

Integra Realty Resources
Orange County

Appraisal of Real Property

IA No. 1 of CFD No. 2025-1 of the County of Orange (Rienda 3)

Residential Land

North of Cow Camp Rd., East of Los Patrones Pkwy.

Rancho Mission Viejo, Orange County, California 92694

Prepared For:

County of Orange

Date of the Report:

April 20, 2026

Report Format:

Appraisal Report

IRR - Orange County

File Number: 220-2026-0006



Subject Photographs



IA No. 1 of CFD No. 2025-1 of the County of Orange (Rienda 3)
North of Cow Camp Rd., East of Los Patrones Pkwy.
Rancho Mission Viejo, California



April 20, 2026

Mr. Louis McClure
Finance Team Lead
County of Orange
400 W. Civic Center Dr., 5th Floor
Santa Ana, CA 92701

SUBJECT: Market Value Appraisal
IA No. 1 of CFD No. 2025-1 of the County of Orange (Rienda 3)
North of Cow Camp Rd., East of Los Patrones Pkwy.
Rancho Mission Viejo, Orange County, California 92694
IRR - Orange County File No. 220-2026-0006

Dear Mr. McClure:

Integra Realty Resources – Orange County is pleased to submit the accompanying appraisal of the referenced property. The purpose of the appraisal is to develop an opinion of the market value, subject to a hypothetical condition, by ownership, pertaining to the fee simple interest in certain properties within the boundaries of Improvement Area No. 1 of the County of Orange Community Facilities District (CFD) No. 2025-1 (Rienda 3) (“CFD No. 2025-1”), under the assumptions and conditions contained in this Appraisal Report. The client for the assignment is the County of Orange and the intended use of the report is for bond underwriting purposes.

CFD No. 2025-1 IA No. 1 comprises Planning Areas 3.3 and 3.4 within the Ranch Plan Specific Plan or Orange County and consist of 501 single-family residential lots comprised of both attached and detached product, as well as three parcels proposed for the development of 217 market-rate apartments on 12.53 acres. Located within the Rancho Mission Viejo community of Orange County, Rienda is located north of Cow Camp Road, east of Los Patrones Parkway. A more detailed legal and physical description of the subject property is contained within the attached report. As of the date of value the appraised single-family properties comprise lots at various stages of development, a summary of which is provided on the following page.

Mr. Louis McClure
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Subject Lot Status Summary

Project Name	Market Segment	Product Type	Builder	Total No. of Units	Unimproved SFR Lots	Partially		Partially	
						Improved SFR Lots	Finished SFR Lots	Completed Homes	Completed Homes
Planning Area 3.3									
Sapphire	All Age	SFD Small Lot	Trumark	64	0	0	35	4	25
Lotus	All Age	SFD Medium Lot	Trumark	56	0	0	8	12	36
Arrowleaf	All Age	SFD Large Lot	Shea	<u>55</u>	<u>0</u>	<u>0</u>	<u>26</u>	<u>17</u>	<u>12</u>
				175	0	0	69	33	73
Planning Area 3.4									
Lavender	Age Qualified	Single Family Duplex & Motorcourt	TriPointe	76	42	20	4	8	2
Nova	Age Qualified	Single Family Duplex	Lennar	52	0	20	4	14	14
Strata	Age Qualified	Single Family Cluster	Lennar	72	14	30	3	6	19
Elara	Age Qualified	Single Family Alley	Pulte	44	2	13	20	6	3
Luna	Age Qualified	SFD Traditional	Pulte	<u>82</u>	<u>63</u>	<u>2</u>	<u>2</u>	<u>12</u>	<u>3</u>
				326	121	85	33	46	41
TOTAL				501	121	85	102	79	114

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

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

Based on the valuation analysis in the accompanying Appraisal Report, and subject to the hypothetical condition, definitions, assumptions, and limiting conditions expressed in the report, the concluded opinion(s) of value, as of the date of value, February 25, 2026, is as follows:



Value Conclusion

Value Type & Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value, subject to a Hypothetical Condition	Fee Simple	February 25, 2026	
RMV PA3 Development, LLC			\$47,058,000
Trumark			\$58,000,000
Shea			\$51,023,000
TriPointe			\$29,778,000
Lennar			\$90,284,000
Pulte			\$83,884,000
Individual Homeowners			<u>\$85,185,000</u>
Aggregate Value			\$445,212,000

Extraordinary Assumptions and Hypothetical Conditions

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

(None)

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

1. Certain proceeds from the CFD Bonds will be used to reimburse and finance infrastructure improvements. The market values estimated herein are subject to the hypothetical condition certain authorized public improvements to be funded by proceeds from the County of Orange CFD No. 2025-1 IA No. 1 Bonds are completed. The estimates of market value account for the impact of lien of the Special Taxes securing the CFD Bonds.

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

The opinions of value represent a "not-less-than" value for the smallest floor plan by project with a completed home, without consideration for upgrades and lot premiums.

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



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County of Orange
April 20, 2026
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If you have any questions or comments, please contact the undersigned. Thank you for the opportunity to be of service.

Respectfully submitted,

Integra Realty Resources - Orange County



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Executive Summary

Property Name	IA No. 1 of CFD No. 2025-1 of the County of Orange (Rienda 3)
Address	North of Cow Camp Rd., East of Los Patrones Pkwy. Rancho Mission Viejo, Orange County, California 92694
Property Type	Land - Single Family Development Land
Owner of Record	Master Developer: RMV PA3 Development, LLC; and Merchant Builders: Trumark, Shea, TriPointe, Lennar, and Pulte; and Individual Homeowners
Zoning Designation	Ranch Plan Specific Plan
Highest and Best Use	Residential use
Exposure Time; Marketing Period	12 months; 12 months
Date of the Report	April 20, 2026

Value Conclusion

Value Type & Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value, subject to a Hypothetical Condition	Fee Simple	February 25, 2026	
RMV PA3 Development, LLC			\$47,058,000
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Pulte			\$83,884,000
Individual Homeowners			\$85,185,000
Aggregate Value			\$445,212,000

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

Extraordinary Assumptions and Hypothetical Conditions

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

(None)

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

1. Certain proceeds from the CFD Bonds will be used to reimburse and finance infrastructure improvements. The market values estimated herein are subject to the hypothetical condition certain authorized public improvements to be funded by proceeds from the County of Orange CFD No. 2025-1 IA No. 1 Bonds are completed. The estimates of market value account for the impact of lien of the Special Taxes securing the CFD Bonds.

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

Identification of the Appraisal Problem

Subject Description

CFD No. 2025-1 IA No. 1 comprises Planning Areas 3.3 and 3.4 within the Ranch Plan Specific Plan or Orange County and consist of 501 single-family residential lots comprised of both attached and detached product, as well as three parcels proposed for the development of 217 market-rate apartments on 12.53 acres. Located within the Rancho Mission Viejo community of Orange County, Rienda is located north of Cow Camp Road, east of Los Patrones Parkway. As of the date of value the appraised single-family properties comprise lots at various stages of development, a summary of which is provided below.

Subject Lot Status Summary

Project Name	Market Segment	Product Type	Builder	Total No. of Units	Unimproved SFR Lots	Partially		Partially	
						Improved SFR Lots	Finished SFR Lots	Completed Homes	Completed Homes
Planning Area 3.3									
Sapphire	All Age	SFD Small Lot	Trumark	64	0	0	35	4	25
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				326	121	85	33	46	41
TOTAL				501	121	85	102	79	114

Legal descriptions of the property are provided in the addenda.

Property Identification

Property Name	IA No. 1 of CFD No. 2025-1 of the County of Orange (Rienda 3)
Address	North of Cow Camp Rd., East of Los Patrones Pkwy. Rancho Mission Viejo, California 92694
Owner of Record	Master Developer: RMV PA3 Development, LLC; and Merchant Builders: Trumark, Shea, TriPointe, Lennar, and Pulte; and Individual Homeowners

Sale History

All of the subject properties have sold or are in contract to be sold in blue top condition; whereby, the properties are rough graded with backbone streets installed and utilities stubbed to the site(s). While details of each transaction have been provided for our review, they have been made confidential. Our value conclusions are greater than the contract prices; however, this is to be expected, as site development and in-tract work is underway or complete as of the effective appraisal date. It's worth noting, Pulte Homes and Lennar Homes have both utilized land banks to facilitate to purchase and transfer of improved lots to each respective merchant builder entity. Utilizing land banks serves as a financing mechanism, which is relatively commonplace for transactions involving national

Appraisal Purpose

homebuilders, especially within master planned communities such as the subject. Reportedly, as of February 25, 2026, Pulte and Lennar had acquired 54 and 77 lots in Improvement Area No. 1, respectively, from landbanks. These transactions are not considered an arm's length transfer of the subject lots, as defined; thus, no further consideration is warranted. For purposes of analysis herein, there is no delineation between Pulte Homes and their land bank (Gavilan Ridge – RMV, L.P.) or Lennar Homes and their land bank (AG EHC II (LEN) CA 3, L.P.) in the determination of market value, in bulk, of the properties held by each respective homebuilder.

Note the sale history of the completed homes to individuals is not presented, but each sale is believed to be consistent with the market at the time of the respective sale.

No other known sales or transfers of ownership have taken place within a three-year period prior to the effective appraisal date.

Appraisal Purpose

The purpose of this Appraisal Report is to estimate the market value (fee simple estate), by ownership, and the aggregate value of the appraised properties comprising CFD No. 2025-1, subject to the hypothetical condition certain proceeds from the Special Tax Bonds will be available to reimburse and finance the master developer for certain public improvements, as of the effective date of the appraisal, February 25, 2026. The date of the report is April 20, 2026. The appraisal is valid only as of the stated effective date. The home values are based on a "not-less-than" value for each plan, without consideration for upgrades and lot premiums. Further, the contributory value of unfinished homes is not considered, though, the contributory value of permits and impact fees paid for lots with either construction underway or not yet begun.

Value Type Definitions

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

Market Value

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

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

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

Property Rights Definitions

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

Fee Simple Estate

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

Client and Intended User(s)

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

Intended Use

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

Applicable Requirements

This appraisal report conforms to the following requirements and regulations:

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

Report Format

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

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

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

Prior Services

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

Appraiser Competency

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

Scope of Work

Introduction

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

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

Research and Analysis

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

Subject Property Data Sources

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

Inspection

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

Property Inspection		
Party	Inspection Type	Inspection Date
Sara Gilbertson, MAI	None	N/A
Eric Segal, MAI	On-site	March 5, 2026
Noah Kauffman, MAI, R/W-AC	None	N/A

Valuation Methodology

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

Appraiser Competency

Approaches to Value

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

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

The market value of the residential lots was estimated by utilizing the land residual analysis and the sales comparison approach to value. In the land residual analysis (a variation of the cost approach and income capitalization approaches), all direct and indirect costs are deducted from an estimate of the anticipated gross sales price of the improved home product; the resultant net sales proceeds are then discounted to present value at an anticipated discount rate over the development and absorption period to indicate the residual value of the lots. As support for the results of the land residual analyses, recent bulk lot sales in the market area are arrayed as a test of reasonableness.

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

The market value estimates for the various taxable land use components described above were then assigned to the various assessor’s parcels comprising the appraised properties in order to derive the cumulative, or aggregate, value of the CFD. The analysis excluded a typical cost approach since the subject property represents land. However, costs associated with home construction were taken into consideration as part of the land residual analysis and determination of financial feasibility. Given the limited, if any, income producing potential of the land, an income approach was not utilized.

Economic Analysis

Orange County Area Analysis

Orange County is located in the southern part of California, bordered by Los Angeles County on the north, San Bernardino and Riverside Counties on the northeast, San Diego County on the southeast and the Pacific Ocean on the southwest. It is the smallest county in Southern California, with an area of 793 square miles and a population density of 3,994 persons per square mile. The Santa Ana River roughly bisects the county into a northwestern and southeastern portion. The southeastern, inland part of the county has higher elevations in the foothills of the Santa Ana Mountains and the topography transitions to lower coastal land in the northwestern part of the county.

Most of the population in the county is concentrated in the northern and central portions of the county, within cities surrounding the county seat of Santa Ana, including Anaheim, Buena Park, Costa Mesa, Fullerton, Garden Grove, Irvine, Orange, Placentia, Santa Ana and Yorba Linda; as well as the region known as the Saddleback Valley in the southeastern part of the county, including Mission Viejo, Ladera Ranch, Coto de Caza, Trabuco Canyon, Rancho Santa Margarita, Lake Forest, Aliso Viejo, Laguna Woods, Laguna Hills and Laguna Niguel. The northern/central part of the county is more urbanized with dense development and business districts, while the southern part is suburban in nature, with lower density development. Several cities within the county are located on the Pacific Coast: Huntington Beach, Newport Beach, Laguna Beach, Dana Point and San Clemente. In total, there are 34 incorporated towns and cities in the county.

Population

Orange County has an estimated 2025 population of 3,166,349, which represents an average annual 0.1% decrease from the 2020 census of 3,186,989. Orange County lost an average of 4,128 residents per year over the 2020-2025 period, and its downward trend in population parallels that of the State of California.

Looking forward, Orange County's population is projected to decrease at a 0.1% annual rate from 2025-2030, equivalent to the loss of an average of 1,883 residents per year. Orange County's population decline differs from California, which is projected to stay approximately the same in population during this time.

Population Trends

	Population			Compound Ann. % Chng	
	2020 Census	2025 Estimate	2030 Projection	2020 - 2025	2025 - 2030
Orange County	3,186,989	3,166,349	3,156,935	-0.1%	-0.1%
California	39,538,223	39,435,158	39,455,567	-0.1%	0.0%

Source: Claritas

Employment

Total employment in Orange County was estimated at 1,661,124 jobs at year-end 2024. Between year-end 2014 and 2024, employment rose by 151,214 jobs, equivalent to a 10.0% increase over the entire period. There were gains in employment in eight out of the past ten years. Although Orange County's employment rose over the last decade, it underperformed California, which experienced an increase in employment of 13.3% or 2,140,994 jobs over this period.

