

APPRAISAL REPORT

CITY OF MENIFEE COMMUNITY FACILITIES DISTRICT NO. 2021-1 (2023 BONDS) BANNER PARK BY PULTE HOMES

City of Menifee, Riverside County, California
(Appraiser's File No. 2023-1281)



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

Prepared By
Kitty Siino & Associates, Inc.
115 East Second Street, Suite 100
Tustin, California 92780

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

July 13, 2023

Margarita Cornejo, Acting Chief Financial Officer
CITY OF MENIFEE
29844 Haun Road
Menifee, California 92586

Reference: Appraisal Report – City of Menifee
Community Facilities District No. 2021-1 (2023 Bonds)
Banner Park by Pulte Homes, Menifee, California

Dear Ms. Cornejo:

At the request and authorization of the City of Menifee, we have completed an Appraisal Report for Community Facilities District No. 2021-1 of the City of Menifee ("Menifee CFD No. 2021-1"). Menifee CFD No. 2021-1 encompasses a new home community known as Banner Park by Pulte Home Company LLC ("Pulte Homes"). Kitty Siino & Associates, Inc. appraised the subject site in 2022 for the first series of bonds while this appraisal relates to the second series of bonds. Banner Park consists of three product lines known as Heritage, Merit and Crest. The three product lines are spread throughout all of Banner Park, which is covered by two tract maps (Tract Nos. 32102 and 32102-1). Banner Park consists of a total of 256 detached homes situated on a minimum of 6,000 square foot lots. The subject 256 lots include 203 completed homes closed to individuals and 25 builder owned homes over 95 percent complete, including six models (one in escrow) and 19 production homes (16 in escrow and due to close upon completion). There are an additional 25 homes under construction (24 in escrow) and three remaining lots (all in escrow).

The valuation method used in this report is the Sales Comparison Approach along with a mass appraisal technique as defined within this report. The fee simple estate of the subject property has been valued subject to the Menifee CFD No. 2021-1 special tax lien from both series of bonds. This report is written with the hypothetical condition that the subject property is enhanced by the improvements and/or fee credits to be funded by both series of bonds issued by Menifee CFD No. 2021-1. As a result of our investigation, the concluded market value for the subject property is:

Banner Park by Pulte Homes

Pulte Homes Ownership (25 houses & 28 lots)	\$ 13,515,353
Individual Owners (203 houses)	<u>\$ 118,809,238</u>

Total Aggregate Value	<u>\$ 132,324,591</u>
------------------------------	------------------------------

The above values are stated subject to the Assumptions and Limiting Conditions of this report, the Appraiser's Certification and as of June 12, 2023.

Margarita Cornejo
CITY OF MENIFEE
July 13, 2023
Page Two

Some supporting documentation concerning the data, reasoning and analyses may be retained in the appraiser's files. The information contained in this report is specific to the needs of the client and for the intended use stated in this report. This Appraisal Report is intended to comply with both the Uniform Standards of Professional Appraisal Practice ("USPAP" January 2020) and with the Appraisal Standards of the California Debt and Investment Advisory Commission ("CDIAC"). The appraiser is not responsible for unauthorized use of this report.

The appraised value contained within this report is being estimated with the hypothetical condition of the special tax lien of Menifee CFD No. 2021-1.

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

Respectfully submitted,

KITTY SIINO & ASSOCIATES, INC.

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

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

TABLE OF CONTENTS

Assumptions and Limiting Conditions.....	i
Hypothetical Condition	iii
Extraordinary Assumption	iii
Aerial Photo of Menifee CFD No. 2021-1	iv
Purpose of the Appraisal	1
The Subject Property.....	1
Intended Use of the Report	1
Definitions	2
Property Rights Appraised	4
Effective Date of Value.....	4
Date of Report.....	4
Scope of Appraisal	5
Regional Area Map.....	7
County of Riverside Area Description.....	8
Menifee Area Map	16
City of Menifee Description	17
Immediate Surroundings	20
Community Facilities District No. 2021-1.....	22
Subject Property Descriptions	25
Riverside County Housing Market.....	32
Highest and Best Use Analysis	42
Valuation Analyses and Conclusions	46
Appraisal Report Summary	66
Appraiser's Certification	67

ADDENDA

CFD No. 2021-1 Boundary Map
Tract Maps No. 32102 and 32102-1
Cal Fire Hazard Map
Discounted Cash Flow Analysis
Residential Land Sales Map and Summary Chart
Improved Residential Sales Map and Summary Chart
Appraiser's Qualifications

ASSUMPTIONS AND LIMITING CONDITIONS

1. This report might not include full discussions of the data, reasoning and analyses that were used in the appraisal process to develop the appraiser's opinion of value. Some supporting documentation concerning the data, reasoning and analyses may be retained in the appraiser's files. The information contained in this report is specific to the needs of the client and for the intended use stated in this report. The appraiser is not responsible for unauthorized use of this report.
2. No responsibility is assumed for legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated in this report.
3. The property is appraised subject to the special tax lien of both series of bonds for Menifee CFD No. 2021-1.
4. Responsible ownership and competent property management are assumed unless otherwise stated in this report.
5. The information furnished by others is believed to be reliable, however, no warranty is given for its accuracy.
6. All engineering is assumed to be correct. Any plot plans and illustrative material used in this report are included only to assist the reader in visualizing the property and may not be to scale.
7. It is assumed that there are no hidden or unapparent conditions of the property, subsoil or structures that would render it more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.
8. It is assumed that there is full compliance with all applicable federal, state and local environmental regulations and laws unless otherwise stated in this report.
9. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless nonconformity has been stated, defined and considered in this appraisal report.
10. It is assumed that all required licenses, certificates of occupancy or other legislative or administrative authority from any local, state or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value estimates contained in this report are based.
11. Any sketch included in this report may show approximate dimensions and is included only to assist the reader in visualizing the properties. Maps and exhibits found in this report are provided for reader reference purposes only. No guarantee regarding accuracy is expressed or implied unless otherwise stated in this report. No survey has been made for the purpose of this report.

12. It is assumed that the utilization of the land and improvements are within the boundaries or property lines of the property described and that there is no encroachment or trespass unless otherwise stated in this report.
13. The appraiser is not qualified to detect hazardous waste and/or toxic materials. Any comment by the appraiser that might suggest the possibility of the presence of such substances should not be taken as confirmation of the presence of hazardous waste and/or toxic materials. Such a determination would require investigation by a qualified expert relating to asbestos, urea-formaldehyde foam insulation or other potentially hazardous materials that may affect the value of the property. The appraiser's value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value unless otherwise stated in this report. No responsibility is assumed for any environmental conditions or for any expertise or engineering knowledge required to discover them. The appraiser's descriptions and resulting comments are the result of the routine observations made during the appraisal process.
14. Proposed improvements, if any, are assumed to be completed in a good workmanlike manner in accordance with the submitted plans and specifications.
15. The distribution, if any, of the total valuation in this report between land and improvements applies only under the stated program of utilization. The separate allocations for land and buildings, if any, must not be used in conjunction with any other appraisal and are invalid if so used.
16. The Americans with Disabilities Act ("ADA") became effective on January 26, 1992. The appraiser has made no specific compliance survey and analysis of the property to determine whether they conform to the various detailed requirements of the ADA, nor is the appraiser a qualified expert regarding the requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the ADA. If so, this fact could have a negative effect upon the value of the property. Since the appraiser has no direct evidence relating to this issue, a possible noncompliance with requirements of the ADA in estimating the value has not been considered.
17. It is assumed there are no environmental concerns that would slow or thwart development of the subject property and that the soils are adequate to support the highest and best use conclusion.
18. Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the appraiser, and in any event, only with proper qualification and only in its entirety. Permission is given for this appraisal to be published as a part of the Official Statement or similar document in association with the Menifee CFD No. 2021-1 Special Tax Bonds.

HYPOTHETICAL CONDITION

1. It is assumed that all improvements and/or benefits to the subject properties, which are to be funded by the Meniffee CFD No. 2021-1 Special Tax Bond proceeds, are completed and in place or have accrued to the property.

EXTRAORDINARY ASSUMPTION

1. It is an extraordinary assumption that the reported sales and remaining land development costs as received from the builders are true and accurate. We have reviewed both the sales and cost information and they appear reasonable. However, we are not experts in cost estimating and if the cost estimates change, it may change the value conclusions.
2. It is an extraordinary assumption that the City of Meniffee does not stop development or closing of homes within the subject due to the delay in the development of the park or offsite improvements within Meniffee CFD No. 2021-1. The original condition states the park needs to be completed by the time the 200th certificate of occupancy is obtained; however, the city has approved several minor condition changes which, upon the builder completing certain items, the number of certificates of occupancy will be increased to 226 homes. At this time, these conditions have not held up any closings of homes and per the builder, with the newly approved changes, they are not anticipating any closings will be held up. It is the appraiser's understanding that there are no other conditions which can hold up certificate of occupancies on the total 256 units.
3. It is an extraordinary assumption that all issues related to the very high fire zone designation from Cal Fire's fire Resource Assessment Program are resolved. It is the appraiser's understanding that there was a mild spec difference in the roof underlayment for approximately 60 of the closed homes which affected portions of the roof and windows. It is the appraiser's understanding that all window retrofits have been completed and approximately one-half of the roof retrofits have been completed.

City of Menifee
Community Facilities District No. 2021-1 (2023 Bonds)
Banner Park by Pulte Homes



PURPOSE OF THE APPRAISAL

The purpose of this appraisal report is to estimate the value of the fee simple interest of the subject property, subject to the special tax lien of both series of the Menifee CFD No. 2021-1 Special Tax Bonds.

THE SUBJECT PROPERTY

The subject property consists of 256 proposed single-family homes which are encompassed within Tract Map Nos. 32102 and 32102-1. The two tracts are being developed into a community known as Banner Park, which is divided into three product lines that are spread throughout the two tracts: Heritage at Banner Park, Merit at Banner Park, and Crest at Banner Park. All three product lines are being built and sold by Pulte Homes. Of the total 256 proposed homes, 247 have been sold and 203 of those have closed to individuals. Each tract's lots physical status and ownership are detailed as follows:

Tract and Lot Numbers	No. Lots	Ownership	Condition
Banner Park by Pulte Homes (Tract Nos. 32102 and 32102-1)			
Lots 1-27, 55-64, 66-79, 88-124 of Tract 32102; Lots 1-115 of Tract 32102-1	203	Individuals	Completed Homes
Lots 116-117, 119-120, 130-131 of Tract 32102-1	6	Pulte	Model Homes (1 in escrow)
Lots 45-54, 65, 80-87 of Tract 32102	19	Pulte	Over 95% Complete (16 in escrow)
Lots 28-44 of Tract 32102; Lots 121-128 of Tract 32102-1	25	Pulte	Under Construction (24 in escrow)
Lots 118, 129, 132 of Tract 32102-1	3	Pulte	Finished Lots (3 in escrow)
TOTAL	256		

INTENDED USE OF THE REPORT

It is the appraiser's understanding that the client, the City of Menifee, will utilize this report in disclosure documents associated with selling bonds for Menifee CFD No. 2021-1 and that this report is to be included in the Official Statement or similar document to be

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

DEFINITIONS

Market Value

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

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

1. buyer and seller are typically motivated;
2. both parties are well informed or well advised, and each acting in what he or she considers his or her own best interest;
3. a reasonable time is allowed for exposure in the open market;
4. payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale."¹

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

Minimum Market Value

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

"The base market value of a home. That is, most buyers purchase some upgrades, options and/or lot premiums when purchasing a new home. The sales price for the new home typically includes the base price for the plan, plus any upgrades, options or lot premiums, less concessions, if any, which were given or paid for by the builder. The concluded minimum market value

¹ The Appraisal of Real Estate, 13th Edition

is for the base value of the plan only, not taking into consideration any upgrades, options or premiums.”

Mass Appraisal

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

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

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

Hypothetical Condition

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

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

The Hypothetical Condition within this report is that subject property is enhanced by the improvements and/or fee credits to be funded by both series of bonds issued by Menifee CFD No. 2021-1.

Extraordinary Assumption

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

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

There are three extraordinary assumptions in this report. The first is that the reported sales information and remaining land development cost information, as received from the builder, are true and accurate. We have reviewed the sales information and verified samples against public record information; however, all sales have not been verified through public record. In addition, we have reviewed the costs and they appear reasonable; however, we are not experts in the field of cost estimating. It should be noted

² USPAP 2020-2021 Edition

that these costs were relied upon in the valuation of the subject properties and if the actual costs differ, it could alter the value conclusions.

The second extraordinary assumption is that the City will not stop or slow development or closing of homes within the project due to the delay in the development of the park or offsite improvements. The original condition states the park needs to be completed by the time the 200th certificate of occupancy is obtained; however, the city has approved several minor condition changes which, upon the builder completing certain items, the number of certificates of occupancy will be increased to 226 homes. At this time, these conditions have not held up any closings of homes and per the builder, with the new approved changes, they are not anticipating any closings will be held up. The construction delays on the park and offsites were due to slow approval of park plans along with the rainy season slowing the construction of the park. It appears the City is working with the builder. It is the appraiser's opinion this would not affect the value of the lots as the City has been working with the builder throughout this process. It is the appraiser's understanding that there are no other conditions which may hold up certificates of occupancy on the total 256 units.

The final extraordinary assumption is that all issues related to the very high fire zone designation from Cal Fire's fire Resource Assessment Program are resolved. It is the appraiser's understanding that there was a mild spec difference in the roof underlayment for approximately 60 of the closed homes which affected portions of the roof and windows. It is the appraiser's understanding that all window retrofits have been completed and approximately one-half of the roof retrofits have been completed.

PROPERTY RIGHTS APPRAISED

The property rights being appraised are of a fee simple interest, subject to easements of record and Menifee CFD No. 2021-1. The definition of "fee simple estate" is defined by USPAP as:

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

EFFECTIVE DATE OF VALUE

The subject property is valued as of June 12, 2023.

DATE OF REPORT

The date of this report is July 13, 2023.

SCOPE OF APPRAISAL

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

- County of Riverside Description
- City of Menifee Description
- Immediate Surroundings
- Brief Description of Menifee CFD No. 2021-1
- Subject Property Descriptions
- Riverside County Housing Market Discussion
- Highest and Best Use Analysis
- Valuation Procedures, Analyses and Conclusions
- Appraisal Report Summary

The subject property consists of 256 proposed single-family houses. There are 203 homes completed and closed to individuals, six models (one in escrow), 19 homes over 95 percent complete (16 in escrow), 25 homes under construction (24 in escrow) and three remaining finished lots (three in escrow). In valuing the subject property, the value estimates will be based upon the highest and best use conclusion using the Sales Comparison Approach. The Sales Comparison Approach to value is defined as:

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

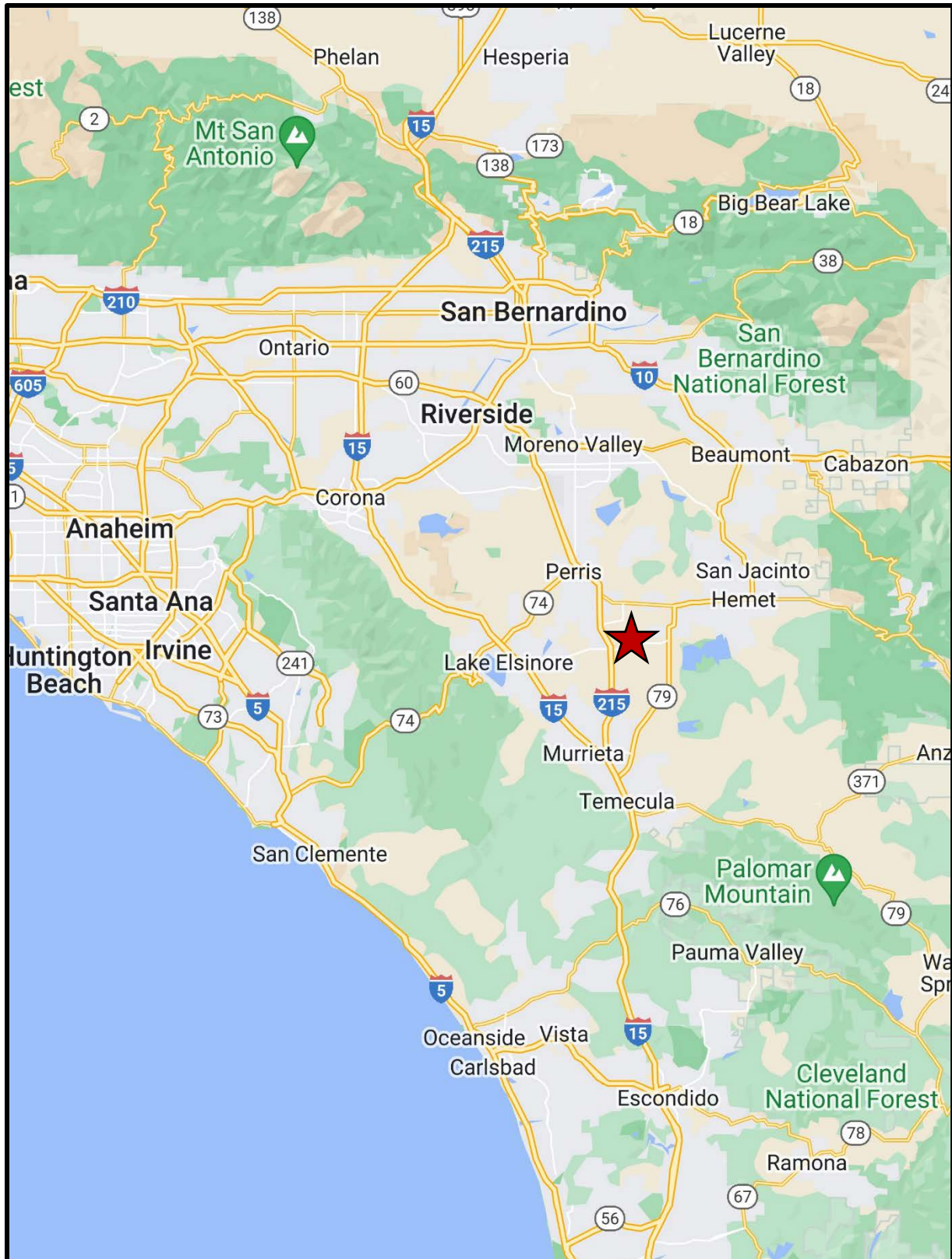
³Dictionary of Real Estate Appraisal, 4th Edition, 2002

In the Sales Comparison Approach, market value is estimated by comparing properties similar to the subject property that have recently been sold, are listed for sale or are under contract. Neither a cost or income approach was utilized as they were not considered necessary to arrive at credible results.

The due diligence of this appraisal assignment included the following:

1. Compiled demographic information and related that data to the subject properties to perform a feasibility/demand analysis.
2. Gathered and analyzed information on the subject marketplace, reviewed several real estate brokerage publications on historical and projected growth in the subject market and researched the micro and macroeconomics within Riverside County and the Menifee area.
3. Inspected the subject property between June 1, 2023, and June 15, 2023.
4. Had the property flown for an aerial photograph on June 17, 2023.
5. Interviewed representatives from the builder to obtain available information on the subject property.
6. Reviewed Preliminary Title Reports on the majority of the subject properties.
7. Reviewed the Menifee Village Specific Plan regarding entitlements and allowances on the subject site.
8. Searched the area for relevant comparable new home residential projects, including sales prices and concessions and interviewed representatives from each comparable neighborhood.
9. Reviewed sales brochures and sales information on each of the subject neighborhood.
10. Reviewed actual builder sales information on all closed homes and current escrows for the subject neighborhood.
11. Reviewed Multiple Listing Service ("MLS") information on re-sales and current listings of existing homes within Menifee CFD No. 2021-1.
12. Inspected the subject property for any for-sale or property listing signs that may not be listed on the MLS yet.

REGIONAL AREA MAP



COUNTY OF RIVERSIDE AREA DESCRIPTION

Location

The subject property is located in the southern portion of Riverside County (the “County”) northeast of the merging of Interstate 15 (“I-15”) and Interstate 215 (“I-215”) and east of the community of Menifee Lakes, on the east side of I-215. The area is located near the eastern boundary of the City of Menifee (the “City”).

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

Transportation

The subject property is situated northeast of I-15 and east of I-215, on the north side of Domenigoni Parkway (Newport Road) at Lindenberger Road. The I-15 is approximately 8.5 miles southwest of the subject and travels in a northerly/southerly direction, providing access to Barstow and Nevada to the north and San Diego to the south. Interstate 215 is approximately two miles west of the subject, travels in a northerly/southerly direction within the County, branching off from I-15 and heading generally north where it parallels I-15 to the east and merges back into I-15 approximately 40 miles northwest of the subject in San Bernardino County. Highway 74 is approximately 3.5 miles north and provides access to the west into Orange County on what is also known as Ortega Highway. In addition, the 60 Freeway runs in an east-west direction approximately 17 miles north of the subject providing access into Los Angeles County to the west and merges with Interstate 10 to the east, which provides access across California and into Arizona.

The County is served by Amtrak and Metrolink as well as several rail freight lines. The Ontario International Airport provides regional air service and is located approximately 36 miles northwest of the subject property, while the Orange County Airport is located approximately 42 miles west, and the San Diego International Airport is located about 66 miles south. In addition, the County has extensive trucking corridors along the previously referred to interstates, highways, and state freeways.

Population

The County has experienced population growth for several decades and is anticipated to continue to do so in the foreseeable future. Per the California Department of Finance, the July 1, 2022 County population was 2.438 million, representing a one-year increase of 0.28 percent. This compares to an average annual growth rate over the past thirteen years of about 0.8 percent, and an average annual growth rate of approximately 2.5 percent for the previous eighteen-year period. It should be noted however, California's overall population decreased 0.54 percent during the past year. Current State projections for Riverside County suggest the population is anticipated to reach approximately 2.728 million by 2030, indicating an average annual increase of approximately 1.6 percent over the next seven years. The current growth of 0.28 percent is lower than the previous twelve-year annual average of about 0.8 percent likely due to the COVID pandemic disruption, and significantly lower than the previous 18-year average (2.5 percent) likely due to the Great Recession. The future growth is predicted assuming a more stable market than was seen prior to the Great Recession.

Economy

The U.S. economy is experiencing challenging times due to reactions from the COVID recession. These economic challenges include significant inflation, increasing interest rates, banks' instability and reaching an agreement on the debt ceiling. During COVID, the Federal, State, County and City Governments ("Governments") originally shut down non-essential businesses and areas where social gatherings occur in order to slow the spread of the virus. This created a strain on small and large businesses alike. Restaurants and hotels were hit hard and travel reduced drastically as citizens were urged to stay home. Layoffs occurred with reports of 40 million people filing for unemployment the first

few months of the pandemic. The Governments attempted to curtail the job losses and hardships with the approval of over 5.6 trillion in COVID relief to our nation. In addition, the Federal Reserve Board ("Board") reduced interest rates and started quantitative easing by buying bonds. This legislation helped shore up the U.S. economy; however, due to the significant amount of new money introduced into the economy, inflation began occurring at a rate not seen for 40 years. As of April 2023, the national inflation rate was 4.9 percent, down from 6.0 percent in February and down from the peak in June 2022 of 9.1 percent. This compares to a 1.24 annual percent rate for 2020 and an average of 1.74 percent annual rate for the previous ten years. Whether it is a result of the Russian/Ukraine war, supply chain issues due to COVID or from the additional money entering the economy, inflation is hitting Americans hard.

