot. It is unclear if the project will utilize bond financing. However, given surrounding projects also utilize bond financing, it is estimate the property would have an estimated special tax of \$2,000 per lot.	Aug-22 Closed	\$7,500,000 \$4,000	5,000	177	\$42,373	\$197,345
6	La Ventana SEC Simpson Rd and La Ventana Rd Winchester Riverside County Comments: Site consists of 220 residential lots, along with a park site and a school site. The typical lot size is approximately 6,000 SF. The finished lot price was reportedly \$215,000/lot. It is unclear if the project will utilize bond financing. However, given surrounding projects also utilize bond financing, it is estimate the property would have an estimated special tax of \$2,000 per lot.	Apr-22 Closed	\$8,000,000 \$4,000	6,000	220	\$36,364	\$178,636
7	Pleasant Valley Ranch Linden Flower Rd. Winchester Riverside County Comments: This is a sale of 202 paper lots with a typical lot size of 7,250 square feet for \$77,861 per lot. The lots included the sale of five partially completed models that were constructed prior to the Great Recession in 2007. The backstory to the project was not given; however, it appears one of the previous owners of the project tried to develop the property and later abandon it. The prior models on the property were demolished by DR Horton and the site development to improve the lots was estimated at \$15,400,862 or \$76,242 per lot. Permits and fees are estimated at \$73,000 per lot, while special taxes are estimated at \$2,688 per lot.	Aug-21 Closed	\$15,728,000 \$5,376	7,250	202	\$77,861	\$150,861
Subject - North Shore at Rockport Ranch				6,000	109		
City of Menifee CFD No. 2023-1 (Rockport Ranch) Menifee, CA							

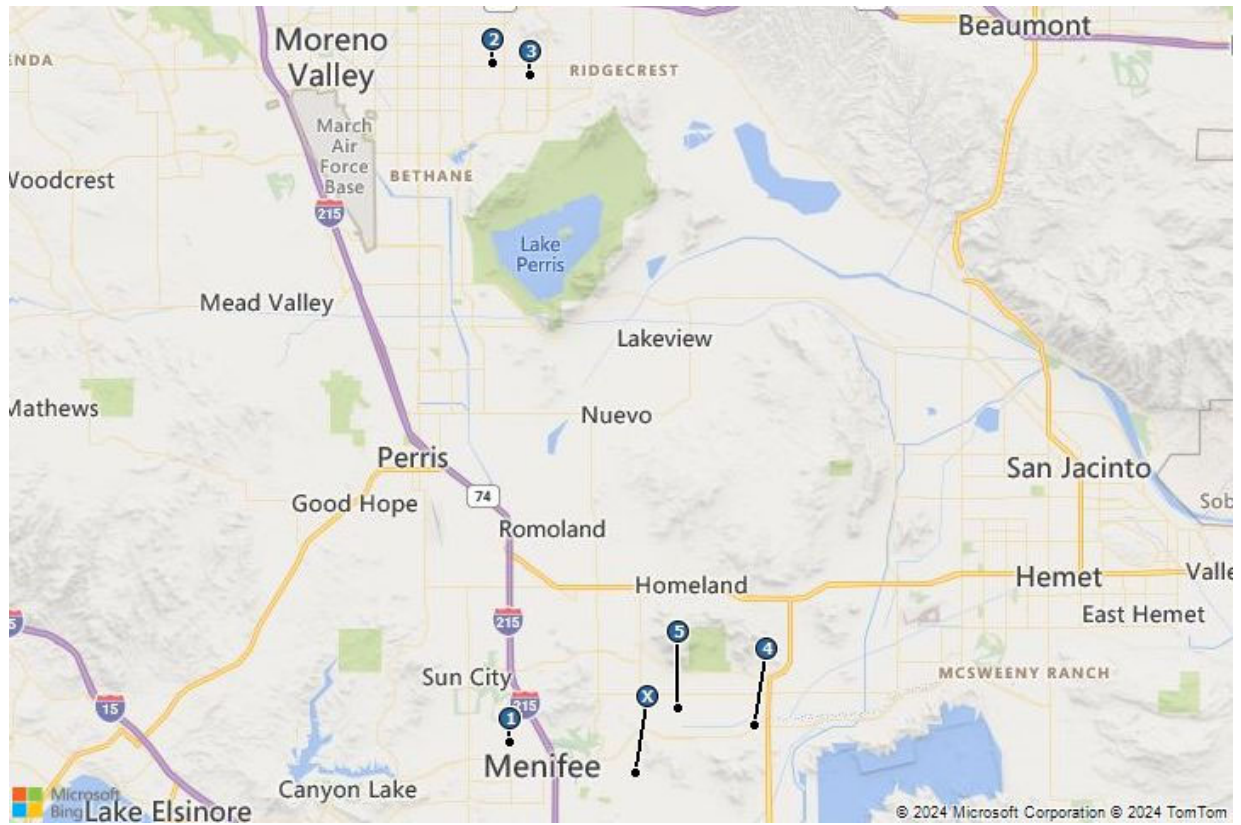
Summary of Comparable Land Sales - West Shore at Rockport Ranch

No.	Name/Address	Sale Date; Status	Sale Price; Bond Consideration/Lot	Typical Lot Size	Number of Lots	\$/Lot	Expenditures After Purchase
1	Riverwalk Village Bradley Rd. Menifee Riverside County <i>Comments: This is a sale of 198 lots in unimproved condition. The lots are configured in an 8-pack courtyard cluster and have several community amenities. Based on the density of the project, the typical lot size is estimated at 2,250 square feet. The finished lot is estimated at \$225,338 per lot. A building permit is estimated at \$4,900 per lot. The project is utilizing special taxes; however, the exact annual payment is unclear. Therefore, based on the surrounding projects an annual special tax is estimated at \$2,000 per lot.</i>	Dec-23 Closed	\$22,077,500 \$4,000	2,500	198	\$111,503	\$118,735
2	Alessandro Alessandro Blvd. Moreno Valley Riverside County <i>Comments: This is a sale of 225 tentatively mapped lots with a typical lot size of 3,000 square feet. The lots will be developed into clusters; however, it is unclear the exact layout. The finished lot price is estimated at \$201,265 per lot. A building permit is estimated at \$2,000 per lot. It is unclear if the project will utilize bond financing. However, given the surrounding projects also utilize bond financing, it is estimated the property would have an estimated special tax of \$2,000 per lot.</i>	Nov-23 Closed	\$16,143,500 \$4,000	3,600	225	\$71,749	\$131,516
3	27550 Brodiaea Avenue 27550 Brodiaea Ave. Moreno Valley Riverside County <i>Comments: This is a sale of 67 tentatively mapped lots with a typical lot size of 3,600 square feet. The finished lot price is estimated at \$177,669 per lot. A building permit is estimated at \$2,000 per lot. It is unclear if the project will utilize bond financing. However, given the surrounding projects also utilize bond financing, it is estimated the property would have an estimated special tax of \$2,000 per lot.</i>	Jul-23 Closed	\$2,800,055 \$4,000	3,000	67	\$41,792	\$137,877
4	Towns & Courts Domenigoni Pky. Winchester Riverside County <i>Comments: This is a sale of 252 lots in bluetop condition. The project will be developed as 124 townhomes and 128 cluster lot homes. Based on the density of the project, the typical lot size is estimated at 2,500 square feet. The finished lot is estimated at \$150,000 per lot. A building permit is estimated at \$2,000 per lot. The project is utilizing special taxes; however, the exact annual payment is unclear. Therefore, based on the surrounding projects an annual special tax is estimated at \$2,000 per lot.</i>	Apr-22 Closed	\$17,500,000 \$4,000	3,000	252	\$69,444	\$82,556
5	SWC Leon Rd & Simpson Rd Winchester Riverside County <i>Comments: Property sold with a recorded final map for 420 single family lots. The site also includes two future parks. The estimated lot size is 3,000 square feet. The brokers estimates a finished lot value of \$150,000 per lot. A building permit within the unincorporated area of Winchester is estimated at \$2,000 per lot. It is unclear if the project will utilize bond financing. However, given the surrounding projects also utilize bond financing, it is estimated the property would have an estimated special tax of \$2,000 per lot.</i>	Feb-22 Closed	\$8,000,000 \$4,000	2,250	420	\$19,048	\$132,952
Subject - West Shore at Rockport Ranch				3,600	96		
City of Menifee CFD No. 2023-1 (Rockport Ranch) Menifee, CA							

Comparable Land Sales Map – North Shore at Rockport Ranch



Comparable Land Sales Map – West Shore at Rockport Ranch



Loaded Lot Analysis

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

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

Adjustment Factors

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

Adjustment Factor	Accounts For	Comments
Real Property Rights	Fee simple, leased fee, leasehold, partial interest, etc.	All the comparables represent fee simple estate transactions. Therefore, adjustments for property rights are not necessary.
Financing Terms	Seller financing, or assumption of existing financing, at non-market terms.	All of the comparables are all cash or cash to seller transactions and do not warrant an adjustment.
Conditions of Sale	Extraordinary motivation of buyer or seller, assemblage, forced sale.	For North Shore at Rockport Ranch, Comparables 2 and 4 were influenced by the buyer's desire to assemble lots proximate to properties they developed to the north; therefore, these comparables warrant a downward adjustment. All of the remaining comparables are market transactions and do not warrant an adjustment for conditions of sale.
Market Conditions	Changes in the economic environment over time that affect the appreciation and depreciation of real estate.	Home values increased significantly leading up to the first quarter of 2022, when mortgage interest rates began a steady increase from historical lows (below 3%) to over 7%. While some price appreciation was offset by rising construction costs (materials) and labor

Adjustment Factor	Accounts For	Comments
		<p>shortages during the pandemic, construction costs have since moderated. As the inventory of available new homes continues to deplete, and demand remains strong, despite the higher interest rates, home prices appear to be stabilizing. Market participants have noted that current market values are similar to late First Quarter 2022, which represented the top of the market with land values subsequently declining due to the rising interest rates and other economic conditions. This appears to have been short-lived, as recent market interviews suggest merchant builders are once again actively in the market for developable lots to satisfy increased homebuyer demand. Comparables that transferred in 2023 and prior warrant an upward adjustment. Several sales were negotiated prior to the dates of sale. The contract dates of each sale were accounted for in this analysis.</p>
Location/Community Appeal	Market or submarket area influences on sale price; surrounding land use influences.	<p>The subject is located in the city of Menifee. Comparables located in Perris are considered to be inferior to the subject and warrant an upward adjustment.</p>
Number of Lots	Generally, there is an inverse relationship between the number of lots and price per lot such that larger projects (with a greater number of lots) achieve a lower price per lot.	<p>Typically, variances in per lot prices, all else being equal, are not observed in transactions between 40 and 250 lots. For West Shore at Rockport Ranch, Comparable 5 transacted with a greater number of lots than a typical transaction and warrants an upward adjustment. No further adjustments for the number of lots is required.</p>

Adjustment Factor	Accounts For	Comments
Lot Size	Adjustments for differences in lot size between the comparables and subject are considered.	Those comparables with discernably larger lot sizes relative to the subject's typical lot size of 6,000 and 3,600 square feet for North Shore and West Shore at Rockport Ranch, respectively, are adjusted downward. Conversely, comparables with smaller lot sizes are adjusted upward.
Site Utility	Differences in contour, drainage, soil conditions, as well as project design, can affect the utility and therefore, the market value of the properties.	The subject property is considered to have average utility. For West Shore at Rockport Ranch, the lots are configured in an 8-pack cluster formation. Comparable 3 has a traditional configuration, which is considered to be superior and warrants a downward adjustment. Conversely, a portion of Comparable 4 lots have a townhome configuration, which is considered to be inferior to a cluster configuration and warrants an upward adjustment. Each of the remaining comparables are considered to offer similar site utility as the subject and no additional adjustment for this characteristic are required.
Lot Premiums/ Discounts	Primary physical factors that affect desirability of lots.	The subject has average lot premiums/discounts. All of the comparables have similar lot premiums/discounts and no adjustments are warranted.

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

Land Sales Adjustment Grid - North Shore at Rockport Ranch

	Subject	Comparable 1	Comparable 2	Comparable 3	Comparable 4	Comparable 5	Comparable 6	Comparable 7
Name	City of Menifee CFD No. 2023-1 (Rockport Ranch)	ES Leon Rd., SO Domenigoni Pkwy.	Stratford Place II - East	Green Valley Ranch PA 12	Stratford Place II	Windsong	La Ventana	Pleasant Valley Ranch
City	Menifee	Winchester	Perris	Perris	Perris	Moreno Valley	Winchester	Winchester
County	Riverside	Riverside	Riverside	Riverside	Riverside	Riverside	Riverside	Riverside
Sale Date		Jan-24	Oct-23	Sep-23	Nov-22	Aug-22	Apr-22	Aug-21
Sale Status		In-Contract	Closed	Closed	Closed	Closed	Closed	Closed
Sale Price		\$21,000,000	\$13,186,466	\$11,795,535	\$4,906,500	\$7,500,000	\$8,000,000	\$15,728,000
Number of Lots	109	182	107	191	90	177	220	202
Price per Lot		\$115,385	\$123,238	\$61,757	\$54,517	\$42,373	\$36,364	\$77,861
Expenditures After Purchase		\$141,209	\$104,762	\$141,243	\$175,483	\$197,345	\$178,636	\$150,861
Bond Consideration		\$4,000	\$6,000	\$4,000	\$5,966	\$4,000	\$4,000	\$5,376
Price per Lot (Loaded)		\$260,594	\$234,000	\$207,000	\$235,966	\$243,718	\$219,000	\$234,098
Property Rights		Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Ranking		—	—	—	—	—	—	—
Financing Terms		Cash to seller	Cash to seller	Cash to seller	Cash to seller	Cash to seller	Cash to seller	Cash to seller
Adjustment		—	—	—	—	—	—	—
Conditions of Sale		Market	Assemblge	Market	Assemblge	Market	Market	Market
Adjustment		—	Superior	—	Superior	—	—	—
Market Conditions	8/30/2024	Jan-24	Oct-23	Sep-23	Nov-22	Aug-22	Apr-22	Aug-21
Adjustment		—	Inferior	Inferior	Inferior	Inferior	Inferior	Very Inferior
Property Adjustments								
Location/Community	Menifee	Winchester	Perris	Perris	Perris	Moreno Valley	Winchester	Winchester
Adjustment		—	Inferior	Inferior	Inferior	—	—	—
Number of Lots	109	182	107	191	90	177	220	202
Adjustment		—	—	—	—	—	—	—
Typical Lot Size	6,000	7,200	6,000	6,500	6,000	5,000	6,000	7,250
Adjustment		Superior	—	—	—	Inferior	—	Superior
Site Utility	Average	Average	Average	Average	Average	Average	Average	Average
Adjustment		—	—	—	—	—	—	—
Lot Premiums/Discounts	Average	Average	Average	Average	Average	Average	Average	Average
Adjustment		—	—	—	—	—	—	—
Overall Ranking		Superior	Inferior	Very Inferior	Inferior	Inferior	Inferior	Inferior

Land Sales Adjustment Grid - West Shore at Rockport Ranch

	Subject	Comparable 1	Comparable 2	Comparable 3	Comparable 4	Comparable 5
Name	City of Menifee CFD No. 2023-1 (Rockport Ranch)	Riverwalk Village	Alessandro	27550 Brodiaea Avenue	Towns & Courts	SWC Leon Rd & Simpson Rd
City	Menifee	Menifee	Moreno Valley	Moreno Valley	Winchester	Winchester
County	Riverside	Riverside	Riverside	Riverside	Riverside	Riverside
Sale Date		Dec-23	Nov-23	Jul-23	Apr-22	Feb-22
Sale Status		Closed	Closed	Closed	Closed	Closed
Sale Price		\$22,077,500	\$16,143,500	\$2,800,055	\$17,500,000	\$8,000,000
Number of Lots	96	198	225	67	252	420
Price per Lot		\$111,503	\$71,749	\$41,792	\$69,444	\$19,048
Expenditures After Purchase		\$118,735	\$131,516	\$137,877	\$82,556	\$132,952
Bond Consideration		\$4,000	\$4,000	\$4,000	\$4,000	\$4,000
Price per Lot (Loaded)		\$234,238	\$207,265	\$183,669	\$156,000	\$156,000
Property Rights		Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Adjustment		—	—	—	—	—
Financing Terms		Cash to seller	Cash to seller	Cash to seller	Cash to seller	Cash to seller
Adjustment		—	—	—	—	—
Conditions of Sale		Market	Market	Market	Market	Market
Adjustment		—	—	—	—	—
Market Conditions	8/30/2024	Dec-23	Nov-23	Jul-23	Apr-22	Feb-22
Adjustment		—	Inferior	Inferior	Inferior	Inferior
Property Adjustments						
Location/Community	Menifee	Menifee	Moreno Valley	Moreno Valley	Winchester	Winchester
Adjustment		—	—	—	—	—
Number of Lots	96	198	225	67	252	420
Adjustment		—	—	—	—	Inferior
Typical Lot Size	3,600	2,250	3,000	3,600	2,500	3,000
Adjustment		Inferior	Inferior	—	Inferior	Inferior
Site Utility	Average	Similar	Similar	Above Average	Below Average	Similar
Adjustment		—	—	Superior	Inferior	—
Lot Premiums/Discounts	Average	Similar	Similar	Similar	Similar	Similar
Adjustment		—	—	—	—	—
Overall Ranking		Inferior	Inferior	Inferior	Very Inferior	Very Inferior

Land Value Conclusion

For North Shore at Rockport Ranch, the comparables reflect a range of sales prices of \$36,364 to \$123,238 per lot where as for West Shore at Rockport Ranch, the comparables reflect a range of sales prices of \$19,048 to \$111,503 per lot. The wide disparity in the unadjusted range is largely attributable to lot condition at time of sale (unimproved lots, partially improved lots and improved lots), as well as differences in permits and fees, remaining site costs and bonds encumbrances. After accounting for the expenditures after sale, the comparables exhibit a loaded lot range of \$207,000 to \$260,594 per loaded lot for North Shore at Rockport Ranch. For West Shore at Rockport Ranch, the comparables exhibit a loaded lot range of \$156,000 to \$234,238 per loaded lot. The following table summarizes the loaded lot values (unadjusted) and our conclusion of loaded lot value for the subject property.

Bulk Lot Ranking Summary - North Shore at Rockport Ranch

Comparable	Sale Date	\$/ Loaded Lot (Unadjusted)	Net Adjustment
1	Jan-24	\$260,594	Superior
Subject	-	\$250,000	-
5	Aug-22	\$243,718	Inferior
4	Nov-22	\$235,966	Inferior
7	Aug-21	\$234,098	Inferior
2	Oct-23	\$234,000	Inferior
6	Apr-22	\$219,000	Inferior
3	Sep-23	\$207,000	Very Inferior
Estimated Unit Value		\$250,000	

Ranking Analysis and Reconciliation - West Shore at Rockport Ranch

Comparable	Sale Date	\$/ Loaded Lot (Unadjusted)	Net Adjustment
1	Dec-23	\$234,238	Inferior
Subject	-	\$215,000	-
2	Nov-23	\$207,265	Inferior
3	Jul-23	\$183,669	Inferior
4	Apr-22	\$156,000	Very Inferior
5	Feb-22	\$156,000	Very Inferior
Estimated Unit Value		\$215,000	

For North Shore at Rockport Ranch, primary reliance is placed on Comparable 1 as it received the least amount of gross adjustments and is the most recent sale in the data set. The remaining comparables are given secondary reliance. For West Shore at Rockport Ranch, Comparable 1 is an outlier in the data and is given secondary reliance despite receiving the least amount of gross adjustments. The remaining comparables are considered to be inferior to the subject, so an estimate of value between Comparable 1 and the remaining comparables is considered to be reasonable.