Employment Trends

Year	Total Employment (Year End)				Unemployment Rate (Ann. Avg.)	
	Orange County	Change %	California	Change %	Orange County	California
2014	1,509,910		16,089,814		5.6%	7.6%
2015	1,551,455	2.8%	16,606,038	3.2%	4.5%	6.2%
2016	1,589,304	2.4%	16,930,563	2.0%	4.0%	5.5%
2017	1,623,126	2.1%	17,263,084	2.0%	3.5%	4.8%
2018	1,644,088	1.3%	17,573,378	1.8%	2.9%	4.3%
2019	1,667,473	1.4%	17,857,719	1.6%	2.8%	4.1%
2020	1,503,940	-9.8%	16,401,290	-8.2%	8.9%	10.2%
2021	1,625,672	8.1%	17,641,250	7.6%	6.0%	7.3%
2022	1,648,636	1.4%	18,066,913	2.4%	3.2%	4.3%
2023	1,669,071	1.2%	18,146,497	0.4%	3.5%	4.7%
2024	1,661,124	-0.5%	18,230,808	0.5%	3.9%	5.3%
Overall Change 2014-2024	151,214	10.0%	2,140,994	13.3%		
Avg Unemp. Rate 2014-2024					4.4%	5.8%
Unemployment Rate - April 2025					3.7%	5.0%

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

A comparison of unemployment rates is another way of gauging an area's economic health. Over the past decade, the Orange County unemployment rate has been consistently lower than that of California, with an average unemployment rate of 4.4% in comparison to a 5.8% rate for California.

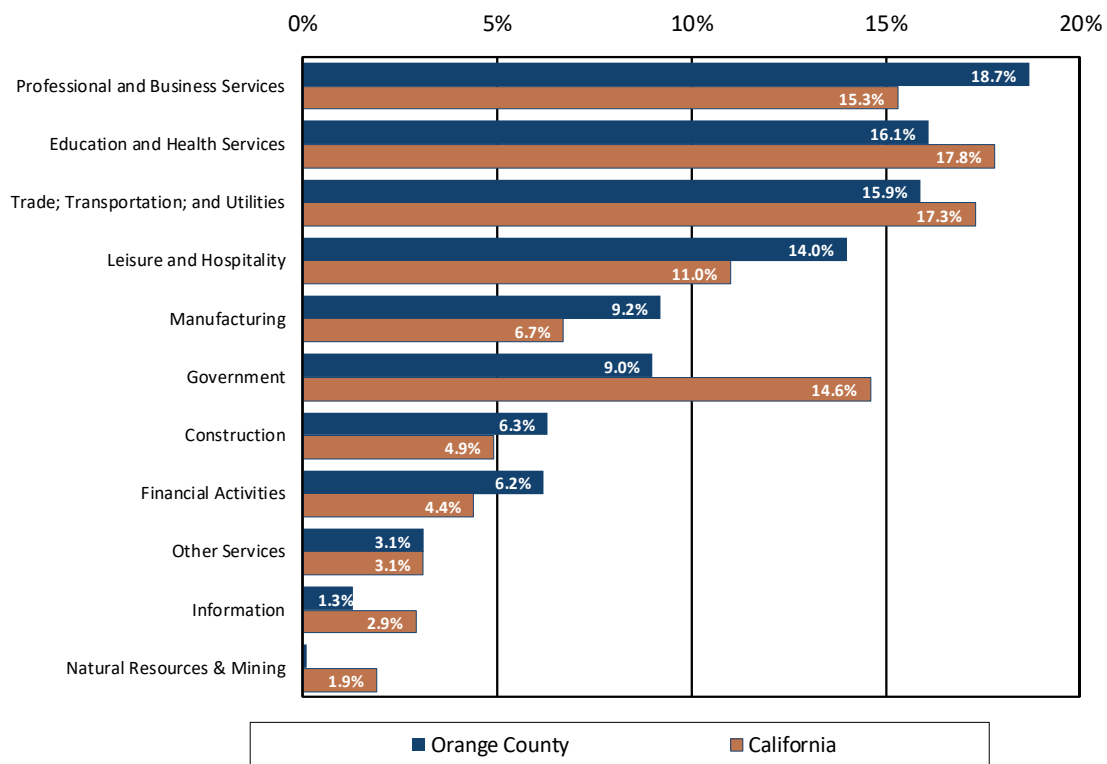
Recent data shows that the Orange County unemployment rate is 3.7% in comparison to a 5.0% rate for California, a positive sign for Orange County.

Employment Sectors

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

Orange County Area Analysis

Employment Sectors - 2024



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

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

1. Professional and Business Services, representing 18.7% of the Orange County payroll employment compared to 15.3% for California as a whole. This sector includes legal, accounting, and engineering firms, as well as management of holding companies.
2. Leisure and Hospitality, representing 14.0% of the Orange County payroll employment compared to 11.0% for California as a whole. This sector includes employment in hotels, restaurants, recreation facilities, and arts and cultural institutions.
3. Manufacturing, representing 9.2% of the Orange County payroll employment compared to 6.7% for California as a whole. This sector includes all establishments engaged in the manufacturing of durable and nondurable goods.

Orange County is underrepresented in the following sectors:

1. Education and Health Services, representing 16.1% of the Orange County payroll employment compared to 17.8% for California as a whole. This sector includes employment in public and private schools, colleges, hospitals, and social service agencies.

2. Trade; Transportation; and Utilities, representing 15.9% of the Orange County payroll employment compared to 17.3% for California as a whole. This sector includes jobs in retail trade, wholesale trade, trucking, warehousing, and electric, gas, and water utilities.
3. Government, representing 9.0% of the Orange County payroll employment compared to 14.6% for California as a whole. This sector includes employment in local, state, and federal government agencies.

Major Employers

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

Major Employers - Orange County	
Name	Number of Employees
1 The Walt Disney Co.	34,000
2 University of California, Irvine	26,072
3 Providence Southern California	23,632
4 County of Orange	18,000
5 Kaiser Permanente	10,293
6 Hoag Memorial Hospital Presbyterian	8,081
7 Albertsons	7,222
8 Allied Universal	6,145
9 MemorialCare	5,800
10 CHOC Hospital	5,462

Source: County of Orange, Annual Comprehensive Financial Report for Fiscal Year Ended June 30, 2024

Gross Domestic Product

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

Economic growth, as measured by annual changes in GDP, has been considerably lower in Orange County than California overall during the past decade. Orange County has grown at a 2.3% average annual rate while the State of California has grown at a 3.3% rate. Orange County continues to underperform California. GDP for Orange County rose by 0.5% in 2023 while California's GDP rose by 2.0%.

Orange County has a per capita GDP of \$86,561, which is 4% greater than California's GDP of \$82,877. This means that Orange County industries and employers are adding relatively more value to the economy than their counterparts in California.

Gross Domestic Product				
Year	(\$,000s)		(\$,000s)	
	Orange County	% Change	California	% Change
2013	217,421,708	–	2,340,335,300	–
2014	221,027,042	1.7%	2,428,675,700	3.8%
2015	229,738,358	3.9%	2,545,979,500	4.8%
2016	233,966,989	1.8%	2,623,711,700	3.1%
2017	244,438,165	4.5%	2,740,550,300	4.5%
2018	251,165,771	2.8%	2,850,970,300	4.0%
2019	258,639,230	3.0%	2,969,609,000	4.2%
2020	252,885,765	-2.2%	2,933,320,200	-1.2%
2021	268,088,252	6.0%	3,154,188,600	7.5%
2022	271,594,865	1.3%	3,184,007,800	0.9%
2023	273,063,592	0.5%	3,248,656,600	2.0%
Compound % Chg (2013-2023)		2.3%		3.3%
GDP Per Capita 2023	\$86,561		\$82,877	

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

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

Household Income

Orange County is more affluent than California. Median household income for Orange County is \$121,547, which is 15.3% greater than the corresponding figure for California.

Median Household Income - 2025

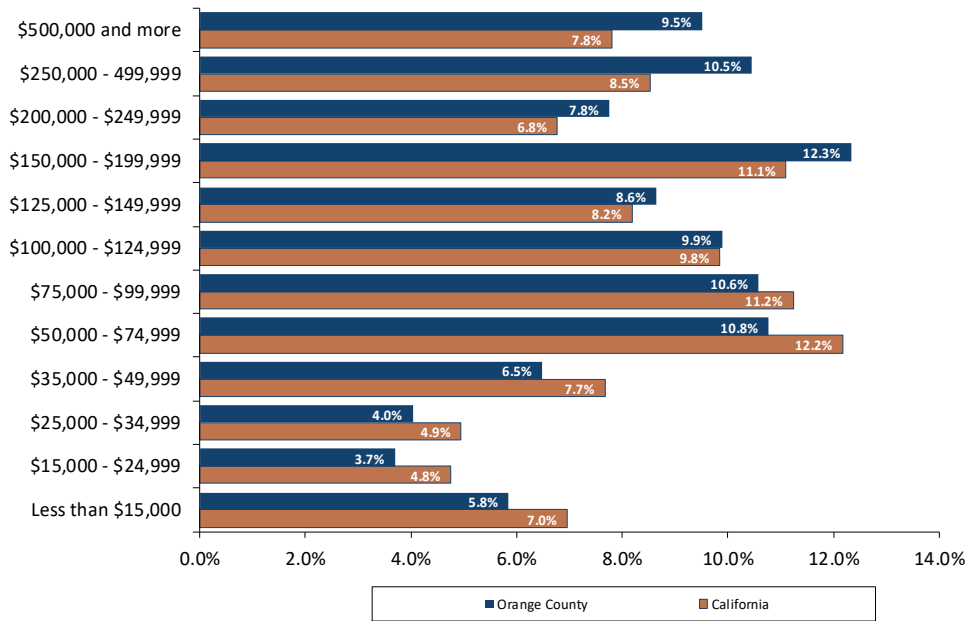
	Median
Orange County	\$121,547
California	\$105,377
Comparison of Orange County to California	+ 15.3%

Source: Claritas

The following chart shows the distribution of households across twelve income levels. Orange County has a greater concentration of households in the higher income levels than California. Specifically, 40% of Orange County households are at the \$150,000 or greater levels in household income as compared to 34% of California households. A lesser concentration of households is apparent in the lower income levels, as 20% of Orange County households are below the \$50,000 level in household income versus 24% of California households.

Orange County Area Analysis

Household Income Distribution - 2025

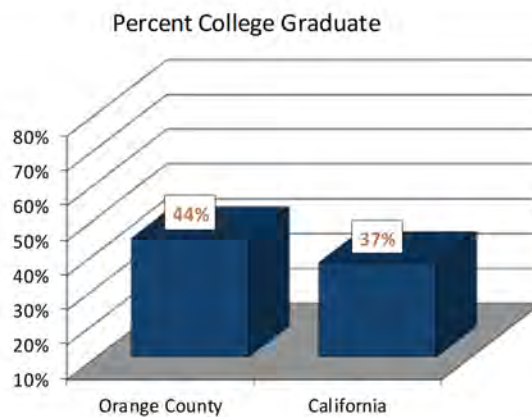


Source: Claritas

Education Levels

Residents of Orange County have a higher level of educational attainment than those of California. An estimated 44% of Orange County residents are college graduates with four-year degrees, versus 37% of California residents.

Education Levels - 2025



Source: Claritas



Transportation

Access to and through Orange County is provided by several routes, including three major interstates and several state routes and connector highways. Interstate 5 (the Santa Ana Freeway) is one of the primary north-south transportation routes in Southern California, connecting all of California, Oregon and Washington to Los Angeles, and Los Angeles to suburbs southeast, terminating in San Diego at the U.S./Mexico border. It connects to several state highways, including the 91 Freeway (Riverside Freeway), Freeways 22 (Garden Grove Freeway), 55 (Costa Mesa Freeway) and 57 (Orange Freeway), two California Toll Roads (133 and 261) and Pacific Coast Highway (PCH, Highway 1). The 5 Freeway also merges with the 405 Freeway, or San Diego Freeway, one of the primary routes through the region, in the city of Irvine to the north providing access to the city of Los Angeles and the San Fernando Valley before once again merging with the 5 Freeway. The 405 Freeway is one of the most heavily traveled roadways in the nation. The 73 Freeway (a bypass toll road) links the 5 Freeway, just north of the subject, with the 405 Freeway in Costa Mesa

Several major east-west freeways provide access to neighboring counties in Southern California. The 91 Freeway runs from Gardena in Los Angeles County to Riverside County to the east, through the northern portion of Orange County. State Route 22 connects the cities of Long Beach (Los Angeles County) and Orange, through Garden Grove. The 55 Freeway runs from PCH in Newport Beach to Tustin, Santa Ana and Orange, where it terminates at the 91 Freeway. Several smaller highways connect to these primary routes to provide ground transportation throughout the county.

Public transportation is provided primarily by the Orange County Transportation Authority (OCTA), which manages the county's bus network, maintains local streets and freeways, regulates taxicab services; and manages express toll lanes on State Route 91. The OCTA also collaborates with Southern California's Metrolink to provide commuter rail service via the Orange County Line, the 91 Line and the Inland Empire-Orange County Line.

The county has one major airport, the John Wayne Airport, with seven airlines servicing passengers and two cargo airlines (FedEx and UPS). The next closest airports are Long Beach Airport approximately 24 miles northwest; Los Angeles International Airport approximately 42 miles northwest; Ontario Airport approximately 43 miles northeast; and Hollywood Burbank Airport approximately 54 miles northwest. Alternatively, San Diego International Airport is located approximately 69 miles to the south.