In an effort to curb inflation, the Federal Reserve Board began raising interest rates. Since March 2022, there have been ten interest rate increases rising the Federal Funds Rate ("FRR") from 0.25 – 0.50 percent to 5.0 – 5.25 percent. While these increases appeared to help slow inflation, the quick, significant increases have strained bank balance sheets. Three major banks have failed in the past three months with the government taking unprecedented action to help shore them up. At the most recent Board meeting (June 14, 2023) they paused the increases; however, additional minimal increases are expected later in the year. In addition to causing bank instability, the FRR increases over the past 15 months increased a typical 30-year fixed mortgage rate from 2.98 percent as of November 10, 2021, to 7.08 percent as of November 10, 2022; however, the rate has dropped to 6.69 percent as of June 15, 2023 (per Federal Reserve Economic Data-St. Louis). This steep increase has significantly affected the real estate market.

The COVID disruption to the economy also caused extreme volatility in the stock market with the Dow Jones Industrial Average ("DJIA") dropping from 29,398 in February 2020 to 19,174 in March, 2020, a drop of 37 percent. The Government interventions resulted in a bounce back in the DJIA to 27,111 by June 2020 with the stock market then climbing up to an all-time high of 36,799 in January 2022. In February 2022, Russia began invading Ukraine which caused volatility in world economics followed by U.S. inflation, interest rate increases and instability in the U.S. due to the debt ceiling being reached. All of these

factors caused a drop in the DJIA of nearly seven percent from January 2022 to June 15, 2023 (34,455). The nation's debt limit can only be increased through government approvals. The current partisanship in our government caused a stand-off in increasing the debt limit which was in danger of being reached, and the stock market's volatility throughout May due to this stand-off was evident. However, a deal was reached in early June (before the deadline), and the stock market should start showing less volatility.

The significant increase in mortgage rates over the past year is just one part of the puzzle affecting the impact of new housing on the broader economy. Additional risks include homebuilders trying to find balanced inventory levels, supply chain issues, both wage and price increases, and persistent inflation. Over the past 25 years, the Inland Empire economy has had significant cycles with home prices almost doubling from 1995 to 2005, then falling by over 50 percent during the Great Recession, taking prices back to 2002 levels. Home values appeared to hit bottom in 2009 then remained essentially flat for two to three years with the majority of the Inland Empire housing market seeing an improvement beginning in mid-2012. Contrary to homebuilder's original thoughts of a slowdown due to the pandemic, new home buyers stepped up in the spring of 2020 and new home sales were significantly higher during the second half of 2020 versus the previous year and continued extremely strong throughout 2021. This exceptional activity in new home sales was the one bright spot in the COVID recession and is thought to be due to several factors, including: a tight supply of re-sale homes; historically low interest rates; millennials finally buying homes; and, the work from home factor which began during the pandemic and allowed residents to live in more suburban areas without long commutes. As rates began increasing in early 2022, there was a significant slowdown in sales and softening of prices with the Inland Empire with year over year decreases in sales as of May 2023 of more than 20 percent. The high mortgage rates have significantly slowed existing homeowners from moving. The limited availability of existing homes on the market has resulted in new homes capturing a much larger percentage of the total home sales; however, new home sales are also down year over year.

While most jobs have come back, job losses were significant during the COVID recession with the Nation's unemployment rate going from 3.5 percent in February 2020 to 14.4

percent in April 2020, with the April 2023 National unemployment rate at 3.1 percent (Employment Development Department, not seasonally adjusted). The Congressional Budget Office (“CBO”) Forecast for the U.S. Economy (published February 2023) stated real GDP growth will come to a halt in 2023 then will average 2.4 percent from 2024 to 2027 and then 1.8 percent between 2028 to 2033. The CBO states they expect unemployment rates to rise through early 2024 reflecting the slowdown in economic growth. In summation, for 2023 the CBO projects stagnant output, rising unemployment, gradually slowing inflation and interest rates to remain at or above their current levels. They believe that in 2023 non-interest spending will substantially exceed revenues with rising interest rates driving up the cost of borrowing which results in the government debt steadily increasing. Over the long term, they suggest changes in fiscal policy to address the rising costs of interest and mitigate other adverse consequences of high and rising debt.

The unemployment rate for the MSA was estimated at 4.1 percent (as of April 2023 per the Employment Development Department). This reflects a decrease from the peak during the Great Recession of 15.1 percent in 2010 and a decrease from the peak during COVID of 14.9 percent. As of April 2023, Riverside County’s unemployment rate was 4.1 and San Bernardino County also had a 4.1 percent unemployment rate. The current unemployment rate for the MSA of 4.1 percent is slightly lower than the California rate at 4.3 percent and higher than the April 2023 National rate of 3.1 percent. Below is a table comparing Riverside County’s unemployment rate to the unemployment rates of the surrounding counties as of April 2023.

Jurisdiction	As of	Unemployment Rate*
Los Angeles County	Apr-2023	4.5%
Riverside County	Apr-2023	4.1%
San Bernardino County	Apr-2023	4.1%
Orange County	Apr-2023	3.0%
San Diego County	Apr-2023	3.3%

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

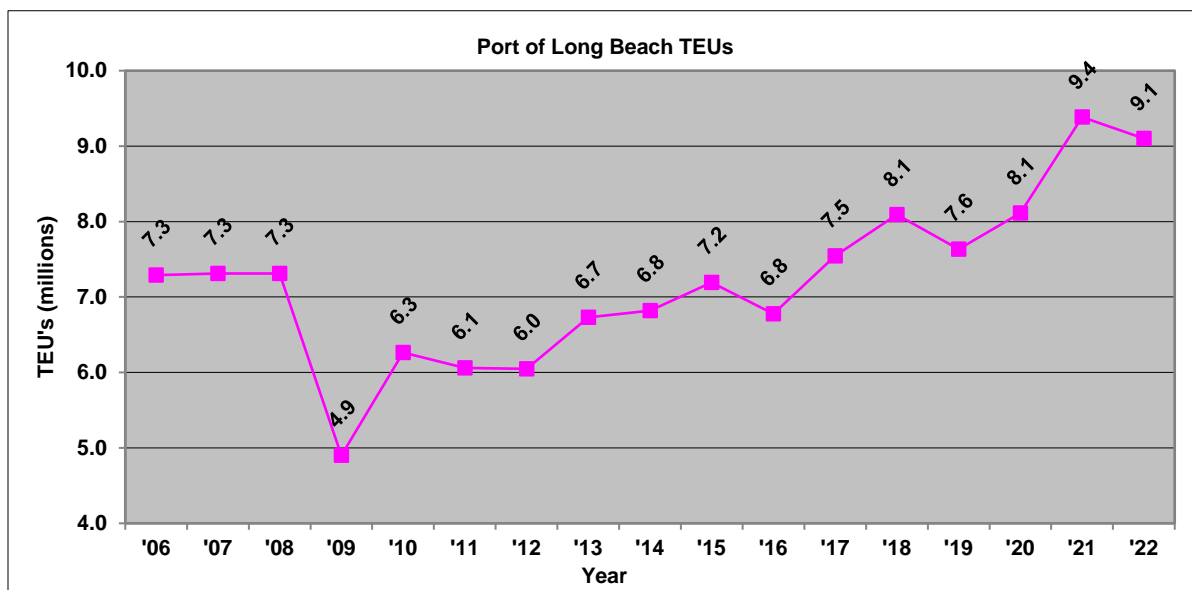
The latest UCLA Anderson Forecast (“Forecast”) was issued March 15, 2023 and stated that the potential action by the Federal Reserve will determine whether the nation

continues to grow or experiences a mild, short-lived recession in 2023. They believe the economy is at a recession-related fork in the road with one path leading to continued economic growth (although slower than the recent 2.4 percent growth rate) and the other would lead to a mild short-lived recession. Whether the economy slips into recession or not will depend largely on inflation stickiness and the additional action the Federal Reserve takes to bring down inflation. The Forecast states that if the Federal Reserve moderates its aggressive tightening, economic growth is expected to slow to 2.3 percent growth in first quarter 2023; 1.8 percent in 2nd quarter and 1.0 percent growth for the second half of 2023. If the Federal Reserve keeps aggressively tightening, a mild recession will occur with the economy contracting beginning in the third quarter 2023 and deepening in the fourth quarter 2023 and the first quarter 2024 followed by the beginning of a rebound. The Forecast states under both scenarios, inflation will still be elevated but will be more persistent in the recession scenario requiring tighter monetary policy. They believe both outcomes will include persistent inflation with the no-recession scenario resulting in lower inflation and thus, more moderate monetary policy.

The UCLA Forecast for California is more positive than the overall Nation due to a strong demand for defense goods, labor saving equipment and software. In the no-recession scenario unemployment rate averages by year are estimated at 4.0 percent for 2023, 3.9 percent for 2024 and 3.6 percent for 2025. In the recession scenario, unemployment rate averages are expected to be 4.3 percent for 2023, 4.8 percent for 2024 and 3.7 percent for 2025. Under both scenarios the California Forecast projects housing permits to grow to 150,000 in 2025 in spite of the higher interest rates. The fact that the California housing market is not overbuilt will offset the decrease in the housing market. Overall, the Forecast believes that California will have a more moderate slowing or, in the case of a recession, a milder downturn than the U.S. overall.

As a final indicator of overall economic activity for the region, we have reviewed the rise and fall of TEUs (Twenty-foot Equivalent Units – i.e., containers) being processed in the local ports. This is especially important for the Inland communities, as it represents much of the growth in development of west coast distribution centers and warehouses in the Inland Empire linked to supply-chain nodes in the Pacific Rim. The chart below shows

TEU activity at the Port of Long Beach. Generally, there has been increases since 2009 with the exception of a slight dip in 2016 and again in 2019 which ended with a 5.6 percent downturn. The 2022 calendar year saw a decrease of 2.6 percent from the previous year. April 2023 was running 20 percent below April of 2022 (656,049 versus 820,718 total TEUs). It should be noted that Spring 2022 was a time when the back-up at the ports was still occurring due to supply chain issues. Per the Orange County Register (“Lack of product demand hurts drivers,” October 31, 2022) consumer demand cooled in mid-2022 leaving fewer TEUs needing to be driven from the ports. They are stating shipments have slowed due to American demand finally waning after the pandemic coupled with some major retailers bypassing the California ports for East Coast ports to avoid a possible upheaval by West Coast dockworkers as they negotiate a new contract. It appears that the slowdown in work for the dray operators (drivers who ship containers in and out of the ports) may be resulting from a slowdown in overall TEU demand.



Government

A Board of Supervisors oversees the County as the governing body of the County, certain County special districts, and the County Housing Authority. The Supervisors enact ordinances and resolutions, adopt the annual budget, approve contracts, and appropriate funds, determine land use zoning for unincorporated areas, and appoint certain County

officers and members of various boards and commissions. The Board of Supervisors is elected from five different districts within the County.

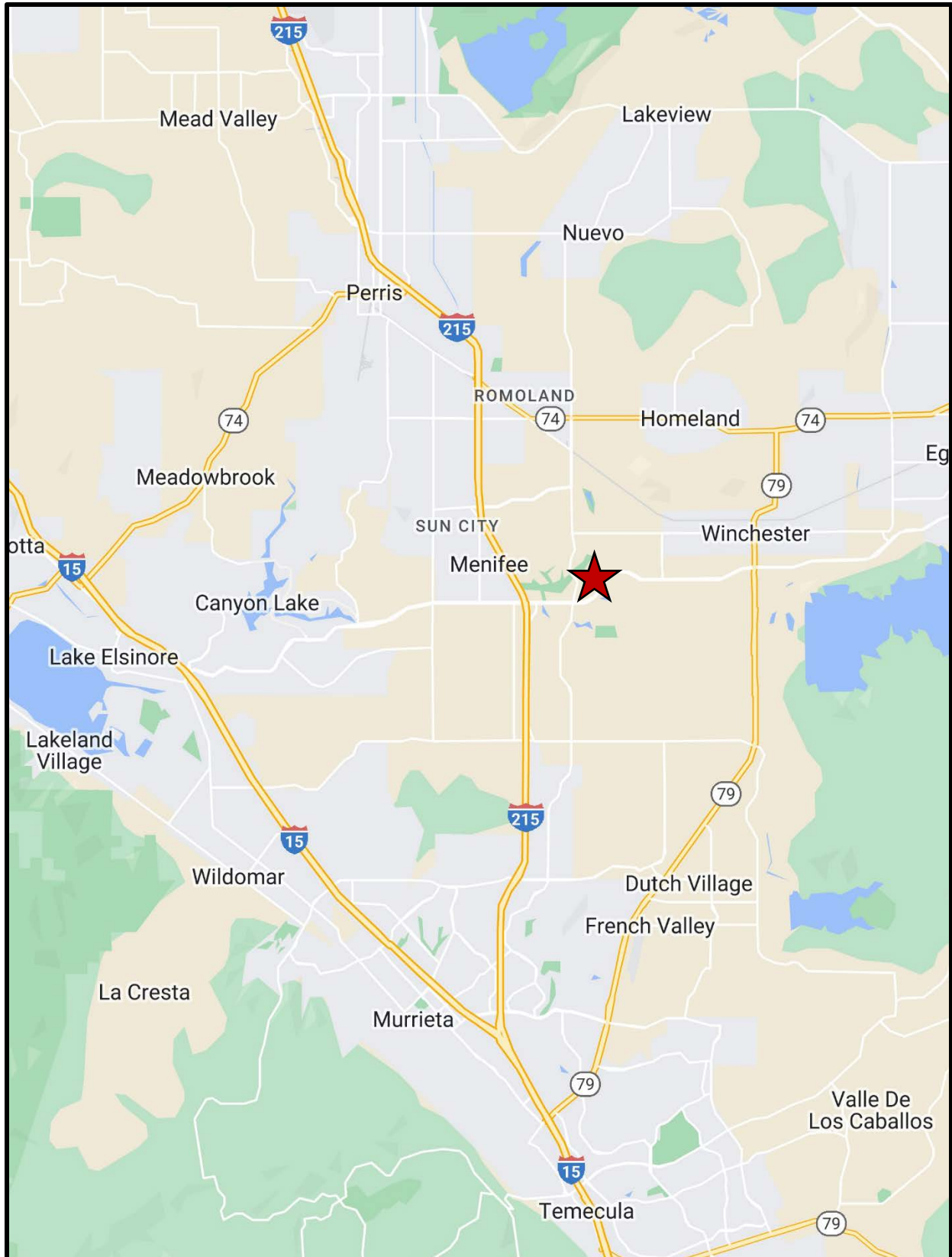
Education

Menifee Union School District (TK through 8th) and the Perris Union High School District (9th through 12th) serve the subject area. The Menifee Union School District operates one preschool, eleven elementary schools and three middle schools. Perris Union High School District covers a larger area than Menifee and operates four high schools, three alternative high schools and one alternative middle school to serve the greater Perris area including Menifee. Higher education is available within an hour's drive at the University of California campuses at Riverside and Irvine or California State University campuses in San Bernardino, San Marcos, Fullerton, and Pomona along with several additional private colleges. The closest community college is Mt. San Jacinto College.

Conclusion

Population in the County has increased over the past 30 years with predictions for continued population growth even though the State is reported to be losing population. The Nation's economy has been slowing after the Board increased the FRR five percent to fight historical inflation which began during COVID. One bright spot during COVID was housing with the region's relative affordability and low interest rates, coupled with the rising prices in the coastal market and the need for new housing, set up a new housing boom. Current concerns for the Inland Empire economy include stubborn inflation, the high prices of homes, higher interest rates, supply chain issues, recent bank failures along with the Russian invasion of Ukraine, which are all creating volatility in both local and global financial markets. A possible light recession is forecast for later this year. What effect the recent bank failures will have on the economy is unknown at this time. In conclusion, the County is expected to continue to grow in population due to its Southern California location, the availability of land and the relatively lower land and housing prices in comparison to adjacent Orange, Los Angeles, and San Diego Counties.

MENIFEE AREA MAP



CITY OF MENIFEE DESCRIPTION

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

In the 1960s, early development of the Menifee Valley began when the concept of an active retirement community was envisioned for Sun City. Since that time the Menifee Valley has grown substantially. At incorporation in 2008, the City of Menifee had a total population of 60,000 residents. The Menifee Valley includes some portions of Romoland that are not included within the city limits. Although this area currently serves as a bedroom community for the workforces of North San Diego County, Temecula, Riverside, Corona and Orange County, economic development groups are in the process of recruiting future quality employers to relocate in the Menifee Valley. There have been several new commercial developments on the I-215 corridor south of McCall Boulevard including major shopping centers at the Newport Road off ramp, the Menifee Town Center west of the off ramp and an additional shopping center at Clinton Keith Road. Per the City of Menifee Economic Development website, there are 28 commercial projects under active construction and an additional 17 commercial projects either under review or in the plan review process.

Between 1990 and 2003, there was an extraordinary growth rate of 48 percent in the community of Menifee. The population is estimated at 106,627 as of January 2022 per the Department of Finance (most recent available), representing a growth of 2.9 percent year-over-year. This compares to the Riverside County past year's growth of 0.28 percent from July 2021 to July 2022. The City's higher growth rate than the County is due to the wide expanses of land available for development within the City, and because of the

planned communities such as Audie Murphy Ranch (recently built-out), Banner Park (subject), Quartz Ranch, Shadow Mountain, future development Legado (near I-215 and McCall) and Remington Place (recently sold out), as well as single new home tracts.

In the past 15 years Menifee has had exceptional growth in the commercial and retail sector. Prior to the Great Recession several shopping centers were either constructed or planned. Included are the Town Center Marketplace, which is anchored by Aldi Market, Pet Smart and several national restaurants (located at the southwest corner of Haun and Newport Roads), and the popular Menifee Countryside Marketplace, which is anchored by Target, Lowe's, Kohls, Ulta, TJ Maxx, Best Buy and Home Goods along with numerous restaurants (located at the southeast corner of Haun and Newport Roads). The Town Center Specific Plan ("TCSP") includes 170-acres of mixed use with a proposed City Hall, a Fairfield Inn & Suites by Marriott on Town Center Drive, along with several recently closed out new home neighborhoods including: Camden Place by Taylor Morrison; The Townes; Union Place and The Village by Lennar; and Artesa, a large upscale apartment project. Prior to the COVID pandemic shutdowns, the Krikorian theaters were under construction within TCSP along with a Krikorian retail center planned adjacent to the theaters. However, the shutdown of the economy stopped construction. The theater has been caught in litigation for three years with contractor lawsuits. Aside from the Krikorian theater, other new commercial development is back underway with both Center Pointe (retail northwest of the theaters) and Menifee Plaza (retail northeast of theaters), which front Newport Road, opening. Along the north side of Newport at Haun Road is a newer commercial area that houses the Menifee Union School District's administration building, the existing City Hall, a Post Office, and several national chain restaurants.

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

Access to Diamond Valley Lake is via Newport Road, which becomes Domenigoni Parkway east of I-215, and State Route 79, which was completed in 2008.

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

As discussed under the economy section under County of Riverside Area Description, new home sales had prospered during the COVID pandemic and Menifee is no exception. Per the June 4, 2023, Ryness Report (a new home sales tracking and research company), there are 49 new home projects currently selling in the South Riverside submarket with 27 of the 47 new home projects located in Menifee. The average year to date sales rate per project for the week ending June 4, 2023, in the South Riverside submarket was 4.4 homes per month which is similar to the average 2021 sales rate per project was 4.3 sales per month.

In summary, the future growth of Menifee should continue. There are a significant number of new residential projects in Menifee, both currently selling and planned in the area. Housing is less expensive than the Murrieta/Temecula neighboring communities which is attractive to homebuyers as price points are important in today's Inland Empire housing market. Diamond Valley Lake is another asset to the Menifee Valley area. The lower land prices and the availability of land for development combine to make Menifee an excellent candidate for future growth.

IMMEDIATE SURROUNDINGS

The subject property is located in the eastern portion of the City of Menifee, specifically on the north side of Domenigoni Parkway at Lindenberger Road. Access into the community is considered to be very good via I-215 (nearest highway) and is also possible via I-15. Banner Park is surrounded by existing residential homes to the immediate north, west, and south, and vacant lands to the east, northeast, and southeast. Past the existing residential lands to the west is the Menifee Lakes Country Club and Golf Course while to the southwest is the newer area of Menifee Lakes which was built in the 2000s. To the south and southeast past the vacant lands adjacent to the subject is the Tierra Shores residential community, which is centered around a small lake. Past the vacant lands to the east is a recently closed out new home community known as Winchester Ridge, built, and sold by D.R. Horton. The subject's vicinity is home to several actively selling new housing developments, as northeast up Leon Road is KB Home's Olivebrook, and further east on Domenigoni Parkway is TriPointe's Outlook community followed by Lennar at Prairie Crossing. Southwest of the subject, past some vacant lands and existing residential, is the Menifee Lakes with surrounding residential community along with the new, currently selling Rockport Ranch by Lennar. Banner Park's main entrance is off of Domenigoni Parkway via Lindenberger Road, and the secondary future entrance will be via Falcon Hill Drive from Olive Avenue, on the northern portion of the subject.

The immediate surrounding existing residential homes to the north and west of the subject were built in the early-2000s, and some of them with golf course frontage. The subject is served by Menifee Union School District and Perris Union High School District. Banner Park residents will attend: Heritage High School (about three miles north of the subject), Hans Christensen Middle School (three miles northwest of subject) and Southshore Elementary School (1.5 miles south of the subject).

Shopping is easily accessible to the community. Approximately one-quarter mile west on Newport Road is The Shoppes at the Lakes, a neighborhood center anchored by Stater Brothers. Within two miles at the I-215 and Newport Road intersection, which houses the Menifee Countryside Marketplace, Menifee Town Center, and Menifee Lakes Plaza.

Menifee Town Center (at the southeast corner of Newport Road and I-215) includes a Ralphs Grocery Store, Dollar Tree, Living Spaces, Ross Dress for Less, Shell Gas Station and a multitude of dining options. Menifee Lakes Plaza (northeast corner of Newport Road and I-215) is anchored by an LA Fitness and includes a smaller neighborhood market (Barons Market), a salon, Raising Cane's Chicken Fingers, The Coffee Bean and Tea Leaf, Blaze Pizza and more. On the west side of the I-215 at the southwest corner of Newport Road and I-215 is Menifee Countryside Marketplace which includes Target, Lowes Home Improvement, Kohl's Best Buy, Boot Barn, and a wide selection of dining options. Approximately 11 miles south of the subject is Promenade Temecula, a major shopping mall anchored by Macy's and JC Penney. The mall is located off I-15 near the intersection of where the I-15 and the I-215 merge. In addition to shopping and entertainment, the subject is approximately six miles northeast of the Loma Linda University Medical Center.

CITY OF MENIFEE CFD NO. 2021-1

We have reviewed the Community Facilities District Report for the City of Menifee CFD No. 2021-1 (Banner Park) prepared by Spicer Consulting Group dated June 2, 2021 ("Report"). Per the Report the subject property is identified as Menifee CFD No. 2021-1 and includes 80.58 gross acres (the recorded tract map shows an engineered 76.44 gross acres which is what is used in this report) proposed for 256 single family detached homes. Per the Report the Community Facilities District may pay for facilities which may include all amounts necessary to eliminate any fixed special assessment liens or to pay, repay, or defease any obligation to pay or any indebtedness secured by any tax, fee, charge or assessment levied, provide for the purchase, construction, expansion or rehabilitation for any real or other tangible property with an estimated useful life of five years or longer, which is necessary to meet increased demands placed upon local agencies as a result of development and/or rehabilitation occurring within Menifee CFD No. 2021-1.