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

Conclusion of Value: Sales Comparison Approach		
Lot Size Categories	North Shore at Rockport Ranch	West Shore at Rockport Ranch
Concluded Loaded Lot Value	\$250,000	\$215,000
Less: Permits & Fees	<u>(\$22,600)</u>	<u>(\$22,600)</u>
Estimated Finished Lot Value	\$227,400	\$192,400
Rounded	\$227,000	\$192,000

Land Residual Analysis

The land residual analysis is employed as an additional indicator of market value for the subject's lots. This valuation method is used in estimating land value when subdivision and development are the highest and best use of the land being appraised. All direct and indirect costs are deducted from an estimate of the anticipated gross sales price of the improved product; the resultant net sales proceeds are then discounted to present value at an anticipated rate over the development and absorption period to indicate the value of the land. The land residual analysis is conducted on a quarterly basis. As a discounted cash flow analysis, the land residual analysis consists of four primary components summarized as follows:

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

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

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

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

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

Revenue

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

The benchmark lot categories are North and West Shore at Rockport Ranch, which consists of 109 and 96 lots, respectively, with a typical lot size of 6,000 and 3,600 square feet, respectively. Based on the Residential Market section of this report and considering current asking prices, we estimated a typical home size and corresponding base price for each benchmark lot category. For North and West Shore at Rockport Ranch, we estimate a typical average-sized home on the subject would contain approximately 2,400 and 2,000 square feet, respectively, and would have a corresponding base price of \$600,000 and \$530,000, respectively. These estimates will be utilized in the analysis.

Closing Projections

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

Changes in Market Conditions (Price Increases or Decreases)

The subject's market area has experienced rapid market appreciation in home prices for the past few years; however, since early 2022 the Federal Reserve Bank began raising the benchmark federal-funds rate (from near zero in March 2022) in an effort to manage rising inflation. The fed-funds rate is greater than 5%, which has resulted in a substantial rise in mortgage interest rates, which now are approximately 6.25% and have moderated from 8.0% in October of 2023. The rise in mortgage interest rates has impacted the affordability of homes for a certain segment of the homebuyer market, which may impact pricing in the near term. Consequently, under current market conditions, forecasting home appreciation during the absorption period is speculative, and several homebuilders surveyed indicate they typically do not trend/forecast home appreciation during the sell-off period. Therefore, for purposes of this analysis, the home price revenue will be held constant during the sell-off period.

Absorption

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

Based on the typical marketing and absorption rate data presented in the Residential Market overview, we estimate an absorption rate of approximately 3.5 and 4 units per month or 10.50 and 12 units per quarter for North and West Shore at Rockport Ranch, respectively. For North Shore at Rockport Ranch, home sales begin in Period 1 and the subject lots sell out in Period 11, with Period 12 needed to complete construction and close escrow. For West Shore at Rockport Ranch, home sales begin in Period 1 and the subject lots sell out in Period 8, with Period 9 needed to complete construction and close escrow. Our disposition period is over the course of 3.0 and 2.25 years for North and West Shore at Rockport Ranch, respectively. Market conditions are anticipated to remain stable over this time.

Expense Projections

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

Developer Classification	Municipality	Budget Date	No. of Units	Quality	Avg. Home Size (SF)	Typical Lot Size	G & A % of Revenue	Mkt & Sales % of Revenue	Direct Costs/SF	Indirect Costs/SF	Indirect % of Direct Costs	Site Costs/Lot	Permits & Fees/Unit	Cost per Model	Profit % of Revenue	IRR	Projected Sales/Mo.
National	Winchester	2024	276	Average	1,820	3,000	2.7%	2.7%	\$93.38	N/Av	N/Av	N/Av	\$48,101	N/Av	19.20%	N/Av	4
National	San Jacinto	2024	89	Average	2,135	7,200	N/Av	N/Av	\$88.55	N/Av	N/Av	\$76,390	\$66,100	N/Av	N/Av	N/Av	N/Av
National	Winchester	2024	129	Average	2,707	6,200	N/Av	N/Av	\$83.18	N/Av	N/Av	\$139,940	\$54,600	\$37,814	N/Av	N/Av	N/Av
Local	Jurupa Valley	2023	53	Average	2,900	6,750	3.5%	3.0%	\$85.53	\$16.67	19.49%	\$125,482	\$64,861	N/Av	12.0%	25.0%	N/Av
National	San Diego County	2023	27	Good	2,246	N/Av	N/Av	N/Av	\$152.00	N/Av	N/Av	\$240,018	\$50,668	N/Av	N/Av	N/Av	N/Av
Regional	San Diego County	2023	83	Good	1,975	N/Av	N/Av	N/Av	\$135.00	N/Av	N/Av	\$240,018	\$47,937	N/Av	N/Av	N/Av	N/Av
National	Winchester	2023	202	Average	2,342	7,250	N/Av	N/Av	\$72.06	\$11.06	15.35%	\$76,242	\$73,000	N/Av	N/Av	N/Av	N/Av
National	Victorville	2023	276	Average	2,220	7,200	N/Av	N/Av	\$74.96	\$11.09	14.79%	\$83,185	\$32,800	\$80,339	N/Av	N/Av	N/Av
National	San Jacinto	2023	177	Average	2,112	7,200	N/Av	N/Av	\$77.91	\$9.73	12.49%	\$110,669	\$61,700	N/Av	N/Av	N/Av	N/Av
National	Hemet	2022	150	Average	2,092	5,500	N/Av	N/Av	\$92.11	N/Av	N/Av	\$72,875	\$51,700	N/Av	20.5%	N/Av	N/Av
National	Moreno Valley	2022	96	Average	2,346	7,350	N/Av	N/Av	\$79.46	N/Av	N/Av	\$124,544	\$68,647	\$164,265	N/Av	17.0%	N/Av
National	San Diego County	2022	187	Average	2,420	6,698	N/Av	N/Av	\$95.00	N/Av	N/Av	\$255,045	\$77,870	N/Av	N/Av	N/Av	N/Av
Regional	Riverside County	2021	128	Average	2,009	2,565	3.0%	3.5%	\$87.42	\$16.63	19.0%	N/Av	\$54,371	N/Av	14.0%	N/Av	N/Av
Regional	Lancaster	2021	99	Average	2,187	8,005	4.4%	5.7%	\$72.68	\$6.35	9%	\$89,461	\$35,931	\$54,000	9.6%	30.2%	3.96
Local	Desert Hot Springs	2020	27	Average	1,834	9,148	N/Av	N/Av	\$80.00	N/Av	16%	N/Av	\$24,627	N/Av	N/Av	N/Av	N/Av
National	Bakersfield	2020	70	Average	1,948	7,817	N/Av	N/Av	\$87.02	N/Av	12%	N/Av	\$38,080	N/Av	N/Av	N/Av	N/Av
Regional	Riverside County	2020	145	Average	1,834	5,500	N/Av	N/Av	\$60.00	N/Av	N/Av	N/Av	\$62,500	N/Av	8.0%	N/Av	4/5
National	Los Angeles County	2020	148	Average	2,253	7,000	N/Av	N/Av	\$57.21	N/Av	N/Av	\$39,000	\$40,000	N/Av	N/Av	N/Av	N/Av
Regional	Riverside County	2020	46	Average	2,289	6,600	N/Av	N/Av	\$66.49	N/Av	N/Av	N/Av	\$31,200	N/Av	N/Av	N/Av	N/Av

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

General and Administrative

These expenses consist of management fees, liability and fire insurance, inspection fees, appraisal fees, legal and accounting fees and copying or publication costs. This expense category typically ranges from 2.5% to 4.0%, depending on length of project and if all of the categories are included in a builder's budget. We have used 3.0% for general and administrative expenses.

Marketing and Sale

These expenses typically consist of advertising and promotion, closing costs, sales operations, and sales commissions. The expenses are expressed as a percentage of the gross sales revenue. The range of marketing and sales expenses typically found in projects within the subject's market area is 5.0% to 6.5%. A figure of 6.0%, or 3.0% for marketing and 3.0% for sales, is estimated in the marketing and sales expense category.

Property Taxes (Ad Valorem and Special Taxes)

The subject is located within an area with an effective tax rate of 1.1591%. This amount is applied to the estimated market values and divided by the total number of units to yield an estimate of ad valorem taxes/unit/year for each phase. The tax amounts are applied to unclosed inventory over the sell-off period. Property taxes are increased by 2% per year.

The subject is within the boundary of City of Menifee CFD No. 2023-1 (Rockport Ranch). The facilities special tax associated with the district, for the most recently available tax year amount to \$3,157 and \$2,719 per unit for North and West Shore at Rockport Ranch, respectively. The special taxes escalate at 2% per year. Based on the direct charges provided by the special tax consultant, it is estimated the subject would have direct charges of approximately \$923 per lot. The total tax expense is gradually reduced over the absorption period, as the land components are sold off.

HOA

A homeowner's association (HOA) is planned for the subject. According to the developer the estimated HOA fee applicable to the subject property is \$205 per home per month, which is similar to other new home projects in the area and will therefore be utilized in the analysis.

Permits and Fees

Based on the information provided, the estimate of net permits and fees for the subject are estimated at \$22,600 per lot.

Direct and Indirect Construction Costs

Construction costs are generally classified into direct and indirect costs. Direct costs reflect the cost of labor and materials to build the project. Direct costs generally are lower per square foot for larger floor plans, all else being equal, due to economies of scale. Indirect items are the carrying costs and fees incurred in developing the project and during the construction cycle. Construction quality and market-segment are significant factors that affect direct construction costs. In addition,

national/public builders, which are able to achieve lower costs due to the larger scale in which orders are placed, routinely achieve lower direct costs.

Recent conversations with homebuilders confirm construction costs have fluctuated over the last several quarters, but have moderated since the pandemic. Based on the cost comparables, and considering the product line under development, a direct cost estimate of \$80.00 and \$85.00 per square foot is applied the estimated home within North and West Shore at Rockport Ranch, respectively. These estimates are generally consistent with comparables in the market.

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

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

Conversations with homebuilders indicate the indirect costs generally range anywhere from 10% to 15% of the direct costs (excluding marketing, sales, general and administrative expenses, taxes, which are accounted for separately). An estimate of 12% is considered reasonable for the subject.

Model Complex

North and West Shore at Rockport Ranch have constructed two and three model homes to service the subject communities, respectively. The subject communities benefit from having prospective buyers be able to visit the all models comprising the master plan. If the benchmark lot communities were being marketed separately, it is estimated each benchmark would have three model homes.

Model upgrade expenses can vary widely depending upon construction quality, targeted market and anticipated length of time on the market. These upgrades, exterior and interior, including furniture, can range from \$20,000 per model to over \$250,000 per model for executive homes.

Based on the quality of the subject's proposed improvements and the targeted buyer segment, a model upgrade cost of \$50,000 per model for each benchmark lot category is considered reasonable for the subject's lots. Of this amount approximately 40% will be recaptured with the sale of the

models reflecting a recapture of \$20,000 per model for each benchmark lot category. Model costs will be incurred in the first period while the recapture amount will be applied evenly over the disposition period.

Summary

The following chart summarizes the revenue and expenses discussed on the preceding pages.

Revenue & Expense Summary - North Shore at Rockport Ranch						
REVENUE SUMMARY						
Floor Plan	No. of Units	Unit Size (SF)	\$/SF	Base Retail Value Per Unit	Extension	
Average Unit	109	2,400	\$250	\$600,000	\$65,400,000	
Model Recapture	(@ 40% of cost)				<u>\$60,000</u>	
				Total Revenue Before Appreciation:	\$	65,460,000
						\$600,550 /unit
				Total Revenue After Appreciation:	\$	65,460,000
						\$600,550 /unit
EXPENSES SUMMARY						
				Total Over Sell-Off Period		
General and Administrative	3.0% of total revenue			\$	1,963,800	
Marketing and Sales	6.0% of total revenue			\$	3,927,600	
Ad Valorem Taxes	\$2,556 /unit/year			\$	100,873	(from cash flow)
Direct Charges	\$923 /unit/year			\$	36,422	(from cash flow)
Special Taxes/Assessments	\$3,157 /unit/year			\$	124,573	(from cash flow)
Homeowner's Association Fees	\$205 /unit/month			\$	382,223	(from cash flow)
Model Costs	3 models			\$	150,000	\$50,000 (per model)
Permits and Fees				\$	<u>2,463,400</u>	\$22,600 (per unit)
Subtotal:				\$	9,148,890	
Direct Construction Costs (Before Appreciation)	<u>SF</u>	<u>Units</u>	<u>Cost/SF</u>	<u>Extension</u>		
Average/Typical Floor Plan	2,400	109	\$80.00	\$	20,928,000	\$192,000 /unit
Indirect Construction Costs	12% of Direct Costs			\$	<u>2,511,360</u>	\$23,040 /unit
Subtotal:				\$	<u>23,439,360</u>	
				Total Expenses Before Appreciation:	\$	32,588,250

Revenue & Expense Summary - West Shore at Rockport Ranch**REVENUE SUMMARY**

Floor Plan	No. of Units	Unit Size (SF)	\$/SF	Base Retail Value Per Unit	Extension
Average Unit	96	2,000	\$265	\$530,000	\$50,880,000
Model Recapture	(@ 40% of cost)				<u>\$60,000</u>
				Total Revenue Before Appreciation:	\$ 50,940,000
					\$530,625 /unit
				Total Revenue After Appreciation:	\$ 50,940,000
					\$530,625 /unit

EXPENSES SUMMARY

			Total Over Sell-Off Period		
General and Administrative	3.0% of total revenue		\$	1,528,200	
Marketing and Sales	6.0% of total revenue		\$	3,056,400	
Ad Valorem Taxes	\$2,264 /unit/year		\$	61,841	(from cash flow)
Direct Charges	\$923 /unit/year		\$	25,214	(from cash flow)
Special Taxes/Assessments	\$2,719 /unit/year		\$	74,285	(from cash flow)
Homeowner's Association Fees	\$205 /unit/month		\$	265,680	(from cash flow)
Model Costs	3 models		\$	150,000	\$50,000 (per model)
Permits and Fees			\$	<u>2,169,600</u>	\$22,600 (per unit)
Subtotal:			\$	7,331,219	
Direct Construction Costs (Before Appreciation)	<u>\$/SF</u>	<u>Units</u>	<u>Cost/\$F</u>	<u>Extension</u>	
Average/Typical Floor Plan	2,000	96	\$85.00	\$ 16,320,000	\$170,000 /unit
Indirect Construction Costs	12% of Direct Costs		\$	<u>1,958,400</u>	\$20,400 /unit
Subtotal:			\$	<u>18,278,400</u>	
			Total Expenses Before Appreciation: \$ 25,609,619		

Internal Rate of Return and Discount Rate

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

Using a 5.00% present value factor and 10.00% for developer’s incentive for North Shore at Rockport Ranch and West Shore at Rockport Ranch, results in an implied internal rate of return (IRR) of 18.16% for North Shore at Rockport Ranch and 20.80% for West Shore at Rockport Ranch.

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

RealtyRates.com DEVELOPER SURVEY - 2nd Quarter 2024						
California/Pacific Islands - Subdivisions & PUDs						
	Actual Rates			Pro-Forma Rates		
	Min	Max	Avg	Min	Max	Avg
Site-Built Residential	17.51%	39.06%	26.43%	17.20%	37.50%	25.36%
-100 Units	17.91%	33.67%	25.28%	17.20%	32.33%	24.27%
100-500 Units	18.36%	37.04%	26.53%	17.63%	35.56%	25.53%
500+ Units	18.61%	38.72%	27.04%	18.06%	37.18%	25.96%
Mixed Use	19.26%	39.06%	26.83%	18.49%	37.50%	25.75%
Manufactured Housing	18.48%	42.68%	28.37%	17.74%	40.97%	27.24%
-100 Units	18.48%	37.11%	27.24%	17.74%	35.63%	26.15%
100-500 Units	18.94%	40.83%	28.69%	18.19%	39.19%	27.54%
500+ Units	19.41%	42.68%	29.18%	18.63%	40.97%	28.01%
Business Parks	18.43%	39.66%	26.98%	17.69%	38.07%	25.90%
-100 Acres	18.43%	34.48%	25.93%	17.69%	33.11%	24.89%
100-500 Acres	18.89%	37.93%	27.27%	18.13%	36.42%	26.18%
500+ Acres	19.35%	39.66%	27.73%	18.57%	38.07%	26.62%
Industrial Parks	18.53%	34.42%	24.66%	17.79%	33.05%	23.68%
-100 Acres	18.53%	29.93%	23.75%	17.79%	28.74%	22.80%
100-500 Acres	18.99%	32.93%	24.92%	18.23%	31.61%	23.92%
500+ Acres	19.46%	34.42%	25.32%	18.68%	33.05%	24.31%

*1st Quarter 2024 Data

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RealtyRates.com DEVELOPER SURVEY - 2nd Quarter 2024						
California/Pacific Islands - Condominiums & Co-Ops						
	Actual Rates			Pro-Forma Rates		
	Min	Max	Avg	Min	Max	Avg
Primary Residential	13.80%	22.24%	17.34%	12.80%	21.35%	16.55%
Hi-Rise/Urban Townhouse	14.04%	22.23%	17.77%	13.48%	21.34%	17.06%
Garden/Suburban Townhouse	13.80%	21.37%	16.88%	13.24%	20.52%	16.21%
Mixed Use	13.32%	22.24%	17.36%	12.80%	21.35%	16.39%
Resort & Second Home	14.87%	24.09%	18.17%	14.28%	23.13%	17.44%
Hi-Rise	14.97%	24.09%	19.14%	14.37%	23.13%	18.38%
Garden/Townhouse	14.87%	20.94%	17.19%	14.28%	20.10%	16.50%
Commercial/Industrial	12.45%	23.26%	16.70%	11.95%	22.33%	16.03%
Urban Office	13.17%	21.40%	16.94%	12.64%	20.55%	16.26%
Suburban Office	12.63%	21.33%	16.30%	12.12%	20.47%	15.65%
Retail	12.86%	23.26%	17.34%	12.35%	22.33%	16.64%
Industrial	12.45%	21.37%	16.23%	11.95%	20.51%	15.58%

*1st Quarter 2024 Data

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The survey above is primarily focused on raw land development; whereas, the subject property is analyzed herein as if improved (finished lot, or improved site, condition), which carries less risk. Furthermore, each implied IRR for the benchmark lot categories is within the range presented by the RealtyRates survey and are considered to be reasonable.