Recreation & Culture

Orange County offers innumerable recreational and cultural opportunities, including world renowned Disneyland, Knotts Berry Farm, beaches, biking paths and hiking trails, golf courses, shopping and dining. Disneyland is ranked as the second most visited theme park in the world and Knotts Berry Farm receives roughly seven million visitors per year. The year-round, mild climate attracts millions of tourists annually, with 40 miles of coastline home to several beaches popular for surfing and sunbathing. Anaheim is home to the largest convention center on the West Coast with major conventions held throughout the year. Several significant shopping malls are located in Orange County, including South Coast Plaza, the largest mall in California and the third largest in the U.S.; Fashion Island, an open-air mall in Newport Beach; and the Irvine Spectrum Center, an outdoor shopping and entertainment center.

There are several historical points of interest in the county, including Mission San Juan Capistrano and the Richard Nixon Presidential Library and Museum, as well as other notable structures/venues, such as Crystal Cathedral and Angel Stadium.

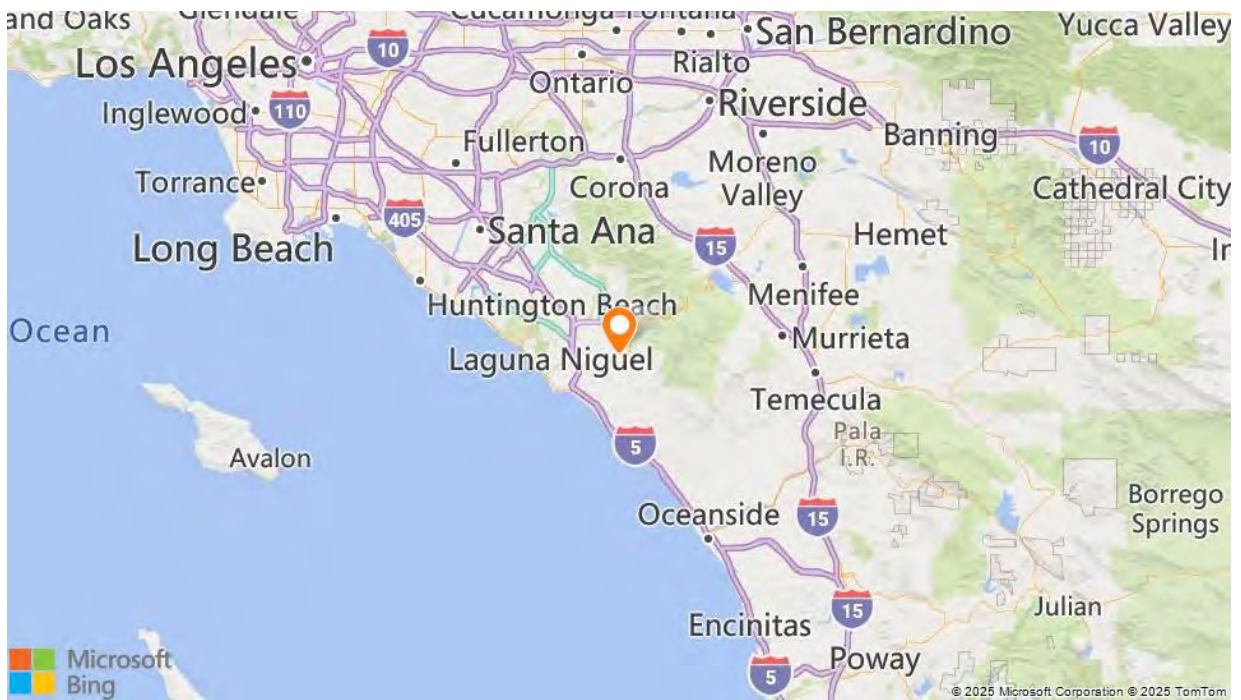
Over 28 school districts provide elementary, middle and high school education in the county. Orange County has many higher education institutions ranging from two-year community colleges to private and public universities, including Chapman University, Concordia University, Hope international University, Saddleback College, Trinity Law School, Vanguard University, California State University Fullerton, and University of California Irvine.

Conclusion

Orange County, one of the most populous counties in the state, is located in the southern portion of California, with extensive transportation routes; diverse employment opportunities; numerous colleges and universities; and recreational activities ranging from world famous amusement parks, popular beaches, an abundance of shopping centers and dining establishments, and outdoor hiking and biking trails.

The Orange County economy will be affected by a flat to declining population base and higher income and education levels. Orange County experienced growth in the number of jobs and has maintained a consistently lower unemployment rate than California over the past decade. It is anticipated that the Orange County economy will improve and employment will grow, strengthening the demand for real estate.

Area Map



Surrounding Area Analysis

Location

The subject is located in The Ranch Plan Specific Plan, within the Rancho Mission Viejo community, in an area in Orange County known as Saddleback Valley. Saddleback Valley describes the landmark formed by the two highest peaks in the Santa Ana Mountains and the ridge between them, which resembles a saddle. This valley is home to cities and communities to the west of the formation, including Mission Viejo, Ladera Ranch, Coto de Caza, Trabuco Canyon, Rancho Santa Margarita, Lake Forest, Aliso Viejo, Laguna Woods, Laguna Hills, and Laguna Niguel, among others.

Rancho Mission Viejo is situated just east of the community of Ladera Ranch. More specifically, Rancho Mission Viejo is surrounded by Ladera Ranch to the west, Las Flores and the city of Rancho Santa Margarita to the north, the community of Coto de Caza to the northeast, the foothills of the Santa Ana Mountains to the east, unincorporated areas of Orange County to the south and San Juan Capistrano to the southwest.

The neighborhood boundaries are generally Interstate 5 to the west until Oso Parkway; Oso Parkway forms a northern boundary eastward until it reaches the western boundary of the Las Flores community, at which point the western boundaries of Las Flores and Rancho Santa Margarita form the western boundaries of the neighborhood; the northern boundary of the neighborhood corresponds to the Rancho Santa Margarita city limits; the eastern boundary is formed by the Santa Ana Mountains and Highway 74 forms the southern neighborhood boundary.

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

Access and Linkages

The subject benefits from excellent access near freeways and major thoroughfares, with the 5 Freeway and Highway 74, also known as Ortega Highway, approximately four and two miles away, respectively. The 5 Freeway is the primary route connecting all of California and the west coast. In the subject's neighborhood, the 5 Freeway provides access to the communities and cities within Orange County, including Laguna Hills, Mission Viejo, Lake Forest, Irvine, Santa Ana, Anaheim, and into Los Angeles County. To the south, it provides access to San Juan Capistrano, San Clemente and along the Pacific Coast to San Diego. The 5 Freeway intersects with a multitude of additional highways, providing access throughout the Southern California region. Ortega Highway begins at its intersection with Interstate 5 in San Juan Capistrano and extends east through the Santa Ana Mountains into Riverside County. It is one of two routes that provide access through the mountains; the other route is the 91 Freeway, approximately 30 miles north of the subject.

Los Patrones Parkway is the predominant thoroughfare in the neighborhood, situated just east of the subject. It is the primary north/south route connecting Rancho Mission Viejo with Las Flores and Rancho Santa Margarita to the north. At the city boundaries of Rancho Santa Margarita, Los Patrones Parkway becomes Highway 241, which travels through the city and north through the county, terminating at its juncture with the 91 Freeway.

Surrounding Area Analysis

Additional area thoroughfares include Antonio Parkway and Oso Parkway, approximately two to seven miles east and northeast of the subject. Antonio Parkway provides the major north/south connector through Ladera Ranch and connects with Oso Parkway to the north. Oso Parkway is an east/west route through the southern portions of the cities of Mission Viejo and Laguna Hills.

Public transportation in the neighborhood is provided by OC Bus, which operates fixed bus routes and Stationlink rail service which connects OC Metrolink stations with major employment centers. The bus routes most proximate to the subject are Routes 85 (Mission Viejo - Laguna Niguel), 86 (Costa Mesa - Mission Viejo) and 91 (Laguna Hills - San Clemente). The nearest Metrolink station is the Mission Viejo Laguna Niguel Station, located just north of the intersection of the 5 and 73 Freeways.

The nearest airport for commercial air travel is John Wayne Airport, located approximately 26 miles northwest in Orange County.

Demographic Factors

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

Surrounding Area Demographics					
2026 Estimates	3-mile Radius	5-mile Radius	10-mile Radius	Orange County	California
Population 2020	73,656	193,810	613,390	3,186,989	39,538,223
Population 2026	77,348	195,178	611,323	3,166,349	39,435,158
Population 2031	79,680	196,199	610,567	3,156,935	39,455,567
Compound % Change 2020-2026	0.8%	0.1%	-0.1%	-0.1%	0.0%
Compound % Change 2026-2031	0.6%	0.1%	0.0%	-0.1%	0.0%
Households 2020	24,807	67,873	231,603	1,074,105	13,475,623
Households 2026	25,724	68,611	232,757	1,077,570	13,489,384
Households 2031	26,499	69,184	233,603	1,080,241	13,530,790
Compound % Change 2020-2026	0.6%	0.2%	0.1%	0.1%	0.0%
Compound % Change 2026-2031	0.6%	0.2%	0.1%	0.0%	0.1%
Median Household Income 2026	\$165,497	\$156,496	\$142,383	\$121,711	\$105,694
Average Household Size	3.0	2.8	2.6	2.9	2.9
College Graduate %	59%	56%	55%	44%	37%
Owner Occupied %	69%	72%	67%	56%	54%
Renter Occupied %	31%	28%	33%	44%	46%
Median Owner Occupied Housing Value	\$1,315,318	\$1,313,750	\$1,238,368	\$1,111,217	\$786,477
Median Year Structure Built	2002	1990	1986	1977	1977
Average Travel Time to Work in Minutes	29	29	29	30	31

Source: Claritas 360

As shown above, the current population within a 5-mile radius of the subject is 195,178, and the average household size is 2.8. Population in the area has grown since the 2020 census, and this trend is projected to continue over the next five years. This is in contrast to the population of Orange County, which is projected to decline, as discussed previously.

Median household income is \$156,496, which is higher than the household income for Orange County. Residents within a 5-mile radius have a considerably higher level of educational attainment than those of Orange County, while median owner-occupied home values are considerably higher.

Land Use

Development in the subject's neighborhood area is comprised of several large master planned communities that have been developed over the past 50+ years on what was originally a series of land grants that combined was called Rancho Mission Viejo. Four master planned communities have been developed on Rancho Mission Viejo. The first was in 1963 with the 11,000-acre master planned community of Mission Viejo. The city of Rancho Santa Margarita, the community of Las Flores and the community of Ladera Ranch were also developed on Rancho Mission Viejo. Trabuco Canyon and Coto de Caza are communities in the neighborhood. Trabuco Canyon is a small, unincorporated community situated on land that was originally part of Rancho Trabuco. Coto de Caza is a census-designated place in Orange County and is a guard-gated private community, featuring approximately 4,000 homes. Development in this community began in 1968 and was completed in 2003. It is one of Orange County's oldest and most expensive master planned communities.

In the year 2000, the owning entities of Rancho Mission Viejo created a land use and preservation plan for the 23,000 acres remaining in Rancho Mission Viejo, which was approved in 2004. This plan created the Reserve at Rancho Mission Viejo, a 17,000-acre habitat reserve, and a 6,000-acre new community to be called Rancho Mission Viejo, which would be the next master planned community for growth in Orange County. The community began to develop in 2010, with phased development of 14,000 homes extending into 2040.

The first residential village in the Rancho Mission Viejo master planned community was Sendero, which opened in July 2013 at Antonio Parkway and Ortega Highway with its first neighborhoods and various community amenities. As of the date of this appraisal, Sendero Village, Gavilan (Age 55+) and Esencia Village have been developed. Esencia includes 2,778 residential units (2,516 for-sale units, 150 market rate apartment units, and 112 affordable apartment units). The Esencia Village sold out in 2020. Neighborhoods within the Village of Esencia include Sterling, Reverie, Vivaz, Avant, Cobalt, Modena, and Viridian.

The next phase of development in The Ranch Plan Specific Plan is Planning Area 3 of 7,000 dwelling units (for which the subject is a portion of). The first development will be the Village of Rienda, which opened in April 2022. Rienda will be the third village in The Ranch Plan and will feature 2,700 new homes, with plans to deliver smaller homes that are more affordable. Rienda will average 18 units per acre, and up to 28 units per acre for the condominium project. This compares to Sendero which averaged 8-10 homes per acre and Esencia, with homes averaging 10-12 units per acre. The village will be located east of Los Patrones Parkway, along the north side of Ortega Highway. It is anticipated the project will take six to eight years to complete; the first phase of 950 homes, comprising 11 neighborhoods, features condominiums, townhomes, duplexes, and detached single-family homes. Homebuilders within the first phase of Rienda include Lennar, TriPointe, Meritage, Pulte, and Trumark.

Rienda is part of what is identified as Planning Area 3 in The Ranch Plan. This Planning Area comprises 2,200 acres and is planned for 7,000 homes. At completion, Rienda will also have 500 apartments,

100-150 affordable housing units, 815 homes for 55+ years, and roughly 2.5 million square feet of non-residential development for retail and community amenities.

It is expected it will take 20 years to complete all development in The Ranch Plan and this will also be the last, large master planned community on previously undeveloped land in Orange County.

Currently, Rancho Mission Viejo still has a working cattle ranch, called The Ranch, with year-round operations including orchards and row crops. Rancho Mission Viejo is one of the largest citrus producers in Orange County, with more than 63,000 lemon trees harvested year-round. There are also over 9,000 avocado trees.

Single-family residential uses are situated to the north, south and west of the subject, while the east is undeveloped land.