The types of facilities to be financed with the proceeds of special taxes and bonds issued by CFD No. 2021-1 consist of the construction, purchase, modification, expansion, rehabilitation and/or improvement of (1) park, roadway, traffic, administration and general government facilities, fire and safety, law enforcement and other public facilities of the City, including the foregoing public facilities which are included in the City's fee programs with respect to such facilities and authorized to be financed under the Mello-Roos Community Facilities Act of 1982, as amended (the "City Facilities"); (ii) water and sewer facilities of Eastern Municipal Water District ("EMWD") including, without limitation , the acquisition of capacity in the sewer system and/or water system of EMWD and facilities including EMWD water and sewer capacity and connection fee programs (the "Water District Facilities"); (iii) interim and permanent school facilities of Menifee Union School District, including classrooms, multi-purpose facilities, administration and auxiliary space at school facilities, athletic fields, playgrounds and recreational facilities and improvements thereto, landscaping, access roadways, drainage, sidewalks and gutters and utility lines, furniture, equipment and technology, including technology upgrades and mobile devices and infrastructure therefore, with a useful life of at least five years at such school facilities (the "School Facilities"); and (iv) electrical utility undergrounding and dry utilities (the "Utilities") (and together, with the City Facilities, Water Facilities and School

Facilities, the “Facilities”), and all appurtenances and appurtenant work in connection with the foregoing Facilities, including the cost of engineering, planning, designing, materials testing, coordination, construction staking, construction management and supervision for such Facilities. In addition, Incidental Expenses to be paid from bond proceeds and/or special taxes include (a) the cost of engineering, planning and designing the Facilities; and (b) all costs to form the District, issuance of the bonds , the determination of the amount of special taxes to be levied and costs otherwise incurred in order to carry out the authorized purposes of the District; and (c) any other expenses incidental to the construction acquisition, modification, rehabilitation, completion and inspection of the Facilities. The cost estimate of facilities including incidental expenses, to be financed through the issuance of CFD No. 2021-1 Bonds is estimated to be \$10,748,819 based on 2021-22 current year dollars. The costs are estimated as follows:

Description	Est. Eligible Costs	Bond Allocation
City of Menifee Fees		
Law Enforcement	\$59,136	\$59,136
Fire Facilities	\$157,184	\$157,184
Circulation	\$1,195,520	\$1,195,520
General Government	\$261,376	\$261,376
Public Use Facilities	\$39,424	\$39,424
Parks – Land	\$55,040	\$55,040
Parks – Improvements	\$169,216	\$169,216
City Facilities	\$387,379	\$387,379
Subtotal – City of Menifee Fees	\$2,324,275	\$2,324,275
City of Menifee Facilities		
Backbone Street Improvements	\$699,324	\$699,324
Intract Street Improvements	\$1,584,539	\$1,584,539
Tract/Intract Storm Drain Improvements	\$1,640,205	\$1,246,527
City 5-Acre Park	\$1,500,000	\$0
Dry Utilities	\$653,154	\$0
Subtotal City of Menifee Facilities	\$6,077,222	\$3,531,044
Eastern Municipal Water District		
Sewer Financial Participation Charge	\$745,984	\$745,984
Sewer Treatment Plant Capacity Fee	\$1,520,128	\$1,520,128
Water Financial Participation Fee	\$1,408,256	\$1,408,256
Water Supply Development Fee	\$76,800	\$76,800
1" Meter Drop-In Fee	\$96,512	\$96,512
Irrigation Meter Drop-In Fee	\$149,820	\$149,820
Total Eastern Municipal Water District	\$3,997,500	\$3,997,500
Menifee Union School District		
School Fees	\$896,000	\$896,000
Total Eligible Fees/Improvements	\$13,294,997	\$10,748,819
Incidental Financing Costs		\$1,776,181
Total Funded by Bond Proceeds		\$12,525,000
Total Fees/Improvements Funded by Developer		\$2,546,178

The difference between the eligible costs and the bond proceeds will be paid by the developer.

It should be noted that the above cost estimate was per the CFD Report and based on 2021/2022 current dollars and amounts were allocated based upon estimated bond sizing and may change based upon market conditions at the time of bond issuance.

The Menifee CFD No. 2021-1 bonds are anticipated to be sold in two series. The first series was sold in October 2022 in the amount of \$5,307,165.85. This appraisal is for the second series of bonds. Per the current sources and uses of funds (dated July 5, 2023), the bond par amount is estimated at \$6,325,000 and a net premium of \$17,851 with \$5,508,505 in project fund deposits, \$548,958 in debt service reserve fund and \$285,388 in cost of issuance and underwriter's discount (all amounts subject to change).

A copy of the Menifee CFD No. 2021-1 boundary map is located in the Addenda for your review.

SUBJECT PROPERTY DESCRIPTION

The subject property consists of 256 proposed single-family homes being developed into the community known as Banner Park. There are three product lines within Banner Park: Merit, Heritage and Crest. Each product line is mixed throughout the entire community, which spans two tract maps. Banner Park in its entirety is described below, and the site plan below shows each product line distinguished by various colors.



Location: Northwest side of Domenigoni Parkway at Lindenberger Road, City of Menifee, California.

Legal Description: Lots 1-124 of Tract 32102 and Lots 1-132 of Tract 32102-1 located in City of Menifee, County of Riverside, California.

Owner of Record: Individual owners as to Lots 1-27, 55-64, 66-79, 88-124 of Tract 32102; Lots 1-115 of Tract 32102-1, and Pulte Homes as to all remaining lots.

Three-Year Sales History: Pulte Home Company, LLC purchased the subject property from Diamond Brothers Five Partnership, LP for \$9,200,000 per public record. The site was undeveloped with a final map recorded at the time of sale. The sale closed in three takedowns: November 19, 2020, for the first 86 lots, November 17, 2021 for the second takedown of 85 lots, and July 1, 2022 for the third takedown of 85

lots. Out of the total 256 homes, 203 have closed escrow to individual homeowners with closing dates between December 27, 2021 and May 17, 2023.

**Assessor's Parcel
Numbers:**

340-630-001 through -009; 340-631-001 through -034; 340-640-001 through -028; 340-641-001 through -019; 340-650-001 through -034; 340-651-001 through -008; 340-660-001 through -040; 340-661-001 through -034; 340-670-001 through -006; 340-671-001 through -044.

Property Taxes:

We have reviewed 2022 property taxes (most recent available per the County Assessor's website) on a sample property within Banner Park (APN 340-631-029). The property has an assessed value of \$697,307 and the total property taxes are \$12,451.50. Included in the total tax amount is the basic levy of \$6,973.07, MUSD Debt Service of \$432.60, Perris Union High School Debt Service of \$617.74, City of Menifee CFD 2021-1 charges of \$3,112.02 along with \$741.66 for maintenance services along with miscellaneous charges of \$574.61. This equates to an overall tax rate of 1.79 percent based on assessed value.

Flood Zone:

Per the County of Riverside a flood plain review is not required. Per FEMA the subject is located on Map Number 06065C2060H dated August 18, 2014 and is within Zone X – outside of the 0.2 percent annual chance floodplain.

Size and Shape:

The subject property is roughly triangular in shaped and contains 76.44 gross acres and 56.119 net acres per Tract Maps 32102 and 32102-1. The differences in gross versus net acres is due to a community park site (Lot 136 32102-1 which encompasses 4.859 acres) and several large open space sites which include natural drainage (Lots 133, 137, 138 and 141 of Tract 32102-1 totaling 5.53 acres) along with smaller open space areas, set-back areas, and internal streets within both tract maps. It should be noted that the open space and park acreage, while located within Menifee CFD No. 2101-1, will not be taxed, and thus are not included in this valuation.

Zoning:

Per the City of Menifee Zoning Map, the subject property is shown as SP Zone which refers to the Menifee Village Specific Plan. Per the Menifee Specific Plan No. 158 Amendment No. 5, which was adopted January 11, 2005, the subject is known as Planning Areas 4-1 and 4-2 which are both designated for medium density residential (allows for 2-5 dwelling units per acre) and a maximum of 269 units.

Entitlements:

The subject property is covered by two tract maps: 32102 and 32102-1. Tract No. 32102 was recorded September 30, 2020, and subdivides 32.81 acres into 124 single family detached lots with a minimum lot size of 6,000 square feet. Tract No. 32102-1 was also recorded on September 30, 2020, and subdivides 43.63 gross acres

into 132 single family detached lots with a minimum lot size of 6,000 square feet, as well as open space lots and a park site. Copies of the Tract Maps are located within the Addenda of this report.

The recorded tract maps allow for 256 single family detached lots on the 76.44 gross acres which equates to 3.3 dwelling units per acre, within the allowed zoning requirement.

Topography: The topography is generally flat, and currently the subject property is at street level of the surrounding streets. The lands have been developed into single-family detached lots. Drainage appears to be within an engineered street drainage system with additional drainage throughout the open space and park site within the Tract Map.

Soils Condition: We have reviewed an Update Geotechnical Report for Tract 32102 prepared by Leighton and Associates, Inc. and dated April 29, 2020. The report concludes that, in their opinion, the overall site appears suitable for the intended use provided their recommendations are properly incorporated during the design and construction phases of development. It is an assumption in this report that the soil is adequate to support the highest and best use conclusion and that all recommendations made within the soil's reports were adhered to during construction. This is supported by existing development on the subject lands.

Seismic Conditions: It is our assumption that the property is not located within the Alquist Priolo Earthquake Study Zone.

Environmental Concerns: We have not received any environmental reports on the subject property. This appraisal assumes that there are no environmental issues that would slow or thwart development of the site. This is supported by existing development on the subject lands which were overseen by City inspectors.

Cal Fire Hazard Designation: A portion of the subject property is in a very high fire zone (VHFZ) per Cal Fire's Fire Resource Assessment Program. Within the VHFZ some additions to the roof and window construction were needed. Per Pulte representatives, this was not an issue with workmanship, it was a mild spec difference on the roof underlayment for homes within the VHFZ versus not within the VHFZ. This affected about 60 homes within Banner Park. Pulte has completed the retrofit on all of the windows and is now completing the retrofit on the roofs on the affected homes. A portion of the map showing the subject area is shown in the Addenda.

Easements/ Encumbrances: We have reviewed a Preliminary Title Report prepared by First American Title Company as Order No. 5049088-A dated July 8, 2022, which covers Tract 32102-1. The report is summarized below

and had the following exceptions.

Item Nos. 1 through 5 pertains to property taxes and special assessments on the property including CFD 2017-1 (City maintenance CFD) and CFD 2021-1 (subject CFD). Item Nos. 6, 7, 14 thru 19, 25 through 27 and 30, 31 and 33 refer to easements on the site. Item No. 8 states the property is within the Santa Ana Watershed Benefit Assessment Area. Item No. 9 refers to the School Mitigation Agreement. Item No. 10 is in regard to a Memorandum of Agreement and two substitutions. Item No. 11 refers to the Water Quality Management Plan on the site. Item No. 12 pertains to matters shown or disclosed by Tract Map 32102-1 stating Lot 136 is a park, lots 133-135 and 137 – 145 are open space and an easement on Lot 65 for maintenance purposes. Item No. 13 refers to abutters' rights to surrounding streets. Item Nos. 20 and 21 refer to the environmental constraint notes on the Tract Map. Item No. 22 is in regard to the Agreement for water service. Item Nos. 23 and 24 refer to the effect of two documents (Resolution No. 2021-064 and 065) which annexed two parcels of land within Improvement District No. U-35 of EMWD (not shown on title report). Item No. 28. Pertains to the CC & Rs recorded on the property. Item No. 29 refers to the Master Dispute Resolution Declaration recorded on the property. Item Nos. 32 and 34 refer to Easements, Covenants and Conditions contained in the deed from Pulte Home Company to Banner Park Community Association. Item No. 35 refers to the rights of the public in any portion of land lying within a road, street, alley or highway. Item No. 36 refers to water rights.

It is an assumption in this report that the subject property is free and clear of any liens and/or encumbrances with the exception of Menifee CFD No. 2021-1 and the other aforementioned special assessments.

Utilities:

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

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

Streets/Access:

There are various access routes to the subject property via I-215 or via I-15, although I-215 is much closer to the subject. From I-215, head east on Newport Road approximately two miles to Lindenberger Road. Newport Road turns into Domenigoni Parkway west of the subject. Banner Park is accessible from Domenigoni Parkway via Lindenberger Road. The site sits on the north side of Domenigoni Parkway and on both sides of Lindenberger Road. The models are located near the Lindenberger Road entrance to the community on Laurel Court (north of Falcon Hill Drive). From I-15, head east on Railroad Canyon Road (turns into Newport Road at City

limits, and then into Domenigoni Parkway east of I-215) to Lindenberger Road (approximately ten miles).

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

I-15 is a major north/south freeway, which provides access to both international borders with Mexico and Canada.

Newport Road is a major commercial arterial through the City of Menifee with on/off ramps to I-215. West of the Freeway at the City limits Newport Road becomes Railroad Canyon Road providing access into the Cities of Canyon Lake and Lake Elsinore. East of the Freeway Newport Road becomes Domenigoni Parkway and provides access into the area of Hemet and to Diamond Valley Lake, a large reservoir in Riverside County.

Lindenberger Road is a small north/south road that starts at Domenigoni Parkway (at the subject) and goes north, providing access through residential neighborhoods and into the Heritage Lake neighborhood.

Internal streets within Banner Park include: Lindenberger Road, Bayberry Street, Bolivian Circle, Blueridge Court, Falcon Hill Drive, Laurel Court, Juniper Court, Canary Wood Court, Purpleheart Court, Pumpwood Court, Incense Court, Mangrove Circle, Whitewood Street, Chestnut Street, Twinberry Circle, Crape Myrtle Street and Tulipwood Street.

Current Condition: The subject property has been developed into 256 single-family lots with a minimum lot size of 6,000 square feet. The lots are in a finished condition with streets complete and utilities stubbed to each lot. There are 203 completed homes owned by individuals, 25 homes over 95 percent complete (including the six models), 25 homes under construction (less than 95 percent complete) and three finished lots.

Costs: Per Pulte representatives, there are \$4,734,000 in remaining land development costs and fees which are net of CFD reimbursements. These costs include remaining, grading, sewer/water/storm drain, final cap in-tract streets/sidewalks, offsite street, parks, landscaping/walls-/common areas, utilities, consultants, and remaining fees. These are associated with the Pulte owned property only which equates to \$89,320.75 per lot (\$4,734,000 divided by 53 builder-owned homes and lots). These remaining land development costs will be considered in the valuation section later within the report.

HOA Amounts: Per Pulte representatives, the monthly HOA is expected to be \$79 per month at build out.

Improvement
Description:

Tracts 32102 and 32102-1 are being marketed as Banner Park by Pulte Homes. Banner Park features three product lines, which are dispersed throughout the two tracts: Heritage, Merit and Crest. All three product lines at Banner Park grand opened July of 2021 and each product line includes three floor plans for a total of nine floor plans within the subject. The nine floor plans range in size from 2,191 to 3,237 square feet, and feature one to two stories and two- to three-car garages. Two of the plans are considered to be “next generation” homes which include a separate living area for a multi-generational family. The home exteriors feature front yard landscaping with sprinkler timer, Schlage front door hardware with a 6-panel front entry door, two hose bibs and a rain diverter at the entry. Interiors include vinyl and carpet flooring throughout, bullnose corners, two-panel interior doors, prewiring for ceiling fans at owner’s suite, loft (per plan), family room and patios. Programmable wifi-enabled thermostats, tankless water heaters, high performance windows, and energy efficient gas furnaces are also included, with solar system prewiring (panel size per plan, standard lease with option to purchase). Gourmet kitchens include maple style cabinetry in two stain color choices, slab granite countertops with 6-inch backsplash, Whirlpool stainless steel appliances, undermount stainless steel sinks, eat in-islands and walk in pantries (per plan). The owner’s suites include walk in closets, dual sinks and separate soaking tubs and showers. Pulte advertises their Smart Home Technology which includes two port outlets with one CAT6 and one RG6 outlet in family rooms, prewiring for future wireless access points, and USB outlets in the kitchen. All homes appear to be in excellent condition with no visible depreciation.

We have reviewed sales information from the builder which included 247 sales, with 203 home closings from December 2, 2021, through May 17, 2023. Actual closed sales prices have ranged from \$532,690 to \$802,051. Per our review of the local Multiple Listing Service, there was one resale of a home within Banner Park and per our inspection there were no homes listed for resale. Original base pricing at grand opening in July of 2021 ranged from \$535,990 to \$619,990, while the latest base sales prices range from \$553,990 to \$645,990. The houses which are over 95 percent complete are detailed on the following page.

Banner Park by Pulte Homes					
Plan	Bd/Ba	Floors/ Parking	Sq. Ft.	Ind. Owned	Bldr. Owned
Heritage Plan 1 (H1)	3 / 2	1 / 2	2,191	29	3*
Heritage Plan 2 (H2)	3 / 2.5	1 / 2	2,311	20	0
Heritage Plan 3 (H3)	3 / 2.5	1 / 3	2,462	21	1*
Merit Plan 1 (M1)	4 / 2.5	2 / 2	2,391	18	3*
Merit Plan 2 (M2)	4 / 2.5	2 / 2	2,654	17	1
Merit Plan 3 (M3)	5 / 3	2 / 2	2,824	29	2*
Crest Plan 1 (C1)	4 / 2.5	2 / 3	2,845	17	5*
Crest Plan 2 NG (C2)	5 / 3.5	2 / 3	3,047	23	5*
Crest Plan 3 NG (C3)	5 / 3.5	2 / 3	3,237	<u>29</u>	<u>5*</u>
Total				203	25

*One of each plan is a model home. In addition to the above there are 25 homes under construction (less than 95 percent complete) and three additional finished lots. "NG" stands for next generation home with separate quarters for a multi-generational family.

RIVERSIDE COUNTY HOUSING MARKET

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

Population

The County population grew at a 0.28 percent increase between July 2021 and July 2022 (per the Department of Finance). This compares to an average annual growth rate over the past ten years of about 0.9 percent, and an average annual growth rate of approximately 2.5 percent for the previous eighteen-year period. The slowdown in population growth is similar to other Southern California counties during this time period and is thought to be due to the Great Recession and the disruption from COVID. Predictions are for the County to grow at an average annual rate of 1.5 percent over the next eight years. This equates to an increase of approximately 36,000 residents per year, suggesting the need for about 10,000 homes per year within the County. The COVID influence is still unknown on the County's population growth. New home sales in most cities in the County in 2020 through 2022 were higher than the coastal communities due to affordability, the work from home factor, and the fact that millennials are finally entering the housing market. These factors may increase actual County population growth in 2023.

Economic Conditions

Over the past twenty-five years the Inland Empire has seen various cycles in the housing market. The Great Recession impacted the Inland Empire significantly and resulted in a longer recovery period than that of other Southern California regions. The rise and then fall of housing prices in the Inland Empire between 2004 and 2009 was considerably steeper than almost anywhere in the State. Unfortunately, this meant that the people who bought near the peak of the market likely faced significant negative equity. After essentially remaining flat for a few years, housing prices began to increase in late 2012 through January 2020. Once the COVID pandemic hit in March 2020, the economy entered what is now known as the COVID Recession. The housing market slowed down significantly early on, but by May 2020, new homes were going under contract and selling at well above average absorption rates from May 2020 through Spring of 2022 in the

region. Since May 2022, the new home market has seen a slowdown in absorption rates due to the increasing interest rates, the high prices of homes, and the high rate of inflation which is shaking consumer confidence.

Economic growth in the Inland Empire was strong generally between 2015 (after the Great Recession), and until the economic shutdown due to COVID. The second half of 2020 and all of 2021 saw economic growth, however the first two quarters of 2022 saw GDP shrinking while the third and fourth quarters saw minimal growth with the advanced estimate for the year 2022 at 2.1 percent. The most recent unemployment rate for the County is 4.1 percent (per the April 2023 EDD report). The end of 2022 saw lower unemployment rates than the County's pre-COVID unemployment rate in February 2020 of 4.0 percent, however the first quarter of 2023 has shown unemployment rising. While unemployment rates are near historical lows, the inflation factor is significantly affecting the economy.

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

During the COVID recession, new home sales were one of the brightest spots in both the local and national economies. While new home sales slowed in March and April 2020 due to the onset of the COVID pandemic, both sales and prices increased significantly throughout COVID until spring 2022 when interest rate increases began affecting the home-buying market. The rising interest rates alone did not seem to slow sales in Spring

2022. However, a combination of increasing home prices and falling consumer confidence, added to the significant interest rate increases slowed new home sales significantly in late 2022 and the beginning of 2023.

Per the Zonda National Economic and Housing Market Update in May 2023, the rate of growth of new home sales is off from recent highs but up from pre-pandemic numbers which suggests a healthy market. Per their survey of over 300 new-home builders, the builders are stating sales are continuing but report they had to adjust pricing and incentives to “find the market”. In the January 2023 survey, 50 percent of builders surveyed were lowering their prices and the remaining 50 percent stated their pricing was flat. In May, the survey resulted in 40 percent of the builders stating their pricing was flat and 60 percent of builders stating they were increasing pricing. This is a very different dynamic which is partly due to seasonality, partly due to builder’s readjusting concessions (interest rate buy-downs) and partly due to price changes. The larger public homebuilders are typically offering significant rate buy-downs in order to keep absorption rates which is reportedly costing between \$30,000 to \$100,000 in incentives. The builders are attempting to find the “sweet spot” in incentives. Per Zonda a combination of price cuts of between 10-15 percent combined with a rate buy down is obtaining the best results in the marketplace.

Home loan mortgage rates have been and are still playing a huge part in the housing market. The Board held mortgage rates at all-time lows after the Great Recession and again after the COVID Recession in an attempt to assist the housing market’s recovery. Low rates helped home sales during this time. However, first-time buyers are now having a hard time entering the housing market due to rising prices and rising interest rates. Per FRED, the average 30-year fixed mortgage has gone from 2.65 percent in January 2021 to 7.08 percent as in October 2022 with a decrease since then with current rates at 6.69 percent as of June 15, 2023. Mortgage applications had been spiking in late 2020 and 2021 due to the low rates and the fear rates were going to start ticking up, which began happening in March 2022. The Board has increased the rate ten times in the past 15 months which increased the FRR from 0-0.25 percent to 5.00– 5.25 percent. At the latest Board meeting in mid-June, they paused the increases for the month and suggested there

may be additional increases later this year. The FRR increases are supposed to help slow the high inflation rate in the Nation which appears to be occurring as the latest reports are showing inflation in April 2023 at 4.9 percent, down from a high of 9.1 percent in June 2022.

While new home builders slowed production as sales slowed in 2022, the spring of 2023 has brought optimism to builders once again. Sales were up month over month as buyers adjusted to higher mortgage rates and the existing home inventory is at all-time lows. Existing homeowners that are locked into a 3 percent mortgage are not moving up due to the current 6+ percent rates. This is creating a supply issue for existing homes. New home sales are benefiting from this supply issue as in some cases, the only option for homebuyers are new homes. Per Zonda, historically new homes capture 10-13 percent of all home sales; however, due to the limited supply of existing homes currently on the market, new homes are capturing well over 30 percent of all home sales in the Inland Empire.