Conclusion

The land residual analysis is presented as follows:

Land Residual Analysis - North Shore at Rockport Ranch

Quarter:	0	1	2	3	4	5	6	7	8	9	10	11	12	Total
ABSORPTION														
Sales		10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	4.00	0	109
Close of Escrow (COE)		0.00	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	4.00	109
Unsold Inventory	109	98.50	88.00	77.50	67.00	56.50	46.00	35.50	25.00	14.50	4.00	0.00	0.00	
Sales Revenue (Before Appreciation)		\$ 6,305,780	\$ 6,305,780	\$ 6,305,780	\$ 6,305,780	\$ 6,305,780	\$ 6,305,780	\$ 6,305,780	\$ 6,305,780	\$ 6,305,780	\$ 6,305,780	\$ 2,402,202	\$ -	
Annual Appreciation Factor	0%	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	
Sales Revenue (After Appreciation)		\$ 6,305,780	\$ 6,305,780	\$ 6,305,780	\$ 6,305,780	\$ 6,305,780	\$ 6,305,780	\$ 6,305,780	\$ 6,305,780	\$ 6,305,780	\$ 6,305,780	\$ 2,402,202	\$ -	\$ 65,460,000
Total Sales Revenue (at Close of Escrow)		\$ -	\$ 6,305,780	\$ 6,305,780	\$ 6,305,780	\$ 6,305,780	\$ 6,305,780	\$ 6,305,780	\$ 6,305,780	\$ 6,305,780	\$ 6,305,780	\$ 6,305,780	\$ 2,402,202	\$ 65,460,000
EXPENSES AND CASH FLOWS														
General and Administrative	3.0%	\$ (163,650)	\$ (163,650)	\$ (163,650)	\$ (163,650)	\$ (163,650)	\$ (163,650)	\$ (163,650)	\$ (163,650)	\$ (163,650)	\$ (163,650)	\$ (163,650)	\$ (163,650)	\$ (1,963,800)
Marketing and Sales	6.0%	\$ -	\$ (378,347)	\$ (378,347)	\$ (378,347)	\$ (378,347)	\$ (378,347)	\$ (378,347)	\$ (378,347)	\$ (378,347)	\$ (378,347)	\$ (378,347)	\$ (378,347)	\$ (3,927,600)
Ad Valorem Taxes (\$/unit/yr)	\$2,556	\$ (17,415)	\$ (15,816)	\$ (14,201)	\$ (12,569)	\$ (10,920)	\$ (9,255)	\$ (7,573)	\$ (5,873)	\$ (4,157)	\$ (2,423)	\$ (672)	\$ -	\$ (100,873)
Direct Charges (\$/unit/yr)	\$923	\$ (6,288)	\$ (5,711)	\$ (5,127)	\$ (4,538)	\$ (3,943)	\$ (3,342)	\$ (2,734)	\$ (2,121)	\$ (1,501)	\$ (875)	\$ (243)	\$ -	\$ (36,422)
Special Taxes/Assessments (\$/unit/yr)	\$3,157	\$ (21,506)	\$ (19,532)	\$ (17,537)	\$ (15,522)	\$ (13,486)	\$ (11,429)	\$ (9,352)	\$ (7,253)	\$ (5,133)	\$ (2,992)	\$ (830)	\$ -	\$ (124,573)
Homeowner's Association Fees (\$/unit/mo)	\$205	\$ (67,035)	\$ (60,578)	\$ (54,120)	\$ (47,663)	\$ (41,205)	\$ (34,748)	\$ (28,290)	\$ (21,833)	\$ (15,375)	\$ (8,918)	\$ (2,460)	\$ -	\$ (382,223)
Model Costs		\$ (150,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (150,000)
Permits and Fees		\$ (237,300)	\$ (237,300)	\$ (237,300)	\$ (237,300)	\$ (237,300)	\$ (237,300)	\$ (237,300)	\$ (237,300)	\$ (237,300)	\$ (237,300)	\$ (90,400)	\$ -	\$ (2,463,400)
Subtotal:		\$ (663,194)	\$ (880,933)	\$ (870,282)	\$ (859,588)	\$ (848,851)	\$ (838,070)	\$ (827,245)	\$ (816,377)	\$ (805,463)	\$ (794,504)	\$ (636,601)	\$ (307,782)	\$ (9,148,890)
Direct Construction Costs		\$ (1,008,000)	\$ (2,016,000)	\$ (2,016,000)	\$ (2,016,000)	\$ (2,016,000)	\$ (2,016,000)	\$ (2,016,000)	\$ (2,016,000)	\$ (2,016,000)	\$ (2,016,000)	\$ (1,392,000)	\$ (384,000)	
Annual Appreciation Factor	0%	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	
Direct Construction Costs (Appreciated)		\$ (1,008,000)	\$ (2,016,000)	\$ (2,016,000)	\$ (2,016,000)	\$ (2,016,000)	\$ (2,016,000)	\$ (2,016,000)	\$ (2,016,000)	\$ (2,016,000)	\$ (2,016,000)	\$ (1,392,000)	\$ (384,000)	\$ (20,928,000)
Indirect Construction Costs	12%	\$ (120,960)	\$ (241,920)	\$ (241,920)	\$ (241,920)	\$ (241,920)	\$ (241,920)	\$ (241,920)	\$ (241,920)	\$ (241,920)	\$ (241,920)	\$ (167,040)	\$ (46,080)	\$ (2,511,360)
Subtotal:		\$ (1,128,960)	\$ (2,257,920)	\$ (2,257,920)	\$ (2,257,920)	\$ (2,257,920)	\$ (2,257,920)	\$ (2,257,920)	\$ (2,257,920)	\$ (2,257,920)	\$ (2,257,920)	\$ (1,559,040)	\$ (430,080)	\$ (23,439,360)
Total Expenses		\$ (1,792,154)	\$ (3,138,853)	\$ (3,128,202)	\$ (3,117,508)	\$ (3,106,771)	\$ (3,095,990)	\$ (3,085,165)	\$ (3,074,297)	\$ (3,063,383)	\$ (3,052,424)	\$ (2,195,641)	\$ (737,862)	\$ (32,588,250)
NET INCOME BEFORE DEVELOPER'S INCENTIVE		\$ (1,792,154)	\$ 3,166,927	\$ 3,177,578	\$ 3,188,272	\$ 3,199,009	\$ 3,209,790	\$ 3,220,614	\$ 3,231,483	\$ 3,242,397	\$ 3,253,355	\$ 4,110,139	\$ 1,664,340	\$ 32,871,750
Developers Incentive	10.00%	\$ -	\$ (630,578)	\$ (630,578)	\$ (630,578)	\$ (630,578)	\$ (630,578)	\$ (630,578)	\$ (630,578)	\$ (630,578)	\$ (630,578)	\$ (630,578)	\$ (240,220)	\$ (6,546,000)
NET INCOME BEFORE DISCOUNTING		\$ (1,792,154)	\$ 2,536,349	\$ 2,547,000	\$ 2,557,694	\$ 2,568,431	\$ 2,579,212	\$ 2,590,036	\$ 2,600,905	\$ 2,611,819	\$ 2,622,777	\$ 3,479,561	\$ 1,424,120	\$ 26,325,750
Present Value Factors														
Discount Rate	5.00%	0.98765	0.97546	0.96342	0.95152	0.93978	0.92817	0.91672	0.90540	0.89422	0.88318	0.87228	0.86151	
Discounted Cash Flow		\$ (1,770,029)	\$ 2,474,110	\$ 2,453,826	\$ 2,433,708	\$ 2,413,752	\$ 2,393,959	\$ 2,374,328	\$ 2,354,856	\$ 2,335,542	\$ 2,316,387	\$ 3,035,143	\$ 1,226,891	\$ 24,042,474
Net Present Value (Rounded)														\$ 24,040,000
													per unit:	\$220,550
Implied Internal Rate of Return (IRR)	18.16%													

Land Residual Analysis - West Shore at Rockport Ranch

Quarter:	0	1	2	3	4	5	6	7	8	9	Total
ABSORPTION											
Sales		12	12	12	12	12	12	12	12	0	96
Close of Escrow (COE)		0	12	12	12	12	12	12	12	12	96
Unsold Inventory	96	84	72	60	48	36	24	12	0	0	
Sales Revenue (Before Appreciation)		\$ 6,367,500	\$ 6,367,500	\$ 6,367,500	\$ 6,367,500	\$ 6,367,500	\$ 6,367,500	\$ 6,367,500	\$ 6,367,500	\$ -	
Annual Appreciation Factor	0%	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	
Sales Revenue (After Appreciation)		\$ 6,367,500	\$ 6,367,500	\$ 6,367,500	\$ 6,367,500	\$ 6,367,500	\$ 6,367,500	\$ 6,367,500	\$ 6,367,500	\$ -	\$ 50,940,000
Total Sales Revenue (at Close of Escrow)		\$ -	\$ 6,367,500	\$ 6,367,500	\$ 6,367,500	\$ 6,367,500	\$ 6,367,500	\$ 6,367,500	\$ 6,367,500	\$ 6,367,500	\$ 50,940,000
EXPENSES AND CASH FLOWS											
General and Administrative	3.0%	\$ (169,800)	\$ (169,800)	\$ (169,800)	\$ (169,800)	\$ (169,800)	\$ (169,800)	\$ (169,800)	\$ (169,800)	\$ (169,800)	\$ (1,528,200)
Marketing and Sales	6.0%	\$ -	\$ (382,050)	\$ (382,050)	\$ (382,050)	\$ (382,050)	\$ (382,050)	\$ (382,050)	\$ (382,050)	\$ (382,050)	\$ (3,056,400)
Ad Valorem Taxes (\$/unit/yr)	\$2,264	\$ (13,583)	\$ (11,944)	\$ (10,289)	\$ (8,617)	\$ (6,928)	\$ (5,222)	\$ (3,499)	\$ (1,758)	\$ -	\$ (61,841)
Direct Charges (\$/unit/yr)	\$923	\$ (5,538)	\$ (4,870)	\$ (4,195)	\$ (3,513)	\$ (2,825)	\$ (2,129)	\$ (1,427)	\$ (717)	\$ -	\$ (25,214)
Special Taxes/Assessments (\$/unit/yr)	\$2,719	\$ (16,316)	\$ (14,348)	\$ (12,360)	\$ (10,351)	\$ (8,322)	\$ (6,273)	\$ (4,203)	\$ (2,112)	\$ -	\$ (74,285)
Homeowner's Association Fees (\$/unit/mo)	\$205	\$ (59,040)	\$ (51,660)	\$ (44,280)	\$ (36,900)	\$ (29,520)	\$ (22,140)	\$ (14,760)	\$ (7,380)	\$ -	\$ (265,680)
Model Costs		\$ (150,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (150,000)
Permits and Fees		\$ (271,200)	\$ (271,200)	\$ (271,200)	\$ (271,200)	\$ (271,200)	\$ (271,200)	\$ (271,200)	\$ (271,200)	\$ -	\$ (2,169,600)
Subtotal:		\$ (685,477)	\$ (905,872)	\$ (894,174)	\$ (882,432)	\$ (870,645)	\$ (858,814)	\$ (846,938)	\$ (835,017)	\$ (551,850)	\$ (7,331,219)
Direct Construction Costs		\$ (1,020,000)	\$ (2,040,000)	\$ (2,040,000)	\$ (2,040,000)	\$ (2,040,000)	\$ (2,040,000)	\$ (2,040,000)	\$ (2,040,000)	\$ (1,020,000)	
Annual Appreciation Factor	0%	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	
Direct Construction Costs (Appreciated)		\$ (1,020,000)	\$ (2,040,000)	\$ (2,040,000)	\$ (2,040,000)	\$ (2,040,000)	\$ (2,040,000)	\$ (2,040,000)	\$ (2,040,000)	\$ (1,020,000)	\$ (16,320,000)
Indirect Construction Costs	12%	\$ (122,400)	\$ (244,800)	\$ (244,800)	\$ (244,800)	\$ (244,800)	\$ (244,800)	\$ (244,800)	\$ (244,800)	\$ (122,400)	\$ (1,958,400)
Subtotal:		\$ (1,142,400)	\$ (2,284,800)	\$ (2,284,800)	\$ (2,284,800)	\$ (2,284,800)	\$ (2,284,800)	\$ (2,284,800)	\$ (2,284,800)	\$ (1,142,400)	\$ (18,278,400)
Total Expenses		\$ (1,827,877)	\$ (3,190,672)	\$ (3,178,974)	\$ (3,167,232)	\$ (3,155,445)	\$ (3,143,614)	\$ (3,131,738)	\$ (3,119,817)	\$ (1,694,250)	\$ (25,609,619)
NET INCOME BEFORE DEVELOPER'S INCENTIVE		\$ (1,827,877)	\$ 3,176,828	\$ 3,188,526	\$ 3,200,268	\$ 3,212,055	\$ 3,223,886	\$ 3,235,762	\$ 3,247,683	\$ 4,673,250	\$ 25,330,381
Developers Incentive	10.00%	\$ -	\$ (636,750)	\$ (636,750)	\$ (636,750)	\$ (636,750)	\$ (636,750)	\$ (636,750)	\$ (636,750)	\$ (636,750)	\$ (5,094,000)
NET INCOME BEFORE DISCOUNTING		\$ (1,827,877)	\$ 2,540,078	\$ 2,551,776	\$ 2,563,518	\$ 2,575,305	\$ 2,587,136	\$ 2,599,012	\$ 2,610,933	\$ 4,036,500	\$ 20,236,381
Present Value Factors											
Discount Rate	5.00%	0.98765	0.97546	0.96342	0.95152	0.93978	0.92817	0.91672	0.90540	0.89422	
Discounted Cash Flow		\$ (1,805,310)	\$ 2,477,747	\$ 2,458,428	\$ 2,439,250	\$ 2,420,212	\$ 2,401,314	\$ 2,382,555	\$ 2,363,935	\$ 3,609,522	\$ 18,747,653
Net Present Value (Rounded)											\$ 18,750,000
										per unit:	\$195,313
Implied Internal Rate of Return (IRR)	20.80%										

Reconciliation of Lot Value

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

Reconciliation of Finished Lot Value		
Lot Size Categories	North Shore at Rockport Ranch	West Shore at Rockport Ranch
Sales Comparison Approach	\$227,000 per finished lot	\$192,000 per finished lot
Land Residual Analysis	\$220,550 per finished lot	\$195,313 per finished lot
% Difference	2.92%	-1.70%
Average	\$223,775	\$193,656
Concluded Finished Lot Value	\$224,000 per finished lot	\$194,000 per finished lot

Using the conclusion of market value for the North Shore benchmark lot above, a lot size adjustment factor of \$10.00 per square foot of difference in lot area is applied in order to estimate the market value for the subject's South Shore at Rockport Ranch lots (6,500 square feet).

As noted, South Shore at Rockport Ranch has 33 lots that have a waterfront premium and achieve a premium in comparison to the other lots. Based on conversations with the sales agents, these lots achieve a premium of approximately \$20,000 per lot. The seller of these lots would not receive the full benefit of the premium achieved. Therefore, we will adjust accordingly for the additional premium achieved for the waterfront lots. The finished lot market value conclusion for the three subject lot categories is presented in the following table.

Conclusion of Finished Lot Value					
Community	Lot Size (SF)	Benchmark Lot Value	Lot Size Adjustment	Waterfront Adjustment	Adjusted Finished Lot Value (Rounded)
North Shore at Rockport Ranch	6,000	Benchmark \$224,000			\$224,000
West Shore at Rockport Ranch	3,600	Benchmark \$194,000			\$194,000
South Shore at Rockport Ranch	6,500	\$224,000	\$5,000	\$3,500	\$232,500

Market Value by Ownership

In this section, the previously concluded market values will be allocated to each ownership group comprising the appraised properties in order to provide a market value of the appraised properties by ownership. A summary of the along with the current development status is provided in the following table.

Appraised Property Summary						
Community	Partially-Improved SFR Lots	Partially Completed Homes	Completed Homes *	Homes Sold to Individuals*	Total Appraised Parcels	Assessed Parcels
North Shore at Rockport Ranch	20	35	2	33	90	19
South Shore at Rockport Ranch	21	22	4	39	86	14
West Shore at Rockport Ranch	5	33	0	40	78	18
TOTAL	46	90	6	112	254	51
*Completed homes without a complete assessment for structural improvements by County Assessor						

Of the 51 assessed parcel, three of the parcels are model homes of West Shore at Rockport Ranch and the remainder of the parcels represent completed homes held by individual homeowners within the three communities comprising the subject.

As previously noted, there are remaining site development costs of \$6,215,155. These costs will be allocated and deducted from the partially-completed lots and lots with home under construction, which totals 136 lots. A profit factor of 5%, or \$310,758 ($\$6,215,155 \times 5\%$), is applied to provide an incentive for a prospective buyer to oversee the remaining site development of the subject property for a total of \$6,525,913 or \$47,985 per lot will be considered in the following analysis. The remaining costs are not allocated to the completed homes.

Based on the previous analyses, the estimates of market value, by ownership, subject to the impact of the Lien of the Special Tax securing the City of Menifee CFD No. 2023-1 (Rockport Ranch), Series 2024 bonds, as of the date of value, August 30, 2024, are presented in the following table. As previously noted, for the lots with homes under construction, the contributory value of permits and impact fees paid is accounted for in this analysis.

Market Value by Ownership						
	Lots/Parcels /Homes	Lot/Home Value	Remaining Site Development Costs	Permits and Fees	Value per Component	Market Value (Rd.)
Lennar Homes of California, LLC / AG EHC II (LEN) CA 1, L.P.						
Partially-Improved Lots						
North Shore at Rockport Ranch	20	\$224,000	(\$47,985)	-	\$176,015	\$3,520,000
South Shore at Rockport Ranch	21	\$232,500	(\$47,985)	-	\$184,515	\$3,875,000
West Shore at Rockport Ranch	5	\$194,000	(\$47,985)	-	\$146,015	\$730,000
Homes Under Construction						
North Shore at Rockport Ranch	35	\$224,000	(\$47,985)	\$22,600	\$198,615	\$6,952,000
South Shore at Rockport Ranch	22	\$232,500	(\$47,985)	\$22,600	\$207,115	\$4,557,000
West Shore at Rockport Ranch	33	\$194,000	(\$47,985)	\$22,600	\$168,615	\$5,564,000
Completed Homes						
North Shore at Rockport Ranch	2	\$530,000	-	-	\$530,000	\$1,060,000 (Not-Less-Than)
South Shore at Rockport Ranch	4	\$550,000	-	-	\$550,000	\$2,200,000 (Not-Less-Than)
Total - Lennar Homes of California, LLC / AG EHC II (LEN) CA 1, L.P.	142					\$28,458,000
Individual Homeowners						
Completed Homes						
North Shore at Rockport Ranch	33	\$530,000	-	-	\$530,000	\$17,490,000 (Not-Less-Than)
South Shore at Rockport Ranch	39	\$550,000	-	-	\$550,000	\$21,450,000 (Not-Less-Than)
West Shore at Rockport Ranch	40	\$515,000	-	-	\$515,000	\$20,600,000 (Not-Less-Than)
Total - Individual Homeowners	112					\$59,540,000
Aggregate, or Cumulative, Appraised Values	254					\$87,998,000
Aggregate, or Cumulative, Assessed Values	51					\$28,930,504
Total Aggregate, or Cumulative, Value of CFD No. 2023-1 (Rockport Ranch)	305					\$116,928,504

Extraordinary Assumptions and Hypothetical Conditions

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

(None)

The value conclusions are based on the following hypothetical conditions. A hypothetical condition is a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.

1. The value derived herein is based on the hypothetical condition that certain impact fees to be financed by the CFD No. 2023-1 Revenue Bonds, Series 2024, have been paid.

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

Exposure Time

Exposure time is the length of time the subject property would have been exposed for sale in the market had it sold on the effective valuation date at the concluded market value. Exposure time is always presumed to precede the effective date of the appraisal. Based on our review of recent sales transactions for similar properties and our analysis of supply and demand in the local residential land market, it is our opinion that the probable exposure time for the subject at the concluded market values stated previously is 6-9 months. As it relates to the completed home component of the subject, current market conditions indicate that 30-to-60-day exposure period is reasonable.

Marketing Time

Marketing time is an estimate of the amount of time it might take to sell a property at the concluded market value immediately following the effective date of value. As we foresee no significant changes in market conditions in the near term, it is our opinion that a reasonable marketing period for the subject in bulk is likely to be the same as the exposure time. Accordingly, we estimate the subject's marketing period at 6-9 months.

Certification

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

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



Blake Fassler
Certified General Real Estate Appraiser
California Certificate # 3007274



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



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

Assumptions and Limiting Conditions

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

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

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

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

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

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

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

Extraordinary Assumptions and Hypothetical Conditions

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

(None)

The value conclusions are based on the following hypothetical conditions. A hypothetical condition is a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.