There are several apartment projects in the neighborhood, with the most proximate being Esencia Norte Apartment Homes and Esencia Sur Apartment Homes situated in the southern portion of the community, at the northwest quadrant of Los Patrones Parkway and Cow Camp Road. Sendero Gateway and Sendero Bluffs Senior Apartment Homes are located along Highway 74 and Antonio Parkway. Additional multifamily projects are found in Ladera Ranch, Las Flores and Rancho Santa Margarita.

As part of the Rancho Mission Viejo project, the subject benefits from a variety of recreational and community amenities available to its residents, including clubhouses, fitness and pools, parks and playgrounds, farms, nature trails, food, retail, and schools. The Esencia Elementary school is part of the Capistrano Unified School District. The neighborhood is served by the Las Flores Middle School and Tesoro High School, also in Las Flores.

Sendero Marketplace, a 10-acre retail plaza at the northeast corner of Antonio Parkway and Ortega Highway has also been completed as part of the community. Additional commercial uses in the neighborhood are located to the west along streets parallel to the 5 Freeway. Rancho Viejo Road intersects Ortega Highway and travels parallel to the 5 Freeway through the northern part of San Juan Capistrano and becomes Marguerite Parkway at the Mission Viejo city limits. Commercial uses along Rancho Viejo Road include restaurants, cafes and bars, fitness centers, beauty salons and services, and limited neighborhood commercial services. There are also numerous bus stops and park and ride locations along this route.

Along the east side of Marguerite Parkway just north of Avery Parkway near the Mission Viejo city limits is Saddleback College. On the other side of the street, across from the college campus is an intensive commercial hub, including The Shops at Mission Viejo indoor shopping mall; Kaleidoscope Courtyards (Target, UPS Store, Bank of America, Edwards Theatre, and others); Campus Plaza (La-Z-Boy Furniture Gallery, Burlington, etc.). There are also a variety of additional eating establishments, retail boutiques, Hampton Inn and Suites, a United States Post Office and neighborhood commercial services. Adjacent to The Shops at Mission Viejo is Mission Hospital. Surrounding the hospital are various medical and wellness service offices, including plastic surgery, chiropractic, acupuncture and massage, as well as general office uses. Continuing north, Marguerite Parkway travels through residential neighborhoods with commercial uses concentrated at major street intersections.

Commercial development in Las Flores is concentrated at Oso Parkway and Antonio Parkway and consists of a few eating establishments and limited retail.

The other large commercial hub in the neighborhood is in Rancho Santa Margarita, at the intersection of Santa Margarita Parkway and Highway 241. This area contains Lowe's Home Improvement, Walmart, PetSmart, Staples, Target, Walgreens, Cinopolis Luxury Theatres, Kohls, Bed Bath and Beyond, 24-Hour Fitness, Pavilions grocery store, a variety of eateries and neighborhood service providers. Rancho Santa Margarita City Hall, related civic offices and Rancho Santa Margarita Library are also located here.

The neighborhood is served by several elementary, middle and high schools. Saddleback College is the largest college in the neighborhood. The nearest hospital is Mission Hospital in Mission Viejo.

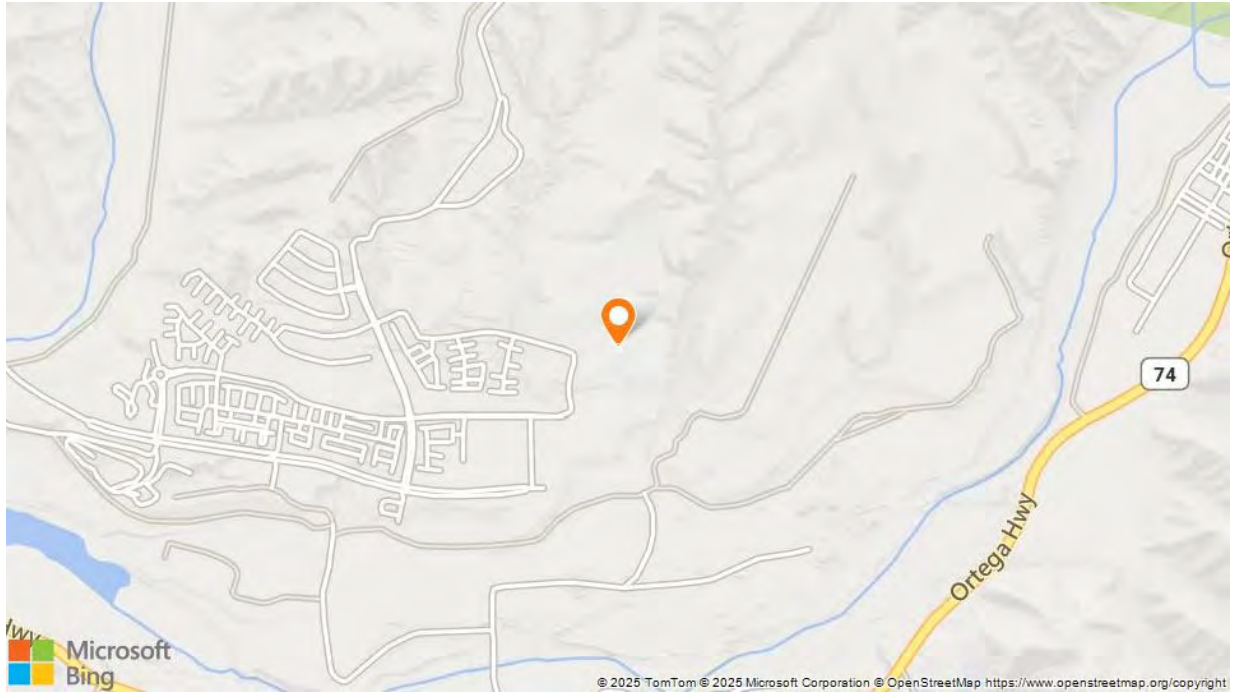
The area east of the subject is undeveloped and flows into Casper's Wilderness Park, an area of 8,000 acres of protected wilderness among the western part of the Santa Ana Mountains. The Park features areas for hiking, horseback riding, mountain biking, road biking, trail running, and a walking trail. The Santa Ana Mountains extend for approximately 61 miles largely along the border between Orange and Riverside counties.

The neighborhood has an abundance of outdoor recreational opportunities. In addition to the various recreational amenities within Rancho Mission Viejo and Casper's Wilderness Park, there is O'Neill Regional Park, Riley Wilderness Park, and several smaller parks located within the various residential subdivisions. Marbella Country Club is located along the east side of Rancho Viejo Road, north of Ortega Highway in San Juan Capistrano; Arroyo Trabuco Golf Club is located just east of Saddleback College; Coto de Caza Golf and Racquet Club is located north of the subject along Coto de Caza Drive, the primary thoroughfare through that community; the Rancho Mission Viejo Riding Park is located along the south side of Ortega Highway and Avenida la Pata/Antonio Parkway.

Outlook and Conclusions

The subject's neighborhood represents an area of growth in Orange County and Southern California. Housing in the Southern California region continues to be a concern and a state mandate has been issued to provide 1.34 million homes by 2030. Much of this supply will be denser developments clustered within reclaimed retail, commercial and industrial sites. The Rancho Mission Viejo community is among the last of large communities that can be developed in Orange County and as such, demand is expected to remain strong. We anticipate that property values will remain stable into the near future.

Surrounding Area Map



Residential Market Analysis

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

Submarket Overview

The subject is located in Rancho Mission Viejo, an active 23,000-acre ranch and farm, habitat reserve, residential community, and census-designated place in South Orange County, California. The subject is located within proximity of existing and planned future residential development. It is noted Rancho Mission Viejo is home to four master-planned communities: the City of Mission Viejo, City of Rancho Santa Margarita, Las Flores, and Ladera Ranch. Sendero was the first new community within Rancho Mission Viejo, with its grand opening in 2013. In Fall 2015, the new community of Esencia celebrated the grand opening of its first 12 neighborhoods, as well as a host of community amenities.

Single-Family Building Permits

Single-family building permits for the cities of Mission Viejo and San Juan Capistrano, unincorporated areas of Orange County, and Orange County totals are shown in the following table. When we compare the trend in permitting, population and price, there can be a relationship. More supply of homes could eventually mean lower prices, whereas a lower number of permits pulled could eventually mean higher prices. Further, the number of permits pulled shows builder confidence in the current market when compared to other years.

Single-Family Building Permits

Year	City of Mission Viejo	City of San Juan Capistrano	Unincorporated Areas of Orange	County of Orange
2015	0	48	566	3,809
2016	32	62	687	4,357
2017	37	94	815	4,904
2018	16	43	385	4,085
2019	0	87	226	3,422
2020	14	80	156	2,985
2021	32	16	99	3,433
2022	34	173	309	2,931
2023	15	95	249	2,481
2024	15	14	302	2,671

Source: SOCDs Building Permits Monthly Request

Single-Family Building Permits: 2025 Preliminary Data

Month	City of San Juan		Unincorporated	County of Orange
	City of Mission Viejo	Capistrano	Areas of Orange	
January	1	0	8	244
February	0	1	13	246
March	2	3	20	207
April	1	1	35	282
May	2	2	9	218
June	1	1	34	185
July	1	1	37	168
August	0	2	11	191
September	0	0	83	294
October	<u>1</u>	<u>0</u>	<u>17</u>	<u>248</u>
	9	11	267	2,283

Source: SOCDs Building Permits Monthly Request

Active New Home Projects Pricing and Absorption

Aside from the adjacent active projects within Planning Area 3 of The Village at Rienda, there are no active new home projects within the subject's market area.

Rancho Mission Viejo is located within the South Inland Orange submarket of Orange County, which is comprised of Lake Forest, Rancho Mission Viejo, and Mission Viejo. The Ryness Report provides a comparison of sales activity between various regions and markets, including year-to-date totals from the same week of the previous year. Their surveys and reports include sales, buyer traffic, and financing rates on activity in major residential developments throughout California, Arizona, and Nevada. The report for the Los Angeles-Orange County North market for the week ending February 22, 2026, is included as follows.

THE RYNESS REPORT

A New Home Sales, Marketing & Research Company

Sponsored by:



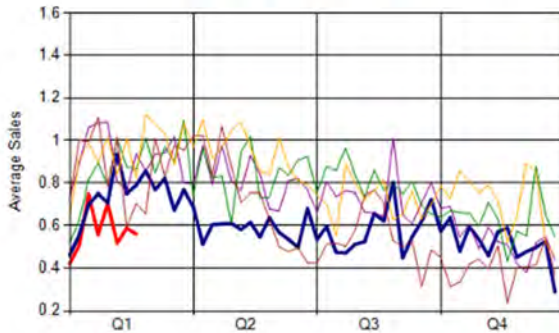
LA-Orange-North

Week 8

Ending: Sunday, February 22, 2026

Counties / Groups	Projects	Traffic	Sales	Cancel	Net Sales	Avg. Sales	Year to Date Avg.	Year to Date Diff.	Prev. 13 Wks. Avg.	Prev. 13 Wks. Diff.		
Central-North Orange	34	584	9	1	8	0.24	0.47	-50%	0.46	-49%		
Coastal-South Orange	11	166	13	1	12	1.09	0.62	75%	0.52	111%		
Los Angeles	35	460	23	0	23	0.66	0.59	12%	0.50	31%		
Santa Clarita / Antelope	19	385	15	1	14	0.74	0.75	-1%	0.68	8%		
Ventura	16	320	7	1	6	0.38	0.60	-38%	0.59	-37%		
Santa Barbara-San Luis Obispo	13	202	5	1	4	0.31	0.27	14%	0.23	33%		
Kern-Tulare-Kings	47	904	36	5	31	0.66	0.64	3%	0.61	8%		
Current Week Totals	Traffic : Sales 28 : 1		175	3021	108	10	98	0.56	0.58	-3%	0.53	6%
Per Project Average			17	0.62	0.06	0.56						
Year Ago - 02/23/2025	Traffic : Sales 24 : 1		155	3149	134	12	122	0.79	0.71	12%	0.59	34%
% Change			13%	-4%	-19%	-17%	-20%	-29%	-18%	-10%		

52 Weeks Comparison



Year to Date Averages Through Week 8

Annual

Graph Legend	Year	Avg. Weekly Projects	Avg. Weekly Traffic	Avg. Weekly Sales	Avg. Weekly Cancels	Avg. Project Sales	Year End Avg. Proj. Sales
■	2021	183	19	0.97	0.08	0.89	0.84
■	2022	134	29	0.96	0.09	0.86	0.62
■	2023	164	25	0.89	0.09	0.80	0.78
■	2024	172	22	1.01	0.09	0.92	0.75
■	2025	153	19	0.79	0.08	0.71	0.60
■	2026	171	16	0.64	0.07	0.58	0.58
% Change:		12%	-14%	-19%	-21%	-18%	-5%

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

The Ryness Report has identified 11 active projects in the South Inland Orange submarket, with ten of those in Rancho Mission Viejo. These projects are summarized as follows:



Residential Market Analysis

Development Name	Developer	City Code	Notes	Type	Projects Participating: 11																
					Units	New Rel.	Ref'd Rm'g	Traffic	Wk's Sales	Wk's Cans	Sold to Date	Sold YTD	Av. Sls /Week	Av. Sls /YTD							
Coastal-South Orange South Inland Orange																					
Oaks, The	Baldwin and Sons	LFO		DTMU	296	0	5	11	0	1	198	1	0.36	0.13							
Nova at Gavilan Ridge	Lennar	RMV		AASF	52	0	2	1	0	0	7	3	0.49	0.38							
Strata at Gavilan Ridge	Lennar	RMV		AASF	72	3	1	2	3	0	14	12	0.97	1.50							
Elara at Gavilan Ridge	Pulte/Del Webb	RMV		AASF	44	0	8	30	0	0	4	1	0.28	0.13							
Luna at Gavilan Ridge	Pulte/Del Webb	RMV		AASF	82	0	11	30	0	0	12	8	0.83	1.00							
Arrowleaf at Rienda	Shea	RMV		DTMU	55	0	8	19	6	0	26	6	0.71	0.75							
Bloom at Rienda	Shea	RMV		DTMU	82	0	6	14	0	0	76	4	0.69	0.50							
Heatherly	TRI Pointe	RMV		DTMU	82	0	1	1	0	0	81	-1	0.73	-0.13							
Lavender at Gavilan Ridge	TRI Pointe	RMV		AAAT	76	6	12	23	1	0	8	5	0.60	0.63							
Lotus at Rienda	Trumark	RMV		DTMU	56	0	8	21	1	0	37	4	0.87	0.50							
Sapphire at Rienda	Trumark	RMV		DTMU	64	0	4	14	2	0	30	11	0.85	1.38							
TOTALS: No. Reporting: 11					Avg. Sales: 1.09		Traffic to Sales: 13 : 1			66	166	13	1	493	54	Net: 12					
City Codes: LFO = Lake Forest, RMV = Rancho Mission Viejo																					

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

The active projects within Planning Area 3 of The Village at Rienda considered most similar to the subject are further detailed in the following table, which also includes sales and traffic data provided by the master developer, for the week ending February 22, 2026.