Residential Land Development

While there had been little land development going on in most of the Inland Empire during the Great Recession years 2008-2011, the second half of 2012 saw a resurgence in the more coveted areas of the Inland Empire. The increase in housing prices since 2012 combined with the limited availability of supply made land development feasible once again for homebuilders. It is thought that the increase in regulations, which has significantly increased the timeline for processing entitlements, has limited the master developers' further entitlement of developable land in California. While prior to the recession it was not unusual to see numerous large master-planned communities selling lots to builders, there are few currently available in the subject area. The majority of land sales over the past few years include single tracts of land with maps ready to record or a public builder buying a larger piece of land but develops the land for its own use, such as Banner Park by Pulte (the subject), Cimarron Ridge by Pulte, Quartz Ranch by Lennar or Rockport Ranch by Lennar, all located in Menifee.

Land sales in the Inland Empire slowly grew from 2012 up to a peak in 2017, with 2018 and 2019 showing lower land transactions. Once home sales exploded in May 2020, land sales followed with a significant number of residential land sales to builders in the Inland Empire during the second half of 2020 and throughout 2021. In late 2021 and early 2022, prior to the FRR increases, builders were paying significantly more for residential land that was ready to develop as demand was up and supply was shrinking. The beginning of 2022 continued with strong residential land sales until May when sales began to fall sharply. According to Zonda's survey of builders regarding residential land purchases, as of January 2023 only 2 percent of builders surveyed were "full steam ahead", almost 40 percent were pausing transactions or bidding lower on land transactions. As of March 2023, these percentages have changed drastically with 13 percent stating they are going "full steam ahead" and 62 percent moving "cautiously forward". The increase in optimism from new home builders outlook since January is partially due to the extreme slowdown of existing home inventory.

New Home Sales and Pricing

We have researched new single-family homes within the subject's market in order to reflect residential trends. It should be noted these sales numbers and prices pertain to new home sales while later in this section we discuss existing home sales. In reviewing new home sales in the Inland Empire market area, per the June 4, 2023, Ryness Report, the year-to-date average sales rate (4.1 sales per month) is approximately 19 percent lower than the same time period of the previous year (5.1 sales per month). New home sales rates started to level off in late Spring 2022, likely due to the increase in mortgage interest rates. As rates go down, purchasing power becomes larger, which gives new home buying a boost. However, the flip side is that as interest rates rise, purchasing power becomes lower and therefore fewer people are able to purchase new homes. Along with home sales comes a demand for appliances, furniture, building materials and services such as insurance, mortgage services, inspections, interior designers, and landscapers, all contributing to the area economy.

When comparing the June 4, 2023, Inland Empire Ryness Report to one year prior, there are 53 additional projects (197 in June 2022 and 250 in June 2023) and sales are nearly

20 percent lower year-to-date than the previous year. This does not appear to be due to limited inventory as there are additional projects, but rather because of an actual slowdown in sales activity, likely due to the increase in interest rates. It should be noted that current sales rates are being compared to early 2022, which was a hugely successful time for the housing market, prior to the shifting market of Spring of 2022. To put this in perspective, when comparing year to date average new home sales from June 2022 to June 2023, average sales numbers in the Inland Empire are down 19 percent (per the Ryness Report dated June 4, 2023); however, when comparing average new home sales from 2019 (prior to the pandemic) to June 2023, sales are actually a little stronger (3.5 sales per month per project average in 2019 versus 4.1 sales per month year-to-date average in June 2023). This increase over 2019 suggests new home buyers can weather the higher mortgage rates.

New single-family home pricing (combines both attached and detached) in the Inland Empire has also seen changes. The median new home price in the Inland Empire changed from the peak value of \$437,200 in the third quarter of 2006 to \$268,155 in early 2009 (decrease of 39 percent) while the current Inland Empire median new home price is \$525,000 which is down from a record high of \$646,000 in July 2022 per Zonda's latest market report (Riverside-San Bernardino-Ontario, CA CBSA April 2023). This reflects an increase of over 95 percent from the bottom of the cycle and an increase of more than 20 percent over its peak during the Great Recession, however a decrease from the 2022 peak of 18.7 percent. In reality this decrease is actually larger as builders are buying down interest rates which costs the builder at times, up to \$100,000, however, the amount is not reflected in the new home sales price. New home sale prices fluctuate based on the land value and competition more than on the cost of building the home. While finishes and sizes of homes can change, the basic costs on a per square foot basis typically do not fluctuate as much as land values, however, there have been inflationary increases in construction costs adding to this increase.

Within our search for the most comparable actively selling new home communities, we searched the subject's city of Menifee as well as neighboring region of Winchester. Because Banner Park is located so close to the eastern boundary of the City of Menifee,

some of the new home communities in Winchester are more comparable to the subject than others located within the city limits. The Menifee/Winchester area is currently home to many actively selling new home communities, thus, we focused on those with the most similar product and that were nearest in proximity to the subject. Our search for similar new home projects to the subject area resulted in fifteen new home projects (including the subject's three product lines) with base pricing ranging from \$469,000 to \$786,740. The subject's most recent base pricing falls within the range, spanning from \$553,990 to \$645,990.

Existing Homes Sales and Pricing

While the previous section looked at new home sales and pricing, this section refers to existing homes in Riverside County. According to the California Association of Realtors' most recent data, within overall Southern California, the median price paid for an existing single-family home in April 2023 (\$785,000) reflects an increase of 1.9 percent from the previous month, but a decrease of 6.2 percent year-over-year from \$837,000 in April 2022. Existing home sales in Southern California overall were down 37.4 percent year-over-year as of April 2023. The overall Southern California numbers compare to Riverside County with \$615,000 as the median price paid for an existing home in the County in April 2023, up 0.5 percent since March 2023, but down 2.4 percent on a year-over-year basis (\$630,000). Sales of existing homes in the County were down 35.5 percent year-over-year due to the limited supply of existing homes along with higher mortgage rates and higher home prices. Below is a table showing the sales and prices for the Southern California area by County per the California Association of Realtors.

Southern California Existing Home Sales						
County	April 2023	March 2023	April 2022	Price MTM % Change	Price YTY % Change	Sales YTY % Change
Los Angeles	\$738,520	\$718,370	\$801,680	2.8%	-7.9%	-37.6%
Orange	\$1,225,000	\$1,250,000	\$1,325,000	-2.0%	-7.5%	-39.7%
Riverside	\$615,000	\$612,000	\$630,000	0.5%	-2.4%	-35.5%
San Bernardino	\$450,000	\$475,000	\$495,000	-5.3%	-9.1%	-37.9%
San Diego	\$930,000	\$915,000	\$975,000	1.6%	-4.6%	-36.9%
Ventura	\$885,500	\$849,000	\$955,000	4.3%	-7.3%	-37.4%
Southern Calif.	\$785,000	\$770,000	\$837,000	1.9%	-6.2%	-37.4%

Source: California Association of Realtors

Based on April 2023 median existing homes prices, in comparison to the majority of the surrounding counties, Riverside County has a definite price advantage. The “Riverside County Advantage” (price difference between Riverside and surrounding counties) is \$123,520 as compared to Los Angeles County, \$270,500 as compared to Ventura County, \$315,000 as compared to San Diego County and \$610,000 as compared to Orange County. That is, in April 2023, the median priced home in Riverside County was \$610,000 less, or almost one-half of the median priced home in Orange County (\$1,225,000). However, San Bernardino County has a \$165,000 price advantage over Riverside County. Typically, as the price advantage widens, homebuyers are more open to commuting to further out areas. With the current work-from-home concept, the suburban areas have seen more growth which put pressure on home prices in the Inland Empire. It is important to note that June of 2022 was the first month where the majority of Southern California counties showed median price decreases from the previous month. And more recently, March 2023 was the first month since summer of 2022 where the majority of Southern California counties are showing median price increases month to month. Most counties were seeing substantial month-to-month median price increases from 2020 to 2022, and the widespread decrease from mid-2022 to early-2023 appears to have been a sign that the market turned, and the pricing run up had come to an end. The increase in pricing beginning in March is thought to be due to limited supply coupled with buyers’ acceptance of higher rates along with builders including rate buy downs along with other concessions.

In a separate attempt to capture the neighborhood specific price changes, the resale activity of existing homes in the subject area has been reviewed. The number of sales and sale prices of existing homes within market areas in the immediate area of the subject are shown in the table on the following page.

ZIP Code/Community Name	Border To Subject	Sales of Homes Apr. 2023	Sales % Change from Apr. 2022	Apr. 2023 Price Median	Price % Change from Apr. 2022	Apr. 2023 PSF Median
92584 (Subject ZIP)	Subject	215	-29.5%	\$580,000	-4.9%	\$273
92586 (Sun City)	North	117	-24.5%	\$365,000	-3.9%	\$302
92587 (Canyon Lake)	Northwest	50	-51.0%	\$620,000	-2.7%	\$303
92532 (Lake Elsinore)	West	67	-44.6%	\$578,182	-3.6%	\$217
92596 (Winchester)	East	146	-4.6%	\$602,327	-6.3%	\$251
92563 (Murrieta Hot Springs)	Southeast	178	-41.8%	\$635,000	-5.2%	\$290
92595 (Wildomar)	Southwest	56	-52.5%	\$601,500	-7.5%	\$264
92562 (Murrieta/La Cresta)	South	179	-45.9%	\$612,000	-4.5%	\$304

Source: Redfin.com Housing Market Trends April 2023

The median home price of a detached resale home in the subject's immediate market area is \$580,000, which is mid-way in the range of average resale detached home prices in the subject's surrounding area. The above price fluctuations from year-to-year relate to the California Association of Realtors overall Riverside County detached home resale price decrease of 2.4 percent year-over-year and 35.5 percent sales decrease from April 2022 to 2023.

Banner Park Sales, Pricing and Competition

Banner Park opened for sale in July 2021 with opening base pricing ranging from \$535,990 to \$619,990. The most recent base pricing at Banner Park ranged from \$553,990 to \$645,990 which suggests appreciation from 2.7 to 6.3 percent in total over the past 23 months, depending on floorplan. Base pricing actually rose higher than what it currently is in the summer of 2022, but came down as interest rates rose and sales softened in late 2022 and early 2023. Actual closed prices, including options, upgrades, and premiums, have ranged from \$532,690 to \$802,051. Within the subject, Pulte has closed 203 homes to individuals between December 27, 2021, and May 17, 2023, with an additional 44 homes in escrow. The total of 247 sales equates to an overall absorption rate of 10.7 sales per month. When looking at each product line individually, the absorption has been as follows: 3.8 sales per month at Heritage, 3.1 sales per month at Merit, and 3.9 sales per month at Crest. These are considered to be average absorption rates for the subject marketplace, but slightly weaker than the Inland Empire's overall average sales rate. According to the Ryness Report dated June 4, 2023, there are currently 49 new home projects in the South Riverside submarket which includes the communities of Winchester, Menifee, Lake Elsinore, and the French Valley. The 49 projects include 27 projects within Menifee, which include the subject three communities. The average absorption rate within the 49 South Riverside communities' year to date per the June 4, 2023, Ryness Report is 4.4 sales per month. The subject sales rates in the 3.1 to 3.9 sales per month range compares slightly lower than the overall average in the area. However, it is interesting to note that the three subject communities essentially compete against each other with a 10.7 total sales rate per month across all projects.

Summary

Riverside County had seen substantial increases in pricing since 2012 with most areas, including the subject, showing astronomical increases from mid-2020 through early 2022. While existing home sales were down when COVID began in spring/early summer 2020, new home sales subsequently shot up due to the existing home market supply being constrained and interest rates hitting all-time lows. In mid-2022 a slowdown in sales occurred as interest rates climbed to upwards of seven percent. Current rates in the mid-six percent range seem to be becoming accepted as builders work through various incentives to keep sales going. The South Riverside new-home submarket is performing slightly stronger than the Inland Empire market as a whole. The subject market area saw an increase in pricing consistent with most of Southern California throughout 2020 and 2021 and appeared to be continuing in the beginning of 2022. The past year has seen sales slow and prices lowering; however, the past couple months have seen new home builders' optimism return as new home absorption is generally increasing. Despite uncertainty hitting the market due to rising interest rates and inflation, most observers agree that the Riverside County housing market is healthy and population growth is still estimated to occur in the area. It is believed that as the population continues to increase, housing growth will also continue, despite a slowdown.

HIGHEST AND BEST USE ANALYSIS

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

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

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

"As If Vacant"

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

Physically Possible Uses

The subject property consists of 76.44 gross acres within two tract maps, located on the north side of Domenigoni Parkway at Lindenberger Road. Domenigoni Parkway is known as Newport Road to the west of the subject and is a heavily traveled east/west arterial road through Menifee with access from both I-15 (Railroad Canyon Road) and I-215. The site has been graded with the subject property developed into 256 single-family detached lots. The site is surrounded by existing residential homes to the north, west and south and vacant lands to the east, northeast and southeast. We have reviewed a soils report on the subject property however we have not received any environmental reports to

⁴ The Appraisal of Real Estate, 11th Edition

review. It is an assumption in this report that the soil is adequate to support the highest and best use conclusion and that there are no environmental issues which would slow or thwart development of the site. This is evidenced by City approvals along with City inspectors on site during construction. An engineered drainage system appears to have been designed to alleviate any potential flooding problems and to control project water runoff. All standard utilities serve the subject property. The site has good access via I-15 to Railroad Canyon Road which turns into Newport Road in the City of Menifee and then into Domenigoni Parkway closer to the subject, and very good access via I-215 to Newport Road/Domenigoni Parkway and east to the subject. There are regional shopping centers within two miles of the subject site.

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

Legality of Use

The subject property is located within the City of Menifee, the entity responsible for land use and zoning regulation. Per the current Zoning Map, the subject properties are shown as SP (Specific Plan). The property is entitled under SP 158 (Menifee Village Specific Plan, Amendment No. 5). Per the current Specific Plan and approved tract maps, the subject property has an allowed 256 residential dwelling units. Recorded Tract Map Nos. 32102 and 32102-1 cover the subject and allow for 256 single-family lots with a minimum lot size of 6,000 square feet. The approved mapping is consistent with the current zoning on the property. Based on the legality of use analysis, the type of development for which the subject property can be utilized is narrowed to residential use. This is consistent with the findings of the physically possible uses.

Feasibility of Development

The third and fourth considerations in the highest and best use analysis are economic in nature, i.e., the use that can be expected to be most profitable. As discussed under the Inland Empire Housing Market section earlier within this report, the residential land market showed strong increases in both sales and pricing in 2020 and 2021, while the second

half of 2022 and the beginning of 2023 saw a slowdown in sales as interest rates have risen substantially. The last couple months have seen builders' optimism return as sales continue in the new housing projects.

Within Menifee CFD No. 2021-1, out of 256 proposed houses, there have been 247 home sales including 203 home closings. All structures appear to be in excellent condition with no physical depreciation apparent. Within the new home market in Menifee and Winchester, we found 15 projects (including the subject's three product lines) to be comparable to the subject property. Until recently, homebuilding had not been able to keep up with the demand during COVID due to the low interest rates, millennials entering the home buying market and the work from home factor all adding to the demand. However, the recent rise in mortgage rates in an attempt to rein in inflation is slowing sales in the area. The Menifee housing market is priced slightly higher when compared to the nearby cities of Wildomar and Lake Elsinore, however lower than neighboring Murrieta and Temecula. Population growth is still occurring in the area and will continue to create the need for housing.

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

Maximum Productivity

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

Highest and Best Use Conclusion – “As If Vacant”

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

Highest and Best Use – “As Improved”

The subject property consists of the neighborhood of Banner Park being built by Pulte Homes in the City of Menifee. Banner Park consists of 256 proposed detached homes situated on lots with a minimum size of 6,000 square feet and spread across three product lines (or a total of nine floorplans). Banner Park began selling in July of 2021 and features homes ranging in size from 2,191 to 3,237 square feet with most recent base pricing ranging from \$553,990 to \$645,990. The increase from opening base prices have ranged from 2.7 to 6.3 percent per floorplan. There have been 247 sales within Banner Park resulting in an average sales rate of 10.7 sales per month. It's important to note that this absorption rate is for all three product lines, and when looking at each product line specifically, the subject's absorption rate ranged between 3.1 sales per month (Merit) to 3.9 sales per month (Crest). Our search within the subject area found twelve projects considered to be comparable to the subject with similar sized homes and similar product types. The average sales rates within these projects range from 2.9 to 8.3 sales per month. While there are two outlying projects performing far above the market (Cheyenne and Rock Meadows at Olivebrook, both of which recently opened, thus doesn't reflect an absorption history), the vast majority are selling well with sales rates in the 2.9 and 4.6 sales per month range. Our search of the Multiple Listing Service and on-site inspection revealed one closed resale and no resale listings within the subject neighborhood.

The sales rate within the subject communities and the competitive projects in the immediate area suggest there is demand for new homes in the current market at the right price points. All of the homes are of good design and appear to be of good quality workmanship. Based on the subject neighborhood's sales rates, it is our conclusion that the highest and best use for the subject property is for the continued use, as improved.

VALUATION ANALYSIS AND CONCLUSIONS

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

The valuation will be presented as follows. First, a discussion of the single-family detached lot market data will be given. Each of the comparable market data (on a finished lot basis) will be detailed along with a comparison discussion of their relationship to the subject property. The remaining land development costs and land development fees will be taken into consideration. This analysis will be followed by a finished lot value conclusion for the subject. Houses which are under construction (under 95 percent complete) will be valued on the basis of a finished lot rather than attribute value to a partially complete improvement. In the case of the completed (over 95 percent complete) builder-owned models and production units, the homes will be valued using the Sales Comparison Approach to value to conclude on a retail base value for each plan, followed by a Discounted Cash Flow ("DCF") Analysis due to the "bulk" or single ownership. The DCF will take into account the fair market value of the completed homes (utilizing the Sales Comparison Approach), any remaining land development costs and fees, the marketing and carrying costs associated with selling off the homes, a profit due to the developer of the homes, and a discount rate reflecting both the risk associated with selling off the homes along with the time value of money during the estimated absorption period. In the case of individually owned homes, a concluded base value will be used for each

plan and a mass appraisal technique will be addressed. In determining the concluded base value, new home sales in the area will be reviewed and compared with sales of the subject completed homes using standard methodology and statistical testing. In addition, any resales will be taken into consideration. All of the value conclusions will take into consideration improvements funded by both series of the Menifee CFD No. 2021-1 Special Tax Bonds and their lien. A summary of the final value conclusions will be reported at the end of this valuation section.

Market Data Discussion – Detached Residential Lots

Within Banner Park there are a total of 203 individually owned homes, 25 homes over 95 percent complete (including six model homes), 25 homes under construction, and three remaining finished lots. The 25 homes under construction (under 95 percent complete) will be valued on the basis of a finished lot rather than attribute value to a partially completed house; therefore, 28 lots will be valued. The lots within Banner Park contain a minimum of 6,000 square feet.

We have searched the area and found the eight transactions summarized in the Addenda to be most comparable to the subject property. The transactions are reported both on a purchase price basis and a “finished lot” basis when available. The actual purchase price is typically less, depending on the condition of the land (lots) at the time the property was acquired. Although some of the transactions refer to the land being in a finished or nearly finished condition, these transactions consist of land with physically finished lots with development impact and other fees remaining to be paid in order to be considered a true “finished lot.” Below are the details of each of the comparable land sales along with a discussion of each transaction in relationship to the subject lands.

Land Sale No. 1 refers to the most recent closed residential land transaction in the area. Pulte Group purchased the site within the master plan of Stratford Ranch in Perris, about ten miles north of the subject property in the City of Perris. The land was unimproved with an approved final map for 90 lots with a minimum lot size of 6,000 square feet. Stratford Ranch includes 400+ acres of mixed-use land being developed by Mission Pacific who is selling off tracts to builders with Richmond American and Pulte purchasing land in the

master plan along with IDI purchasing an industrial site for a logistics center. Pulte purchased the 90 lots for \$4,906,130 or \$54,513 per lot based on a reported estimated finished lot price of \$225,000 assuming a similar CFD. In comparison to the subject site, this site is considered to be inferior in location (the Perris median price home is \$488,000 which is over seven percent less than the Menifee median price home of \$525,000), similar in lot size and, slightly inferior in condition. The subject lots are in a finished condition while this land was unimproved at time of sale. While finishing costs are taken into consideration, there is additional risk associated with the grading and development of the raw land.

Land Sale No. 2 refers to the most recent sale within Menifee with D.R. Horton purchasing 446 lots known as Canterwood Phase 1 located at the southeast corner of Holland Road and Leon Road about two miles southeast of the subject site. D.R. Horton purchased the 446 lots from Ambient with the closing occurring in April 2022. They paid \$6,000,000 or \$13,453 per lot based on an estimated finished lot price of \$175,000 per brokers familiar with the transaction. The significant development costs include street improvements to the site along with drainage and significant grading which will include import on the property. D.R. Horton is advertising their Sycamore and Juniper communities on the site along with Willow Pointe at Canterwood, all stating “coming soon” on their websites. The finished lot price assumes a similar CFD on this transaction. In comparison to the subject property, this site is considered to be inferior in condition. While the finishing costs are anticipated, the raw nature of the site along with the drainage and import needed creates a significant amount of risk in the grading and development of the site.

Land Sale No. 3 refers to the purchase of 220 single family detached lots with a minimum lot size of 6,000 square feet located less than one mile northeast of the subject site at the southeast corner of La Ventana Road and Simpson Road in the Winchester area of unincorporated Riverside County. Forestar (in a related purchase to D.R. Horton) purchased the 220 lots from Rancon in April 2022 for \$8,000,000 or for \$36,364 per lot based on a reported finished lot cost of \$213,000. The land was essentially level, in an unimproved condition with an approved final map at time of sale. The reported finished

lot price reflects a proposed CFD on the property similar to the subject's CFD. In comparison to the subject property, this location is considered to be inferior due to condition and lot size. The site was sold in an unimproved condition, thus there is risk associated with the development of the site.

Land Sale No. 4 refers to the sale of the property known as Rockport Ranch which is located at the southwest corner of Old Newport and Briggs Road less than one mile south of the subject site, also within the City of Menifee. Lennar purchased the 79-acre property which is entitled for 305 lots, including a mix of cluster lots and conventional single-family lots ranging from 5,000 to 6,500 square foot. The new community will be gated and include amenities of two lakes, a pool, park, social club and open space areas and will include a CFD similar to the subject property. Lennar purchased the site from the Abacherli Family for \$5,500,000 which equates to \$18,033 per lot based on reported finished lot prices ranging from \$181,000 for the cluster lots, \$205,000 for the 5,000 square foot lots, \$208,000 for the 6,000 square foot lots and \$213,000 for the 6,500 square foot lots. The high development costs are due to the requirement of the lakes and amenities within the project. The property sold in an unimproved condition with an approved tentative tract map. The community will have a similar CFD as the subject with similar overall tax rates. In comparison to the subject property, this transaction is considered to be similar in location however inferior due to the raw land nature of this site. While costs are taken into account in our analysis, the risk associated with the development of the site is not.

Land Sale No. 5 refers to the purchase of the north and final phase of the Braverde master planned community in Winchester. Global Investment Pool entitled and sold the property located along the north side of Wickerd Road, just west of Leon about three miles south of the subject. The lots were in a partially finished condition at time of sale. Richmond American Homes purchased the first phase of Braverde in November 2020 for \$33,334,000 or \$133,336 per lot based on a reported finished lot of \$185,000. They then purchased the second phase in November 2021 (Land Sale No. 4) for \$41,685,876 or \$159,716 per lot based on a reported finished lot price of \$215,000. It is believed the increase is due to the appreciation in the subject market between November 2020 and

November 2021. Braverde has a similar CFD to the subject property. In comparison to the subject property, these lots are considered to be similar.