1. The value derived herein is based on the hypothetical condition that certain impact fees to be financed by the CFD No. 2023-1 Revenue Bonds, Series 2024, have been paid.

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

Addendum A

Appraiser Qualifications

Blake Fassler

Experience

Mr. Fassler is a licensed appraiser with Integra Realty Resources, a real estate appraisal firm that engages in a wide variety of real estate valuation and consultation assignments. He began his appraisal career in March 2017 with Seevers Jordan Ziegenmeyer in Rocklin, California. Currently, Mr. Fassler is obtaining experience in the valuation and analysis of various types of real estate by working on a wide variety of property types including, but not limited to: multifamily, office, retail, industrial, vacant land, and residential subdivisions. He also specializes in the appraisal of residential master planned communities and subdivision, as well as Mello Roos and Assessment Districts for land secured municipal financings.

Licenses

California, California Certified General Real Estate Appraiser, 3007274, Expires February 2026

Education

Bachelor of Science in Management Science University of California, San Diego

Appraisal Courses Completed are as follows:

Basic Appraisal Principles

Basic Appraisal Procedures

General Appraiser Market Analysis & Highest and Best Use (USPAP), Uniform Standards of Professional Appraisal Practice

General Appraiser Report Writing and Case Studies

General Appraiser Site Valuation and Cost Approach

General Appraiser Sales Comparison Approach

General Appraiser Income Approach Part 1

General Appraiser Income Approach Part 2

4-Hour Federal and California Statutory and Regulator Laws

Integra Realty Resources -
Sacramento

590 Menlo Drive
Suite 1
Rocklin, CA 95765

irr.com





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

Blake A. Fassler

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

"Certified General Real Estate Appraiser"

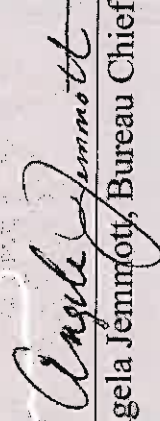
This license has been issued in accordance with the provisions of the Real Estate Appraisers' Licensing and Certification Law.

BREA APPRAISER IDENTIFICATION NUMBER:

3007274

Effective Date: February 26, 2024

Date Expires: February 25, 2026


Angela Jemmott, Bureau Chief, BREA

3074925

Kevin Ziegenmeyer, MAI

Experience

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

Licenses

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

Education

Academic:

Bachelor of Science in Accounting, Azusa Pacific University, California

Appraisal and Real Estate Courses:

Standards of Professional Practice, Parts A, B & C

Basic Valuation Procedures

Real Estate Appraisal Principles

Capitalization Theory and Techniques, Part A

Advanced Income Capitalization

Report Writing and Valuation Analysis

Advanced Applications

IRS Valuation Summit I & II

2008, 2009, 2010 & 2011 Economic Forecast

Business Practices and Ethics

Contemporary Appraisal Issues with Small Business Administration Financing

General Demonstration Appraisal Report Writing Seminar

7-Hour National USPAP Update Course

Valuation of Easements and Other Partial Interests

2009 Summer Conference

Uniform Appraisal Standards for Federal Land Acquisitions (Yellowbook)

2008 Economic Update

Valuation of Conservation Easements

Subdivision Valuation

2005 Annual Fall Conference

General Comprehensive Exam Module I, II, III & IV

Advanced Income Capitalization

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kziegenmeyer@irr.com - 916.435.3883 x224



Kevin Ziegenmeyer, MAI

Education (Cont'd)

Advanced Sales Comparison & Cost Approaches
2004 Central CA Market Update
Computer-Enhanced Cash Flow Modeling
Forecast 2000, 2001, 2002, 2003 & 2004
Land Valuation Assignments
Land Valuation Adjustment Procedures
Highest & Best Use and Market Analysis
Entitlements, Land Subdivision & Valuation
Real Estate Value Cycles
El Dorado Hills Housing Symposium
Federal Land Exchanges
M & S Computer Cost-Estimating, Nonresidential

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BUREAU OF REAL ESTATE APPRAISERS
REAL ESTATE APPRAISER LICENSE

Kevin K. Ziegenmeyer

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

“Certified General Real Estate Appraiser”

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

BREA APPRAISER IDENTIFICATION NUMBER:

AG 013567

Effective Date: June 5, 2023

Date Expires: June 4, 2025

Angela Jemmott
Angela Jemmott, Bureau Chief, BREA

3070756

Eric Segal, MAI

Experience

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

Professional Activities & Affiliations

MAI Designation, Appraisal Institute Appraisal Institute, January 2016

Licenses

California, Certified General Real Estate Appraiser, AG026558, Expires February 2025

Nevada, Certified General, A.0207666-CG, Expires January 2025

Arizona, Certified General, CGA - 1006422, Expires January 2026

Washington, Certified General, 20100611, Expires June 2025

Education

Academic:

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

Appraisal and Real Estate Courses:

Uniform Standards of Professional Appraisal Practice

Appraisal Principles

Basic Income Capitalization

Highest & Best Use and Market Analysis

Advanced Income Capitalization

Report Writing and Valuation Analysis

Self-Storage Economics and Appraisal Seminar

Appraisal Litigation Practice and Courtroom Management

Hotel Valuations: New Techniques for today's Uncertain Times

Computer Enhanced Cash Flow Modeling

Advanced Sales Comparison & Cost Approaches

Advanced Applications

Subdivision Valuation

Appraisal of Self-Storage Facilities

Appraisal of Fast Food Facilities

Appraisal of Limited Service Hotels

How Tenants Create or Destroy Value: Leasehold Valuation and its Impact on Value

Appraisal of Manufactured Homes Featuring Next Generation Manufactured Homes

Integra Realty Resources – Los Angeles

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esegal@irr.com - 213.948.4425 x228



Eric Segal, MAI

Appraisal and Real Estate Courses (cont'd):
Business Practices and Ethics
IRS Valuation Update

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

Eric A. Segal

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

“Certified General Real Estate Appraiser”

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

BREA APPRAISER IDENTIFICATION NUMBER: AG 026558

Effective Date: February 19, 2023
Date Expires: February 18, 2025

Angela Jemmott
Angela Jemmott, Bureau Chief, BREA

3069186

About IRR

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

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

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

Local Expertise...Nationally!

irr.com



Addendum B

Definitions

Definitions

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

As Is Market Value

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

Disposition Value

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

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

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

Effective Date

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

Entitlement

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

Entrepreneurial Profit

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

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

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

Exposure Time

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

Fee Simple Estate

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

Floor Area Ratio (FAR)

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

Highest and Best Use

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

Investment Value

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

Lease

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

Leased Fee Interest

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

Leasehold Interest

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

Liquidation Value

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

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

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

Marketing Time

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

Market Value

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

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

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

Prospective Opinion of Value

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

Addendum C

Preliminary Title Report



675 Placentia Avenue, Suite 225
Brea, CA 92821
Office Phone: (949)404-2500
Office Fax: (714)667-0338

Title Officer Email: subdivision@lennartitle.com

Lennar Homes - Inland
4140 Temescal Canyon Road, Ste. 410
Corona, CA 92883
Attn: Beth Bruley

Your Ref: Rockport Ranch
Our Order No.: 192002-001552
Version No. 1 - 8/15/2024
Property Address: Tract 37131-1, Menifee, CA

Preliminary Report Dated as of August 7, 2024 at 7:30 a.m..

IN RESPONSE TO THE ABOVE REFERENCED APPLICATION FOR A POLICY OF TITLE INSURANCE,

Doma Title Insurance, Inc.

Hereby reports that it is prepared to issue, or cause to be issued, as of the date hereof, a Policy or Policies of Title Insurance describing the land and the estate or interest therein hereinafter set forth, insuring against loss which may be sustained by reason of any defect, lien or encumbrance not shown or referred to as an Exception below or not excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations of said Policy forms.

The printed Exceptions and Exclusions from the coverage and limitations on covered risks of said Policy or Policies are set forth in Exhibit A attached. The Policy to be issued may contain an Arbitration Clause. When the amount of insurance is less than that set forth in the Arbitration Clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the Parties. Limitations on covered risks applicable to the CLTA and ALTA Homeowner's Policies of Title Insurance which establish a deductible amount and a maximum dollar limit of liability for certain coverages are also set forth in Exhibit A. Copies of the Policy forms should be read. They are available from the office which issued this report.

Please read the exceptions shown or referred to below and the exceptions and exclusions set forth in Exhibit A of this report carefully. The exceptions and exclusions are meant to provide you with notice of matters which are not covered under the terms of the title insurance policy and should be carefully considered.

It is important to note that this preliminary report is not a written representation as to the condition of title and may not list all liens, defects, and encumbrances affecting title to the land.

This report (and any supplements or amendments hereto) is issued solely for the purpose of facilitating the issuance of a policy of title insurance and no liability is assumed hereby. If it is desired that liability be assumed prior to the issuance of a policy of title insurance, a Binder or Commitment should be requested.

The form of Policy of title insurance contemplated by this report is:
ALTA Extended Owner's Policy

Please note that the America First Homeowner's Policy (CLTA/ ALTA Homeowner's Policy) can only be issued on transactions involving individuals as purchasers and residential 1-4 properties. Any indication that the America First Homeowner's Policy (CLTA/ ALTA Homeowner's Policy) will be issued in a transaction that does not meet these criteria is hereby revised to state that the policy contemplated is a Standard Coverage Policy.

Randy Dean, Title Officer

SCHEDULE A

1. The estate or interest in the land herein after described or referred to covered by this report is:

Fee Simple

2. Title to said estate or interest at the date hereof is vested in:

Lennar Homes of California, LLC, a California limited liability company (as to Lots 63 through 67, 122, 166 through 180, 183, 210 through 232, and 291, 298 through 305, Lettered Lots A through E, I through L, P, R, Q, U, W, Y and Z) and AG EHC II (LEN) CA 1, L.P., a Delaware limited partnership (as to the remainder of lots)

3. Real Property in the City of Menifee, County of Riverside, State of California, described as follows:

See attached Legal Description

LEGAL DESCRIPTION

Real Property in the City of Menifee, County of Riverside, State of California, described as follows:

LOTS 63 THROUGH 67, 82 THROUGH 85, INCLUSIVE, 102 THROUGH 105, INCLUSIVE, 162, 163, 165 THROUGH 183, 194 THROUGH 201, 210 THROUGH 233, 253 THROUGH 273, 289, 291, 298 THROUGH 305, INCLUSIVE, LETTERED LOTS A THROUGH D, INCLUSIVE, H THROUGH L, P, Q, R, INCLUSIVE, U THROUGH W, INCLUSIVE, Y, Z AND CC, DD, INCLUSIVE, OF TRACT MAP NO. 37131-1, IN THE CITY OF MENIFFE, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS SHOWN BY MAP ON FILE IN BOOK 489, PAGES 24 THROUGH 39, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

APN: 364-190-004

SCHEDULE B

At the date hereof exceptions to coverage in addition to the printed exceptions and exclusions in the policy form designated on the face page of this report would be as follows:

1. Taxes and assessments. Report to follow. Please verify before closing.
2. Assessment liens, if applicable, collected with the general and special taxes, including but not limited to those disclosed by the reflection of the following on the tax roll:

Community Facilities District PERRIS UHS CFD 92-1.
3. The land lies within the boundaries of proposed community facilities District No. 2023-1 (Rockport Ranch), as disclosed by a map filed in in Book 90 Page 56 of maps of assessment and community facilities districts.
4. The land lies within the boundaries of proposed community facilities District No. 2017-1 (Maintenance Services), as disclosed by a map filed in in Book 90 Page 57 of maps of assessment and community facilities districts.
5. The lien of special tax assessed pursuant to Chapter 2.5 commencing with Section 53311 of the California Government Code for Community Facilities District No. 2017-1 (Maintenance Services) City of Menifee, as disclosed by Notice of Special Tax Lien recorded December 14, 2017 as Instrument No. 2017-0524512 of Official Records.

The terms and provisions contained in the document entitled "Amendment No. 16 to Notice of Special Tax Lien" recorded April 10, 2023 as Instrument No. 2023-0101089 of Official Records.
6. The land lies within the boundaries of proposed community facilities District No. 2023-1 (Rockport Ranch), as disclosed by a map filed in Book 91 Page 15 of maps of assessment and community facilities districts.
7. The lien of special tax assessed pursuant to Chapter 2.5 commencing with Section 53311 of the California Government Code for Community Facilities District No. 2023-1 (Rockport Ranch) of the City of Menifee, as disclosed by Notice of Special Tax Lien recorded June 15, 2023 as Instrument No. 2023-0172646 of Official Records.
8. The lien of supplemental taxes, if any, assessed pursuant to Chapter 3.5 commencing with Section 75 of the California Revenue and Taxation Code.
9. An easement for pipelines and other equipment and incidental purposes in the document recorded August 20, 1958 in Book 2320, Page 458 of Official Records.

The location of the easement cannot be determined from record information.
10. The terms and provisions contained in the document entitled "Resolution" recorded December 30, 1980 as Instrument No. 243945 and 243946 both of Official Records.
11. The terms and provisions contained in the document entitled "School Facilities Mitigation Agreement Between Menifee Union District and Dr. R.J. and Ramza Hamra" recorded October 3, 1995 as Instrument No. 330409 of Official Records.
12. The terms and provisions contained in the document entitled "Resolution" recorded May 14, 1996 as Instrument No. 177691 of Official Records.
13. An easement for public use of the construction and maintenance of a water transmission pipeline extension in connection with the La Piedra Road Water Transmission Pipeline Extension, including temporary easements, and perpetual non-exclusive easements and right of way and for all necessary

related uses and incidental purposes, recorded September 1, 2001 as Instrument No. 2001-449760 and August 14, 2002 as Instrument No. 2002-447568 both of Official Records.

In Favor of: Eastern Municipal Water District, a public agency of the State of California
Affects: located within Lots R, T and DD, as shown on Tract Map 37131-1

14. The terms and provisions contained in the document entitled Memorandum of Option Agreement, executed by and between AG EHC II (LEN) CA 1, L.P., a Delaware limited partnership and Lennar Homes of California, Inc., a California corporation, recorded December 29, 2021, as Instrument No. 2021-0763085 of Official Records.
15. Water rights, claims or title to water, whether or not shown by the Public Records.
16. The terms and provisions contained in the document entitled Temporary Construction Easement Agreement, executed by and between The Lakes Community Association, a California nonprofit mutual benefit corporation and Lennar Homes of California, LLC, recorded October 20, 2022, as Instrument No. 2022-0437015 of Official Records.
17. An easement for a nonexclusive easement to excavate for, lay, construct, reconstruct, relocate, reconfigure, use, inspect, maintain, operate, repair, replace, patrol, change the size of, add to, or remove from time to time, as Grantee deems necessary, one or more pipelines and conduits, together with devices for metering, measuring, regulating, cathodic protection, communications and other appurtenances and incidental purposes, recorded January 5, 2023 as Instrument No. 2023-0002774 of Official Records.

In Favor of: Southern California Gas Company, a California corporation, its successors and assigns
Affects: shown on Tract Map 37131-1

18. The following matters shown or disclosed by the filed or recorded map referred to in the legal description: Property described below is dedicated as an easement for public purposes: Lots "CC" (Old Newport Road) and "DD" (Tres Lagos Drive), inclusive. The dedication is for street and public utility purposes.
19. The following matters shown or disclosed by the filed or recorded map referred to in the legal description: As a condition of dedication of Lots "CC" (Old Newport Road), and Lot "DD" (Tres Lagos Drive), the owners of Lots "I" "U", and "EE", abutting these highways and during such time will have no rights of access except the general easement of travel. Any change of alignment or width that results in the vacation thereof shall terminate this dedication as to the part vacated.
20. The following matters shown or disclosed by the filed or recorded map referred to in the legal description: Property is dedicated as an easement for public purposes: abutters' rights of access along Old Newport Road and Tres Lagos Drive. The owners of Lots "CC" and "DD" abutting these highways and during such time will have no rights of access except the general easement of travel. Any change of alignment or width that results in the vacation thereof shall terminate this dedication as to the part vacated.
21. The following matters shown or disclosed by the filed or recorded map referred to in the legal description: Dedicate to the City of Menifee an easement blanket in nature across Lots "U", "T", and "EE" for landscape and drainage purposes.
22. The following matters shown or disclosed by the filed or recorded map referred to in the legal description: We retain (Lots "A" through "D", and "R", inclusive) indicated as "Private Streets" (Lots "F" through "Q") indicated as "Private Access" as shown hereon for private use, for the sole benefit of ourselves, our successors, assignees, and lot owners within this Tract Map.
23. The following matters shown or disclosed by the filed or recorded map referred to in the legal description: We retain (Lots "V", "W", "Y" and "Z") indicated as "Private Common Areas" as shown hereon for private use, for the sole benefit of ourselves, our successors, assignees, and lot owners within this Tract Map.

24. The following matters shown or disclosed by the filed or recorded map referred to in the legal description: Dedicated as an easement for public purposes: the private street and private access easements shown hereon. The dedication is for public utility purposes together with the right of ingress and egress for emergency vehicles within the "private street" and "private access" easements.
25. The following matters shown or disclosed by the filed or recorded map referred to in the legal description: We reserve the reciprocal access easement over a portion of Lot "Y" for utilities, ingress, egress and emergency access as shown hereon, for the benefit of ourselves, our successors and assignees.
26. The following matters shown or disclosed by the filed or recorded map referred to in the legal description: Dedicate to the City of Menifee the reciprocal access easement shown hereon, for public utility purposes together with the right of ingress and egress for emergency vehicles access.
27. The following matters shown or disclosed by the filed or recorded map referred to in the legal description: Environmental Constraint Note

Environmental constraints sheet affecting this Map is on file in the office of the City of Menifee Public Works and Engineering Department, in E.C.S. Book 100, Page 100.

28. Covenants, conditions, restrictions and easements in the document recorded March 28, 2023 as Instrument No. 2023-0087752 of Official Records, which provide that a violation thereof shall not defeat or render invalid the lien of any first mortgage or deed of trust made in good faith and for value, but deleting any covenant, condition, or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, sexual orientation, familial status, disability, handicap, national origin, genetic information, gender, gender identity, gender expression, source of income (as defined in California Government Code § 12955(p)) or ancestry, to the extent such covenants, conditions or restrictions violation 42 U.S.C. § 3604(c) or California Government Code § 12955. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.

Affects Lots 150 through 152, inclusive, and 161 through 165, inclusive, of Tract No. 37131-1

Document(s) declaring modifications thereof recorded July 20, 2023 as Instrument No. 2023-0210880 of Official Records.

Affects Lots 150 through 152, and 161 through 165

A declaration of annexation recorded September 12, 2023 as Instrument No. 2023-0269064 of Official Records but deleting any covenant, condition, or restriction, if any, indicating a preference, limitation, or discrimination based on race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, familial status, marital status, disability, handicap, veteran or military status, genetic information, national origin, source of income as defined in subdivision (p) of Section 12955, or ancestry, to the extent that such covenants, conditions or restrictions violate applicable state or federal laws. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.

Affects Lots 82 through 85, and 102 through 105

A declaration of annexation recorded September 12, 2023 as Instrument No. 2023-0269088 of Official Records but deleting any covenant, condition, or restriction, if any, indicating a preference, limitation, or discrimination based on race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, familial status, marital status, disability, handicap, veteran or military status, genetic information, national origin, source of income as defined in subdivision (p) of Section 12955, or ancestry, to the extent that such covenants, conditions or restrictions violate applicable state or federal laws. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.

Affects Lots 250 through 257, and Association Property: Lot "O" of the Map

A declaration of annexation recorded October 3, 2023 as Instrument No. 2023-0292635 of Official Records but deleting any covenant, condition, or restriction, if any, indicating a preference, limitation, or discrimination based on race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, familial status, marital status, disability, handicap, veteran or military status, genetic information, national origin, source of income as defined in subdivision (p) of Section 12955, or ancestry, to the extent that such covenants, conditions or restrictions violate applicable state or federal laws. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.