Project Name	Developer	Average Price	Avg. Home Size (SF)	Average Price/SF	Units Planned	Units Sold	Ryness Report*		RMV Sales and Traffic Analysis**		
							Current Avg. Sales/Week	YTD Avg. Sales/Week	Overall Avg. Sales/Week	YTD Avg. Sales/Week	8-Week Avg. Sales/Week
Planning Area 3.2B											
Mariposa at Rienda	Lennar	N/Av	N/Av	--	106	106	--	--	1.15	0.00	0.00
Willow at Rienda	Trumark	N/Av	N/Av	--	93	93	--	--	1.00	0.00	0.00
Juniper at Rienda	Pulte	N/Av	N/Av	--	82	81	--	--	0.71	0.00	0.00
Flora at Rienda	Lennar	N/Av	N/Av	--	69	69	--	--	0.66	0.00	0.00
Bloom at Rienda	Shea	\$1,341,939	1,973	\$680.04	82	76	0.69	0.50	0.69	0.54	1.00
Heatherly at Rienda	TriPointe	\$1,275,000	2,003	\$636.55	82	81	0.73	-0.13	0.70	0.00	0.38
	Minimum	\$1,275,000	1,973	\$636.55			0.69	-0.13	0.66	0.00	0.00
	Maximum	\$1,341,939	2,003	\$680.04			0.73	0.50	1.15	0.54	1.00
	Average	\$1,308,469	1,988	\$658.29			0.71	0.19	0.82	0.09	0.23
Planning Area 3.3											
Sapphire at Rienda	Trumark	\$1,589,289	2,620	\$606.68	64	30	0.85	1.38	0.86	1.62	1.50
Lotus at Rienda	Trumark	\$1,792,474	2,985	\$600.49	56	37	0.87	0.50	1.06	0.54	0.63
Arrowleaf at Rienda	Shea	\$1,995,410	3,654	\$546.09	55	26	0.71	0.75	0.74	0.81	0.75
	Minimum	\$1,589,289	2,620	\$546.09			0.71	0.50	0.74	0.54	0.63
	Maximum	\$1,995,410	3,654	\$606.68			0.87	1.38	1.06	1.62	1.50
	Average	\$1,792,391	3,086	\$584.42			0.81	0.88	0.89	0.99	0.96
Planning Area 3.4											
Lavender at Galvilan Ridge	TriPointe	\$1,072,636	1,572	\$682.19	76	8	0.60	0.63	0.61	0.54	0.75
Nova at Galvilan Ridge	Lennar	\$1,141,790	1,804	\$633.06	52	7	0.49	0.38	0.72	0.54	0.50
Strata at Galvilan Ridge	Lennar	\$1,260,990	1,915	\$658.62	72	14	0.97	1.50	1.20	1.35	1.50
Elara at Galvilan Ridge	Pulte/Del Webb	\$1,669,657	2,686	\$621.69	44	4	0.28	0.13	0.26	0.13	0.13
Luna at Galvilan Ridge	Pulte/Del Webb	\$1,551,990	2,355	\$658.91	82	12	0.83	1.00	0.79	1.08	1.00
	Minimum	\$1,072,636	1,572	\$621.69			0.28	0.13	0.26	0.13	0.13
	Maximum	\$1,669,657	2,686	\$682.19			0.97	1.50	1.20	1.35	1.50
	Average	\$1,339,412	2,066	\$650.89			0.63	0.73	0.72	0.73	0.78

* Source: Ryness Reports for Week Ending Sunday, February 22, 2026
 ** Source: Rancho Mission Viejo Sales and Traffic Analysis, Week ending February 22, 2026
 Average Price and Home Source: Builder Websites



Residential Market Analysis

As illustrated from the information cited above, the subject market area is enjoying market acceptance across all product lines offered. While the active projects within the larger Rienda master planned community have reported stable demand from homebuyers since the grand opening (April 2022). The analysis herein takes into consideration the existing cross currents being observed and reported within the residential (for-sale) market.

In addition, a Market Absorption Study prepared by Empire Economics, Inc., dated February 25, 2026, was prepared for Improvement Area No. 1 of CFD No. 2025-1. Our estimates of absorption in the land residual analyses of approximately 1.5 to 2.7 units per month per project, are generally consistent with the conclusions of absorption within this study.

Resale Pricing

The following table shows historical resale data for more recently built homes (2015 and newer) in Rancho Mission Viejo, with lot sizes less than 5,000 square feet. The resale market is analyzed as a further gauge of buyer demand for housing. Often home buyers are considering housing purchase options that cover both the new home market, as well as the resale market.

Resales									
Address	Sale Date	Living Area (SF)	Sale Price	Last List Price	Sales Price/SF	Sale/List	Year Built	Days on Market	Lot Size (SF)
31670 Williams Way	1/9/2026	1,691	\$1,089,000	\$1,189,000	\$644	91.59%	2023	61	1,726
850 Bunkhouse Drive	3/2/2026	2,236	\$1,525,000	\$1,550,000	\$682	98.39%	2024	95	4,473
106 Marisol Street	2/19/2026	1,592	\$1,085,000	\$1,140,000	\$682	95.18%	2017	80	2,111
66 Fosco Street	3/2/2026	1,817	\$1,110,000	\$1,130,000	\$611	98.23%	2018	89	2,165
50 Promesa Avenue	1/13/2026	2,070	\$1,125,000	\$1,125,000	\$543	100.00%	2018	30	2,400
102 Marisol Street	2/27/2026	1,716	\$1,135,000	\$1,150,000	\$661	98.70%	2015	28	3,032
4 Majeza	1/7/2026	1,921	\$1,150,000	\$1,149,999	\$599	100.00%	2017	52	2,286
67 Promesa	2/23/2026	2,369	\$1,170,000	\$1,195,000	\$494	97.91%	2017	41	2,600
164 Luneta Lane	1/12/2026	2,006	\$1,190,000	\$1,250,000	\$593	95.20%	2019	42	4,439
72 Marisol Street	1/20/2026	1,743	\$1,200,000	\$1,185,000	\$688	101.27%	2015	8	2,447
31 Alienta Lane	2/20/2026	1,914	\$1,225,000	\$1,250,000	\$640	98.00%	2018	4	4,001
8 Platal	2/18/2026	1,814	\$1,249,000	\$1,249,000	\$689	100.00%	2019	74	4,879
5 Garcilla	1/29/2026	1,810	\$1,310,000	\$1,375,000	\$724	95.27%	2019	16	3,000
26 Paranza Place	2/9/2026	2,144	\$1,400,000	\$1,375,000	\$653	101.82%	2019	1	3,455
20 Wisteria Street	2/13/2026	1,272	\$800,000	\$800,000	\$629	100.00%	2023	0	1,600
750 Cornelia Way	2/13/2026	1,120	\$820,000	\$800,000	\$732	102.50%	2024	25	1,720
531 Old Vine Drive	1/22/2026	1,615	\$850,000	\$885,000	\$526	96.05%	2023	16	2,556
621 Willows Way	1/7/2026	1,341	\$876,000	\$8,890,000	\$653	9.85%	2022	18	1,949
821 Cornelia Way	3/3/2026	1,194	\$899,000	\$899,000	\$753	100.00%	2024	11	3,300
221 Gallop Court	1/16/2026	1,786	\$938,000	\$985,000	\$525	95.23%	2023	68	2,552
171 Moonflower	2/9/2026	1,558	\$955,000	\$959,900	\$613	99.49%	2024	147	2,200
15 Splendor Way	3/3/2026	1,612	\$970,000	\$949,000	\$602	102.21%	2022	11	1,278
1141 Brush Creek	2/17/2026	1,722	\$1,025,000	\$1,065,000	\$595	96.24%	2022	31	2,500
371 Gelding Way	3/4/2026	1,786	\$1,090,000	\$1,149,000	\$610	94.87%	2023	102	2,500
920 Bunkhouse Drive	1/21/2026	2,906	\$1,700,000	\$1,749,000	\$585	97.20%	2023	188	4,699
6 Afuera	2/19/2026	2,146	\$1,620,000	\$1,599,000	\$755	101.31%	2015	6	4,008
Total Sales	26	1,804 (avg.)	\$1,134,846 (avg.)	\$1,463,188 (avg.)	\$634 (avg.)	94.87% (avg.)	2020 (avg.)	48 (avg.)	2,841 (avg.)

Source: Local Multiple Listing Service (MLS)

Ability to Pay

The subject includes eight product lines and five different styles of product; price points vary by product type. In this section, we will examine the ability to pay among prospective buyers for the lowest and highest representative price points within the appraised properties, or \$1,110,000 and \$1,875,000 (respectively).

First, the required annual household income will be estimated based on typical mortgage parameters in the subject's market area. Specifically, a loan-to-value ratio of 80% (down payment of 20%), mortgage interest rate of 6.00%, 360 monthly payments, and a 40% ratio for the housing costs as a percent of monthly income (inclusive of principal, interest, all taxes and insurance). Property tax payments are accounted for in the analysis as well as homeowner's insurance and homeowner's association. The following table shows the estimate of the annual household income that would be required to afford homes priced at the representative price point.

Income Required			
Home Price	\$1,110,000	\$1,875,000	
Loan % of Price (Loan to Value)	80%	80%	
Loan Amount	\$888,000	\$1,500,000	
Interest Rate	6.00%	6.00%	
Mortgage Payment	\$5,324	\$8,993	
Property Taxes	\$990	\$1,672	Based on 1.070000%
Direct Charges/Assessments	\$17	\$17	
Special Taxes/Assessments	\$728	\$1,585	
Homeowner's Association Fee	\$400	\$248	
Property Insurance	\$231	\$391	
Total Monthly Obligation	\$7,690	\$12,905	
Mortgage Payment % of Income	40%	40%	
Monthly Income	\$19,224	\$32,263	
Annual Income	\$230,685	\$387,158	

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

Residential Market Analysis

Household Ability: \$1,110,000 Home

Household Income	Households	Percent of Households	Percent Able to Pay	Households	Households Able to Pay
< \$15,000	11,116	4.8%	0.0%	0	0.0%
\$15,000 - \$24,999	6,749	2.9%	0.0%	0	0.0%
\$25,000 - \$34,999	7,551	3.2%	0.0%	0	0.0%
\$35,000 - \$49,999	12,709	5.5%	0.0%	0	0.0%
\$50,000 - \$74,999	21,259	9.1%	0.0%	0	0.0%
\$75,000 - \$99,999	21,713	9.3%	0.0%	0	0.0%
\$100,000 - \$124,999	21,561	9.3%	0.0%	0	0.0%
\$125,000 - \$149,999	19,733	8.5%	0.0%	0	0.0%
\$150,000 - \$199,999	29,308	12.6%	0.0%	0	0.0%
\$200,000 - \$249,999	19,300	8.3%	38.6%	7,455	3.2%
\$250,000 - \$499,999	30,340	13.0%	100.0%	30,340	13.0%
\$500,000+	<u>31,418</u>	<u>13.5%</u>	100.0%	<u>31,418</u>	<u>13.5%</u>
	232,757	100.0%		69,214	29.7%

Household Ability: \$1,875,000 Home

Household Income	Households	Percent of Households	Percent Able to Pay	Households	Households Able to Pay
< \$15,000	11,116	4.8%	0.0%	0	0.0%
\$15,000 - \$24,999	6,749	2.9%	0.0%	0	0.0%
\$25,000 - \$34,999	7,551	3.2%	0.0%	0	0.0%
\$35,000 - \$49,999	12,709	5.5%	0.0%	0	0.0%
\$50,000 - \$74,999	21,259	9.1%	0.0%	0	0.0%
\$75,000 - \$99,999	21,713	9.3%	0.0%	0	0.0%
\$100,000 - \$124,999	21,561	9.3%	0.0%	0	0.0%
\$125,000 - \$149,999	19,733	8.5%	0.0%	0	0.0%
\$150,000 - \$199,999	29,308	12.6%	0.0%	0	0.0%
\$200,000 - \$249,999	19,300	8.3%	0.0%	0	0.0%
\$250,000 - \$499,999	30,340	13.0%	45.1%	13,695	5.9%
\$500,000+	<u>31,418</u>	<u>13.5%</u>	100.0%	<u>31,418</u>	<u>13.5%</u>
	232,757	100.0%		45,112	19.4%