Land Sale No. 6 refers to the sale of 129 single family detached lots located southwest of Domenigoni Parkway and Rice Road in Winchester about 2.5 miles east of the subject property. D.R. Horton purchased the 6,000 square foot lots in an unimproved condition with approved mapping from SR Conestoga LLC for \$5,600,000 or \$42,411 per lot based on a reported finished lot price of \$202,000. The property is located within a planned CFD with similar overall proposed tax rates to the subject property. D.R. Horton is now selling their community known as North Sky on the site with pricing from \$585,000 to the mid-\$600,000. In comparison to the subject property this location is considered to be slightly inferior (further out for commuters), and the condition of the lands was inferior at time of sale as it was unimproved land at time of sale. While costs are considered, there is risk associated with the grading of a site.

Land Sale No. 7 refers to the purchase of 756 lots known as Cimarron Ridge, located about 4.5 miles northwest of the subject property at the northwest corner of Valley Boulevard and Chambers Avenue in Menifee. The site was entitled and mass graded prior to the Great Recession then sat for many years due to both the economy and the hilly nature of the site, which increased the cost of land development on the site. The recent appreciation in the marketplace made the property once again feasible to develop. Pulte Homes has purchased the 756 lots, ranging in size from 5,000 to 10,000 square feet, from Van Daele Homes. Van Daele rough graded the property prior to sale along with mapping the site. Pulte purchased the site in July 2021 for \$47,000,000 or \$62,169 per lot based on a reported finished lot price of \$185,000, assuming a similar CFD to the subject. It appears some remapping was completed prior to grading. In comparison to the subject property this site is inferior in number of lots (this would be considered a bulk sale which would suggest a discount) and in condition. While finishing costs are considered, there is risk associated with developing raw land.

Land Sale No. 8 pertains to the May 2021 closing of 175 single family detached lots with a minimum lot size of 6,000 square feet, located northwest of Scott Road and

Lindemberger Road in Menifee, about 3.5 miles south of the subject property. Meritage Homes purchased the site in an unimproved condition with an approved tentative tract map for \$7,200,000 or \$41,143 per lot based on an estimated finished lot amount of \$170,000 assuming a similar CFD on the property. The site is generally level at surrounding streets; however, Lindemberger Road was unpaved at the site increasing the land development costs. While this transaction closed in May 2021, it was negotiated approximately two years prior. Meritage Homes is now selling their Sumac Ridge neighborhood on the site with pricing from \$560,000 to \$650,000. In comparison to the subject property this site is considered inferior in date of negotiation and unpaved access and the raw land condition of the site (risk associated with the development).

The chart below summarizes the considerations used in adjusting the market data to the subject lot.

Data No.	Location	Date of Sale	Lot Size	Finished Lot Price	Comparison to Subject
1	Perris	11/22	6,000	\$225,000	Inferior – Condition, Location
2	Menifee	4/22	5,000-7,000	\$175,000	Inferior – Condition
3	Winchester	4/22	6,000	\$213,000	Inferior – Condition
4	Menifee	12/21	Cluster – 5,500	\$181,000 - \$213,000	Inferior – Condition & Lot Size
5	Winchester	10/21	5,000 – 7,000	\$215,000	
6	Winchester	8/21	6,000	\$202,000	Inferior – Condition
7	Menifee	7/21	5,000 – 10,000	\$185,000	Inferior – No. of Lots & Condition
8	Menifee	5/21	6,000	\$170,000	Inferior – Condition and Date of Negotiation

The market data has an overall finished lot range from \$170,000 to \$225,000. Data No. 1, at the high end of the range, refers to the most recent sale in an inferior location. When reviewing the sales, there is a clear appreciation shown between May 2021 and November 2022. When pairing Data Numbers 3 and 6 it suggests there was a 5 percent increase between August 2021 and April 2022. When pairing Data Nos. 4 (large lots only) and Data No. 8, it suggests there was a 25 percent increase between May 2021 and December 2021. The largest lots within Data No. 4 and Data No. 5 which sold in a finished lot condition based on \$213,000 and \$215,000 respectively, are considered to be the

most similar to the subject property, however this transaction closed in December 2021. The decrease in housing prices in the past few months due to the significant increase in interest rates suggests that residential land prices would also decrease, however we have not seen that in the market data yet. While residential land transactions in the Menifee area have slowed and some stopped, we do not have evidence of a decrease in pricing at this time. The latest sale occurred in November 2022 for a property in an inferior location in Perris. The above market data is considered to be good. In addition to the above land sales, we have information on a confidential escrow on lands across Newport Avenue from the subject which are anticipated to close in August 2023. While the amount is confidential, the price was negotiated over three years ago, prior to a substantial amount of appreciation in the subject marketplace. We have included it due to the proximity to the subject.

Value Conclusion – Residential Lots

Based on the above analysis the value conclusion for the subject builder-owned lots in a finished condition is \$225,000. The “as is” value is calculated as follows:

28 Lots x \$225,000	\$ 6,300,000
Less: Remaining Costs (28 x \$89,320.75)	<u>(2,500,981)</u>
Current Value for Remaining 28 Lots	<u>\$ 3,799,019</u>

Retail House Valuations

Due to the single ownership of multiple houses by the various builders within the subject property including model homes and production homes over 95 percent complete, a Discounted Cash Flow (“DCF”) analysis is needed in order to arrive at a bulk value for the homes within the subject neighborhood that are builder owned. First, a retail value for each plan will be concluded followed by a DCF for the builder-owned homes, which will take into account the absorption time to sell off the houses, the costs associated with selling off the homes and any remaining land development costs owed by the builder. The resulting revenue will be discounted using an appropriate rate to determine the builder-owned bulk value. This DCF analysis will be followed by a reporting of the concluded values for the individually owned homes using the concluded base retail value for each

plan with a separate check of the analysis utilizing a mass appraisal technique based on actual sales prices of the homes and considering any re-sale market data.

Banner Park consists of 203 individually owned homes, six model homes (one in escrow), 19 production homes over 95 complete (16 in escrow), 25 homes under construction (24 in escrow), and three additional finished lots (three in escrow). The finished lots along with the homes under construction have been valued above. The 25 builder-owned homes over 95 percent complete (including six model homes) are being addressed in this section with a separate valuation for each plan.

Below is a summary of the floor plans within Banner Park. A listing of the improved residential comparable properties is located in the Addenda of this report. All of the improved residential properties are located within the Menifee and Winchester marketplace. Our search of the subject property and the local Multiple Listing Service (MLS) has resulted in one resale and no current resale listings within Banner Park.

Banner Park by Pulte Homes					
Plan	Bd/Ba	Floors/ Parking	Sq. Ft.	Ind. Owned	Bldr. Owned
Heritage Plan 1 (H1)	3 / 2	1 / 2	2,191	29	3*
Heritage Plan 2 (H2)	3 / 2.5	1 / 2	2,311	20	0
Heritage Plan 3 (H3)	3 / 2.5	1 / 3	2,462	21	1*
Merit Plan 1 (M1)	4 / 2.5	2 / 2	2,391	18	3*
Merit Plan 2 (M2)	4 / 2.5	2 / 2	2,654	17	1
Merit Plan 3 (M3)	5 / 3	2 / 2	2,824	29	2*
Crest Plan 1 (C1)	4 / 2.5	2 / 3	2,845	17	5*
Crest Plan 2 (C2)	5 / 3.5	2 / 3	3,047	23	5*
Crest Plan 3 (C3)	5 / 3.5	2 / 3	3,237	<u>29</u>	<u>5*</u>
Total				203	25

*One of each plan is a model home. In addition to the above there are 25 homes under construction (less than 95 percent complete) and three additional finished lots.

The most appropriate new home comparable data for Heritage Plan H1 (Stella) are shown below.

Data	Model	Rm. Ct.	Firs/Pkg.	Sq. Ft.	Price/SF
Subj.	H1	3 / 2	1 / 2	2,191	--
1	H2	3 / 2.5	1 / 2	2,311	\$245.34
4	4	3 / 2	1 / 2	1,927	\$259.98
5	3	4 / 2	1 / 2	2,026	\$259.62
5	4	4 / 2	1 / 2	2,035	\$250.61
8	2	3 / 2	1 / 2	1,950	\$261.93
8	3	4 / 2	1 / 2	2,201	\$246.10
11	1	3 / 2.5	1 / 2	2,290	\$255.02
15	1	3 / 2	1 / 2	1,939	\$267.31

All new home comparables are located within Menifee. All are of similar quality, design, and appeal. Adjustments were considered (when applicable) for location, master plan amenities, lot size, stories, sales concessions, CFD taxes, common area benefits, total square footage, room count, garage space and other amenities. The new home comparables have a base price range from \$245.34 to \$267.31 per square foot with generally the smaller sized homes at the high-end of the price per square foot range and the largest sized home at the low-end of the price per square foot range. This is typical due to the economies of scale which are obtained during construction. Heritage Plan H1 has a current base asking price of \$252.85 per square foot. There have been 29 closings of Plan H1 with sales prices ranging from \$243.13 to \$293.32 per square foot. There are currently 12 escrows of Plan H1 with a price range of \$258.50 to \$289.82 per square foot. It should be noted that the reported sales prices include upgrades, premiums, and options along with any concessions given by the builder while the concluded value relates to a base price for the plan. All of the homes appear to be in excellent condition with no depreciation visible. It has been concluded that Heritage Plan H1 has a base current market value of \$245.00 per square foot. This calculates as follows:

$$2,191 \text{ sf} \times \$245.00 = \$536,795$$

The most appropriate new home comparable data for Heritage Plan H2 (Verona) are shown below.

Data	Model	Rm. Ct.	Flrs/Pkg.	Sq. Ft.	Price/SF
Subj.	H2	3 / 2.5	1 / 2	2,311	--
1	H1	3 / 2	1 / 2	2,191	\$252.85
1	H3	3 / 2.5	1 / 3	2,462	\$238.01
2	M1	4 / 2.5	2 / 2	2,391	\$240.06
5	5	4 / 2	1 / 2	2,378	\$230.44
5	6	4 / 2	1 / 2	2,387	\$225.38
8	4	3 / 2	1 / 2	2,287	\$242.52
11	1	3 / 2.5	1 / 2	2,290	\$255.02
11	2	3 / 2.5	1 / 2	2,490	\$246.18
15	1	3 / 2	1 / 2	1,939	\$267.31

All new home comparables are located within Menifee. All are of similar quality, design, and appeal. Adjustments were considered (when applicable) for location, master plan amenities, lot size, stories, sales concessions, CFD taxes, common area benefits, total square footage, room count, garage space and other amenities. The new home comparables have a base price range from \$225.38 to \$267.31 per square foot. Generally, the smaller sized homes are at the high-end of the price per square foot range and the larger sized homes at the lower end of the price per square foot range. This is typical due to the economies of scale which are obtained during construction. Heritage Plan H2 has a current base asking price of \$245.34 per square foot. There have been 20 closings of Plan H2 with a sales price range of \$235.82 to \$282.86 per square foot. There are four escrows of Plan H2 with a sales price range of \$253.08 to \$266.77 per square foot. It should be noted that the reported sales prices include upgrades, premiums, and options along with any concessions given by the builder while the concluded value relates to a base price for the plan. All of the homes appear to be in excellent condition with no depreciation visible. It has been concluded that Heritage Plan H2 has a base current market value of \$240.00 per square foot. This calculates as follows:

$$2,311 \text{ sf} \times \$240.00 = \$554,640$$

The most appropriate new home comparable data for Heritage Plan H3 (Parklane) are shown below.

Data	Model	Rm. Ct.	Flrs/Pkg.	Sq. Ft.	Price/SF
Subj.	H3	3 / 2.5	1 / 3	2,462	--
1	H2	3 / 2.5	1 / 2	2,311	\$245.34
2	M1	4 / 2.5	2 / 2	2,391	\$240.06
5	5	4 / 2	1 / 2	2,378	\$230.44
5	6	4 / 2	1 / 2	2,387	\$225.38
11	2	3 / 2.5	1 / 2	2,490	\$246.18
11	3	3 / 2.5	1 / 2	2,610	\$229.11
14	1	4 / 3	1 / 2	2,527	\$242.18
15	1	3 / 2	1 / 2	1,939	\$267.31
15	2	5 / 3.5	1 / 2	2,752	\$222.94

All new home comparables are located within Menifee. All are of similar quality, design, and appeal. Adjustments were considered (when applicable) for location, master plan amenities, lot size, stories, sales concessions, CFD taxes, common area benefits, total square footage, room count, garage space and other amenities. The new home comparables have a base price range from \$222.94 to \$267.31 per square foot with generally the smaller sized homes at the high-end of the price per square foot range and the larger sized homes at the lower end of the price per square foot range. This is typical due to the economies of scale which are obtained during construction. Heritage Plan H3 has a current base asking price of \$238.01 per square foot. There have been 21 closings of Plan H3 with sales prices ranging from \$231.59 to \$281.73 per square foot. There is one current escrow of a Plan H3 with a price of \$266.24 per square foot. It should be noted that the reported sales prices include upgrades, premiums, and options along with any concessions given by the builder while the concluded value relates to a base price for the plan. One Heritage Plan 3 has resold in June 2023 for \$605,000 or \$245.74 per square foot. The home was originally sold in April 2022 for \$666,000 or \$270.51 per square foot reflecting a decrease of a little over nine percent. All the homes appear to be in excellent condition with no depreciation visible. It has been concluded that Heritage Plan H3 has a base current market value of \$230.00 per square foot. This calculates as follows:

$$2,462 \text{ sf} \times \$230.00 = \$566,260$$

The most appropriate new home comparable data for Merit Plan M1 (Pathmaker) are shown below.

Data	Model	Rm. Ct.	Flrs/Pkg.	Sq. Ft.	Price/SF
Subj.	M1	4 / 2.5	2 / 2	2,391	--
1	H2	3 / 2.5	1 / 2	2,311	\$245.34
1	H3	3 / 2.5	1 / 3	2,462	\$238.01
4	5	4 / 2.5	2 / 2	2,519	\$220.72
7	3	4 / 3	2 / 2	2,419	\$224.94
10	1	4 / 3	2 / 2	2,480	\$234.67
12	1	3 / 2.5	2 / 2	2,370	\$230.80
13	2	4 / 3	2 / 2	2,320	\$240.95

All new home comparables are located within Menifee. All are of similar quality, design, and appeal. Adjustments were considered (when applicable) for location, master plan amenities, lot size, stories, sales concessions, CFD taxes, common area benefits, total square footage, room count, garage space and other amenities. The new home comparables have a base price range from \$220.72 to \$245.34 per square foot with generally the smaller sized homes at the high-end of the price per square foot range and the larger sized homes at the lower end of the price per square foot range. This is typical due to the economies of scale which are obtained during construction. Merit Plan M1 has a current base asking price of \$240.06 per square foot. There have been 18 closings of Plan M1 with sales prices ranging from \$236.65 to \$279.55 per square foot. There are two current escrows of Plan M1 with prices ranging from \$250.03 to \$253.62 per square foot. It should be noted that the reported sales prices include upgrades, premiums, and options along with any concessions given by the builder while the concluded value relates to a base price for the plan. All of the homes appear to be in excellent condition with no depreciation visible. It has been concluded that Merit Plan M1 has a base current market value of \$235 per square foot. This calculates as follows:

$$2,391 \text{ sf} \times \$235.00 = \$561,885$$

The most appropriate new home comparable data for Merit Plan M2 (Brinnon) are shown below.

Data	Model	Rm. Ct.	Flrs/Pkg.	Sq. Ft.	Price/SF
Subj.	M2	4 / 2.5	2 / 2	2,654	--
2	M3	5 / 3	2 / 2	2,824	\$213.88
3	C1	4 / 2.5	2 / 3	2,845	\$213.00
4	6	4 / 2.5	2 / 2	2,537	\$211.27
7	4	4 / 3	2 / 2	2,590	\$226.31
9	1	3 / 2.5	2 / 2	2,780	\$219.78
10	2	4 / 3	2 / 2	2,730	\$223.44
12	2	3 / 2.5	2 / 2	2,680	\$211.19
13	3	4 / 3	2 / 2	2,541	\$224.71
13	4	4 / 3	2 / 2	2,771	\$210.75
15	3	4 / 2.5	2 / 2	2,835	\$216.22

All new home comparables are located within Menifee. All are of similar quality, design, and appeal. Adjustments were considered (when applicable) for location, master plan amenities, lot size, stories, sales concessions, CFD taxes, common area benefits, total square footage, room count, garage space and other amenities. The new homes comparables have a base price range from \$210.75 to \$226.31 per square foot with generally the smaller sized homes at the high-end of the price per square foot range and the larger sized homes at the lower end of the price per square foot range. This is typical due to the economies of scale which are obtained during construction. Merit Plan M2 has a current base asking price of \$221.93 per square foot. There have been 17 closings of Plan M2 with a sales price range of \$209.72 to \$249.56 per square foot. There are three current escrows of Plan M2 with a sales price range of \$239.53 to \$242.94 per square foot. It should be noted that the reported sales prices include upgrades, premiums, and options along with any concessions given by the builder while the concluded value relates to a base price for the plan. All of the homes appear to be in excellent condition with no depreciation visible. It has been concluded that Merit Plan M2 has a base current market value of \$218.00 per square foot. This calculates as follows:

$$2,654 \text{ sf} \times \$218.00 = \$578,572$$

The most appropriate new home comparable data for Merit Plan M3 (Visionary) are shown below.

Data	Model	Rm. Ct.	Flrs/Pkg.	Sq. Ft.	Price/SF
Subj.	M3	5 / 3	2 / 2	2,824	--
2	M2	4 / 2.5	2 / 2	2,654	\$221.93
3	C1	4 / 2.5	2 / 3	2,845	\$213.00
9	1	3 / 2.5	2 / 2	2,780	\$219.78
9	2	3 / 2.5	2 / 2	2,910	\$215.12
10	2	4 / 3	2 / 2	2,730	\$223.44
10	3	5 / 3.5	2 / 2	2,940	\$211.56
13	4	4 / 3	2 / 2	2,771	\$210.75
13	5	5 / 3	2 / 2	2,948	\$203.19
14	2	4 / 3	2 / 3	2,992	\$207.89
15	3	4 / 2.5	2 / 2	2,835	\$216.22

All new home comparables are located within Menifee. All are of similar quality, design, and appeal. Adjustments were considered (when applicable) for location, master plan amenities, lot size, stories, sales concessions, CFD taxes, common area benefits, total square footage, room count, garage space and other amenities. The new home comparables have a base price range from \$203.19 to \$223.44 per square foot. Generally, the smaller sized homes are at the high-end of the price per square foot range and the larger sized homes at the lower end of the price per square foot range. This is typical due to the economies of scale which are obtained during construction. Merit Plan M3 has a current base asking price of \$213.88 per square foot. There have been 29 closings of Plan M3 with a sales price range of \$206.16 to \$252.38 per square foot. There are two escrows of Plan M3 with a sales price range of \$210.27 to \$223.11 per square foot. It should be noted that the reported sales prices include upgrades, premiums, and options along with any concessions given by the builder while the concluded value relates to a base price for the plan. All of the homes appear to be in excellent condition with no depreciation visible. It has been concluded that Merit Plan M3 has a base current market value of \$210.00 per square foot. This calculates as follows:

$$2,824\text{sf} \times \$210.00 = \$593,040$$

The most appropriate new home comparable data for Crest Plan C1 (Preston) are shown below.

Data	Model	Rm. Ct.	Flrs/Pkg.	Sq. Ft.	Price/SF
Subj.	C1	4 / 2.5	2 / 3	2,845	--
2	M3	5 / 3	2 / 2	2,824	\$213.88
3	C2 (NG)	5 / 3.5	2 / 3	3,047	\$208.40
4	7	5 / 3	2 / 2	2,874	\$199.37
9	1	3 / 2.5	2 / 2	2,780	\$219.78
9	2	3 / 2.5	2 / 2	2,910	\$215.12
10	3	5 / 3.5	2 / 2	2,940	\$211.56
13	4	4 / 3	2 / 2	2,771	\$210.75
13	5	5 / 3	2 / 2	2,948	\$203.19
14	2	4 / 3	2 / 3	2,992	\$207.89
15	3	4 / 2.5	2 / 2	2,835	\$216.22

All new home comparables are located within Menifee. All are of similar quality, design, and appeal. Adjustments were considered (when applicable) for location, master plan amenities, lot size, stories, sales concessions, CFD taxes, common area benefits, total square footage, room count, garage space and other amenities. The new home comparables have a base price range from \$199.37 to \$219.78 per square foot. Generally, the smaller sized homes are at the high-end of the price per square foot range and the larger sized homes at the lower end of the price per square foot range. This is typical due to the economies of scale which are obtained during construction. Crest Plan C1 has a current base asking price of \$213.00 per square foot. There have been 17 closings of Plan C1 with a sales price range of \$220.41 to \$258.25 per square foot. There are five escrows of Plan C1 with a sales price range of \$225.91 to \$242.52 per square foot. It should be noted that the reported sales prices include upgrades, premiums, and options along with any concessions given by the builder while the concluded value relates to a base price for the plan. All of the homes appear to be in excellent condition with no depreciation visible. It has been concluded that Crest Plan C1 has a base current market value of \$210.00 per square foot. This calculates as follows:

$$2,845 \text{ sf} \times \$210.00 = \$597,450$$

The most appropriate new home comparable data for Crest Plan C2 (Stafford) are shown below.

Data	Model	Rm. Ct.	Flrs/Pkg.	Sq. Ft.	Price/SF
Subj.	C2	5 / 3.5	2 / 3	3,047	--
3	C1	4 / 2.5	2 / 3	2,845	\$213.00
3	C3 (NG)	5 / 3.5	2 / 3	3,237	\$199.56
9	3	3 / 2.5	2 / 3	3,020	\$215.56
9	4	4 / 2.5	2 / 2	3,040	\$204.27
10	3	5 / 3.5	2 / 2	2,940	\$211.56
12	3	4 / 2.5	2 / 2	3,040	\$193.09
13	5	5 / 3	2 / 2	2,948	\$203.19
14	2	4 / 3	2 / 3	2,992	\$207.89
15	3	4 / 2.5	2 / 2	2,835	\$216.22
15	4	5 / 3.5	2 / 2	3,146	\$211.70

All new home comparables are located within Menifee. All are of similar quality, design, and appeal. Adjustments were considered (when applicable) for location, master plan amenities, lot size, stories, sales concessions, CFD taxes, common area benefits, total square footage, room count, garage space and other amenities. The new home comparables have a base price range from \$199.37 to \$216.22 per square foot. Generally, the smaller sized homes are at the high-end of the price per square foot range and the larger sized homes at the lower end of the price per square foot range. This is typical due to the economies of scale which are obtained during construction. Crest Plan C2 has a current base asking price of \$208.40 per square foot. There have been 23 closings of Plan C2 with a sales price range of \$208.92 to \$258.27 per square foot. There are seven escrows of Plan C2 with a sales price range of \$209.63 to \$241.84 per square foot. It should be noted that the reported sales prices include upgrades, premiums, and options along with any concessions given by the builder while the concluded value relates to a base price for the plan. All of the homes appear to be in excellent condition with no depreciation visible. It has been concluded that Crest Plan C2 has a base current market value of \$205.00 per square foot. This calculates as follows:

$$3,047 \text{ sf} \times \$205.00 = \$624,635$$

The most appropriate new home comparable data for Crest Plan C3 (Rosemount) are shown below.