Affects Lots 184 through 193; and

Association Property: Lots "T" and "EE"

A declaration of annexation recorded October 10, 2023 as Instrument No. 2023-0298196 of Official Records but deleting any covenant, condition, or restriction, if any, indicating a preference, limitation, or discrimination based on race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, familial status, marital status, disability, handicap, veteran or military status, genetic information, national origin, source of income as defined in subdivision (p) of Section 12955, or ancestry, to the extent that such covenants, conditions or restrictions violate applicable state or federal laws. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.

Affects Lots 194 through 201

A declaration of annexation recorded October 10, 2023 as Instrument No. 2023-0298600 of Official Records but deleting any covenant, condition, or restriction, if any, indicating a preference, limitation, or discrimination based on race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, familial status, marital status, disability, handicap, veteran or military status, genetic information, national origin, source of income as defined in subdivision (p) of Section 12955, or ancestry, to the extent that such covenants, conditions or restrictions violate applicable state or federal laws. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.

Affects Lots 242 through 249 and Association Property: Lot "N" of the Map

A declaration of annexation recorded October 10, 2023 as Instrument No. 2023-0298606 of Official Records but deleting any covenant, condition, or restriction, if any, indicating a preference, limitation, or discrimination based on race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, familial status, marital status, disability, handicap, veteran or military status, genetic information, national origin, source of income as defined in subdivision (p) of Section 12955, or ancestry, to the extent that such covenants, conditions or restrictions violate applicable state or federal laws. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.

Affects Lots 234 through 241 and Association Property: Lot "M" of the Map

A declaration of annexation recorded October 11, 2023 as Instrument No. 2023-0299073 of Official Records but deleting any covenant, condition, or restriction, if any, indicating a preference, limitation, or discrimination based on race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, familial status, marital status, disability, handicap, veteran or military status, genetic information, national origin, source of income as defined in subdivision (p) of Section 12955, or ancestry, to the extent that such covenants, conditions or restrictions violate applicable state or federal laws. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.

Affects Lots 76 through 81, inclusive, 106 and 107

A declaration of annexation recorded October 11, 2023 as Instrument No. 2023-0299078 of Official Records but deleting any covenant, condition, or restriction, if any, indicating a preference, limitation, or discrimination based on race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, familial status, marital status, disability, handicap, veteran or military status, genetic information, national origin, source of income as defined in subdivision (p) of Section 12955, or ancestry, to the extent that such covenants, conditions or restrictions violate applicable state or federal laws. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.

Affects Lots 72 through 75, inclusive, and 108 through 111

A declaration of annexation recorded October 13, 2023 as Instrument No. 2023-0302692 of Official Records but deleting any covenant, condition, or restriction, if any, indicating a preference, limitation, or discrimination based on race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, familial status, marital status, disability, handicap, veteran or military status, genetic information, national origin, source of income as defined in subdivision (p) of Section 12955, or ancestry, to the extent that such covenants, conditions or restrictions violate applicable state or federal laws. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.

Affects Lots 68 through 71, and 112

A declaration of annexation recorded October 13, 2023 as Instrument No. 2023-0302697 of Official Records but deleting any covenant, condition, or restriction, if any, indicating a preference, limitation, or discrimination based on race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, familial status, marital status, disability, handicap, veteran or military status, genetic information, national origin, source of income as defined in subdivision (p) of Section 12955, or ancestry, to the extent that such covenants, conditions or restrictions violate applicable state or federal laws. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.

Affects Lots 202 through 209

A declaration of annexation recorded October 13, 2023 as Instrument No. 2023-0302700 of Official Records but deleting any covenant, condition, or restriction, if any, indicating a preference, limitation, or discrimination based on race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, familial status, marital status, disability, handicap, veteran or military status, genetic information, national origin, source of income as defined in subdivision (p) of Section 12955, or ancestry, to the extent that such covenants, conditions or restrictions violate applicable state or federal laws. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.

Affects Lots 274 through 281 and Association Property: Lot "F" of the Map

A declaration of annexation recorded January 23, 2024 as Instrument No. 2024-0020874 of Official Records but deleting any covenant, condition, or restriction, if any, indicating a preference, limitation, or discrimination based on race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, familial status, marital status, disability, handicap, veteran or military status, genetic information, national origin, source of income as defined in subdivision (p) of Section 12955, or ancestry, to the extent that such covenants, conditions or restrictions violate applicable state or federal laws. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.

Affects Lots 59 through 62

A declaration of annexation recorded January 23, 2024 as Instrument No. 2024-0020888 of Official Records but deleting any covenant, condition, or restriction, if any, indicating a preference, limitation, or

discrimination based on race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, familial status, marital status, disability, handicap, veteran or military status, genetic information, national origin, source of income as defined in subdivision (p) of Section 12955, or ancestry, to the extent that such covenants, conditions or restrictions violate applicable state or federal laws. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.

Affects Lots 282 through 289; and

Association Property: Lot "G" of the Map.

A declaration of annexation recorded March 8, 2024 as Instrument No. 2024-0065332 of Official Records but deleting any covenant, condition, or restriction, if any, indicating a preference, limitation, or discrimination based on race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, familial status, marital status, disability, handicap, veteran or military status, genetic information, national origin, source of income as defined in subdivision (p) of Section 12955, or ancestry, to the extent that such covenants, conditions or restrictions violate applicable state or federal laws. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.

Affects Lots 290 through 297; and

Association Property: Lot "H" of the Map.

A declaration of annexation recorded April 1, 2024 as Instrument No. 2024-0094138 of Official Records but deleting any covenant, condition, or restriction, if any, indicating a preference, limitation, or discrimination based on race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, familial status, marital status, disability, handicap, veteran or military status, genetic information, national origin, source of income as defined in subdivision (p) of Section 12955, or ancestry, to the extent that such covenants, conditions or restrictions violate applicable state or federal laws. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.

Affects Lots 298 through 305; and Association Property: Lot "I" of the Map.

A declaration of annexation recorded April 1, 2024 as Instrument No. 2024-0094219 of Official Records but deleting any covenant, condition, or restriction, if any, indicating a preference, limitation, or discrimination based on race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, familial status, marital status, disability, handicap, veteran or military status, genetic information, national origin, source of income as defined in subdivision (p) of Section 12955, or ancestry, to the extent that such covenants, conditions or restrictions violate applicable state or federal laws. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.

Affects Association Property: Lot "W"

A declaration of annexation recorded April 1, 2024 as Instrument No. 2024-0094245 of Official Records but deleting any covenant, condition, or restriction, if any, indicating a preference, limitation, or discrimination based on race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, familial status, marital status, disability, handicap, veteran or military status, genetic information, national origin, source of income as defined in subdivision (p) of Section 12955, or ancestry, to the extent that such covenants, conditions or restrictions violate applicable state or federal laws. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.

Affects Association Property: Lot "D"

A declaration of annexation recorded July 19, 2024 as Instrument No. 2024-0214948 of Official Records but deleting any covenant, condition, or restriction, if any, indicating a preference, limitation, or discrimination based on race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, familial status, marital status, disability, handicap, veteran or military status, genetic information, national origin, source of income as defined in subdivision (p) of Section 12955, or ancestry, to the extent that such covenants, conditions or restrictions violate applicable state or federal laws. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.

Affects Lots 210 through 217; and

Association Property: Lot "J" of the Map.

29. An easement for right of way to construct, use, maintain, operate, alter, add to, repair, replace, reconstruct, inspect and remove at any time and from time to time underground electrical supply systems and communication systems (hereinafter referred to as "systems"), consisting of wires, underground conduits, cables, vaults, manholes, handholes, and including above-ground enclosures, markers and concrete pads and other appurtenant fixtures and equipment necessary or useful for distributing electrical energy and for transmitting intelligence, data and/or communications and incidental purposes, recorded May 11, 2023 as Instrument No. 2023-0135493 of Official Records.

In Favor of: Southern California Edison Company, a corporation

Affects: that portion of Lot "U" of Tract Map No. 37131-1, lying Northerly of a line parallel with and distant 52.00 feet Southerly, measured at right angles, from the centerline of Old Newport Road, 37.00 foot half-width, as shown on said Tract Map No. 37131-1

30. An easement for right of way to construct, use, maintain, operate, alter, add to, repair, replace, reconstruct, inspect and remove at any time and from time to time underground electrical supply systems and communication systems (hereinafter referred to as "systems"), consisting of wires, underground conduits, cables, vaults, manholes, handholes, and including above-ground enclosures, markers and concrete pads and other appurtenant fixtures and equipment necessary or useful for distributing electrical energy and for transmitting intelligence, data and/or communications and incidental purposes, recorded May 23, 2023 as Instrument No. 2023-0147458 of Official Records.

In Favor of: Southern California Edison Company, a corporation

Affects: all streets, highways, public places, all of Lot Y, and within six feet of all front lot lines, also three feet on each side of all side lot lines of Lots 184 through 209, of Tract No. 37131-1

31. An easement for right of way to construct, use, maintain, operate, alter, add to, repair, replace, reconstruct, inspect and remove at any time and from time to time underground electrical supply systems and communication systems (hereinafter referred to as "systems"), consisting of wires, underground conduits, cables, vaults, manholes, handholes, and including above-ground enclosures, markers and concrete pads and other appurtenant fixtures and equipment necessary or useful for distributing electrical energy and for transmitting intelligence, data and/or communications and incidental purposes, recorded May 23, 2023 as Instrument No. 2023-0147460 of Official Records.

In Favor of: Southern California Edison Company, a corporation

Affects: all streets, highways, public places, and all of Lots M, N, and O, of Tract No. 37131-1, together with various strips of land lying within Lots 234, 235, 236, 242, 243, 244, 255, 256 and 257 of said Tract No. 37131-1, as described therein

32. An easement for right of way to construct, use, maintain, alter, add to, enlarge, repair, replace, inspect, and/or remove, at any time and from time to time, electric lines, consisting of poles and towers made of various materials, "H" frame structures, guy wires and anchors, crossarms, wires and other fixtures and appliances and communication circuits with necessary appurtenances, both overhead and underground, for conveying electric energy to be used for light, heat, power, telephone and/or purposes and incidental purposes, recorded June 15, 2023 as Instrument No. 2023-0171570 of Official Records.

In Favor of: Southern California Edison Company, a corporation
Affects: as described therein

33. An easement for right of way to construct, use, maintain, operate, alter, add to, repair, replace, reconstruct, inspect and remove at any time and from time to time underground electrical supply systems and communication systems (hereinafter referred to as "systems"), consisting of wires, underground conduits, cables, vaults, manholes, handholes, and including above-ground enclosures, markers and concrete pads and other appurtenant fixtures and equipment necessary or useful for distributing electrical energy and for transmitting intelligence, data and/or communications and incidental purposes, recorded July 3, 2023 as Instrument No. 2023-0193381 of Official Records.

In Favor of: Southern California Edison Company, a corporation
Affects: all streets, highways, public places, and all of Lots P and Q, of Tract No. 37131-1, together with various strips of land lying within Lots 261, 262, 263, 269, 270, and 271 of said Tract No. 37131-1 as described therein

34. An easement for an easement and right of way to construct, use, maintain, operate, alter, add to, repair, replace, reconstruct, inspect and remove at any time and from time to time underground electrical supply systems and communication systems and incidental purposes, recorded August 29, 2023 as Instrument No. 2023-0255681 of Official Records.

In Favor of: Southern California Edison Company, a corporation

Affects all streets, highways, public places, and all of Lots J, K, and L of Tract 3131-1, together with various strips of land lying within Lots 213 through 217, Lots 221 through 225, and Lots 231 through 233, of said Tract No. 37131-1, as described therein

35. An easement for an easement and right of way to construct, use, maintain, operate, alter, add to, repair, replace, reconstruct, inspect and remove at any time and from time to time underground electrical supply systems and communication systems and incidental purposes, recorded August 29, 2023 as Instrument No. 2023-0255683 of Official Records.

In Favor of: Southern California Edison Company, a corporation

Affects all streets, highways, public places, and all of Lots F, G, H, AND I of Tract 3131-1, together with various strips of land lying within Lots 274 through 276, Lots 282 through 284, Lots 290 through 292, and Lots 298 through 300, of said Tract No. 37131-1, as described therein

36. An easement for an easement and right of way to construct, use, maintain, operate, alter, add to, repair, replace, reconstruct, inspect and remove at any time and from time to time underground electrical supply systems and communication systems and incidental purposes, recorded August 29, 2023 as Instrument No. 2023-0255684 of Official Records.

In Favor of: Southern California Edison Company, a corporation

Affects Two strips of land lying within Phase 2 Remainder Parcel as shown on Tract Map No. 37131-1, described as follows:

Strip #1 - the Easterly 59.00 feet of said Phase 2 Remainder Parcel;

Strip #2 - the Southerly 36.00 feet of the Easterly 106.00 feet of said Phase 2 Remainder Parcel;
Excepting therefrom that portion included within Strip #1 described hereinabove.

37. Matters in a document entitled "Declaration of Solar Energy Covenants, Conditions and Restrictions for Rockport Ranch (With Battery Storage System)", executed by and between Lennar Homes of California, LLC, a California limited liability company, recorded September 1, 2023 as Instrument No. 2023-0260415 of Official Records, including but not limited to covenants, conditions, restrictions, easements, assessments, liens and charges.

Affects Lots 150 through 152, and 161 through 165, of Tract Map No. 37131-1

A declaration of annexation recorded September 12, 2023 as Instrument No. 2023-0269065 of Official Records but deleting any covenant, condition, or restriction, if any, indicating a preference, limitation, or discrimination based on race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, familial status, marital status, disability, handicap, veteran or military status, genetic information, national origin, source of income as defined in subdivision (p) of Section 12955, or ancestry, to the extent that such covenants, conditions or restrictions violate applicable state or federal laws. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.

Affects Lots 82 through 85, and 102 through 105

A declaration of annexation recorded September 12, 2023 as Instrument No. 2023-0269089 of Official Records but deleting any covenant, condition, or restriction, if any, indicating a preference, limitation, or discrimination based on race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, familial status, marital status, disability, handicap, veteran or military status, genetic information, national origin, source of income as defined in subdivision (p) of Section 12955, or ancestry, to the extent that such covenants, conditions or restrictions violate applicable state or federal laws. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.

Affects Lots 250 through 257, inclusive, and Lettered Lot "O"

A declaration of annexation recorded September 15, 2023 as Instrument No. 2023-0273659 of Official Records but deleting any covenant, condition, or restriction, if any, indicating a preference, limitation, or discrimination based on race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, familial status, marital status, disability, handicap, veteran or military status, genetic information, national origin, source of income as defined in subdivision (p) of Section 12955, or ancestry, to the extent that such covenants, conditions or restrictions violate applicable state or federal laws. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.

Affects Lots 184 through 193, inclusive, and Lettered Lots "T" and "EE"

A declaration of annexation recorded October 10, 2023 as Instrument No. 2023-0298197 of Official Records but deleting any covenant, condition, or restriction, if any, indicating a preference, limitation, or discrimination based on race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, familial status, marital status, disability, handicap, veteran or military status, genetic information, national origin, source of income as defined in subdivision (p) of Section 12955, or ancestry, to the extent that such covenants, conditions or restrictions violate applicable state or federal laws. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.

Affects Lots 194 through 201

A declaration of annexation recorded October 10, 2023 as Instrument No. 2023-0298601 of Official Records but deleting any covenant, condition, or restriction, if any, indicating a preference, limitation, or discrimination based on race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, familial status, marital status, disability, handicap, veteran or military status, genetic information, national origin, source of income as defined in subdivision (p) of Section 12955, or ancestry,

to the extent that such covenants, conditions or restrictions violate applicable state or federal laws. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.

Affects Lots 242 through 249, inclusive, and Lettered Lot "N"

A declaration of annexation recorded October 10, 2023 as Instrument No. 2023-0298607 of Official Records but deleting any covenant, condition, or restriction, if any, indicating a preference, limitation, or discrimination based on race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, familial status, marital status, disability, handicap, veteran or military status, genetic information, national origin, source of income as defined in subdivision (p) of Section 12955, or ancestry, to the extent that such covenants, conditions or restrictions violate applicable state or federal laws. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.

Affects Lots 234 through 241, inclusive, and Lettered Lot "M"

A declaration of annexation recorded October 11, 2023 as Instrument No. 2023-0299079 of Official Records but deleting any covenant, condition, or restriction, if any, indicating a preference, limitation, or discrimination based on race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, familial status, marital status, disability, handicap, veteran or military status, genetic information, national origin, source of income as defined in subdivision (p) of Section 12955, or ancestry, to the extent that such covenants, conditions or restrictions violate applicable state or federal laws. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.

Affects Lots 72 through 75, inclusive, and 108 through 111

A declaration of annexation recorded October 13, 2023 as Instrument No. 2023-0302609 of Official Records but deleting any covenant, condition, or restriction, if any, indicating a preference, limitation, or discrimination based on race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, familial status, marital status, disability, handicap, veteran or military status, genetic information, national origin, source of income as defined in subdivision (p) of Section 12955, or ancestry, to the extent that such covenants, conditions or restrictions violate applicable state or federal laws. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.

Affects Lots 76 through 81, inclusive, 106 and 107

A declaration of annexation recorded October 13, 2023 as Instrument No. 2023-0302693 of Official Records but deleting any covenant, condition, or restriction, if any, indicating a preference, limitation, or discrimination based on race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, familial status, marital status, disability, handicap, veteran or military status, genetic information, national origin, source of income as defined in subdivision (p) of Section 12955, or ancestry, to the extent that such covenants, conditions or restrictions violate applicable state or federal laws. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.

Affects Lots 68 through 71, and 112

A declaration of annexation recorded October 13, 2023 as Instrument No. 2023-0302698 of Official Records but deleting any covenant, condition, or restriction, if any, indicating a preference, limitation, or discrimination based on race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, familial status, marital status, disability, handicap, veteran or military status, genetic information, national origin, source of income as defined in subdivision (p) of Section 12955, or ancestry, to the extent that such covenants, conditions or restrictions violate applicable state or federal laws. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.

Affects Lots 202 through 209

A declaration of annexation recorded October 13, 2023 as Instrument No. 2023-0302701 of Official Records but deleting any covenant, condition, or restriction, if any, indicating a preference, limitation, or discrimination based on race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, familial status, marital status, disability, handicap, veteran or military status, genetic information, national origin, source of income as defined in subdivision (p) of Section 12955, or ancestry, to the extent that such covenants, conditions or restrictions violate applicable state or federal laws. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.

Affects Lots 274 through 281, and Lettered Lot "F"

A declaration of annexation recorded January 23, 2024 as Instrument No. 2024-0020875 of Official Records but deleting any covenant, condition, or restriction, if any, indicating a preference, limitation, or discrimination based on race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, familial status, marital status, disability, handicap, veteran or military status, genetic information, national origin, source of income as defined in subdivision (p) of Section 12955, or ancestry, to the extent that such covenants, conditions or restrictions violate applicable state or federal laws. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.

Affects Lots 59 through 62

A declaration of annexation recorded January 23, 2024 as Instrument No. 2024-0020889 of Official Records but deleting any covenant, condition, or restriction, if any, indicating a preference, limitation, or discrimination based on race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, familial status, marital status, disability, handicap, veteran or military status, genetic information, national origin, source of income as defined in subdivision (p) of Section 12955, or ancestry, to the extent that such covenants, conditions or restrictions violate applicable state or federal laws. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.