Conclusions

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

Multifamily Market Analysis

Multifamily Market Analysis

Metro Area Overview

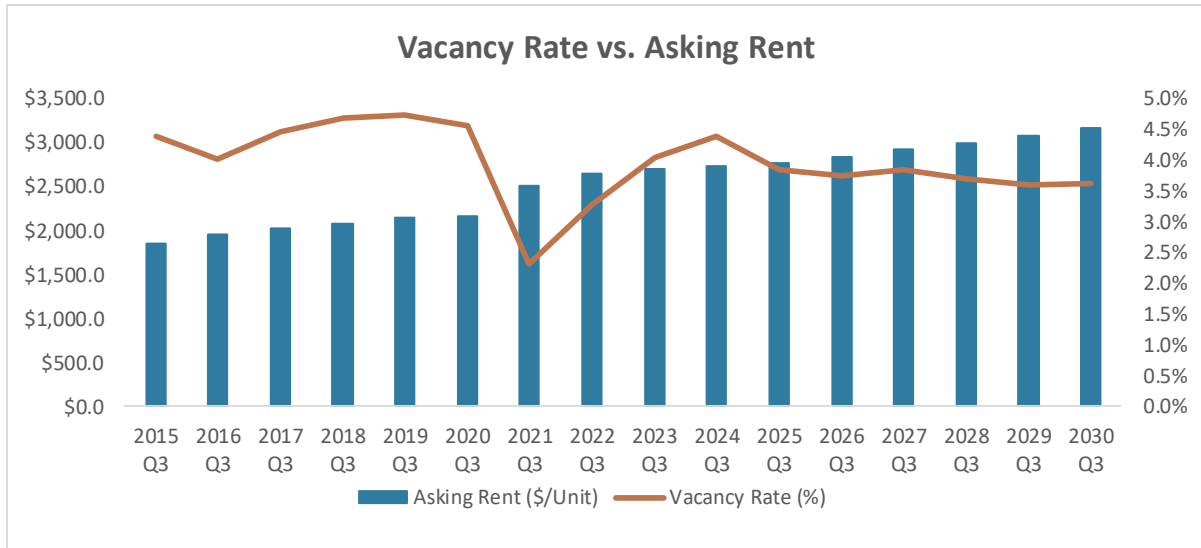
The subject is located in the Orange County metro area as defined by CoStar. The Orange County multifamily market reflects a strong demand for housing, with a vacancy rate of 3.8% as of the third quarter of 2025, ranking second lowest among the nation's largest 50 markets. Despite a national vacancy rate increase, Orange County's vacancy remains compressed due to ongoing employment expansion and improved affordability. Rent growth has been limited, with a year-over-year increase of 1.6%, but is expected to accelerate towards 2% by the end of 2025. Construction is concentrated in Irvine, with 4,400 units underway, amounting to 1.7% of the existing inventory. The market is expected to remain stable, with vacancy trending near 4% and rent growth improving in the years ahead.

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

All Multifamily Orange County Metro Trends										
Period	Stock	Demand	Vacancy	Net Completions 12 Months	Under Construction Stock	Net Absorption 12 Months	Asking Rent	Rent Growth 12 Month	Price Growth	Cap Rate
2015 Q3	230,660	220,534	4.39%	2,949	7,123	2,609	\$1,857	4.96%	9.77%	4.46%
2016 Q3	232,890	223,517	4.02%	2,230	8,113	2,985	\$1,957	5.38%	7.55%	4.37%
2017 Q3	237,615	227,023	4.46%	4,725	7,506	3,503	\$2,019	3.17%	5.62%	4.31%
2018 Q3	241,082	229,796	4.68%	3,467	7,188	2,775	\$2,070	2.53%	5.45%	4.26%
2019 Q3	244,210	232,641	4.74%	3,128	5,692	2,845	\$2,145	3.62%	6.82%	4.18%
2020 Q3	247,870	236,564	4.56%	3,660	4,774	3,928	\$2,163	0.82%	7.60%	3.98%
2021 Q3	250,198	244,419	2.31%	2,328	6,570	7,853	\$2,507	15.93%	20.71%	3.54%
2022 Q3	252,520	244,243	3.28%	2,322	6,418	-171	\$2,639	5.26%	2.29%	3.67%
2023 Q3	255,304	244,964	4.05%	2,784	5,222	719	\$2,699	2.28%	-9.63%	4.23%
2024 Q3	258,162	246,821	4.39%	2,858	6,368	1,859	\$2,733	1.26%	-1.79%	4.40%
2025 Q3	259,486	249,512	3.84%	1,324	6,028	2,692	\$2,776	1.56%	2.35%	4.44%
2026 Q3	262,194	252,398	3.74%	2,708	0	2,886	\$2,836	2.17%	4.45%	4.38%
2027 Q3	264,640	254,489	3.84%	2,446	0	2,092	\$2,917	2.87%	4.10%	4.34%
2028 Q3	265,577	255,739	3.70%	937	0	1,251	\$3,000	2.85%	4.45%	4.28%
2029 Q3	266,449	256,872	3.59%	872	0	1,133	\$3,081	2.68%	4.60%	4.21%
2030 Q3	267,930	258,248	3.61%	1,481	0	1,376	\$3,158	2.50%	3.80%	4.16%

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

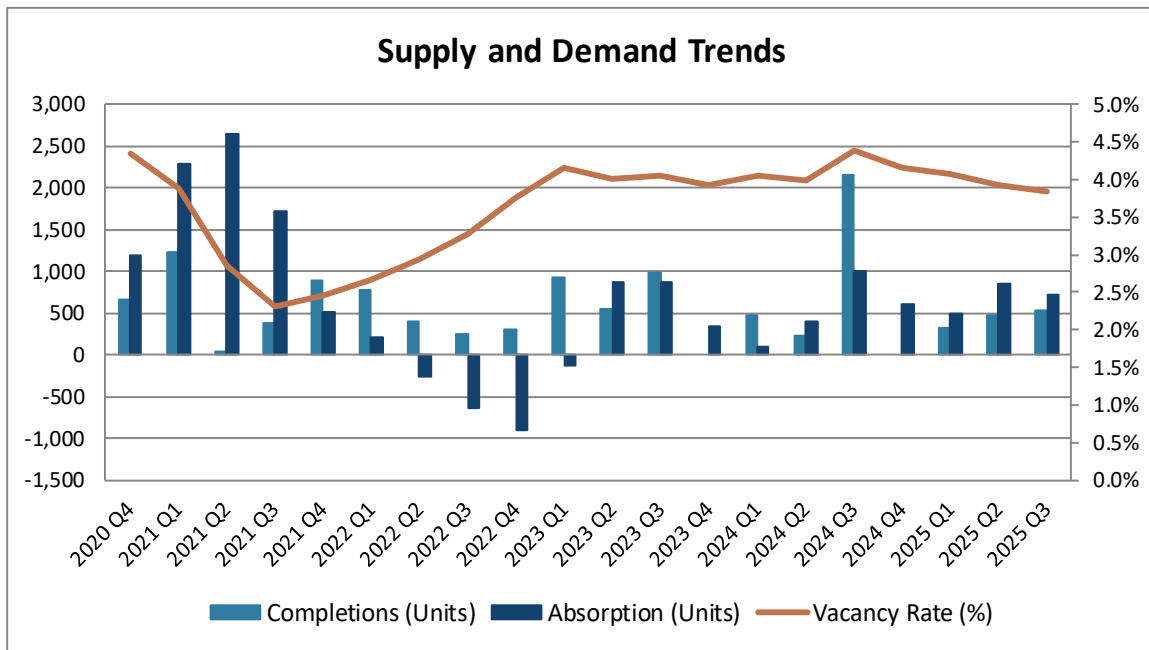
Orange County Metro Trends and Forecasts



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

- The current vacancy rate in the metro area is 3.84%; the vacancy rate has decreased by 21 bps from 2023 Q3.
- Two-year Base Case forecasts project a 3.84% vacancy rate in the metro area, representing a decrease of 1 bps by 2027 Q3.
- Asking rent averages \$2,776/unit in the metro area, and values have increased by 2.84% from 2023 Q3.
- Two-year Base Case forecasts project a \$2,917/unit asking rent in the metro area, representing an increase of 5.09% by 2027 Q3.

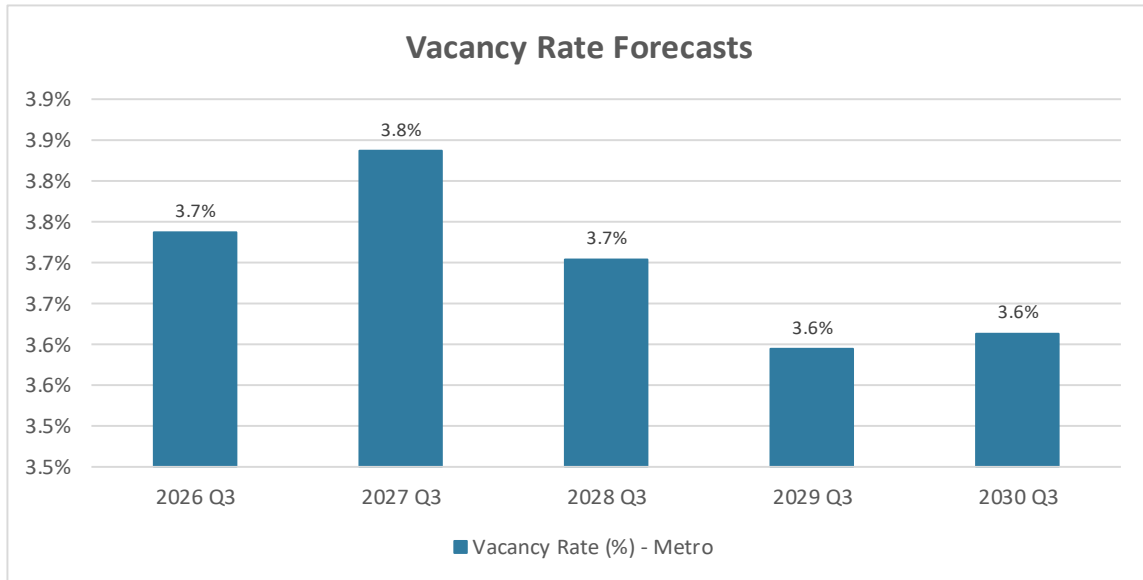




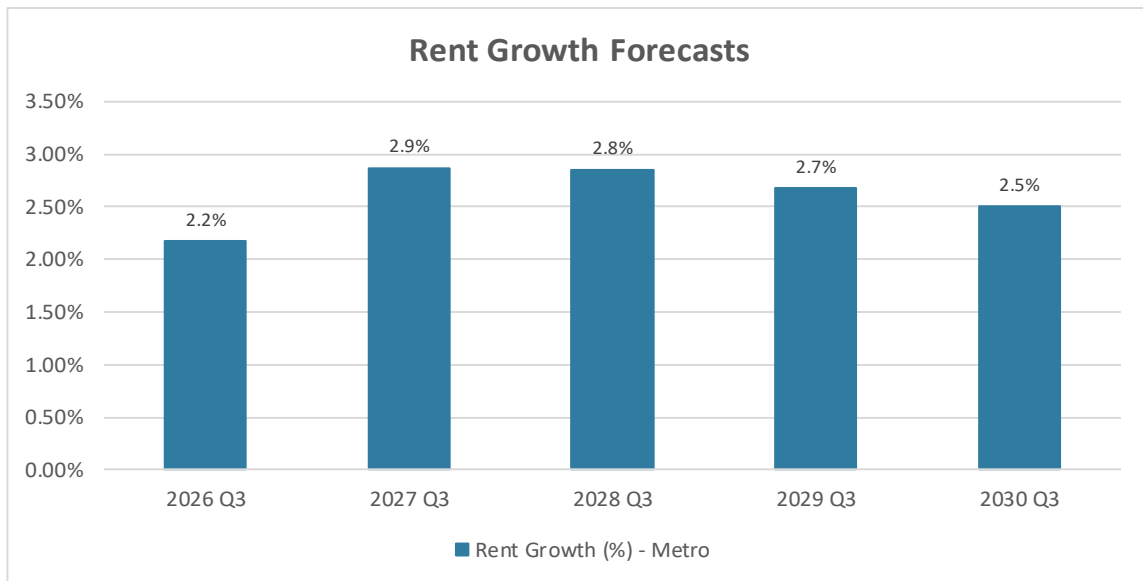
Source: CoStar, Inc.; compiled by Integra Realty Resources, Inc.

- The total stock (units) has increased by 1.64% from 2023 Q3, while the demand has increased by 1.86%.
- Between 2020 Q4 and 2025 Q3, net completions in the metro area have averaged 2,323 units annually, and reached a peak of 2,151 units in 2024 Q3.
- Between 2020 Q4 and 2025 Q3, net absorption in the metro area has averaged 2,590 units annually, and reached a peak of 2,645 units in 2021 Q2.