Data	Model	Rm. Ct.	Flrs/Pkg.	Sq. Ft.	Price/SF
Subj.	C3	5 / 3.5	2 / 3	3,237	--
3	C2 (NG)	5 / 3.5	2 / 3	3,047	\$208.40
9	3	3 / 2.5	2 / 3	3,020	\$215.56
9	4	4 / 2.5	2 / 2	3,040	\$204.27
9	5	4 / 3.5	2 / 3	3,510	\$190.31
12	3	4 / 2.5	2 / 2	3,040	\$193.09
14	3	5 / 3.5	2 / 3	3,247	\$198.64
15	4	5 / 3.5	2 / 2	3,146	\$211.70

All new home comparables are located within Menifee. All are of similar quality, design, and appeal. Adjustments were considered (when applicable) for location, master plan amenities, lot size, stories, sales concessions, CFD taxes, common area benefits, total square footage, room count, garage space and other amenities. The new home comparables have a base price range from \$190.31 to \$215.56 per square foot. Generally, the smaller sized homes are at the high-end of the price per square foot range and the larger sized homes at the lower end of the price per square foot range. This is typical due to the economies of scale which are obtained during construction. Crest Plan C3 has a current base asking price of \$199.56 per square foot. There have been 29 closings of Plan C3 with a sales price range of \$208.18 to \$247.78 per square foot. There are eight current escrows of Plan 3C with a sales price range of 209.10 to \$239.80 per square foot. It should be noted that the reported sales prices include upgrades, premiums, and options along with any concessions given by the builder while the concluded value relates to a base price for the plan. All of the homes appear to be in excellent condition with no depreciation visible. It has been concluded that Crest Plan C3 has a base current market value of \$198.00 per square foot. This calculates as follows:

$$3,237 \text{ sf} \times \$198.00 = \$640,926$$

Builder-Owned Retail Values – Banner Park by Pulte Homes

Within Banner Park there are 19 remaining builder-owned homes, over 95 percent complete (16 of which are in escrow), and six build-owned model homes (one of which is in escrow). Per interviews with builders, upgrades, and landscape/hardscape of up to \$100,000 are installed in the model homes, however, the builders generally consider this a marketing cost and do not anticipate recovering this investment on a dollar-for-dollar

basis. Based on historical information, home sizes and fixtures, actual model home sales within the subject area and the current real estate market, a consideration of a \$50,000 premium has been included with each of the model homes. As concluded above, the retail base value conclusions for the builder-owned homes within Banner Park are calculated as follows:

Plan H1 (3 x \$536,795)	\$ 1,610,385
Plan H2 (0 x \$554,640)	0
Plan H3 (1 x \$566,260)	566,260
Plan M1 (3 x \$561,885)	1,685,655
Plan M2 (1 x \$578,572)	578,572
Plan M3 (2 x \$593,040)	1,186,080
Plan C1 (5 x \$597,450)	2,987,250
Plan C2 (5 x \$624,635)	3,123,175
Plan C3 (5 x \$640,926)	3,204,630
Model Upgrades (6x 50,000)	<u>300,000</u>
Retail Value	<u>\$15,242,007</u>

Absorption Period

In order to arrive at an absorption period for the builder-owned homes in the subject, the absorption rate for each product line along with the surrounding developments have been reviewed. Banner Park opened for sale in July of 2021. There have been 247 sales since then, suggesting an average absorption of 10.7 sales per month (or from 3.1 to 3.9 sales per month per product line) which is considered to be good. Seventeen of the 25 builder-owned homes are in escrow. Taking into consideration the product, current escrows, current market conditions and the concluded sales prices, it is the appraiser's opinion that the 25 builder-owned homes will be absorbed within a five-month period at the concluded values.

Remaining Costs

As discussed under the property description section there are \$89,320.75 in remaining land development costs and fees per lot associated with the builder-owned property. For the 25 builder-owned homes, this equates to \$2,233,019 (\$89,320.75 x 25) in remaining costs. For the purposes of this analysis, we are assuming the remaining costs will be spread evenly over the five-month absorption period.

Expenses

In determining an expense rate, several builders in the subject area have been interviewed as to their expenses on selling existing inventory. Expenses include marketing and general administrative costs. These costs typically range from six to ten percent depending on varying factors such as absorption period, intensity of marketing, etc. Eight percent has been estimated for marketing expenses for the home and two percent for general and administrative costs for a total of ten percent.

Profit

Several interviews with merchant builders in the area were conducted in order to determine an appropriate profit percentage for the subject properties. In the early 2000s, developers typically attempted to achieve a 10 to 12 percent profit based on gross sales proceeds. During the early 1990s recession, this range was lowered considerably to six to 10 percent with some builders drastically lowering their profit potential in order to maintain their work force. As the market improved, so did the profits. A ten percent profit is considered appropriate in the analysis for this project.

Discount Rate

In selecting a discount rate, the following was completed:

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

The homes within Banner Park began selling in July 2021 with the product being well received in the marketplace. Based on the sales rate within the subject project, the competition, current market conditions, the product and location, a 10 percent discount rate is considered appropriate for this analysis.

Discounted Cash Flow Summary

The discounted revenue (see DCF Analyses in addenda) for the builder-owned homes within Banner Park is **\$9,716,334.**

Banner Park – Total Builder-Owned Property Value

The builder-owned lands within Banner Park consists of six models along with 19 production homes over 95 percent complete and 28 lots, 25 which are under construction (under 95 percent complete) owned by Pulte. The final valuation of the builder- owned property is:

28 Lots	\$ 3,799,019
25 Houses	<u>9,716,334</u>
Total Pulte Ownership	<u>\$ 13,515,353</u>

Banner Park – Individual Owned Homes Valuation Conclusion

There are 203 individually owned homes within the subject. Based on the concluded value for each plan, the individually owned homes within Banner Park are:

Plan H1 (29 x \$536,795)	\$ 15,567,055
Plan H2 (20 x \$554,640)	11,092,800
Plan H3 (21 x \$566,260)	11,891,460
Plan M1 (18 x \$561,885)	10,113,930
Plan M2 (17 x \$578,572)	9,835,724
Plan M3 (29 x \$593,040)	17,198,160
Plan C1 (17 x \$597,450)	10,156,650
Plan C2 (23 x \$624,635)	14,366,605
Plan C3 (29 x \$640,926)	<u>18,586,854</u>
Total Individual Owned	<u>\$118,809,238</u>

In an additional review, we have reviewed the original builder sales prices for the homes within the subject. Closings for the 203 homes occurred between December 2021 and June 12, 2023. The reported closing prices by the builder for the individually owned homes total \$131,519,126. The builder's reported prices include premiums, upgrades and purchased options as well as taking into consideration the concessions given by the builder. The subject project opened in July 2021 with pricing increasing into early 2022 while rates were low. As rates rose in 2022 and early 2023, pricing softened with builder giving more concessions. Many of the subject homes were sold during 2021, prior to mortgage rates increasing and the softening of prices. The above valuation is for the minimum market value as it takes into consideration the base plan price only and does not take into account any options, premiums or upgrades which were purchased by the buyers. Typically, the actual sales prices are higher than the base pricing due to the purchase of options and upgrades. It is our conclusion that the original builder's sales prices further substantiate the concluded minimum market value for the individually owned homes.

APPRAISAL REPORT SUMMARY

The appraisal assignment was to value the subject property which consists of lands within Menifee CFD No. 2021-1 proposed for 256 single-family detached homes on minimum 6,000 square foot lots, being built out into the community known as Banner Park in the City of Menifee, Riverside County. The neighborhood is being built and sold by Pulte Homes, and includes three different product lines (Heritage, Merit and Crest) distributed throughout two tracts. Banner Park opened for sale in July of 2021 and is currently selling. Out of the total 256 proposed homes, 203 are completed and have closed to individuals with an additional 44 homes in escrow. The remainder of the lots range from completed model homes to production homes, over 95 percent complete to homes under construction to finished lots. We have reviewed the builder sales and reviewed the areas Multiple Listing Service along with a physical inspection with one home resold and no re-sale listings found.

The subject property was valued using the Sales Comparison Approach to value and a mass appraisal technique. A minimum value was determined for the existing homes by concluding at a base value for each plan. The valuation took into account the improvements/benefits to be funded by both series of Menifee CFD No. 2021-1 bond proceeds along with the Menifee CFD No. 2021-1 special tax lien. As a result of our investigation, the concluded market value for the subject property is shown below.

Banner Park by Pulte Homes

Pulte Homes Ownership (25 houses & 28 lots)	\$ 13,515,353
Individual Owners (203 houses)	<u>\$ 118,809,238</u>

Total Aggregate Value	<u>\$ 132,324,591</u>
------------------------------	------------------------------

The above values are stated subject to the Assumptions and Limiting Conditions of this report, the Appraiser's Certification and as of June 12, 2023.

APPRAISER'S CERTIFICATION

The appraiser certifies that to the best of his knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased, professional analyses, opinions and conclusions.
3. The appraiser has no present or prospective interest in the property that is the subject of this report, and no personal interest or bias with respect to the parties involved.
4. The appraiser's compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result or the occurrence of a subsequent event.
5. This appraisal was not based on a requested minimum valuation, a specific valuation or the approval of a loan.
6. Analyses, opinions and conclusions were developed, and this report was prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
7. Kitty Siino has made a personal inspection of the property that is the subject of this report.
8. Kitty Siino has performed appraisal services on the subject property in the past three years. An appraisal was completed in 2022 on the property for the first series of bonds. This appraisal relates to the second series of bonds.
9. No other appraisers have provided significant professional assistance to the persons signing this report.
10. The reported analyses, opinions and conclusions were developed, and this report was prepared, in conformity with the requirements of the Appraisal Institute's Code of Professional Ethics and Standards of Professional Appraisal Practice, which include the Uniform Standards of Professional Appraisal Practice.
11. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
12. As of the date of this report, Kitty Siino has completed the requirements of the continuing education program of the Appraisal Institute.



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

ADDENDA

MENIFEE CFD NO. 2021-1
BOUNDARY MAP

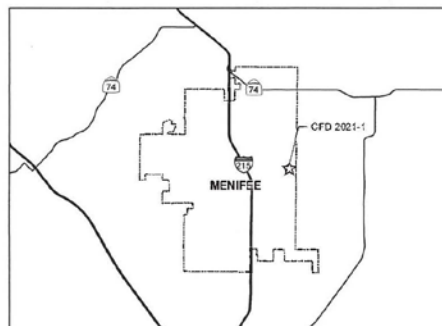
PROPOSED BOUNDARY MAP
COMMUNITY FACILITIES DISTRICT NO. 2021-1
(BANNER PARK)
CITY OF MENIFEE,
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING PROPOSED BOUNDARIES OF COMMUNITY FACILITIES DISTRICT NO. 2021-1 (BANNER PARK), CITY OF MENIFEE, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, WAS APPROVED BY THE CITY COUNCIL OF THE CITY OF MENIFEE AT A REGULAR MEETING THEREOF, HELD ON 21ST DAY OF April, 2021, BY RESOLUTION NO. 21-1063

John A. Manning
 CITY CLERK
 CITY OF MENIFEE

FILED IN THE OFFICE OF THE CITY CLERK, CITY OF MENIFEE,
 THIS 22 DAY OF April, 2021.

John A. Manning
 CITY CLERK
 CITY OF MENIFEE



RECORDED THIS 28 DAY OF April, 2021 AT
 THE HOUR OF 3:07 O'CLOCK PM IN BOOK 86
 PAGE 93 OF MAPS OF ASSESSMENT AND COMMUNITY
 FACILITIES DISTRICTS IN THE OFFICE OF THE COUNTY
 RECORDER, IN THE COUNTY OF RIVERSIDE, STATE OF
 CALIFORNIA.

FEE: \$9.03 NO.: 2021-0264409
 PETER ALDANA, ASSESSOR, COUNTY CLERK, RECORDER

BY: *Jackie Ah*
 DEPUTY

LEGEND

- CFD BOUNDARY
- PARCEL LINE
- CITY BOUNDARY
- XXX-XXX-XXX ASSESSOR PARCEL NUMBER



THIS BOUNDARY MAP CORRECTLY SHOWS THE BOUNDARIES OF THE COMMUNITY FACILITIES DISTRICT. FOR DETAILS CONCERNING THE LINES AND DIMENSIONS OF LOTS OR PARCEL REFER TO THE COUNTY ASSESSOR'S MAPS FOR FISCAL YEAR 2020-21.

0 375 750 1,500 Feet



TRACT MAP NOS. 32102 & 32102-1

NOTES

SEE SHEET 2 FOR BOUNDARY MAP,
ENVIRONMENTAL CONSIDERATIONS MAP,
SURVEY NOTES, LEGEND AND MONUMENT MAP.
SEE SHEET 3 FOR BASIS OF BEARINGS
EASEMENT NOTES AND SHEET INDEX

IN THE CITY OF MENFEE, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA TRACT NO. 32102

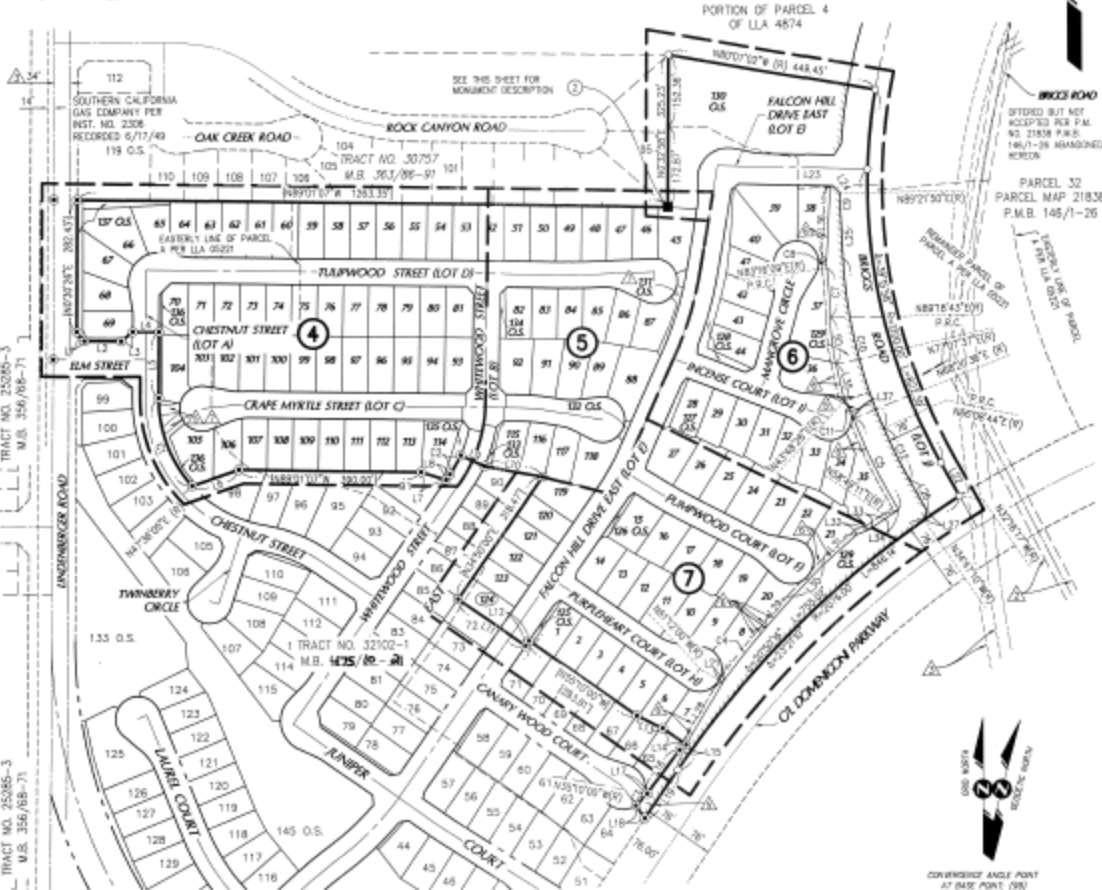
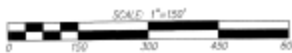
BEING A PORTION OF PARCEL A TOGETHER WITH A PORTION OF PARCEL B OF LOT LINE ADJUSTMENT 05221 RECORDED NOVEMBER 26, 2008 AS
INSTRUMENT NO. 2008-0623831, TOGETHER WITH A PORTION OF PARCEL 4 OF LOT LINE ADJUSTMENT 4874 RECORDED JUNE 24, 2005 AS INSTRUMENT NO.
2005-0501831, OF OFFICIAL RECORDS OF RIVERSIDE COUNTY, STATE OF CALIFORNIA, LOCATED IN SECTION 36, TOWNSHIP 5 SOUTH, RANGE 5 WEST, S.B.M.

K & A ENGINEERING, INC.

APRIL, 2020

EASEMENT AND INDEX SHEET

SHEET 3 OF 8 SHEETS



NO.	BEARING	LENGTH	NO.	BEARING	LENGTH
C1	091.74°	100.00'	C12	331.44°	1.25.13'
C2	429.54°	272.00'	C13	129.23°	73.42'
C3	094.85°	272.00'	C14	129.23°	73.42'
C4	139.50°	148.00'	C15	129.23°	73.42'
C5	414.82°	1.700.00'	C16	129.23°	73.42'
C6	107.25°	1.300.00'	C17	129.23°	73.42'
C7	127.13°	480.00'	C18	129.23°	73.42'
C8	670.34°	1.000.00'	C19	129.23°	73.42'
C9	96.72°	100.00'	C20	129.23°	73.42'
C10	210.44°	1.254.00'	C21	129.23°	73.42'
C11	210.22°	1.021.00'	C22	129.23°	73.42'
C12	47.36°	48.00'			

NO.	BEARING	LENGTH	NO.	BEARING	LENGTH
L1	84.95°	26.24'	L21	130.04°	8.33'
L2	84.95°	26.24'	L22	130.04°	8.33'
L3	151.50°	32.02'	L23	130.04°	8.33'
L4	84.95°	26.24'	L24	130.04°	8.33'
L5	167.30°	141.82'	L25	130.04°	8.33'
L6	101.23°	119.40'	L26	130.04°	8.33'
L7	172.15°	35.85'	L27	130.04°	8.33'
L8	134.30°	24.32'	L28	130.04°	8.33'
L9	164.88°	56.00'	L29	130.04°	8.33'
L10	179.49°	138.32'	L30	130.04°	8.33'
L11	153.10°	178.00'	L31	130.04°	8.33'
L12	134.90°	113.11'	L32	130.04°	8.33'
L13	164.05°	30.77'	L33	130.04°	8.33'
L14	155.10°	30.24'	L34	130.04°	8.33'
L15	165.00°	117.85'	L35	130.04°	8.33'
L16	136.37°	118.62'	L36	130.04°	8.33'
L17	170.10°	35.73'	L37	130.04°	8.33'
L18	133.90°	33.12'			
L19	154.22°	125.05'			
L20	165.34°	78.08'			

EASEMENT NOTES

- THOSE PORTIONS OF PARCEL 33 DEDICATED TO THE PUBLIC FOR 50 FEET AND ROAD EASEMENT PURPOSES PER PARCEL MAP NO. 2008 P.M.B. 146/1-26 WITHIN THIS TRACT ARE:
- AN EASEMENT FOR ELECTRIC LINES, TELEPHONE LINES, CABLES AND INCIDENTAL PURPOSES, RECORDED SEPTEMBER 2, 1989 AS INSTRUMENT NUMBER 12279 OF OFFICIAL RECORDS, IN FAVOR OF SOUTHERN CALIFORNIA Edison COMPANY.
- AN EASEMENT FOR ELECTRIC LINES, TELEPHONE LINES, CABLES AND INCIDENTAL PURPOSES, RECORDED APRIL 15, 2004 AS INSTRUMENT NUMBER 24023 OF OFFICIAL RECORDS, IN FAVOR OF SOUTHERN CALIFORNIA Edison COMPANY.
- THOSE PORTIONS OF AN EASEMENT FOR SLOPE, WINDSTRESS AND INCIDENTAL PURPOSES, RECORDED APRIL 15, 2004 AS INSTRUMENT NUMBER 24023 OF OFFICIAL RECORDS WITHIN THIS TRACT ARE:
- INDICATES AN EASEMENT FOR DRAINAGE AND MAINTENANCE, LYING WITHIN LOTS 120 O.S. AND 138 O.S., DEDICATED HEREON.
- INDICATES AN EASEMENT FOR MAINTENANCE PURPOSES LYING WITHIN LOTS 1, 6, 25, 21, 35 THROUGH 38, INCLUSIVE, RESERVED HEREON.
- INDICATES AN EASEMENT FOR PUBLIC UTILITIES LYING WITHIN IN LOT 131 O.S. AND LOT 130 O.S., DEDICATED HEREON.