Affects Lots 282 through 289, and Lettered Lot "G"

A declaration of annexation recorded March 8, 2024 as Instrument No. 2024-0065333 of Official Records but deleting any covenant, condition, or restriction, if any, indicating a preference, limitation, or discrimination based on race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, familial status, marital status, disability, handicap, veteran or military status, genetic information, national origin, source of income as defined in subdivision (p) of Section 12955, or ancestry, to the extent that such covenants, conditions or restrictions violate applicable state or federal laws. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.

Affects Lots 290 through 297, and Lettered Lot "H"

A declaration of annexation recorded April 1, 2024 as Instrument No. 2024-0094139 of Official Records but deleting any covenant, condition, or restriction, if any, indicating a preference, limitation, or discrimination based on race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, familial status, marital status, disability, handicap, veteran or military status, genetic information, national origin, source of income as defined in subdivision (p) of Section 12955, or ancestry, to the extent that such covenants, conditions or restrictions violate applicable state or federal laws. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.

Affects Lots 296 through 305, inclusive, and Lettered Lot "I"

A declaration of annexation recorded April 1, 2024 as Instrument No. 2024-0094220 of Official Records but deleting any covenant, condition, or restriction, if any, indicating a preference, limitation, or discrimination based on race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, familial status, marital status, disability, handicap, veteran or military status, genetic information, national origin, source of income as defined in subdivision (p) of Section 12955, or ancestry, to the extent that such covenants, conditions or restrictions violate applicable state or federal laws. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.

Affects Lot "W"

A declaration of annexation recorded July 19, 2024 as Instrument No. 2024-0214949 of Official Records but deleting any covenant, condition, or restriction, if any, indicating a preference, limitation, or discrimination based on race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, familial status, marital status, disability, handicap, veteran or military status, genetic information, national origin, source of income as defined in subdivision (p) of Section 12955, or ancestry, to the extent that such covenants, conditions or restrictions violate applicable state or federal laws. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.

Affects Lots 210 through 217, and Lettered Lot "J"

38. The terms, provisions and conditions contained in a Notice of Builder's Election of Handling of Construction Claims pursuant to California Civil Code Section 895 et seq.

Executed by: Lennar Homes of California, LLC, a California limited liability company (as successor-in-interest by conversion to Lennar Homes of California, Inc.
Recorded: September 12, 2023 as Instrument No. 2023-0269033 of Official Records

Said notice provides that violation thereof will not invalidate or impair the rights of any mortgagor or beneficiary.

Reference is made to said document for full particulars.

Affects Lot 63 through 85, inclusive, 102, through 112, inclusive, 150 through 152, inclusive, and 161 through 305 and Lettered Lots "A" through "D", inclusive "F" through "R", inclusive, "T" through "U", inclusive, "V", "W", "Y", and "Z"

39. An easement for solar energy equipment and incidental purposes, recorded September 12, 2023 as Instrument No. 2023-0269034 of Official Records.

In Favor of: Sunnova Energy Corporation, a Delaware corporation

Affects Lot 150 through 152, and 161 through 165

40. An easement for solar energy equipment and incidental purposes, recorded September 12, 2023 as Instrument No. 2023-0269066 of Official Records.

In Favor of: Sunnova Energy Corporation, a Delaware corporation

Affects Lots 82 through 85, and 102 through 105

41. An easement for solar energy equipment and incidental purposes, recorded September 12, 2023 as Instrument No. 2023-0269090 of Official Records.

In Favor of: Sunnova Energy Corporation, a Delaware corporation

Affects Lots 250 through 257

42. The terms and provisions contained in the document entitled Private Street Easement Deed, executed by and between AG EHC II (LEN) CA 1, L.P., a Delaware limited partnership and Rockport Ranch Community Association, a California nonprofit mutual benefit corporation, recorded September 13, 2023, as Instrument No. 2023-0270165 of Official Records.

Affects Parcel 1: A non-exclusive temporary easement for the benefit of Grantee and its Members (as defined in the Declaration) for pedestrian and vehicular access on, over through and across the private streets located within Lots A through D, inclusive, and R of Tract Map No. 37131-1; and

Parcel 2: A non-exclusive temporary easement for access, ingress and egress on, over, through and across the Private Streets for purposes of maintenance, repair and replacement of the Private Streets as authorized under the terms and provisions of that certain unrecorded Maintenance and Agreement entered into between Lennar Homes of California, LLC, a California limited liability company and Grantee on September 5, 2023 as such private street maintenance agreement may be amended from time to time ("Maintenance and Reserve Agreement").

43. An easement for solar energy equipment and incidental purposes, recorded September 15, 2023 as Instrument No. 2023-0273660 of Official Records.

In Favor of: Sunnova Energy Corporation, a Delaware corporation

Affects Lots 184 through 193

44. An easement for solar energy equipment and incidental purposes, recorded October 10, 2023 as Instrument No. 2023-0298198 of Official Records.

In Favor of: Sunnova Energy Corporation, a Delaware corporation

Affects Lots 194 through 201

45. An easement for solar energy equipment and incidental purposes, recorded October 10, 2023 as Instrument No. 2023-0298602 of Official Records.

In Favor of: Sunnova Energy Corporation, a Delaware corporation

Affects Lots 242 through 249

46. An easement for solar energy equipment and incidental purposes, recorded October 10, 2023 as Instrument No. 2023-0298608 of Official Records.

In Favor of: Sunnova Energy Corporation, a Delaware corporation

Affects Lots 234 through 241

47. An easement for solar energy equipment and incidental purposes, recorded October 11, 2023 as Instrument No. 2023-0299075 of Official Records.

In Favor of: Sunnova Energy Corporation, a Delaware corporation

Affects Lots 76 through 81, inclusive, 106 and 107

48. An easement for solar energy equipment and incidental purposes, recorded October 11, 2023 as Instrument No. 2023-0299080 of Official Records.

In Favor of: Sunnova Energy Corporation, a Delaware corporation

Affects Lots 72 through 75, inclusive, and 108 through 111

49. An easement for solar energy equipment and incidental purposes, recorded October 13, 2023 as Instrument No. 2023-0302694 of Official Records.
- In Favor of: Sunnova Energy Corporation, a Delaware corporation
- Affects Lots 68 through 71, and 112
50. An easement for solar energy equipment and incidental purposes, recorded October 13, 2023 as Instrument No. 2023-0302699 of Official Records.
- In Favor of: Sunnova Energy Corporation, a Delaware corporation
- Affects Lots 202 through 209
51. An easement for solar energy equipment and incidental purposes, recorded October 13, 2023 as Instrument No. 2023-0302702 of Official Records.
- In Favor of: Sunnova Energy Corporation, a Delaware corporation
- Affects Lots 274 through 281
52. An easement for right of way to construct, use, maintain, operate, alter, add to, repair, replace, reconstruct, inspect and remove at any time and from time to time underground electrical supply systems and communication systems and incidental purposes, recorded October 30, 2023 as Instrument No. 2023-0320452 of Official Records.
- In Favor of: Southern California Edison Company, a corporation
- Affects: all streets, highways, public places, all of Lots T, Z and within six feet of all front lot lines, also three feet on each side of all side lot lines of Lot 63 through 85, and Lots 102 through 112, of Tract No. 37131-1
53. An easement for right of way to construct, use, maintain, operate, alter, add to, repair, replace, reconstruct, inspect and remove at any time and from time to time underground electrical supply systems and communication systems and incidental purposes, recorded October 30, 2023 as Instrument No. 2023-0320453 of Official Records.
- In Favor of: Southern California Edison Company, a corporation
- Affects: all streets, highways, public places, and within six feet of all front lot lines, also three feet on each side of all side lot lines of Lots 161 through 183 and Lots 150 through 152, of Tract No. 37131-1
54. An easement for right of way to construct, use, maintain, operate, alter, add to, repair, replace, reconstruct, inspect and remove at any time and from time to time underground electrical supply systems and communication systems and incidental purposes, recorded October 30, 2023 as Instrument No. 2023-0320454 of Official Records.
- In Favor of: Southern California Edison Company, a corporation
- Affects all of Lot R as shown on Tract No. 37131-1
55. An easement for solar energy equipment and incidental purposes, recorded January 23, 2024 as Instrument No. 2024-0020890 of Official Records.
- In Favor of: Sunnova Energy Corporation, a Delaware corporation
- Affects Lots 282 through 289

56. An easement for solar energy equipment and incidental purposes, recorded March 8, 2024 as Instrument No. 2024-0065334 of Official Records.

In Favor of: Sunnova Energy Corporation, a Delaware corporation

Affects Lots 290 through 297

57. An easement for solar energy equipment and incidental purposes, recorded April 1, 2024 as Instrument No. 2024-0094140 of Official Records.

In Favor of: Sunnova Energy Corporation, a Delaware corporation

Affects Lots 298 through 305

58. An easement for solar energy equipment and incidental purposes, recorded July 19, 2024 as Instrument No. 2024-0214950 of Official Records.

In Favor of: Sunnova Energy Corporation, a Delaware corporation

Affects Lots 210 through 217

59. No known matters otherwise appropriate to be shown have been deleted from this report, which is not a policy of Title insurance but a report to facilitate the issuance of a policy of Title insurance.

For purposes of policy issuance, items (None) may be eliminated on the basis of an indemnity agreement or other agreement satisfactory to the Company as insurer.

*****END OF REPORT*****

NOTICE OF RECORDING PROCEDURE

Pursuant to Cal. Revenue & Tax Code §480.3, all Deeds and other Documents that reflect a change in ownership must be accompanied by a Preliminary Change of Ownership Report to be completed by the transferee. If this special report is not presented at the time of recording, an additional recording fee of \$20.00, as required by law, will be charged. Preliminary Change in Ownership forms, instructions on how to complete them, and a nonexclusive list of documents that are affected by this change, are available from the County Recorder's Office or the Office of the County Assessor.

Effective January 1, 2018, Cal. Government Code §27388.1 imposes an additional fee of \$75.00 to be paid at the time of recording for every real estate instrument, paper, or notice required or permitted by law to record, except those expressly exempted from payment.

GOOD FUNDS LAW

Under Section 12413.1 of the California Insurance Code, **Lennar Title, Inc.** may only make funds available for disbursement in accordance with the following rules:

Same day availability. Disbursement on the date of deposit is allowed only when funds are deposited to **Lennar Title, Inc.** by Cash or Electronic Transfer (Wire). Cash will be accepted only under special circumstances and upon approval by management.

Next business day availability. If funds are deposited to **Lennar Title, Inc.** by cashier's checks, certified checks or teller's checks, disbursement may be on the next business day following deposit. A "teller's check" is one drawn by an insured financial institution against another insured financial institution (e.g., a savings and loan funding with a check drawn against a FDIC insured bank).

Second business day availability. If the deposit is made by checks other than those described in paragraphs 1 and 2 above, disbursement may occur on the day when funds must be made available to depositors under Federal Reserve Regulation CC. In most cases, these checks will be available on the second business day following deposit. (For further details, consult California Insurance Code Section 12413, et seq. and Regulation CC).

These are the minimum periods before funds will be made available. **Lennar Title, Inc.** is not obligated to disburse funds at the expiration of the time periods above, and expressly reserves the right to require additional time before disbursing on deposited funds. Close of escrow and final disbursement will not be made based on deposits in the form of personal checks, corporate checks, credit union checks, money market checks, travelers checks and official checks until confirmation of final clearance of the funds.

Lennar Title, Inc. will not be responsible for accruals of interest or other charges resulting from compliance with the disbursement restrictions imposed by state law.

Lennar Title, Inc. charges for recording the transaction documents include charges for services performed by **Lennar Title, Inc.**, in addition to an estimate of payments to be made to governmental agencies.

Note: The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than the certain dollar amount set forth in any applicable arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. If you desire to review the terms of the policy, including any arbitration clause that may be included, contact the office that issued this Commitment or Report to obtain a sample of the policy jacket for the policy that is to be issued in connection with your transaction.

The map attached, if any, may or may not be a survey of the land depicted hereon. **Lennar Title, Inc.**

expressly disclaims any liability for loss or damage which may result from reliance on this map except to the extent coverage for such loss or damage is expressly provided by the terms and provisions of the title insurance policy, if any, to which this map is attached.

Additional Notes:

AFFILIATED BUSINESS ARRANGEMENT DISCLOSURE

Referring Party: Lennar Title, Inc., CalAtlantic Title, Inc., Lennar Title, LLC, or Lennar Closing Services, Inc., as applicable ("Lennar Title")

This is to give notice that Lennar Title has a business relationship with North American Title Insurance Company ("NATIC") and Lennar Insurance Agency, LLC ("LIA") because Lennar Title's parent, Lennar Title Group, LLC ("LTG"), has an indirect 20% ownership interest in NATIC's parent company and an 80% ownership interest in LIA. Because of this relationship, this referral of services may provide Lennar Title a financial or other benefit.

Set forth below are the estimated charges or range of charges for the settlement services provided by NATIC and LIA. You are NOT required to use NATIC or LIA as a condition for closing your transaction and obtaining insurance.

THERE ARE FREQUENTLY OTHER SETTLEMENT SERVICE PROVIDERS AVAILABLE WITH SIMILAR SERVICES. YOU ARE FREE TO SHOP AROUND TO DETERMINE THAT YOU ARE RECEIVING THE BEST SERVICES AND THE BEST RATE FOR THESE SERVICES.

Title Insurance Fees

Lennar Title provides closing services and title insurance through numerous title insurance underwriters, one of which is NATIC. If NATIC is selected as the title insurer, the following fees apply:

10% - 40% of costs for lender's and/or owner's title insurance, as applicable, depending on the property state, and as shown on the Loan Estimate and/or Closing Disclosure provided by your lender.

Contact your local CAT representative for a more detailed title insurance quote based on your specific transaction.

Insurance

Lennar Insurance Agency, LLC (LIA) is an insurance agent that provides, among other products, homeowner's/hazard and flood insurance. Set forth below are the estimated range of charges by LIA for the settlement services listed.

<u>Description of Settlement Service</u>	<u>Range of Charges - Annual Premium</u>
Homeowner's/Hazard Insurance	0.2% - 2.5% of purchase price amount
Flood Insurance	0.1% - 0.5% of purchase price amount

NOTE: The above premium ranges for homeowner's/hazard and flood insurance are from LIA. If enhancements to the standard policy such as increased limits, scheduled articles, and/or earthquake coverage are required, the premium may increase. Actual quote and acceptance by LIA is subject to LIA's application of their underwriting guidelines, including but not limited to verification of your credit score and previous loss history. Of course, the cost of your insurance may vary due to many factors including, without limitation, the size, location and cost of your home.

ACKNOWLEDGMENT

I/we have read this disclosure form, and understand that Lennar Title is referring me/us to purchase the above-described settlement service and may receive a financial or other benefit as the result of this referral.

Buyer/Borrower:

Date: _____

Seller:

Date: _____

LENNAR TITLE, INC.
675 Placentia Avenue, Suite 225
Brea, CA 92821
Office Phone: (949)404-2500
Office Fax: (714)667-0338

Attention:

Your Ref:

Our Order No.: 192002-001552

LENDERS SUPPLEMENTAL REPORT

Dated as of August 7, 2024 at 07:30 AM.

Title Officer: Randy Dean

The above numbered report (including any supplements or amendments thereto) is hereby modified and/or supplemented in order to reflect the following additional items relating to the issuance of an American Land Title Association loan form policy of Title Insurance:

Our ALTA Loan Policy, when issued, will contain ALTA 9-06, ALTA 8.2-08 and ALTA 22-06
There is located on said land a Commercial
Known as: Tract 37131-1, Menifee, CA
City of Menifee
County of RiversideState of California.

NOTE: According to the public records, there have been no Deeds conveying the land described herein within a period of 24 months prior to the date of this Report, except as follows:

A document recorded December 29, 2021 as Instrument No. 2021-0763084 of Official Records.

From: Lennar Homes of California, Inc., a California corporation
To: AG EHC II (LEN) CA 1, L.P., a Delaware limited partnership

A document recorded April 17, 2023 as Instrument No. 2023-0108589 of Official Records.

From: AG EHC II (LEN) CA 1, L.P., a Delaware limited partnership
To: Lennar Homes of California, LLC, a California limited liability company

Affects Lots 65 through 67, 72 through 85, 102 through 111, 150 through 152, 161 through 165, 174, 175, 177, 178, 181, 182, 184 through 188, 242 through 248, 250 through 257, 266, 267 and 272

A document recorded June 27, 2023 as Instrument No. 2023-0182824 of Official Records

From: AG EHC II (LEN) CA 1, L.P., a Delaware limited partnership
To: Lennar Homes of California, LLC, a California limited liability company

Affects Lots 68 through 71, 112, 189 through 196, 234 through 240 and 249

A document recorded August 15, 2023 as Instrument No. 2023-0239733 of Official Records

From: AG EHC II (LEN) CA 1, L.P., a Delaware limited partnership
To: Lennar Homes of California, LLC, a California limited liability company

Affects Lots 197 through 204, 241 and 274 through 280

A document recorded October 10, 2023 as Instrument No. 2023-0298583 of Official Records

From: AG EHC II (LEN) CA 1, L.P., a Delaware limited partnership

To: Lennar Homes of California, LLC, a California limited liability company

Affects Lots 166, 167, 168, 205, 206, 207, 208, 209, 281, 282, 283, 284, 285, 286, 287 and 288

A document recorded October 10, 2023 as Instrument No. 2023-0298584 of Official Records

From: AG EHC II (LEN) CA 1, L.P., a Delaware limited partnership

To: Lennar Homes of California, LLC, a California limited liability company

Affects Lettered Lots A through Q, T and W

A document recorded November 9, 2023 as Instrument No. 2023-0339473 of Official Records

From: AG EHC II (LEN) CA 1, L.P., a Delaware limited partnership

To: Lennar Homes of California, LLC, a California limited liability company

Affects Lettered Lots U and EE

A document recorded November 21, 2023 as Instrument No. 2023-0349867 of Official Records

From: Lennar Homes of California, LLC, a California limited liability company

To: Rockport Ranch Community Association, a California non-profit mutual benefit corporation

Affects Lot "O"

A document recorded December 12, 2023 as Instrument No. 2023-0368539 of Official Records

From: Lennar Homes of California, LLC, a California limited liability company

To: Rockport Ranch Community Association, a California non-profit mutual benefit corporation

Affects Lot "N"

A document recorded December 15, 2023 as Instrument No. 2023-0372337 of Official Records

From: AG EHC II (LEN) CA 1, L.P., a Delaware limited partnership

To: Lennar Homes of California, LLC, a California limited liability company

Affects Lots 63, 64 and 289 through 296

A document recorded January 12, 2024 as Instrument No. 2024-0012258 of Official Records

From: Lennar Homes of California, LLC, a California limited liability company

To: Rockport Ranch Community Association, a California non-profit mutual benefit corporation

Affects Lots "T" and "EE"

A document recorded February 14, 2024 as Instrument No. 2024-0041187 of Official Records

From: AG EHC II (LEN) CA 1, L.P., a Delaware limited partnership

To: Lennar Homes of California, LLC, a California limited liability company

Affects Lots 169 through 173, 176, 179, 180, 183 and 297 through 304

A document recorded February 27, 2024 Instrument No. 2024-0053194 of Official Records

From: Lennar Homes of California, LLC, a California limited liability company

To: Rockport Ranch Community Association, a California non-profit mutual benefit corporation

Affects Lot M

A document recorded April 15, 2024 as Instrument No. 2024-0108770 of Official Records

From: AG EHC II (LEN) CA 1, L.P., a Delaware limited partnership

To: Lennar Homes of California, LLC, a California limited liability company

Affects Lots 210, 211, 212, 213, 214, 215, 216 and 305

A document recorded April 15, 2024 as Instrument No. 2024-0108771 of Official Records