Multifamily Market Forecasts

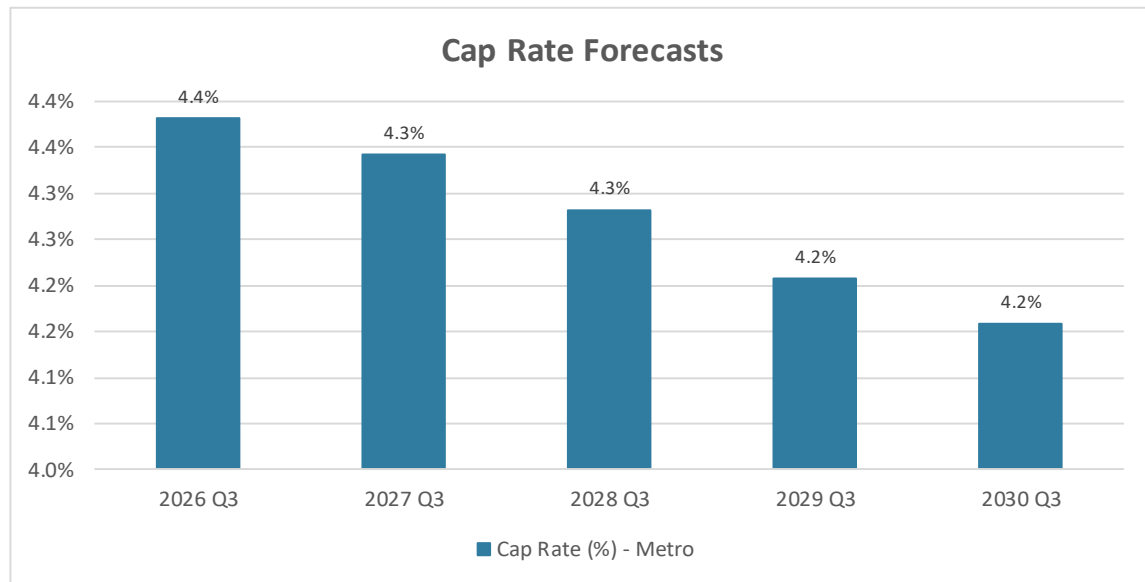


Source: CoStar, Inc.; compiled by Integra Realty Resources, Inc.



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

Multifamily Market Analysis



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

Submarkets Overview

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

Submarkets Trends

Submarket	Stock	Demand	Vacancy	Net Completions 12 Months	Under Construction Stock	Net Absorption 12 Months	Asking Rent	Rent Growth 12 Month
Anaheim	38,097	36,370	4.53%	186	777	419	\$2,311	1.20%
Central OC East of I-5	10,133	9,760	3.68%	0	0	-28	\$2,602	2.36%
Central OC West of I-5	43,075	41,624	3.37%	321	542	434	\$2,394	1.32%
Costa Mesa	17,668	17,163	2.86%	0	0	200	\$2,680	1.98%
Huntington Beach/Seal Beach	17,778	16,927	4.79%	346	0	111	\$2,775	1.78%
Irvine	43,936	42,349	3.61%	465	4,416	1,122	\$3,430	1.74%
Newport Beach	9,248	9,054	2.10%	0	0	68	\$3,701	3.87%
North County	39,214	37,643	4.01%	0	251	69	\$2,400	0.73%
South County	30,385	28,938	4.76%	0	0	262	\$2,979	0.96%
Tustin	9,942	9,675	2.69%	6	42	32	\$2,637	2.34%
Total/Average	259,486	249,512	3.84%	1,324	6,028	2,692	\$2,776	1.56%

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

The Orange County multifamily market is divided into several submarkets, with varying trends exhibited. The Coastal submarkets of Newport Beach and Huntington Beach, as well as Irvine, Costa Mesa, and Tustin, generally maintain the lowest vacancy rates, though Huntington Beach is slightly higher this quarter due to recent deliveries. In contrast, the central and north submarkets (Anaheim, Central OC, North/South County) have slightly higher vacancy rates. Newport Beach and Irvine have the highest asking rates, while the lowest are found in Anaheim, Central OC West of I-5 and North County. Rent growth varies across submarkets, with Newport Beach experiencing the highest year-over-year growth at 3.8%, followed by Central OC East of I-5 and Tustin at 2.36% and 2.34%,

respectively. Irvine has the highest concentration of construction, with over 4,400 units underway, driven by the Irvine Company's development projects. Additional notable development activity is present in Anaheim, Central OC West of I-5, and North County.

Multifamily Market Outlook and Conclusions

The Orange County multifamily market is poised for continued stability and growth, driven by strong demand, limited supply, and a diverse economy. As the outflow of population moderates and employment expansion continues, vacancy rates are expected to remain near 4%, and rent growth is forecasted to accelerate. The market's concentration in Irvine is expected to continue, with ongoing development projects and a strong presence of institutional investors. Overall, the outlook for the Orange County multifamily market is positive, with opportunities for landlords to increase rents and for investors to capitalize on the market's strong fundamentals.

Property Analysis

Land Description and Analysis

Location and Project Details

The property is located on the north side of Cow Camp Road approximately one mile east of its intersection with Los Patrones Parkway, within an unincorporated area of South Orange County identified as Rancho Mission Viejo. Rancho Mission Viejo is an active 23,000-acre ranch and farm, habitat reserve and community.

Shape and Dimensions

Overall, the boundaries of the subject are irregular in shape but are not so irregular as to inhibit development of the property commensurate with the underlying land use designations. Site utility based on shape is average.

Topography

Overall, the topography within the boundaries of the subject is rolling; however, each partially finished lot will be level. The topography does not result in any particular development limitations.

Drainage

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

Flood Hazard Status

The following table provides flood hazard information.

Flood Hazard Status	
Community Panel Number	06059C0465J
Date	December 3, 2009
Zone	X
Description	Outside of 500-year floodplain
Insurance Required?	No

Seismic Hazards

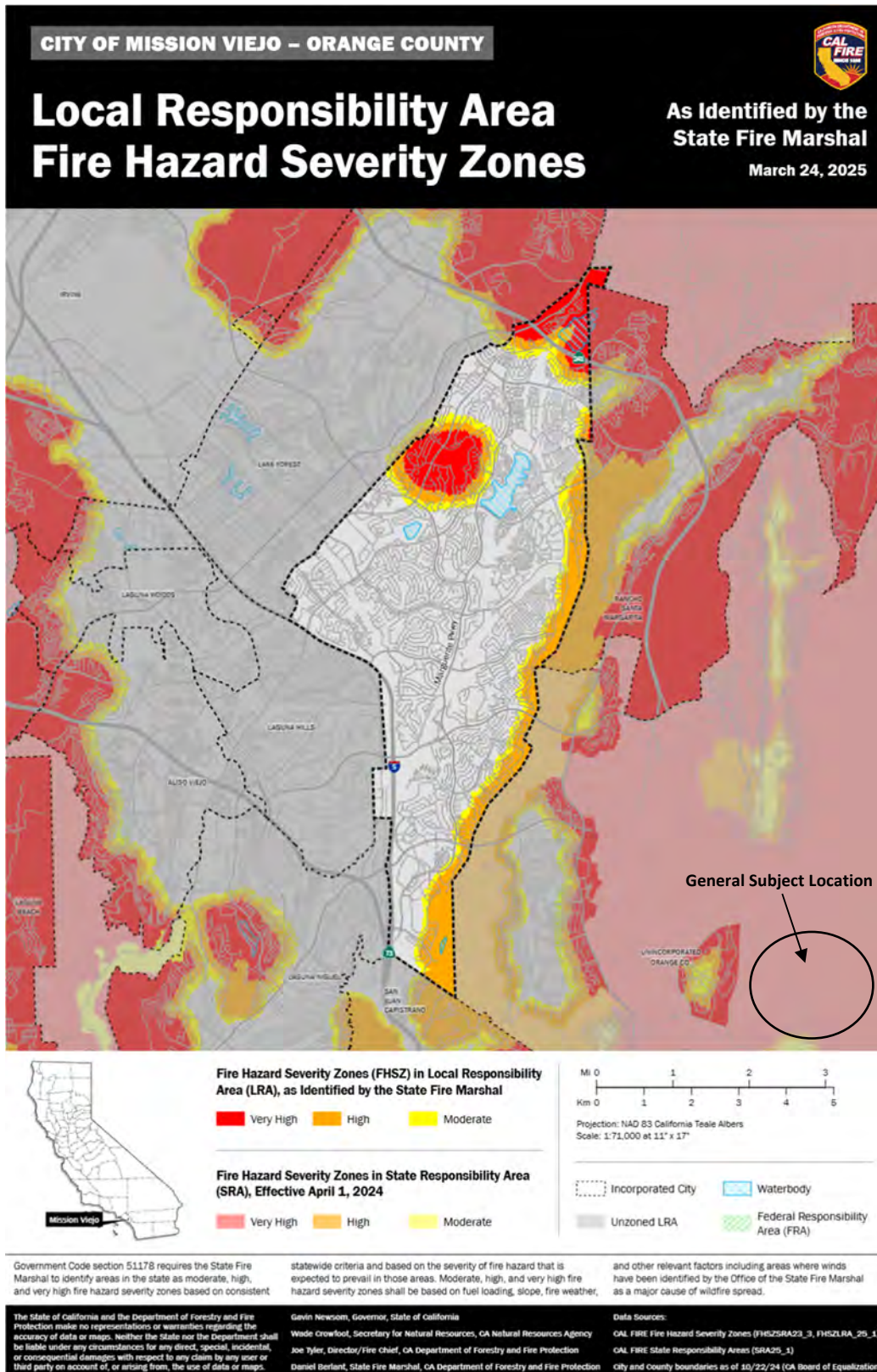
According to the Seismic Safety Commission, there are only two zones in California: Zone 4, which is assigned to areas near major faults; and Zone 3, which is assigned to all other areas of more moderate seismic activity. The subject site is located within Zone 4, which is considered to be the highest risk zone in California. The subject is not located in a Fault-Rupture Hazard Zone (formerly referred to as an Alquist-Priolo Special Study Zone), as defined by Special Publication 42 (revised January 1994) of the California Department of Conservation, Division of Mines and Geology. It should be noted, in

general, a number of faults are located in Southern California and throughout California; thus, the area is subject to severe ground shaking during earthquakes. Competitive sites face similar seismic risk.

Fire Hazard Risk

The Fire and Resource Assessment Program of CAL FIRE has classified areas of the subject's County by Fire Hazard Severity Zone. As shown in the following map, the appraised property has been classified as an area of very high concern within the state responsibility area.

In recent years, wildfires have caused extensive damage throughout the State. Certain of these fires have burned thousands of acres and in some cases destroyed thousands of homes. In the case of the Los Angeles wildfires at the beginning of 2025, entire neighborhoods were destroyed. There can be no assurances that wildfires will not affect the subject property whether or not it has been identified "at-risk" by CAL FIRE. Property damage due to wildfire could result in significant changes in the market value of subject property.



The Ranch Plan Fire Protection Program

The Master Developer has worked closely with the Orange County Fire Authority and the County of Orange on a three-party agreement that specifies:

- Construction Code Requirements;
- Fuel Modification Zones based on sophisticated research and fire behavior modeling;
- Landscaping and Plant Species Restrictions;
- Emergency Vehicle Access; and
- Detailing Review at Multiple Levels of Planning, Continually Updated per State Codes.

According to information provided by the Master Developer, other wildfire risk mitigations implemented by Rancho Mission Viejo include perpetual funding, maintenance, and enforcement through an HOA; appropriate and reliable fire access and evacuation routes; adequate water supplies; residential fire sprinklers; underground project utilities; community design and siting to minimize fire risk (e.g., slope setbacks); and new fire stations, fire equipment and/or funding for firefighters to provide for a rapid initial fire attack where it did not previously exist.

Environmental Hazards

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

Ground Stability

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

Utilities

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

Utilities	
Service	Provider
Water	Santa Margarita Water District (SMWD)
Sewer	Santa Margarita Water District (SMWD)
Electricity	San Diego Gas and Electric (SDG&E)
Natural Gas	San Diego Gas and Electric (SDG&E)
Local Phone	Various providers

Land Description and Analysis

Zoning

The subject is located within Planning Area 3 of the Ranch Plan Specific Plan. The land use plan for Planning Areas 3 and 4 is composed of a majority of residential uses with urban activity center, neighborhood center, public facilities, recreation and open space. There are a maximum of 7,500 dwelling units, 201 gross acres of Urban Activity Center uses, and 19 acres of Neighborhood Center uses proposed within the 2,666 gross acre development use portion of Planning Areas 3 and 4. The remainder of the 3,313 gross acre PA3-4 would be 647 acres of permanent open space.

The subject property represents Planning Areas 3.3 and 3.4 and comprises 178 gross acres. The subject is proposed for residential development (single-family and multifamily, for-sale and for-rent).

A summary of land uses comprising the Planning Areas 3 and 4 ("PA3-4") of the Ranch Plan Specific Plan is provided in the following table from the PA3-4 Master Area Plan, dated September 11, 2019. On the following pages are two maps identifying PA3-4 and the subareas of PA3-4.