BASIS OF BEARINGS

THE BASIS OF BEARINGS FOR THIS SURVEY IS DERIVED FROM AN ONLINE POSITIONING SYSTEM (GPS) STATIONING SYSTEM. THE SURVEYOR HAS USED THE FOLLOWING SYSTEM: COAS - ZONE 8, BEING LOCALLY CALIBRATED OPERATING REFERENCE STATION (CORS) "N-1" AND "N-2" AND "N-3" AND "N-4" AND "N-5" AND "N-6" AND "N-7" AND "N-8" AND "N-9" AND "N-10" AND "N-11" AND "N-12" AND "N-13" AND "N-14" AND "N-15" AND "N-16" AND "N-17" AND "N-18" AND "N-19" AND "N-20" AND "N-21" AND "N-22" AND "N-23" AND "N-24" AND "N-25" AND "N-26" AND "N-27" AND "N-28" AND "N-29" AND "N-30" AND "N-31" AND "N-32" AND "N-33" AND "N-34" AND "N-35" AND "N-36" AND "N-37" AND "N-38" AND "N-39" AND "N-40" AND "N-41" AND "N-42" AND "N-43" AND "N-44" AND "N-45" AND "N-46" AND "N-47" AND "N-48" AND "N-49" AND "N-50" AND "N-51" AND "N-52" AND "N-53" AND "N-54" AND "N-55" AND "N-56" AND "N-57" AND "N-58" AND "N-59" AND "N-60" AND "N-61" AND "N-62" AND "N-63" AND "N-64" AND "N-65" AND "N-66" AND "N-67" AND "N-68" AND "N-69" AND "N-70" AND "N-71" AND "N-72" AND "N-73" AND "N-74" AND "N-75" AND "N-76" AND "N-77" AND "N-78" AND "N-79" AND "N-80" AND "N-81" AND "N-82" AND "N-83" AND "N-84" AND "N-85" AND "N-86" AND "N-87" AND "N-88" AND "N-89" AND "N-90" AND "N-91" AND "N-92" AND "N-93" AND "N-94" AND "N-95" AND "N-96" AND "N-97" AND "N-98" AND "N-99" AND "N-100" AND "N-101" AND "N-102" AND "N-103" AND "N-104" AND "N-105" AND "N-106" AND "N-107" AND "N-108" AND "N-109" AND "N-110" AND "N-111" AND "N-112" AND "N-113" AND "N-114" AND "N-115" AND "N-116" AND "N-117" AND "N-118" AND "N-119" AND "N-120" AND "N-121" AND "N-122" AND "N-123" AND "N-124" AND "N-125" AND "N-126" AND "N-127" AND "N-128" AND "N-129" AND "N-130" AND "N-131" AND "N-132" AND "N-133" AND "N-134" AND "N-135" AND "N-136" AND "N-137" AND "N-138" AND "N-139" AND "N-140" AND "N-141" AND "N-142" AND "N-143" AND "N-144" AND "N-145" AND "N-146" AND "N-147" AND "N-148" AND "N-149" AND "N-150" AND "N-151" AND "N-152" AND "N-153" AND "N-154" AND "N-155" AND "N-156" AND "N-157" AND "N-158" AND "N-159" AND "N-160" AND "N-161" AND "N-162" AND "N-163" AND "N-164" AND "N-165" AND "N-166" AND "N-167" AND "N-168" AND "N-169" AND "N-170" AND "N-171" AND "N-172" AND "N-173" AND "N-174" AND "N-175" AND "N-176" AND "N-177" AND "N-178" AND "N-179" AND "N-180" AND "N-181" AND "N-182" AND "N-183" AND "N-184" AND "N-185" AND "N-186" AND "N-187" AND "N-188" AND "N-189" AND "N-190" AND "N-191" AND "N-192" AND "N-193" AND "N-194" AND "N-195" AND "N-196" AND "N-197" AND "N-198" AND "N-199" AND "N-200" AND "N-201" AND "N-202" AND "N-203" AND "N-204" AND "N-205" AND "N-206" AND "N-207" AND "N-208" AND "N-209" AND "N-210" AND "N-211" AND "N-212" AND "N-213" AND "N-214" AND "N-215" AND "N-216" AND "N-217" AND "N-218" AND "N-219" AND "N-220" AND "N-221" AND "N-222" AND "N-223" AND "N-224" AND "N-225" AND "N-226" AND "N-227" AND "N-228" AND "N-229" AND "N-230" AND "N-231" AND "N-232" AND "N-233" AND "N-234" AND "N-235" AND "N-236" AND "N-237" AND "N-238" AND "N-239" AND "N-240" AND "N-241" AND "N-242" AND "N-243" AND "N-244" AND "N-245" AND "N-246" AND "N-247" AND "N-248" AND "N-249" AND "N-250" AND "N-251" AND "N-252" AND "N-253" AND "N-254" AND "N-255" AND "N-256" AND "N-257" AND "N-258" AND "N-259" AND "N-260" AND "N-261" AND "N-262" AND "N-263" AND "N-264" AND "N-265" AND "N-266" AND "N-267" AND "N-268" AND "N-269" AND "N-270" AND "N-271" AND "N-272" AND "N-273" AND "N-274" AND "N-275" AND "N-276" AND "N-277" AND "N-278" AND "N-279" AND "N-280" AND "N-281" AND "N-282" AND "N-283" AND "N-284" AND "N-285" AND "N-286" AND "N-287" AND "N-288" AND "N-289" AND "N-290" AND "N-291" AND "N-292" AND "N-293" AND "N-294" AND "N-295" AND "N-296" AND "N-297" AND "N-298" AND "N-299" AND "N-300" AND "N-301" AND "N-302" AND "N-303" AND "N-304" AND "N-305" AND "N-306" AND "N-307" AND "N-308" AND "N-309" AND "N-310" AND "N-311" AND "N-312" AND "N-313" AND "N-314" AND "N-315" AND "N-316" AND "N-317" AND "N-318" AND "N-319" AND "N-320" AND "N-321" AND "N-322" AND "N-323" AND "N-324" AND "N-325" AND "N-326" AND "N-327" AND "N-328" AND "N-329" AND "N-330" AND "N-331" AND "N-332" AND "N-333" AND "N-334" AND "N-335" AND "N-336" AND "N-337" AND "N-338" AND "N-339" AND "N-340" AND "N-341" AND "N-342" AND "N-343" AND "N-344" AND "N-345" AND "N-346" AND "N-347" AND "N-348" AND "N-349" AND "N-350" AND "N-351" AND "N-352" AND "N-353" AND "N-354" AND "N-355" AND "N-356" AND "N-357" AND "N-358" AND "N-359" AND "N-360" AND "N-361" AND "N-362" AND "N-363" AND "N-364" AND "N-365" AND "N-366" AND "N-367" AND "N-368" AND "N-369" AND "N-370" AND "N-371" AND "N-372" AND "N-373" AND "N-374" AND "N-375" AND "N-376" AND "N-377" AND "N-378" AND "N-379" AND "N-380" AND "N-381" AND "N-382" AND "N-383" AND "N-384" AND "N-385" AND "N-386" AND "N-387" AND "N-388" AND "N-389" AND "N-390" AND "N-391" AND "N-392" AND "N-393" AND "N-394" AND "N-395" AND "N-396" AND "N-397" AND "N-398" AND "N-399" AND "N-400" AND "N-401" AND "N-402" AND "N-403" AND "N-404" AND "N-405" AND "N-406" AND "N-407" AND "N-408" AND "N-409" AND "N-410" AND "N-411" AND "N-412" AND "N-413" AND "N-414" AND "N-415" AND "N-416" AND "N-417" AND "N-418" AND "N-419" AND "N-420" AND "N-421" AND "N-422" AND "N-423" AND "N-424" AND "N-425" AND "N-426" AND "N-427" AND "N-428" AND "N-429" AND "N-430" AND "N-431" AND "N-432" AND "N-433" AND "N-434" AND "N-435" AND "N-436" AND "N-437" AND "N-438" AND "N-439" AND "N-440" AND "N-441" AND "N-442" AND "N-443" AND "N-444" AND "N-445" AND "N-446" AND "N-447" AND "N-448" AND "N-449" AND "N-450" AND "N-451" AND "N-452" AND "N-453" AND "N-454" AND "N-455" AND "N-456" AND "N-457" AND "N-458" AND "N-459" AND "N-460" AND "N-461" AND "N-462" AND "N-463" AND "N-464" AND "N-465" AND "N-466" AND "N-467" AND "N-468" AND "N-469" AND "N-470" AND "N-471" AND "N-472" AND "N-473" AND "N-474" AND "N-475" AND "N-476" AND "N-477" AND "N-478" AND "N-479" AND "N-480" AND "N-481" AND "N-482" AND "N-483" AND "N-484" AND "N-485" AND "N-486" AND "N-487" AND "N-488" AND "N-489" AND "N-490" AND "N-491" AND "N-492" AND "N-493" AND "N-494" AND "N-495" AND "N-496" AND "N-497" AND "N-498" AND "N-499" AND "N-500" AND "N-501" AND "N-502" AND "N-503" AND "N-504" AND "N-505" AND "N-506" AND "N-507" AND "N-508" AND "N-509" AND "N-510" AND "N-511" AND "N-512" AND "N-513" AND "N-514" AND "N-515" AND "N-516" AND "N-517" AND "N-518" AND "N-519" AND "N-520" AND "N-521" AND "N-522" AND "N-523" AND "N-524" AND "N-525" AND "N-526" AND "N-527" AND "N-528" AND "N-529" AND "N-530" AND "N-531" AND "N-532" AND "N-533" AND "N-534" AND "N-535" AND "N-536" AND "N-537" AND "N-538" AND "N-539" AND "N-540" AND "N-541" AND "N-542" AND "N-543" AND "N-544" AND "N-545" AND "N-546" AND "N-547" AND "N-548" AND "N-549" AND "N-550" AND "N-551" AND "N-552" AND "N-553" AND "N-554" AND "N-555" AND "N-556" AND "N-557" AND "N-558" AND "N-559" AND "N-560" AND "N-561" AND "N-562" AND "N-563" AND "N-564" AND "N-565" AND "N-566" AND "N-567" AND "N-568" AND "N-569" AND "N-570" AND "N-571" AND "N-572" AND "N-573" AND "N-574" AND "N-575" AND "N-576" AND "N-577" AND "N-578" AND "N-579" AND "N-580" AND "N-581" AND "N-582" AND "N-583" AND "N-584" AND "N-585" AND "N-586" AND "N-587" AND "N-588" AND "N-589" AND "N-590" AND "N-591" AND "N-592" AND "N-593" AND "N-594" AND "N-595" AND "N-596" AND "N-597" AND "N-598" AND "N-599" AND "N-600" AND "N-601" AND "N-602" AND "N-603" AND "N-604" AND "N-605" AND "N-606" AND "N-607" AND "N-608" AND "N-609" AND "N-610" AND "N-611" AND "N-612" AND "N-613" AND "N-614" AND "N-615" AND "N-616" AND "N-617" AND "N-618" AND "N-619" AND "N-620" AND "N-621" AND "N-622" AND "N-623" AND "N-624" AND "N-625" AND "N-626" AND "N-627" AND "N-628" AND "N-629" AND "N-630" AND "N-631" AND "N-632" AND "N-633" AND "N-634" AND "N-635" AND "N-636" AND "N-637" AND "N-638" AND "N-639" AND "N-640" AND "N-641" AND "N-642" AND "N-643" AND "N-644" AND "N-645" AND "N-646" AND "N-647" AND "N-648" AND "N-649" AND "N-650" AND "N-651" AND "N-652" AND "N-653" AND "N-654" AND "N-655" AND "N-656" AND "N-657" AND "N-658" AND "N-659" AND "N-660" AND "N-661" AND "N-662" AND "N-663" AND "N-664" AND "N-665" AND "N-666" AND "N-667" AND "N-668" AND "N-669" AND "N-670" AND "N-671" AND "N-672" AND "N-673" AND "N-674" AND "N-675" AND "N-676" AND "N-677" AND "N-678" AND "N-679" AND "N-680" AND "N-681" AND "N-682" AND "N-683" AND "N-684" AND "N-685" AND "N-686" AND "N-687" AND "N-688" AND "N-689" AND "N-690" AND "N-691" AND "N-692" AND "N-693" AND "N-694" AND "N-695" AND "N-696" AND "N-697" AND "N-698" AND "N-699" AND "N-700" AND "N-701" AND "N-702" AND "N-703" AND "N-704" AND "N-705" AND "N-706" AND "N-707" AND "N-708" AND "N-709" AND "N-710" AND "N-711" AND "N-712" AND "N-713" AND "N-714" AND "N-715" AND "N-716" AND "N-717" AND "N-718" AND "N-719" AND "N-720" AND "N-721" AND "N-722" AND "N-723" AND "N-724" AND "N-725" AND "N-726" AND "N-727" AND "N-728" AND "N-729" AND "N-730" AND "N-731" AND "N-732" AND "N-733" AND "N-734" AND "N-735" AND "N-736" AND "N-737" AND "N-738" AND "N-739" AND "N-740" AND "N-741" AND "N-742" AND "N-743" AND "N-744" AND "N-745" AND "N-746" AND "N-747" AND "N-748" AND "N-749" AND "N-750" AND "N-751" AND "N-752" AND "N-753" AND "N-754" AND "N-755" AND "N-756" AND "N-757" AND "N-758" AND "N-759" AND "N-760" AND "N-761" AND "N-762" AND "N-763" AND "N-764" AND "N-765" AND "N-766" AND "N-767" AND "N-768" AND "N-769" AND "N-770" AND "N-771" AND "N-772" AND "N-773" AND "N-774" AND "N-775" AND "N-776" AND "N-777" AND "N-778" AND "N-779" AND "N-780" AND "N-781" AND "N-782" AND "N-783" AND "N-784" AND "N-785" AND "N-786" AND "N-787" AND "N-788" AND "N-789" AND "N-790" AND "N-791" AND "N-792" AND "N-793" AND "N-794" AND "N-795" AND "N-796" AND "N-797" AND "N-798" AND "N-799" AND "N-800" AND "N-801" AND "N-802" AND "N-803" AND "N-804" AND "N-805" AND "N-806" AND "N-807" AND "N-808" AND "N-809" AND "N-810" AND "N-811" AND "N-812" AND "N-813" AND "N-814" AND "N-815" AND "N-816" AND "N-817" AND "N-818" AND "N-819" AND "N-820" AND "N-821" AND "N-822" AND "N-823" AND "N-824" AND "N-825" AND "N-826" AND "N-827" AND "N-828" AND "N-829" AND "N-830" AND "N-831" AND "N-832" AND "N-833" AND "N-834" AND "N-835" AND "N-836" AND "N-837" AND "N-838" AND "N-839" AND "N-840" AND "N-841" AND "N-842" AND "N-843" AND "N-844" AND "N-845" AND "N-846" AND "N-847" AND "N-848" AND "N-849" AND "N-850" AND "N-851" AND "N-852" AND "N-853" AND "N-854" AND "N-855" AND "N-856" AND "N-857" AND "N-858" AND "N-859" AND "N-860" AND "N-861" AND "N-862" AND "N-863" AND "N-864" AND "N-865" AND "N-866" AND "N-867" AND "N-868" AND "N-869" AND "N-870" AND "N-871" AND "N-872" AND "N-873" AND "N-874" AND "N-875" AND "N-876" AND "N-877" AND "N-878" AND "N-879" AND "N-880" AND "N-881" AND "N-882" AND "N-883" AND "N-884" AND "N-885" AND "N-886" AND "N-887" AND "N-888" AND "N-889" AND "N-890" AND "N-891" AND "N-892" AND "N-893" AND "N-894" AND "N-895" AND "N-896" AND "N-897" AND "N-898" AND "N-899" AND "N-900" AND "N-901" AND "N-902" AND "N-903" AND "N-904" AND "N-905" AND "N-906" AND "N-907" AND "N-908" AND "N-909" AND "N-910" AND "N-911" AND "N-912" AND "N-913" AND "N-914" AND "N-915" AND "N-916" AND "N-917" AND "N-918" AND "N-919" AND "N-920" AND "N-921" AND "N-922" AND "N-923" AND "N-924" AND "N-925" AND "N-926" AND "N-927" AND "N-928" AND "N-929" AND "N-930" AND "N-931" AND "N-932" AND "N-933" AND "N-934" AND "N-935" AND "N-936" AND "N-937" AND "N-938" AND "N-939" AND "N-940" AND "N-941" AND "N-942" AND "N-943" AND "N-944" AND "N-945" AND "N-946" AND "N-947" AND "N-948" AND "N-949" AND "N-950" AND "N-951" AND "N-952" AND "N-953" AND "N-954" AND "N-955" AND "N-956" AND "N-957" AND "N-958" AND "N-959" AND "N-960" AND "N-961" AND "N-962" AND "N-963" AND "N-964" AND "N-965" AND "N-966" AND "N-967" AND "N-968" AND "N-969" AND "N-970" AND "N-971" AND "N-972" AND "N-973" AND "N-974" AND "N-975" AND "N-976" AND "N-977" AND "N-978" AND "N-979" AND "N-980" AND "N-981" AND "N-982" AND "N-983" AND "N-984" AND "N-985" AND "N-986" AND "N-987" AND "N-988" AND "N-989" AND "N-990" AND "N-991" AND "N-992" AND "N-993" AND "N-994" AND "N-995" AND "N-996" AND "N-997" AND "N-998" AND "N-999" AND "N-1000" AND "N-1001" AND "N-1002" AND "N-1003" AND "N-1004" AND "N-1005" AND "N-1006" AND "N-1007" AND "N-1008" AND "N-1009" AND "N-1010" AND "N-1011" AND "N-1012" AND "N-1013" AND "N-1014" AND "N-1015" AND "N-1016" AND "N-1017" AND "N-1018" AND "N-1019" AND "N-1020" AND "N-1021" AND "N-1022" AND "N-1023" AND "N-1024" AND "N-1025" AND "N-1026" AND "N-1027" AND "N-1028" AND "N-1029" AND "N-1030" AND "N-1031" AND "N-1032" AND "N-1033" AND "N-1034" AND "N-1035" AND "N-1036" AND "N-1037" AND "N-1038" AND "N-1039" AND "N-1040" AND "N-1041" AND "N-1042" AND "N-1043" AND "N-1044" AND "N-1045" AND "N-1046" AND "N-1047" AND "N-1048" AND "N-1049" AND "N-1050" AND "N-1051" AND "N-1052" AND "N-1053" AND "N-1054" AND "N-1055" AND "N-1056" AND "N-1057" AND "N-1058" AND "N-1059" AND "N-1060" AND "N-1061" AND "N-1062" AND "N-1063" AND "N-1064" AND "N-1065" AND "N-1066" AND "N-1067" AND "N-1068" AND "N-1069" AND "N-1070" AND "N-1071" AND "N-1072" AND "N-1073" AND "N-1074" AND "N-1075" AND "N-1076" AND "N-1077" AND "N-1078" AND "N-1079" AND "N-1080" AND "N-1081" AND "N-1082" AND "N-1083" AND "N-1084" AND "N-1085" AND "N-1086" AND "N-1087" AND "N-1088" AND "N-1089" AND "N-1090" AND "N-1091" AND "N-1092" AND "N-1093" AND "N-1094" AND "N-1095" AND "N-1096" AND "N-1097" AND "N-1098" AND "N-1099" AND "N-1100" AND "N-1101" AND "N-1102" AND "N-1103" AND "N-1104" AND "N-1105" AND "N-11

SEE SHEET 2 FOR BOUNDARY MAP,
ENVIRONMENTAL CONSTRAINTS NOTE,
SURVEY NOTES, LEGEND AND MONITY
MAP

SHEET 4 OF 12 SHEETS

BEING A PORTION OF PARCEL A TOGETHER WITH A PORTION OF PARCEL B OF LOT LINE ADJUSTMENT 05221 RECORDED NOVEMBER 20, 2008 AS INSTRUMENT NO. 2008-0527851 OF OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA, LOCATED IN SECTION 36, TOWNSHIP 5 SOUTH, RANGE 3 WEST, S.B.M.

K & A ENGINEERING, INC.

DECEMBER 2019

EASEMENT AND INDEX SHEET





TRACT NO. 30757

M.B. 363/85-91

EASEMENT NOTES:

- ▲ AN EASEMENT FOR PIPE LINES AND INCIDENTAL PURPOSES, RECORDED IN FAVOR OF SOUTHERN CALIFORNIA GAS COMPANY, EXPIRES JULY 31, 1939 IN BOOK 136, PAGE 144 AND OCTOBER 14, 1929 IN BOOK 80B, PAGE 262 BOTH OF RECORD.
- ▲ AN EASEMENT FOR PIPE LINES AND INCIDENTAL PURPOSES, RECORDED IN FAVOR OF SOUTHERN CALIFORNIA GAS COMPANY, EXPIRES AUGUST 12, 1949 IN BOOK 116, PAGE 243 OF OFFICIAL RECORDS, IN FAVOR OF THE COUNTY OF LOS ANGELES, EXPIRES DECEMBER 31, 1938 IN INSTRUMENT NO. 22587-5 OF OFFICIAL RECORDS.
- ▲ AN EASEMENT FOR PIPE LINES AND INCIDENTAL PURPOSES, RECORDED IN FAVOR OF SOUTHERN CALIFORNIA GAS COMPANY, SUBMITTED TO AN EXTENSION OF THE RIGHTS OF WAY, RECORDED JULY 12, 1937 AS INSTRUMENT NO. 22587-5 OF OFFICIAL RECORDS.
- ▲ AN EASEMENT FOR PIPE LINES AND INCIDENTAL PURPOSES, AS SHOWN ON THE PLAT, MAP 2938, PAGE 1407-142, SET MAP FOR INSTRUMENT NO. 22587-5 OF OFFICIAL RECORDS.
- ▲ AN EASEMENT FOR SUBJ. RIGHTS, EGRESS AND INCIDENTAL PURPOSES, IN FAVOR OF THE COUNTY OF LOS ANGELES, EXPIRES APRIL 30, 2008 AS INSTRUMENT NO. 2008-072552 OF OFFICIAL RECORDS. SEE MAP FOR INSTRUMENT.
- ▲ AN OFFER OF DESIGNATION FOR DRAINAGE AND INCIDENTAL PURPOSES, RECORDED IN FAVOR OF THE CITY OF MONTECITO, EXPIRES OCTOBER 22, 2013 AS REG. NO. 2013-048117 OF OFFICIAL RECORDS. SEE MAP FOR INSTRUMENT.
- ▲ AN EASEMENT FOR STRATA GRASSLAND PURPOSES, RECORDED IN FAVOR OF THE CITY OF MONTECITO, EXPIRES DECEMBER 31, 2015 AS REG. NO. 2013-048117 OF OFFICIAL RECORDS. REASONED HEREON.
- ▲ INDICATES AN EASEMENT FOR DRAINAGE AND MAINTENANCE LYING WITHIN LOTS 136 AND 144 OF THE PLAT.
- ▲ INDICATES AN EASEMENT FOR LANDSCAPE AND MAINTENANCE PURPOSES LYING WITHIN LOT 148 OF 150, INCLUDING, DESIGNATED HEREON.