From: AG EHC II (LEN) CA 1, L.P., a Delaware limited partnership

To: Lennar Homes of California, LLC, a California limited liability company

Affects Lettered Lots R, Y and Z

A document recorded April 17, 2024 as Instrument No. 2024-0112040 of Official Records

From: Lennar Homes of California, LLC, a California limited liability company

To: Rockport Ranch Community Association, a California non-profit mutual benefit corporation

Affects Lot F

A document recorded June 10, 2024 as Instrument No. 2024-0167213 of Official Records

From: Lennar Homes of California, LLC, a California limited liability company

To: Rockport Ranch Community Association, a California non-profit mutual benefit corporation

Affects Lot G

A document recorded June 14, 2024 as Instrument No. 2024-0173461 of Official Records

From: AG EHC (LEN) CA 1, L.P., a Delaware limited partnership

To: Lennar Homes of California, LLC, a California limited liability company

Affects Lots 217, 218, 219, 220, 221, 222, 223 and 224

A document recorded July 24, 2024 as Instrument No. 2024-0219985 of Official Records

From: Lennar Homes of California, LLC, a California limited liability company

To: Rockport Ranch Community Association, a California non-profit mutual benefit corporation

Affects Lot "H"

A document recorded August 14, 2024 as Instrument No. 2024-0243688 of Official Records

From: AG EHC II (LEN) CA I, L.P., a Delaware limited partnership

To: Lennar Homes of California, LLC, a California limited liability company

Lennar Title Group Family of Companies

Lennar Title Group Family of Companies			
FACTS	WHAT DOES LENNAR TITLE GROUP, LLC FAMILY OF COMPANIES ("LTG") DO WITH YOUR PERSONAL INFORMATION?		
Why?	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some, but not all, sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.		
What?	The types of personal information we collect, and share depend on the product or service you have with us. This information can include: <ul style="list-style-type: none">• Social Security number and income• Transaction history and payment history• Purchase history and account balances When you are <i>no longer</i> our customer, we continue to share your information as described in this notice.		
How?	All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information, the reasons LTG chooses to share, and whether you can limit this sharing.		
Reasons we can share your personal information		Does LTG share?	Can you limit this sharing?
For our everyday business purposes – such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus		Yes	No
For our marketing purposes – to offer our products and services to you		Yes	No
For joint marketing with other financial companies		No	We don't share
For our affiliates' everyday business purposes – information about your transactions and experiences		Yes	No
For our affiliates' everyday business purposes – information about your creditworthiness		No	We don't share
For our affiliates to market to you		Yes	Yes
For nonaffiliates to market to you		No	We don't share
To limit our sharing	<ul style="list-style-type: none">• Send an email with your name, property address, and/or file # to privacy@lennartitle.com• Mail the form below		
Questions?	Call 1 (844) 654-5408 or go to https://www.lennartitle.com		

Mail-in Form	
<p>If you have a joint account, your choice(s) will apply to everyone on your account unless you mark below.</p> <p><input type="checkbox"/> Apply my choices only to me.</p>	<p>Mark any/all you want to limit:</p> <p><input type="checkbox"/> Do not allow your affiliates to use my personal information to market to me.</p>
	Name
	Address
	City, State, Zip
	Account #

Mail To: Lennar Title Group, LLC Family of Companies
 ATTN: Corporate Counsel
 5505 Blue Lagoon Drive, 5th FL
 Miami, FL 33126

Who we are	
Who is providing this notice?	LTG (identified below), which offers title insurance and settlement services and property and casualty insurance.
What we do	
How does LTG protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secure files and buildings.
How does LTG collect my personal information?	<p>We collect your personal information, for example, when you</p> <ul style="list-style-type: none"> • apply for insurance or apply for financing • give us your contact information or provide your mortgage information • show your government-issued ID <p>We also collect your personal information from others, such as credit bureaus, affiliates, or other companies.</p>
Why can't I limit all sharing?	<p>Federal law gives you the right to limit only</p> <ul style="list-style-type: none"> • sharing for affiliates' everyday business purposes – information about your creditworthiness • affiliates from using your information to market to you • sharing for nonaffiliates to market to you <p>State laws and individual companies may give you additional rights to limit sharing.</p>
Definitions	
Affiliates	<p>Companies related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> • <i>Our affiliates include companies with a Lennar name; financial companies such as Lennar Mortgage, LLC, CalAtlantic Mortgage, Inc., and Northwest Mortgage Alliance, North American Title Insurance Company, and Lennar Insurance Agency, LLC; and nonfinancial companies, such as Lennar Corporation, Lennar Multifamily Companies, Lennar Commercial, Lennar Homes USA, Lennar Family of Builders, CalAtlantic Homes, Lennar Sales Corp., SPH Title, Inc., Sunstreet Energy Group, and Five Point Communities.</i>
Nonaffiliates	<p>Companies not related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> • <i>Nonaffiliates we share with can include collection agencies, IT and telecommunication service providers, appraisers, companies that perform marketing services on our behalf, and consumer reporting agencies.</i>
Joint marketing	<p>A formal agreement between nonaffiliated financial companies that together market financial products or services to you.</p> <ul style="list-style-type: none"> • <i>LTG doesn't jointly market.</i>
Other important information	
<p>* California Residents – Effective January 1, 2020, the California Consumer Privacy Act allows California residents, upon a verifiable consumer request, to request that a business that collects consumers' personal information give consumers access, in a portable and (if technically feasible) readily usable form, to the specific pieces and categories of personal information that the business has collected about the consumer, the categories of sources for that information, the business or commercial purposes for collecting the information, and the categories of third parties with which the information was shared. California residents also have the right to submit a request for deletion of information under certain circumstances. If a business does not produce the information or delete the consumer's personal information as requested, it must provide an explanation in terms of the exemptions and exceptions provided under the CCPA. To contact us with questions about our compliance with the CCPA, call 1 (844) 654-5408 or email privacy@lennartitle.com</p>	

LTG consists of the following entities:

Lennar Title, Inc.

CalAtlantic National Title Solutions, LLC

Lennar Title, Inc. d/b/a Lennar Closing Services, Inc.

Lennar Title, LLC

CLTA STANDARD COVERAGE POLICY - 1990
EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

60. (a) Any law, ordinance or governmental regulation (including but not limited to building or zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien, or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
(b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
61. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
62. Defects, liens, encumbrances, adverse claims or other matters:
 - (a) whether or not recorded in the public records at Date of Policy, but created, suffered, assumed or agreed to by the insured claimant;
 - (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
 - (c) resulting in no loss or damage to the insured claimant;
 - (d) attaching or created subsequent to Date of Policy; or
 - (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage or for the estateor interest insured by this policy.
63. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with the applicable doing business laws of the state in which the land is situated.
64. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
65. Any claim, which arises out of the transaction vesting in the insured the estate of interest insured by this policy or the transaction creating the interest of the insured lender, by reason of the operation of federal bankruptcy, state insolvency or similar creditors' rights laws.

EXCEPTIONS FROM COVERAGE - SCHEDULE B, PART I

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the public records.
6. Any lien or right to a lien for services, labor or material not shown by the public records.

CLTA/ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE (12-02-13)
EXCLUSIONS

In addition to the Exceptions in Schedule B, You are not insured against loss, costs, attorneys' fees, and expenses resulting from:

1. Governmental police power, and the existence or violation of those portions of any law or government regulation concerning:
 - a. building;
 - b. zoning;
 - c. land use;
 - d. improvements on the Land;
 - e. land division; and
 - f. environmental protection.This Exclusion does not limit the coverage described in Covered Risk 8.a., 14, 15, 16, 18, 19, 20, 23 or 27.
2. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not limit the coverage described in Covered Risk 14 or 15.
3. The right to take the Land by condemning it. This Exclusion does not limit the coverage described in Covered Risk 17.
4. Risks:
 - a. that are created, allowed, or agreed to by You, whether or not they are recorded in the Public Records;
 - b. that are Known to You at the Policy Date, but not to Us, unless they are recorded in the Public Records at the Policy Date;
 - c. that result in no loss to You; or
 - d. that first occur after the Policy Date - this does not limit the coverage described in Covered Risk 7, 8.e., 25, 26, 27 or 28.
5. Failure to pay value for Your Title.

6. Lack of a right:
 - a. to any land outside the area specifically described and referred to in paragraph 3 of Schedule A; and
 - b. in streets, alleys, or waterways that touch the Land.
 This Exclusion does not limit the coverage described in Covered Risk 11 or 21.
7. The transfer of the Title to You is invalid as a preferential transfer or as a fraudulent transfer or conveyance under federal bankruptcy, state insolvency, or similar creditors' rights laws.
8. Contamination, explosion, fire, flooding, vibration, fracturing, earthquake, or subsidence.
9. Negligence by a person or an Entity exercising a right to extract or develop minerals, water, or any other substances.

LIMITATIONS ON COVERED RISKS

Your insurance for the following Covered Risks is limited on the Owner's Coverage Statement as follows:

- For Covered Risk 16, 18, 19, and 21 Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A.

The deductible amounts and maximum dollar limits shown on Schedule A are as follows:

	Your Deductible Amount	Our Maximum Dollar Limit of Liability
Covered Risk 16:	1% of Policy Amount Shown in Schedule A or \$2,500 (whichever is less)	\$10,000
Covered Risk 18:	1% of Policy Amount Shown in Schedule A or \$5,000 (whichever is less)	\$25,000
Covered Risk 19:	1% of Policy Amount Shown in Schedule A or \$5,000 (whichever is less)	\$25,000
Covered Risk 21:	1% of Policy Amount Shown in Schedule A or \$2,500 (whichever is less)	\$5,000

2006 ALTA LOAN POLICY (06-17-06)

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;
 or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
 - (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 13, or 14);
 or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury or any consumer credit protection or truth-in-lending law.
6. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
 - (a) a fraudulent conveyance or fraudulent transfer, or
 - (b) a preferential transfer for any reason not stated in Covered Risk 13(b) of this policy.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the Insured Mortgage in the Public Records. This Exclusion does not modify or limit the coverage provided under Covered Risk 11(b).

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

[Except as provided in Schedule B - Part II, [t] [or T] his policy does not insure against loss or damage, and the Company will not pay costs, attorneys' fees or expenses, that arise by reason of:

[PART I

[The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor or material not shown by the Public Records.]

PART II

In addition to the matters set forth in Part I of this Schedule, the Title is subject to the following matters, and the Company insures against loss or damage sustained in the event that they are not subordinate to the lien of the Insured Mortgage:]

2006 ALTA OWNER'S POLICY (06-17-06) EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
1. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
2. Defects, liens, encumbrances, adverse claims, or other matters
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 9 and 10); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.
3. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is
 - (a) a fraudulent conveyance or fraudulent transfer; or
 - (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.
4. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage, and the Company will not pay costs, attorneys' fees or expenses, that arise by reason of:

[The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown in the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and that are not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor or material not shown by the Public Records.
7. [Variable exceptions such as taxes, easements, CC&R's, etc. shown here.]

ALTA EXPANDED COVERAGE RESIDENTIAL LOAN POLICY - ASSESSMENTS PRIORITY (04-02-15)
EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to (i) the occupancy, use, or enjoyment of the Land;
(ii) the character, dimensions, or location of any improvement erected on the Land;
(iii) the subdivision of land; or
(iv) environmental protection;
or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
(b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 16, 17, 18, 19, 20, 21, 22, 23, 24, 27 or 28); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury, or any consumer credit protection or truth-in-lending law. This Exclusion does not modify or limit the coverage provided in Covered Risk 26.
6. Any claim of invalidity, unenforceability or lack of priority of the lien of the Insured Mortgage as to Advances or modifications made after the Insured has Knowledge that the vestee shown in Schedule A is no longer the owner of the estate or interest covered by this policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching subsequent to Date of Policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11(b) or 25.
8. The failure of the residential structure, or any portion of it, to have been constructed before, on or after Date of Policy in accordance with applicable building codes. This Exclusion does not modify or limit the coverage provided in Covered Risk 5 or 6.
9. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
 - (a) a fraudulent conveyance or fraudulent transfer, or
 - (b) a preferential transfer for any reason not stated in Covered Risk 27(b) of this policy.
10. Contamination, explosion, fire, flooding, vibration, fracturing, earthquake, or subsidence.
11. Negligence by a person or an Entity exercising a right to extract or develop minerals, water, or any other substances.

Addendum D

Comparable Data

Land Sales - North Shore at Rockport Ranch

Location & Property Identification

Property Name:	ES Leon Rd., SO Domenigoni Pkwy.
Sub-Property Type:	Residential, Single Family Development Land
Address:	ES Leon Rd., SO Domenigoni Pkwy.
City/State/Zip:	Winchester, CA 92596
County:	Riverside
Market Orientation:	Suburban
IRR Event ID:	3204058



Sale Information

Sale Price:	\$21,000,000
Effective Sale Price:	\$21,000,000
Sale Date:	01/30/2024
Sale Status:	In-Contract
\$/Acre(Gross):	\$247,642
\$/Land SF(Gross):	\$5.69
\$/Building SF:	\$2,916.67
\$/Unit (Potential):	\$115,385 /Unit
Grantor/Seller:	GM Gabrych Family LP / Genus LP / Empire Communities
Grantee/Buyer:	N/Av.
Property Rights:	Fee Simple
Financing:	Cash to seller
Conditions of Sale:	Arm's-length
Recording No.:	N/Av.
Verified By:	Noah Kauffman, MAI, R/W-AC
Verification Date:	02/22/2024
Verification Type:	Confirmed-Seller Broker

Sale Analysis

Expenditures After Purchase:	\$141,209
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Expenditures Description:	Lot finishing costs
Other Adjustment:	\$2,000
Adjustment Comments:	No district was in place but a bond is anticipated for the project.

Improvement and Site Data

Legal/Tax/Parcel ID:	461-410, 461-411, 461-412, 461-430, 461-431, 461-432, 461-420, 461-421, 461-440, 461-441, & 461-190-087
Acres(Gross):	84.80
Land-SF(Gross):	3,693,888
Potential Building SF:	7,200
No. of Units (Potential):	182
Zoning Code:	SP
Zoning Desc.:	Specific Plan
Source of Land Info.:	Public Records

Comments

This is the pending sale of 182 final mapped lots on 84.8 total acres. The lots will be delivered in blue-top condition. Additional estimated costs for a finished lot total \$141,209 per lot. A bond district had not yet been created for the property but was anticipated for the project. Given surrounding projects also utilize bond financing, it is



Comments (Cont'd)

estimate the property would have an estimated special tax of \$2,000 per lot.

Location & Property Identification

Property Name: Stratford Place II - East
 Sub-Property Type: Residential, Single Family Development Land
 Address: Evans Rd.
 City/State/Zip: Perris, CA 92571
 County: Riverside
 Market Orientation: Suburban
 IRR Event ID: 3269038



Sale Information

Sale Price: \$13,186,466
 Effective Sale Price: \$13,186,466
 Sale Date: 10/01/2023
 Sale Status: Closed
 \$/Acre(Gross): \$13,186,466
 \$/Land SF(Gross): \$302.72
 \$/Building SF: \$2,197.74
 \$/Unit (Potential): \$123,238 /Unit
 Grantor/Seller: Stratford Ranch Associates, LLC
 Grantee/Buyer: Pulte Homes
 Assets Sold: Real estate only
 Property Rights: Fee Simple
 % of Interest Conveyed: 100.00
 Financing: Cash to seller
 Conditions of Sale: Arm's-length
 Document Type: Deed
 Verification Type: Secondary Verification

Improvement and Site Data

Legal/Tax/Parcel ID: 302-362-012
 Acres(Gross): 1.00
 Land-SF(Gross): 43,560
 Potential Building SF: 6,000
 No. of Units (Potential): 107
 Zoning Code: R-6,000
 Zoning Desc.: Residential
 Source of Land Info.: Other

Comments

This is a sale 107 unimproved lots with a typical lot size of 6,000 square feet. The finished lot price is estimated at \$225,000 per lot. A building permit is estimated at \$3,000 per lot. It is unclear if the project will utilize bond financing. However, given the surrounding projects also utilize bond financing, it is estimated the property would have an estimated special tax of \$3,000 per lot.

Sale Analysis

Expenditures After Purchase: \$104,762
 Expenditures Description: Site development and permits and fees
 Other Adjustment: \$3,000
 Adjustment Comments: Bond encumbrance

Location & Property Identification

Property Name:	Green Valley Ranch PA 12
Sub-Property Type:	Residential, Single Family Development Land
Address:	Green Valley Pky.
City/State/Zip:	Perris, CA 92585
County:	Riverside
Market Orientation:	Suburban
IRR Event ID:	3269087



Sale Information

Sale Price:	\$11,795,535
Effective Sale Price:	\$11,795,535
Sale Date:	09/01/2023
Sale Status:	Closed
\$/Acre(Gross):	\$236,383
\$/Land SF(Gross):	\$5.43
\$/Building SF:	\$1,814.70
\$/Unit (Potential):	\$61,757 /Unit
Grantor/Seller:	Green Valley Recovery Acquisition, LLC
Grantee/Buyer:	Lennar
Assets Sold:	Real estate only
Property Rights:	Fee Simple
% of Interest Conveyed:	100.00
Financing:	Cash to seller
Conditions of Sale:	Arm's-length
Document Type:	Deed
Verification Type:	Secondary Verification

Sale Analysis

Expenditures After Purchase:	\$141,243
Expenditures Description:	Site development costs and permits and fees
Other Adjustment:	\$2,000

Adjustment Comments: Bond encumbrance

Improvement and Site Data

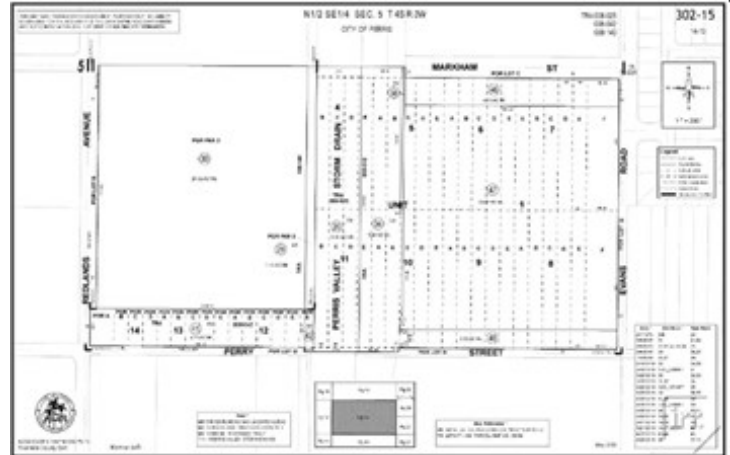
Legal/Tax/Parcel ID:	330-150-031
Acres(Gross):	49.90
Land-SF(Gross):	2,173,644
Potential Building SF:	6,500
No. of Units (Potential):	191
Zoning Code:	GV-SP R-5,500 - R-6,000
Zoning Desc.:	Residential
Source of Land Info.:	Public Records

Comments

This is a sale of 191 unimproved lots with a typical lot size of 6,500 square feet. The finished lot price is estimated at \$200,000 per lot. A building permit is estimated at \$3,000 per lot. It is unclear if the project will utilize bond financing. However, given the surrounding projects also utilize bond financing, it is estimated the property would have an estimated special tax of \$2,000 per lot.