EASEMENT NOTES

-  INDICATES AN EASEMENT FOR PUBLIC UTILITIES LYING WITHIN LOT 138 O.S., DEDICATED HEREON.
-  INDICATES AN EASEMENT FOR STORM DRAINAGE, MAINTENANCE AND ACCESS, WATER QUALITY AND LANDSCAPE, LYING WITHIN LOT 133 O.S., AND LOT 137 O.S., DEDICATED HEREON.
-  INDICATES AN EASEMENT FOR MAINTENANCE PURPOSES, LYING WITHIN LOT 65, RESERVED HEREON.
-  INDICATES AN EASEMENT FOR PUBLIC TRAIL PURPOSES,

MONUMENT NOTES

- ① 1" 1/2" LP, W/ NAIL AND TACK, TAGGED "CO. SURVEYOR", ON 0.5 IN DIRT, ACCEPTED AS NORTH 1/4 CORNER OF SECTION 36 PER PARCEL MAP 2183A F&M: 146/1-25
- ② 1" LP, WITH PLUG, TAGGED "S.S. BRAN", ON 0.2 PER TRACT NO. 32-81, ACCEPTED AS SOUTHWEST CORNER OF PARCEL 2 OF LOT LINE ADJUSTMENT 4674

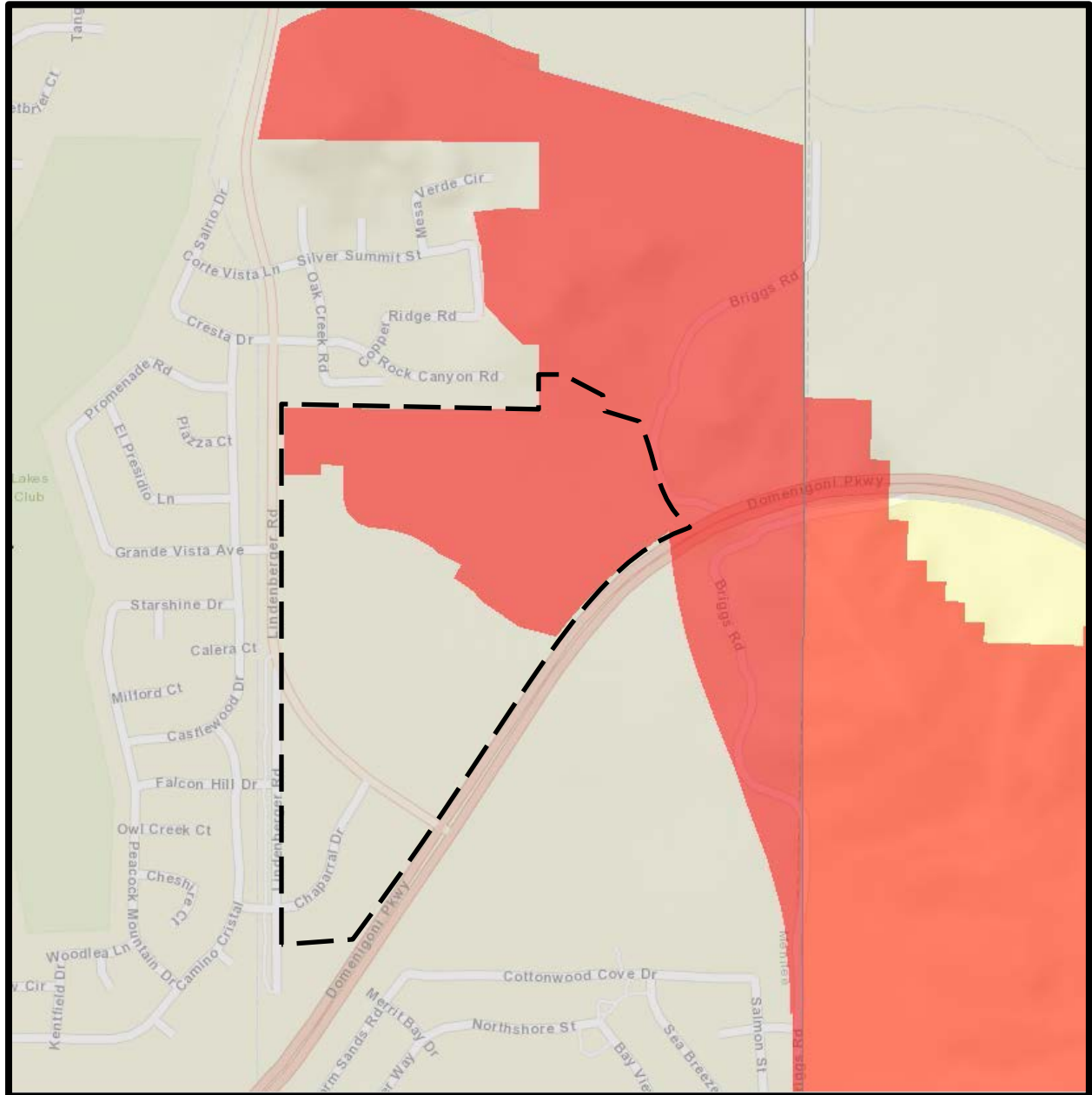
BASIS OF BEARINGS:

THE BASIS OF HORIZONTAL CONTROL FOR THIS SURVEY IS DERIVED FROM AN ONLINE POSITONING SYSTEM (NAD83) USING GPS/SCALION SYSTEMS. THE CALIFORNIA STATE PLANE COORDINATE SYSTEM, ZONE 8, BASED ON CALSAD/COMPASS/COMPASSION (2011) (SPK REFERENCE STATION [COORD] "ELL", "MUP", AND "TOM", MAG. 02/2011) (SPK 2010) IS SHOWN HEREIN. ALL BEARINGS SHOWN ON THIS MAP ARE GRID. QUOTED BEARINGS AND DISTANCES FROM SURVEYED MARKS OR OBJECTS AS SHOWN HEREIN THAT REQUIRE REFERENCE, ALL DISTANCES SHOWN ARE GRID DISTANCES. UNADJUSTED COORDINATES AND DISTANCES SHOWN ARE OBTAINED BY MEASURING THE GROUND DISTANCE ON A CONVENTIONAL FACTOR. LOCAL MAGNETIC DECLINATION IS MADE AT COORDINATE POINT "W" WITH COORDINATES OF 37.0197650000 (GRID) 2.6267810000 (NAD83) USING AN ELEVATION OF 1531.262 (NAVD83).



CAL FIRE - FIRE HAZARD MAP

Cal Fire - Fire Hazard Map



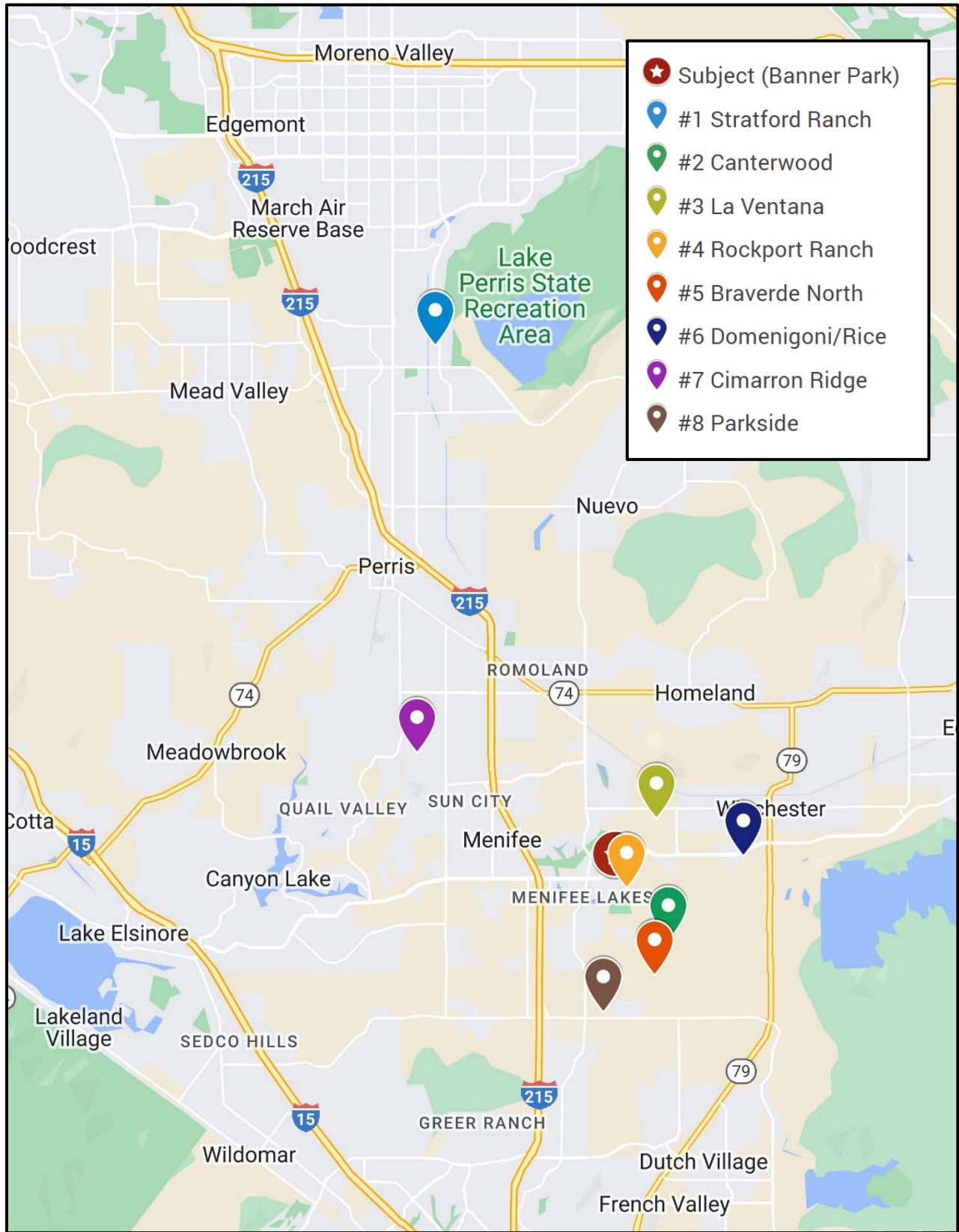
DISCOUNTED CASH FLOW ANALYSIS

Banner Park 2023 Builder-Owned Houses Discounted Cash Flow Analysis

MONTH	Months	<u>MONTH 1</u>	<u>MONTH 2</u>	<u>MONTH 3</u>	<u>MONTH 4</u>	<u>MONTH 5</u>	<u>TOTAL</u>
	5						
INCOME:							
Retail Sales	15,242,007	\$3,048,401	\$3,048,401	\$3,048,401	\$3,048,401	\$3,048,401	\$15,242,007
TOTAL INCOME		<u>\$3,048,401</u>	<u>\$3,048,401</u>	<u>\$3,048,401</u>	<u>\$3,048,401</u>	<u>\$3,048,401</u>	<u>\$15,242,007</u>
EXPENSES:							
Remaining Costs		(\$446,603)	(\$446,604)	(\$446,604)	(\$446,604)	(\$446,604)	(\$2,233,019)
Marketing & Carrying Expenses	10%	(\$304,840)	(\$304,840)	(\$304,840)	(\$304,840)	(\$304,840)	(\$1,524,201)
Profit	10%	<u>(\$304,840)</u>	<u>(\$304,840)</u>	<u>(\$304,840)</u>	<u>(\$304,840)</u>	<u>(\$304,840)</u>	<u>(\$1,524,201)</u>
TOTAL EXPENSES		(\$1,056,283)	(\$1,056,284)	(\$1,056,284)	(\$1,056,284)	(\$1,056,284)	(\$5,281,420)
NET CASH FLOW		\$1,992,118	\$1,992,117	\$1,992,117	\$1,992,117	\$1,992,117	\$9,960,587
Discount Factor	10%	<u>0.9917</u>	<u>0.9835</u>	<u>0.9754</u>	<u>0.9673</u>	<u>0.9594</u>	
DISCOUNTED CASH FLOW		\$1,975,654	\$1,959,326	\$1,943,133	\$1,927,074	\$1,911,148	\$9,716,334
CUMULATIVE DISCOUNTED CASH FLOW		<u>\$1,975,654</u>	<u>\$3,934,980</u>	<u>\$5,878,113</u>	<u>\$7,805,187</u>	<u>\$9,716,334</u>	<u>\$9,716,334</u>

RESIDENTIAL LAND SALES MAP
& SUMMARY CHART

FINISHED LOT LAND SALES SUMMARY MAP



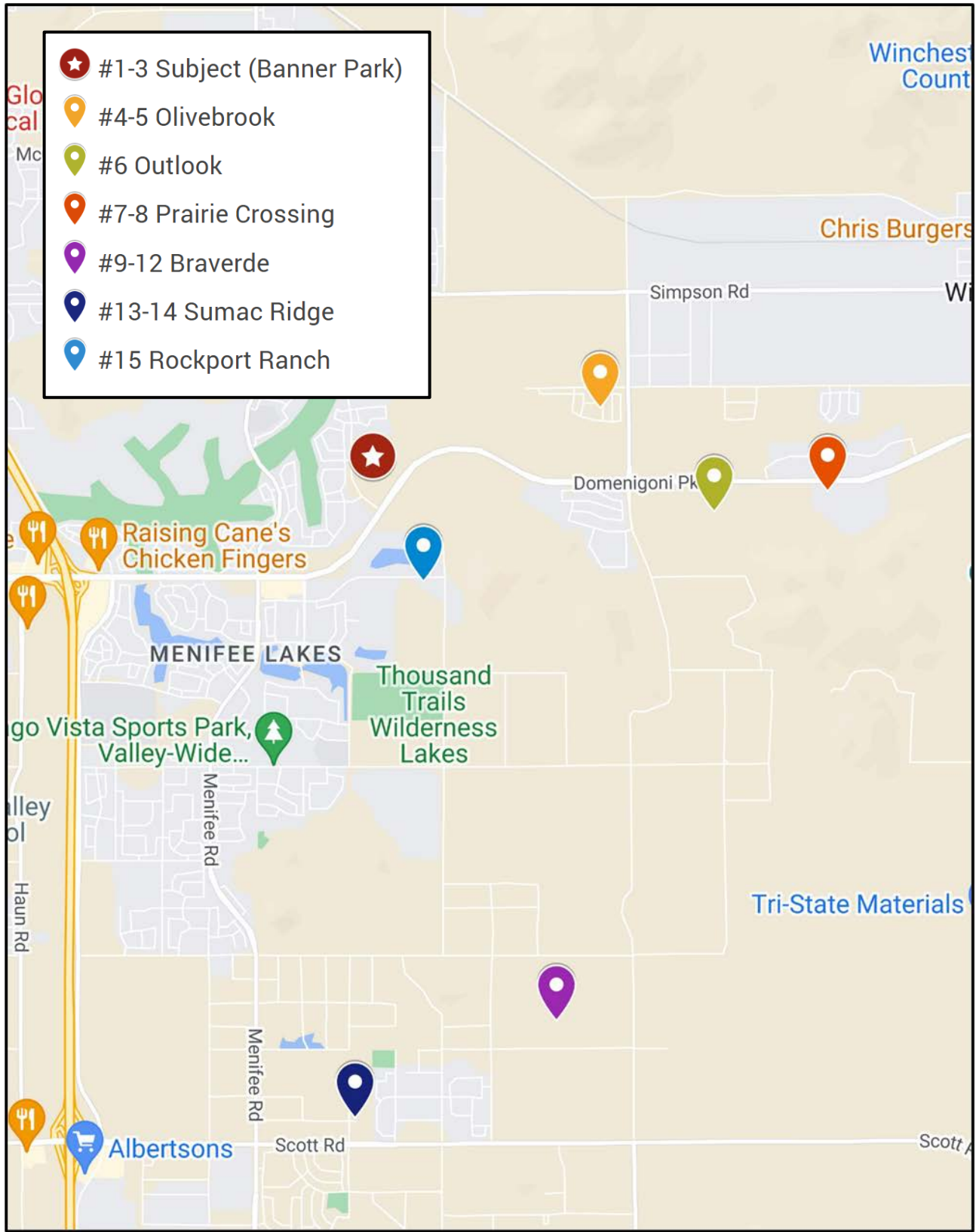
FINISHED LOT LAND SALES SUMMARY CHART

Data No.	Location / APN / Buyer / Seller	Sales Date	# Lots	Lot Size	Sales Price / Price per Lot	Est. Finished Lot Price	Comments
1	Stratford Ranch, Evans Road and Ramona Expressway, Perris / 302-150-049 / Pulte Group / Mission Pacific	11 / 22	90	6,000	\$4,906,130 \$54,513	\$225,000	Closed with an approved Final Map in an unimproved condition.
2	Canterwood Phase 1, SEC Holland Road and Leon Road, Menifee / 466-310-026 / D.R. Horton / Ambient	4 / 22	446	5,000-7,000	\$6,000,000 \$13,453	\$175,000	Closed with an approved Final Map in an unimproved condition. Extensive offsites needed (increased risk).
3	La Ventana, N. of Olive Avenue and La Ventana Road, Winchester / 461-460-008 / Forestar (D.R Horton OBS partner) / Rancon	4 / 22	220	6,000	\$8,000,000 \$36,364	\$213,000	Closed with a recorded Final Map in an unimproved condition.
4	Rockport Ranch, SWC of Briggs Road and Old Newport Road, Menifee / 364-190-004 / Lennar / Abacherli Family	12 / 21	305	Cluster – 6,500	\$5,500,000 / \$18,033	\$181,000 - \$213,000	Closed in an unimproved condition with an approved tentative tract map.
5	Braverde North, S of Garbani Road and La Ventana Lane, Menifee / 466-210-029 / Richmond American / IHP	10 / 21	261	5,000 – 7,000	\$41,685,876 / \$159,716	\$215,000	Closed with an approved Final Map in a Finished Lot Condition
6	Domenigoni/Rice / SW of Domenigoni Parkway and Rice Road, Winchester / 461-383-023 / D.R. Horton / SR Conestoga LLC	8 / 21	129	6,000	\$5,600,000 / \$43,411	\$202,000	Closed in unimproved condition with a Recorded final map.
7	Cimarron Ridge, NWC of Valley Boulevard & Chambers Avenue, Menifee / 330-220-016 / Pulte Homes / Van Daele Homes	7 / 21	756	5,000 - 10,000	\$47,000,000 / \$62,169	\$185,000	Closed in rough graded condition with an approved final map.

8	Parkside, NW of Scott Road & Lindenberger Road, Menifee / 372-160-006 / Meritage Homes / KGK Riverside Properties	5 / 21	175	6,000 - 10,000	\$7,200,000 / \$41,143	\$170,000	Closed in unimproved condition with an approved tentative tract map.
---	--	--------	-----	-------------------	---------------------------	-----------	--

IMPROVED RESIDENTIAL SALES MAP
& SUMMARY CHART

IMPROVED RESIDENTIAL SALES MAP



IMPROVED RESIDENTIAL SALES SUMMARY CHART

Data No.	Project Name Location/Developer	Plan	Room Count	Floors/ Parking	Size (SF)	Lot Size or Density / Absorption	Base Sales Price	Price/SF
1	Heritage at Banner Park / Domenigoni Pkwy and Lindenberger Road, Menifee / Pulte Homes	H1	3 / 2	1 / 2	2,191	7,900 sf lots 3.1 sales/mo	\$553,990	\$252.85
		H2	3 / 2.5	1 / 2	2,311		\$566,990	\$245.34
		H3	3 / 2.5	1 / 3	2,462		\$585,990	\$238.01
2	Merit at Banner Park / Domenigoni Pkwy and Lindenberger Road, Menifee / Pulte Homes	M1	4 / 2.5	2 / 2	2,391	6,000 sf lots 2.9 sales/mo	\$573,990	\$240.06
		M2	4 / 2.5	2 / 2	2,654		\$588,990	\$221.93
		M3	5 / 3	2 / 2	2,824		\$603,990	\$213.88
3	Crest at Banner Park / Domenigoni Pkwy and Lindenberger Road, Menifee / Pulte Homes	C1	4 / 2.5	2 / 3	2,845	6,500 sf lots 3.4 sales/mo	\$605,990	\$213.00
		C2 (NG)	5 / 3.5	2 / 3	3,047		\$634,990	\$208.40
		C3 (NG)	5 / 3.5	2 / 3	3,237		\$645,990	\$199.56
4	Cheyenne at Olivebrook / Leon Road and Olive Avenue, Winchester / KB Home	1	3 / 2	1 / 2	1,383	4,000 sf lots 8.3 sales/mo	\$482,990	\$349.23
		2	3 / 2	1 / 2	1,551		\$479,990	\$309.47
		3	3 / 2	1 / 2	1,771		\$490,990	\$277.24
		4	3 / 2	1 / 2	1,927		\$500,990	\$259.98
		5	4 / 2.5	2 / 2	2,519		\$555,990	\$220.72
		6	4 / 2.5	2 / 2	2,537		\$535,990	\$211.27
		7	5 / 3	2 / 2	2,874		\$572,990	\$199.37
		8	5 / 3	2 / 2	2,882		\$556,990	\$193.27
5	Rock Meadows at Olivebrook / Leon Road and Olive Avenue, Winchester / KB Home	1	3 / 2	1 / 2	1,470	6,000 sf lots 5.6 sales/mo	\$490,990	\$334.01
		2	3 / 2	1 / 2	1,751		\$491,990	\$280.98
		3	4 / 2	1 / 2	2,026		\$525,990	\$259.62
		4	4 / 2	1 / 2	2,035		\$509,990	\$250.61
		5	4 / 2	1 / 2	2,378		\$547,990	\$230.44
		6	4 / 2	1 / 2	2,387		\$537,990	\$225.38
6	Opal Skye at Outlook / SE of Domenigoni & Leon Road, Winchester / TriPointe Homes	5	3 / 2	2 / 2	1,882	8,500 sf lots 4.1 sales/mo	\$469,000	\$249.20
		6	3 / 2	2 / 2	2,054		\$474,000	\$230.77
		7	4 / 3	2 / 2	2,193		\$482,000	\$219.79

7	Prairie Crossing Meadow View / Domenigoni Pkwy and Prarie Crossing Dr, Winchester / Lennar	1	3 / 2.5	2 / 2	1,823	5,500 sf lots 4.3 sales/mo	\$496,810	\$272.52
		2	4 / 3	2 / 2	2,203		\$529,880	\$240.53
		3	4 / 3	2 / 2	2,419		\$544,130	\$224.94
		4	4 / 3	2 / 2	2,590		\$586,130	\$226.31
8	Prairie Crossing Night Sky / Domenigoni Pkwy and Prarie Crossing Dr, Winchester / Lennar	1	3 / 2	1 / 2	1,678	5,500 sf lots 4.6 sales/mo	\$494,980	\$294.98
		2	3 / 2	1 / 2	1,950		\$510,770	\$261.93
		3	4 / 2	1 / 2	2,201		\$541,670	\$246.10
		4	3 / 2	1 / 2	2,287		\$554,635	\$242.52
9	Legacy at Braverde / Wickerd Road and El Centro Lane, Menifee / Richmond American	1	3 / 2.5	2 / 2	2,780	7,200 sf lots 2.9 sales/mo	\$610,990	\$219.78
		2	3 / 2.5	2 / 2	2,910		\$625,990	\$215.12
		3	3 / 2.5	2 / 3	3,020		\$650,990	\$215.56
		4	4 / 2.5	2 / 2	3,040		\$620,990	\$204.27
		5	4 / 3.5	2 / 3	3,510		\$667,990	\$190.31
10	Heritage at Braverde / Wickerd Road and El Centro Lane, Menifee / Richmond American	1	4 / 3	2 / 2	2,480	5,000 sf lots 3.3 sales/mo	\$581,990	\$234.67
		2	4 / 3	2 / 2	2,730		\$609,990	\$223.44
		3	5 / 3.5	2 / 2	2,940		\$621,990	\$211.56
11	Liberty at Braverde / Wickerd Road and El Centro Lane, Menifee / Richmond American	1	3 / 2.5	1 / 2	2,290	6,500 sf lots 3.6 sales/mo	\$583,990	\$255.02
		2	3 / 2.5	1 / 2	2,490		\$612,990	\$246.18
		3	3 / 2.5	1 / 2	2,610		\$597,990	\$229.11
12	Seasons Elevated at Braverde / Wickerd Road and El Centro Lane, Menifee / Richmond American	1	3 / 2.5	2 / 2	2,370	5,500 sf lots 3.5 sales/mo	\$546,990	\$230.80
		2	3 / 2.5	2 / 2	2,680		\$565,990	\$211.19
		3	4 / 2.5	2 / 2	3,040		\$586,990	\$193.09
13	Sage at Sumac Ridge / NE of Scott Road and Menifee Road, Menifee / Meritage Homes	1	4 / 2.5	1 / 2	1,910	6,000 sf lots 4.1 sales/mo	\$551,000	\$288.48
		2	4 / 3	2 / 2	2,320		\$559,000	\$240.95
		3	4 / 3	2 / 2	2,541		\$571,000	\$224.71
		4	4 / 3	2 / 2	2,771		\$584,000	\$210.75
		5	5 / 3	2 / 2	2,948		\$599,000	\$203.19
14	Cedar at Sumac Ridge / NE of Scott Road and Menifee Road, Menifee / Meritage Homes	1	4 / 3	1 / 2	2,527	7,000 sf lots 3.0 sales/mo	\$612,000	\$242.18
		2	4 / 3	2 / 3	2,992		\$622,000	\$207.89
		3	5 / 3.5	2 / 3	3,247		\$645,000	\$198.64

15	South Shore at Rockport Ranch / SWC of Old Newport Road and Briggs Road Menifee / Lennar	1	3 / 2	1 / 2	1,939	6,000 sf lots Grand Opening	\$518,315	\$267.31
		2	5 / 3.5	1 / 2	2,752		\$613,520	\$222.94
		3	4 / 2.5	2 / 2	2,835		\$612,995	\$216.22
		4 (NG)	5 / 3.5	2 / 3	3,146		\$666,005	\$211.70
		5 (NG)	7 / 4.5	2 / 3	4,134		\$786,740	\$190.31

APPRAISER'S QUALIFICATIONS

QUALIFICATIONS OF KITTY S. SIINO, MAI

Education

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

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

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

Employment

1988 - Present:

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

1986-1988:

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

1981 - 1986

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

1980 - 1981

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

Licenses

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

Organizations

MAI #11145 - The Appraisal Institute

Public Financing

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

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