Location & Property Identification

Property Name:	Stratford Place II
Sub-Property Type:	Residential, Single Family Development Land
Address:	Evans Rd.
City/State/Zip:	Perris, CA 92571
County:	Riverside
Market Orientation:	Suburban
IRR Event ID:	3014316



Sale Information

Sale Price:	\$4,906,500
Effective Sale Price:	\$4,906,500
Sale Date:	11/01/2022
Sale Status:	Closed
\$/Acre(Gross):	\$208,079
\$/Land SF(Gross):	\$4.78
\$/Building SF:	\$817.75
\$/Unit (Potential):	\$54,517 /Unit
Grantor/Seller:	Stratford Ranch Investors LLC
Grantee/Buyer:	Pulte Home Company LLC
Assets Sold:	Real estate only
Property Rights:	Fee Simple
% of Interest Conveyed:	100.00
Financing:	Cash to seller
Conditions of Sale:	Arm's-length
Document Type:	Deed
Recording No.:	2022.451354
Verified By:	Blake Fassler
Verification Date:	06/07/2023
Verification Type:	Confirmed-Other

Expenditures Description:	Site Improvements and permits and fees
Other Adjustment:	\$2,983
Adjustment Comments:	Bond Encumbrance

Improvement and Site Data

Legal/Tax/Parcel ID:	302-150-049
Acres(Gross):	23.58
Land-SF(Gross):	1,027,145
Potential Building SF:	6,000
No. of Units (Potential):	90
Zoning Code:	R-6,000
Source of Land Info.:	Public Records

Comments

This is a sale of 90 unimproved lots with a tentative map in place and a typical lot size of 6,000 square feet. The lots were purchased for \$4,906,500 or \$54,517. According to the broker, the lots were purchased at a finished lot price of \$230,000 per lot. The buyer is developing the 270 lots adjacent to the north of this project. It is assumed there was a degree of assemblage influencing a part of the sale, but this was not confirmed. It is estimated this project will have a similar degree of bond debt as the adjacent project, which has an estimated \$2,983 per lot.

Sale Analysis

Expenditures After Purchase:	\$175,483
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Location & Property Identification

Property Name:	Windsong
Sub-Property Type:	Residential, Single Family Development Land
Address:	NWQ Alessandro Blvd. and Darwin Dr.
City/State/Zip:	Moreno Valley, CA 92555
County:	Riverside
Market Orientation:	Suburban
IRR Event ID:	3022274



Sale Information

Sale Price:	\$7,500,000
Effective Sale Price:	\$7,500,000
Sale Date:	08/01/2022
Sale Status:	Closed
\$/Acre(Gross):	\$210,438
\$/Land SF(Gross):	\$4.83
\$/Acre(Usable):	\$210,438
\$/Land SF(Usable):	\$4.83
\$/Building SF:	\$1,500.00
\$/Unit (Potential):	\$42,373 /Approved Lot
Grantor/Seller:	Winco Holdings, Inc & Equitable Moreno Valley II Partnership
Grantee/Buyer:	D.R. Horton
Property Rights:	Fee Simple
% of Interest Conveyed:	100.00
Financing:	Cash to seller
Document Type:	Deed
Recording No.:	2022.0341934 & 2022.0340965
Verification Type:	Secondary Verification
Secondary Verific. Source:	Deed, Tellus Land & Capital

Expenditures After Purchase: \$197,345

Expenditures Description:	Lot finishing costs
Other Adjustment:	\$2,000
Adjustment Comments:	Estimated bond encumbrance

Improvement and Site Data

Legal/Tax/Parcel ID:	487,470-025 (ptn), 487-470-028, 487-574-001 & 002
Acres(Usable/Gross):	35.64/35.64
Land-SF(Usable/Gross):	1,552,478/1,552,478
Usable/Gross Ratio:	1.00
Potential Building SF:	5,000
No. of Units (Potential):	177
Corner Lot:	Yes
Utilities:	Electricity, Water Public, Sewer, Gas, Telephone
Source of Land Info.:	Public Records

Comments

This sale encompasses two adjacent parcels purchased by D.R. Horton from two different sellers. D.R. Horton closed on the first 18.01-acre parcel for \$3,755,000 on August 1, 2022 and closed on the second 17.63-acre parcel for \$3,745,000 on August 2, 2022. The site will be developed into a 177-lot subdivision called Windsong. Floor plans will

Sale Analysis

Comments (Cont'd)

range from 1,898 to 2,537 square feet and the typical lot size will be approximately 5,000 square feet. Finishing costs are estimated at approximately \$197,345 per lot. It is unclear if the project will utilize bond financing. However, given surrounding projects also utilize bond financing, it is estimate the property would have an estimated special tax of \$2,000 per lot.

Location & Property Identification

Property Name:	La Ventana
Sub-Property Type:	Residential, Single Family Development Land
Address:	SEC Simpson Rd and La Ventana Rd
City/State/Zip:	Winchester, CA 92584
County:	Riverside
Market Orientation:	Suburban
IRR Event ID:	3027571



Sale Information

Sale Price:	\$8,000,000
Effective Sale Price:	\$8,000,000
Sale Date:	04/15/2022
Recording Date:	04/15/2022
Listing Price:	\$8,000,000
Sale Status:	Closed
\$/Acre(Gross):	\$103,896
\$/Land SF(Gross):	\$2.39
\$/Building SF:	\$1,333.33
\$/Unit (Potential):	\$36,364 /Approved Lot
Grantor/Seller:	La Ventana 242, LLC
Grantee/Buyer:	Forestar / DR Horton
Assets Sold:	Real estate only
Property Rights:	Fee Simple
% of Interest Conveyed:	100.00
Exposure Time:	39 (months)
Financing:	Cash to seller
Conditions of Sale:	Arm's-length
Document Type:	Deed
Recording No.:	0180333
Verification Type:	Secondary Verification
Secondary Verific. Source:	CoStar

Sale Analysis

Expenditures After Purchase: \$178,636

Expenditures Description:	Lot finishing costs
Other Adjustment:	\$2,000
Adjustment Comments:	Estimated bond encumbrance

Improvement and Site Data

MSA:	Riverside-San Bernardino-Ontario, CA Metropolitan Statistical Area
Legal/Tax/Parcel ID:	APNs: 461-450-001 through -013, -451-001 through -048, -452-001 through -019, -460-001 through -020, -461-001 through -021, -470-001 through -027, -470-001 through -064, -472-001 through -010, -480-001 through -005, -481-001 through -003, -482-001
Acres(Gross):	77.00
Land-SF(Gross):	3,354,120
Potential Building SF:	6,000
No. of Units (Potential):	220
Zoning Code:	SP
Zoning Desc.:	Specific Plan

Improvement and Site Data (Cont'd)

Flood Plain:	No
Source of Land Info.:	Broker

Comments

Site consists of 220 residential lots, along with a park site and a school site. The typical lot size is approximately 6,000 SF. The finished lot price was reportedly \$215,000/lot. It is unclear if the project will utilize bond financing. However, given surrounding projects also utilize bond financing, it is estimate the property would have an estimated special tax of \$2,000 per lot.



Location & Property Identification

Property Name:	Pleasant Valley Ranch
Sub-Property Type:	Residential, Single Family Development Land
Address:	Linden Flower Rd.
City/State/Zip:	Winchester, CA 92596
County:	Riverside
Market Orientation:	Suburban
IRR Event ID:	3040256



Sale Information

Sale Price:	\$15,728,000
Effective Sale Price:	\$15,728,000
Sale Date:	08/31/2021
Sale Status:	Closed
\$/Acre(Gross):	\$786,400
\$/Land SF(Gross):	\$18.05
\$/Building SF:	\$2,169.38
\$/Unit (Potential):	\$77,861 /Unit
Grantor/Seller:	Watermarke Homes
Grantee/Buyer:	DR Horton Los Angeles Holding Inc
Assets Sold:	Real estate only
Property Rights:	Fee Simple
% of Interest Conveyed:	100.00
Financing:	Cash to seller
Conditions of Sale:	Arm's-length
Document Type:	Deed
Verified By:	Blake Fassler
Verification Date:	08/22/2023
Verification Type:	Confirmed-Buyer

Sale Analysis

Expenditures After Purchase:	\$150,861
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Expenditures Description:	Site development costs and permits and fees
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Other Adjustment:	\$2,688
Adjustment Comments:	Bond Encumbrance

Improvement and Site Data

Acres(Gross):	20.00
Land-SF(Gross):	871,200
Potential Building SF:	7,250
No. of Units (Potential):	202
Zoning Code:	R-1
Zoning Desc.:	Residential
Source of Land Info.:	Public Records

Comments

This is a sale of 202 paper lots with a typical lot size of 7,250 square feet for \$77,861 per lot. The lots included the sale of five partially completed models that were constructed prior to the Great Recession in 2007. The backstory to the project was not given; however, it appears one of the previous owners of the project tried to develop the property and later abandon it. The prior models on the property were demolished by DR Horton and the site development to improve the lots was estimated at \$15,400,862 or \$76,242 per lot. Permits and fees are estimated at \$73,000 per lot, while special taxes are estimated at \$2,688 per lot.

Land Sales - West Shore at Rockport Ranch

Location & Property Identification

Property Name:	Riverwalk Village
Sub-Property Type:	Residential, Single Family Development Land
Address:	Bradley Rd.
City/State/Zip:	Menifee, CA 92586
County:	Riverside
Market Orientation:	Suburban
IRR Event ID:	3270380



Sale Information

Sale Price:	\$22,077,500
Effective Sale Price:	\$22,077,500
Sale Date:	12/06/2023
Sale Status:	Closed
\$/Acre(Gross):	\$1,508,026
\$/Land SF(Gross):	\$34.62
\$/Building SF:	\$9,812.22
\$/Unit (Potential):	\$111,503 /Unit
Grantor/Seller:	Crp / Cwr River Walk Project LLC
Grantee/Buyer:	Richmond American Homes / MD Inc
Assets Sold:	Real estate only
Property Rights:	Fee Simple
% of Interest Conveyed:	100.00
Financing:	Cash to seller
Conditions of Sale:	Arm's-length
Document Type:	Deed
Verification Type:	Secondary Verification

Sale Analysis

Expenditures After Purchase:	\$118,735
Expenditures Description:	Site development costs and permits and fees

Other Adjustment:	\$2,000
Adjustment Comments:	Bond encumbrance

Improvement and Site Data

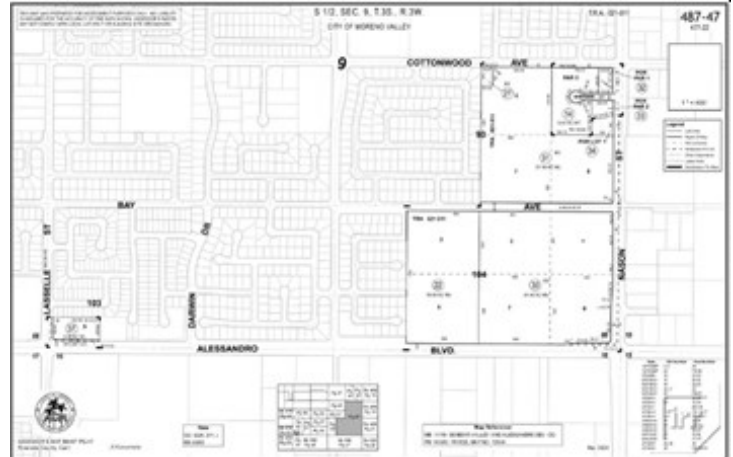
Legal/Tax/Parcel ID:	338-150-046 and -031
Acres(Gross):	14.64
Land-SF(Gross):	637,718
Potential Building SF:	2,250
No. of Units (Potential):	198
Zoning Code:	MDR
Zoning Desc.:	Medium Density Residential
Source of Land Info.:	Public Records

Comments

This is a sale of 198 lots in unimproved condition. The lots are configured in an 8-pack courtyard cluster and have several community amenities. Based on the density of the project, the typical lot size is estimated at 2,250 square feet. The finished lot is estimated at \$225,338 per lot. A building permit is estimated at \$4,900 per lot. The project is utilizing special taxes; however, the exact annual payment is unclear. Therefore, based on the surrounding projects an annual special tax is estimated at \$2,000 per lot.

Location & Property Identification

Property Name:	Alessandro
Sub-Property Type:	Residential, Single Family Development Land
Address:	Alessandro Blvd.
City/State/Zip:	Moreno Valley, CA 92555
County:	Riverside
Market Orientation:	Suburban
IRR Event ID:	3246636



Sale Information

Sale Price:	\$16,143,500
Effective Sale Price:	\$16,143,500
Sale Date:	11/30/2023
Recording Date:	12/04/2023
Sale Status:	Closed
\$/Acre(Gross):	\$873,566
\$/Land SF(Gross):	\$20.05
\$/Building SF:	\$5,381.17
\$/Unit (Potential):	\$71,749 /Unit
Grantor/Seller:	Gpalessandro LLC
Grantee/Buyer:	Taylor Morrison Of California
Assets Sold:	Real estate only
Property Rights:	Fee Simple
% of Interest Conveyed:	100.00
Financing:	Cash to seller
Conditions of Sale:	Arm's-length
Document Type:	Deed
Recording No.:	2023.359986
Verification Type:	Secondary Verification

Sale Analysis

Expenditures After Purchase:	\$131,516
Expenditures Description:	Site development and building permit
Other Adjustment:	\$2,000

Adjustment Comments: Estimated bond encumbrance

Improvement and Site Data

Legal/Tax/Parcel ID:	487-470-022
Acres(Gross):	18.48
Land-SF(Gross):	804,989
Potential Building SF:	3,000
No. of Units (Potential):	225
Zoning Code:	DC
Zoning Desc.:	Downtown Center
Source of Land Info.:	Public Records

Comments

This is a sale of 225 tentatively mapped lots with a typical lot size of 3,000 square feet. The lots will be developed into clusters; however, it is unclear the exact layout. The finished lot price is estimated at \$201,265 per lot. A building permit is estimated at \$2,000 per lot. It is unclear if the project will utilize bond financing. However, given the surrounding projects also utilize bond financing, it is estimated the property would have an estimated special tax of \$2,000 per lot.

Location & Property Identification

Property Name: 27550 Brodiaea Avenue
 Sub-Property Type: Residential, Single Family Development Land
 Address: 27550 Brodiaea Ave.
 City/State/Zip: Moreno Valley, CA 92555
 County: Riverside

Market Orientation: Suburban

IRR Event ID: 3246647



Sale Information

Sale Price: \$2,800,055
 Effective Sale Price: \$2,800,055
 Sale Date: 07/01/2023
 Sale Status: Closed
 \$/Acre(Gross): \$319,277
 \$/Land SF(Gross): \$7.33
 \$/Building SF: \$777.79
 \$/Unit (Potential): \$41,792 /Unit
 Grantor/Seller: Discovery Christian Church Of Moreno Valley
 Grantee/Buyer: DR Horton Los Angeles Holding
 Assets Sold: Real estate only
 Property Rights: Fee Simple
 % of Interest Conveyed: 100.00
 Financing: Cash to seller
 Conditions of Sale: Arm's-length
 Document Type: Deed
 Verification Type: Secondary Verification

Adjustment Comments: Estimated bond encumbrance

Improvement and Site Data

Legal/Tax/Parcel ID: 486-240-010
 Acres(Gross): 8.77
 Land-SF(Gross): 382,021
 Potential Building SF: 3,600
 No. of Units (Potential): 67
 Zoning Code: R5
 Zoning Desc.: Suburban Residential
 Source of Land Info.: Public Records

Comments

This is a sale of 67 tentatively mapped lots with a typical lot size of 3,600 square feet. The finished lot price is estimated at \$177,669 per lot. A building permit is estimated at \$2,000 per lot. It is unclear if the project will utilize bond financing. However, given the surrounding projects also utilize bond financing, it is estimated the property would have an estimated special tax of \$2,000 per lot.

Sale Analysis

Expenditures After Purchase: \$137,877
 Expenditures Description: Site development and building permit
 Other Adjustment: \$2,000

Location & Property Identification

Property Name:	Towns & Courts
Sub-Property Type:	Residential, Single Family Development Land
Address:	Domenigoni Pky.
City/State/Zip:	Winchester, CA 92596
County:	Riverside
Market Orientation:	Suburban
IRR Event ID:	3246654



Sale Information

Sale Price:	\$17,500,000
Effective Sale Price:	\$17,500,000
Sale Date:	04/01/2022
Sale Status:	Closed
\$/Acre(Gross):	\$825,083
\$/Land SF(Gross):	\$18.94
\$/Building SF:	\$7,000.00
\$/Unit (Potential):	\$69,444 /Unit
Grantor/Seller:	Regent
Grantee/Buyer:	Taylor Morrison / California LLC
Assets Sold:	Real estate only
Property Rights:	Fee Simple
% of Interest Conveyed:	100.00
Financing:	Cash to seller
Conditions of Sale:	Arm's-length
Document Type:	Deed
Verification Type:	Secondary Verification

Sale Analysis

Expenditures After Purchase:	\$82,556
Expenditures Description:	Site development and building permit
Other Adjustment:	\$2,000

Adjustment Comments: Estimated bond encumbrance

Improvement and Site Data

Legal/Tax/Parcel ID:	461-220-39 and -040
Acres(Gross):	21.21
Land-SF(Gross):	923,908
Potential Building SF:	2,500
No. of Units (Potential):	252
Zoning Code:	SP
Zoning Desc.:	Specific Plan
Source of Land Info.:	Public Records

Comments

This is a sale of 252 lots in bluetop condition. The project will be developed as 124 townhomes and 128 cluster lot homes. Based on the density of the project, the typical lot size is estimated at 2,500 square feet. The finished lot is estimated at \$150,000 per lot. A building permit is estimated at \$2,000 per lot. The project is utilizing special taxes; however, the exact annual payment is unclear. Therefore, based on the surrounding projects an annual special tax is estimated at \$2,000 per lot.

Location & Property Identification

Property Name:	SWC Leon Rd & Simpson Rd
Sub-Property Type:	Residential, Single Family Development Land
Address:	SWC Leon Rd & Simpson Rd
City/State/Zip:	Winchester, CA 92596
County:	Riverside
Market Orientation:	Suburban
IRR Event ID:	3027023



Sale Information

Sale Price:	\$8,000,000
Effective Sale Price:	\$8,000,000
Sale Date:	02/15/2022
Recording Date:	02/15/2022
Listing Price:	\$10,000,000
Sale Status:	Closed
\$/Acre(Gross):	\$111,142
\$/Land SF(Gross):	\$2.55
\$/Land SF(Usable):	\$2.55
\$/Building SF:	\$2,666.67
\$/Unit (Potential):	\$19,048 /Approved Lot
Grantor/Seller:	Ranchos Property & Rancon
Grantee/Buyer:	BRPLD LLC
Assets Sold:	Real estate only
Property Rights:	Fee Simple
% of Interest Conveyed:	100.00
Exposure Time:	37 (months)
Financing:	Cash to seller
Conditions of Sale:	Arm's-length
Document Type:	Deed
Recording No.:	0076695
Verification Type:	Secondary Verification
Secondary Verific. Source:	CoStar

Expenditures After Purchase: \$132,952

Expenditures Description: Site development costs and building permit

Other Adjustment: \$2,000

Adjustment Comments: Bond encumbrance

Improvement and Site Data

MSA:	Inland Empire
Legal/Tax/Parcel ID:	Parcel Numbers: 460-150-019, 461-150-006
Acres(Gross):	71.98
Land-SF(Usable/Gross):	3,135,448/3,135,448
Potential Building SF:	3,000
No. of Units (Potential):	420
Zoning Code:	SP
Zoning Desc.:	Specific Plan
Flood Plain:	No
Flood Zone Designation:	X
Source of Land Info.:	Public Records

Comments

Property sold with a recorded final map for 420 single family lots. The site also includes two future parks. The estimated lot size is 3,000 square feet. The brokers estimates a finished lot value of \$150,000 per lot. A building permit within the unincorporated area of Winchester is estimated at \$2,000 per lot. It is unclear if

Comments (Cont'd)

the project will utilize bond financing. However, given the surrounding projects also utilize bond financing, it is estimated the property would have an estimated special tax of \$2,000 per lot.