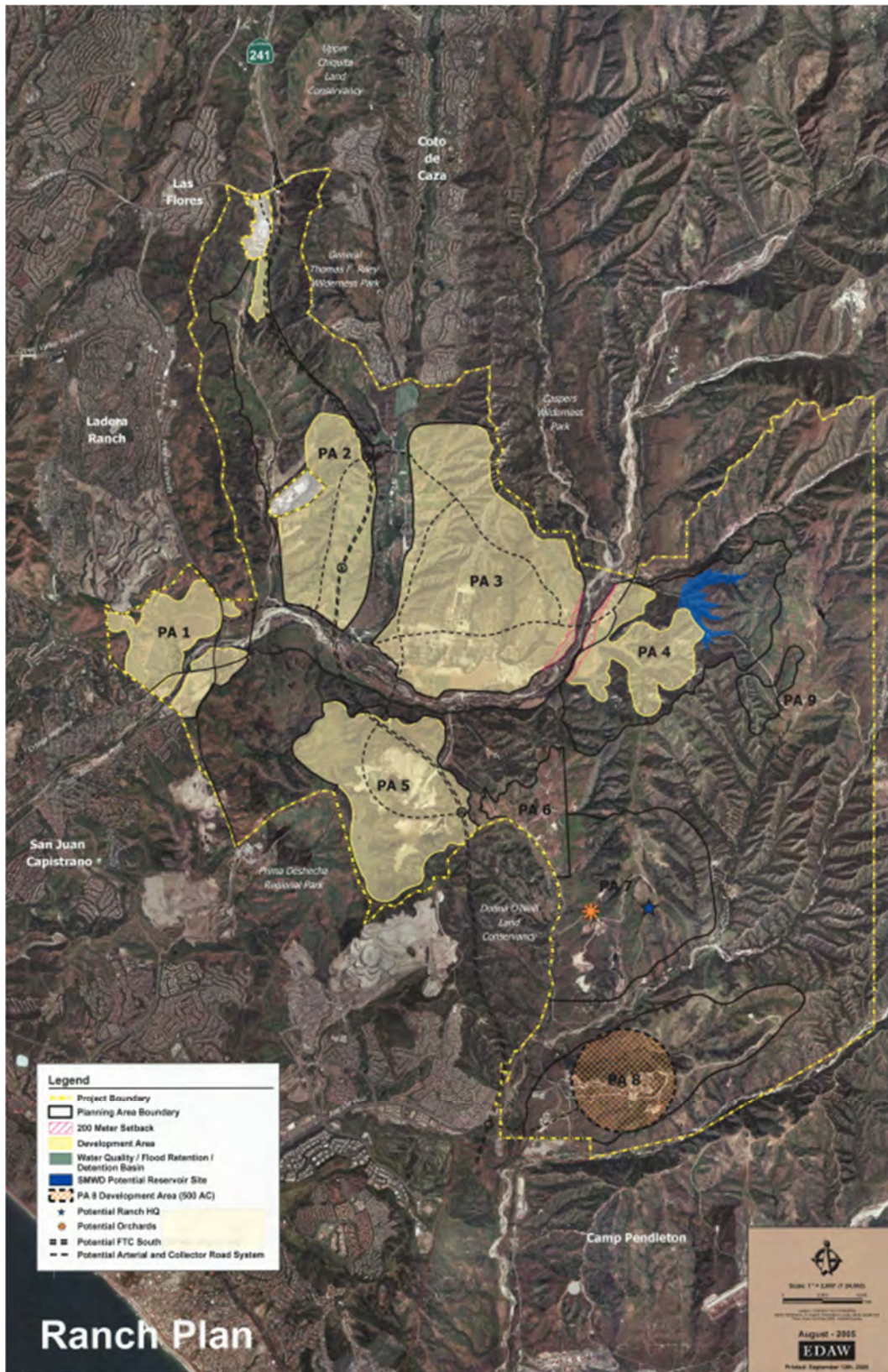
Planning Area 3 & 4													
Planning Area	Development Use										Open Space Use	Planning Area Totals	
	Residential			Urban Activity Center (UAC)		Neighborhood Center		Business Park		Golf Resort			
	Gross Acres	Maximum Dwelling Units	Maximum Net-Residential Square Footage (000)	Gross Acres	Maximum Square Footage of Net-Residential Units (000)	Gross Acres	Maximum Square Footage (000)	Gross Acres	Maximum Square Footage (000)	Gross Acres			Gross Acres
Planning Area 1	446	1,247	110	5	30	13	95				464	240	704
Planning Area 2	806	2,760	15	45	495	5	30				856	824	1,680
Planning Areas 3 & 4	2,396	7,500	120	201	2,830	19	145	50	305		2,666	647	3,313
Planning Areas 5 & 8	1,705	2,493				13	220	30	805	25	1,773	3,010	4,783
Planning Area 10												12,203	12,203
Subtotal	5,353	14,080	245	251	3,355	50	490	80	1,110	25	5,759	16,924	22,683
Total													

Revised July 26, 2006, Per Planning Commission Resolution # 06-05.
 Revised February 23, 2011, per PA110003, PA110004, PA110005, and PA110006.
 Revised March 27, 2013, per Planning Commission
 Revised February 26, 2015, per Planning Commission
 Revised September 11, 2019, per Planning Commission

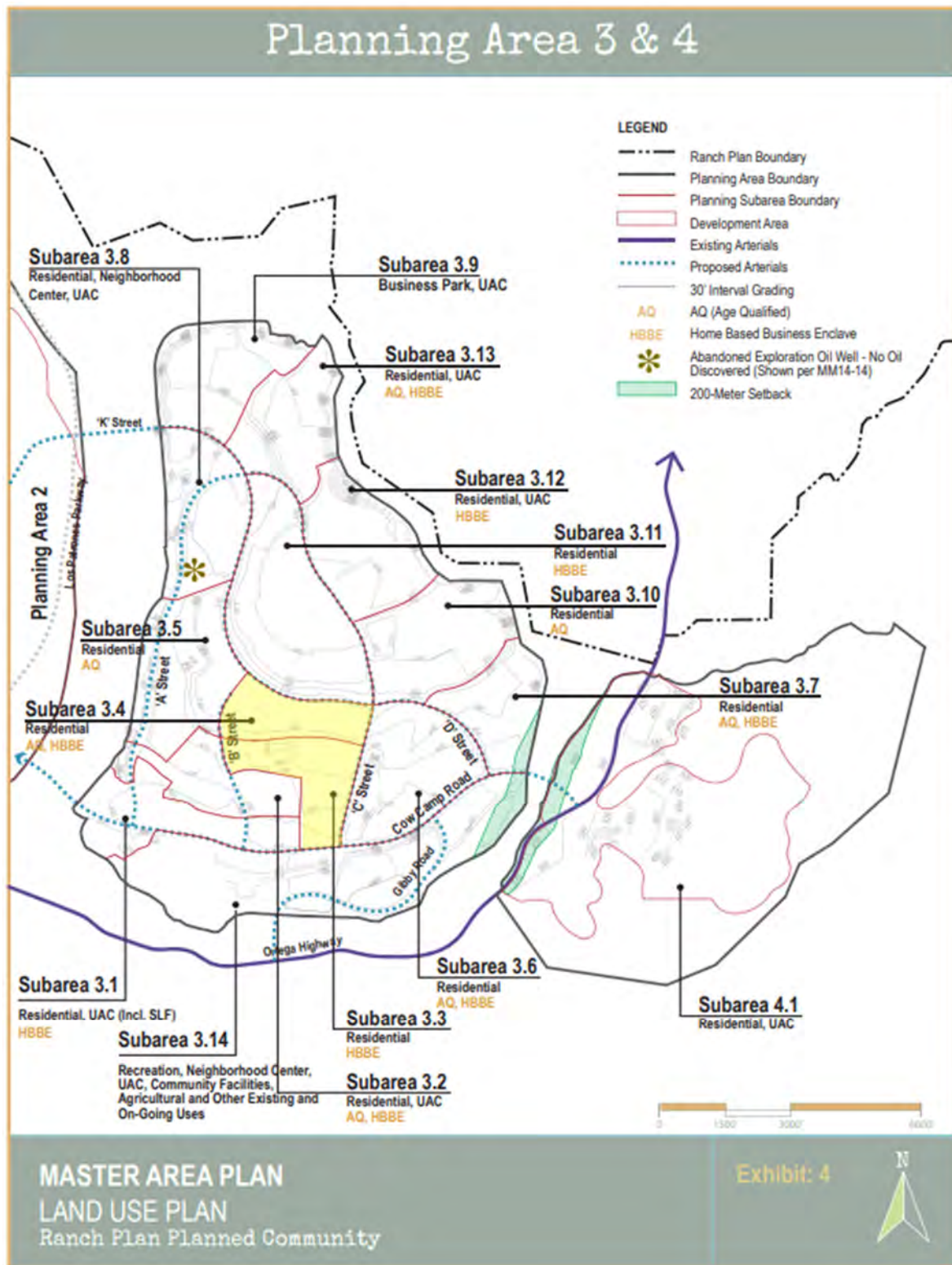
MASTER AREA PLAN
 PC STATISTICAL TABLE REVISION (Per Ranch Plan Planned Community Program Text Section I.A.4.b.)
 Ranch Plan Planned Community

PA-3 & 4 MASTER AREA PLAN
 Table 1





The subject property represents Planning Areas 3.3 and 3.4, highlighted in yellow below.



Planning Area 3 & 4																			
Planning Area	Development Use																	Open Space Use	Planning Area Totals
	Residential											Urban Activity Center (UAC)	Neighborhood Center		Business Park		Golf Resort/Gross Acreage		
	Gross Acres	Net Acres	Maximum Dwelling Units	Conventional Single-Family Detached Dwellings	Planned Concept Detached Dwellings	Multiple-Family Dwellings	Estate Lots	Age Qualified Dwelling Units	Maximum Non-Residential Square Footage (000)	Parkland Gross Acreage	Gross Acres		Maximum Square Footage of Non-Residential Uses (000)	Gross Acres	Maximum Square Footage (000)	Gross Acres			
Planning Areas 3 & 4	2,396	1,372	7,500	1,415	4,000	2,085	2,865	120	95	201	2,830	19	145	50	305	0	2,666	647	3,313
Subarea 3.1	105	76	775	0	520	255	0	120	5	13	10						118		
Subarea 3.2	102	74	805	125	435	245	130		5								102		
Subarea 3.3	98	71	430	130	100	200	0	10									98		
Subarea 3.4	80	58	320	140	125	55	320	5									80		
Subarea 3.5	163	119	655	165	435	55	405										163		
Subarea 3.6	168	122	725	50	405	270	280	5									168		
Subarea 3.7	106	77	395	50	160	185	160	5									106		
Subarea 3.8	108	79	400		160	240	240	5	25	405	14	100					147		
Subarea 3.9	14									82	1,015			50	305		146		
Subarea 3.10	169	123	825	200	625		825	5									169		
Subarea 3.11	235	171	820	200	400	220		20	8	210							243		
Subarea 3.12	117	85	545	80	305	160			40	460							157		
Subarea 3.13	133	97	305	50	155	100	305	5									133		
Subarea 3.14	320								20	8	30	5	45				333		
Subarea 4.1	478	220	500	225	175	100	200	5	25	700							503		

MASTER AREA PLAN
 DEVELOPMENT TABLE (Per Ranch Plan Planned Community Program Text Section II.B.3.a. and II.B.3.b.)
 Ranch Plan Planned Community

PA-3 & 4 MASTER AREA PLAN
 Table 2

To the best of our knowledge, there are no pending or prospective zoning changes. It appears that the property as proposed conforms with zoning requirements.

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

Other Land Use Regulations

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

Entitlements

A summary of the current legal (entitlements) and physical status of the appraised single-family properties is shown in the following table.



Land Description and Analysis

Subject Lot Status Summary									
Project Name	Market Segment	Product Type	Builder	Total No. of Units	Unimproved SFR Lots	Partially		Partially	
						Improved SFR Lots	Finished SFR Lots	Completed Homes	Completed Homes
Planning Area 3.3									
Sapphire	All Age	SFD Small Lot	Trumark	64	0	0	35	4	25
Lotus	All Age	SFD Medium Lot	Trumark	56	0	0	8	12	36
Arrowleaf	All Age	SFD Large Lot	Shea	55	0	0	26	17	12
				175	0	0	69	33	73
Planning Area 3.4									
Lavender	Age Qualified	Single Family Duplex & Motorcourt	TriPointe	76	42	20	4	8	2
Nova	Age Qualified	Single Family Duplex	Lennar	52	0	20	4	14	14
Strata	Age Qualified	Single Family Cluster	Lennar	72	14	30	3	6	19
Elara	Age Qualified	Single Family Alley	Pulte	44	2	13	20	6	3
Luna	Age Qualified	SFD Traditional	Pulte	82	63	2	2	12	3
				326	121	85	33	46	41
TOTAL				501	121	85	102	79	114

In addition to the 501 single-family residential lots, the appraised property includes three parcels proposed for the development of 217 market-rate apartments on 12.53 acres.

Easements, Encroachments and Restrictions

We have reviewed three preliminary title reports prepared by First American Title Company dated between June 26, 2025 and September 18, 2025. The reports identify exceptions to title, which include various utility and access easements that are typical for a property of this type. Such exceptions would not appear to have an adverse effect on value. Our valuation assumes no adverse impacts from easements, encroachments or restrictions and further assumes that the subject has clear and marketable title.

Site Development Costs

Per the cost budgets provided by each homebuilder, site development costs, inclusive of development impact fees, are summarized as follows:

Land Description and Analysis

Builder Site Development Costs			
Project Name	Budgeted Costs*	Spent to Date*	Remaining Costs**
Planning Area 3.3			
Sapphire	\$19,464,832 \$304,138 per unit	(\$17,335,866) (\$270,873) per unit	\$2,128,966 \$54,589 per unit
Lotus	\$19,742,128 \$352,538 per unit	(\$18,557,600) (\$331,386) per unit	\$1,184,528 \$59,226 per unit
Arrowleaf	\$12,989,075 \$236,165 per unit	(\$8,738,105) (\$158,875) per unit	\$4,250,970 \$98,860 per unit
Planning Area 3.4			
Lavender	\$12,966,284 \$170,609 per unit	(\$4,947,661) (\$65,101) per unit	\$8,018,623 \$108,360 per unit
Nova	\$8,721,596 \$167,723 per unit	(\$7,715,258) (\$148,370) per unit	\$1,006,338 \$26,483 per unit
Strata	\$14,635,008 \$203,264 per unit	(\$12,195,840) (\$169,387) per unit	\$2,439,168 \$46,022 per unit
Elara	\$11,763,136 \$267,344 per unit	(\$5,079,536) (\$115,444) per unit	\$6,683,600 \$163,015 per unit
Luna	\$20,141,004 \$245,622 per unit	(\$5,649,306) (\$68,894) per unit	\$14,491,698 \$183,439 per unit
* Costs per unit derived from total number of lots			
** Costs per unit derived from total number of lots, less lots with completed homes			

Remaining Off-Site Cost Obligations

According to the Master Developer, construction of off-site improvements as of the effective appraisal date are detailed in the following tables.

The following table summarizes the major infrastructure costs, for which the total budget (\$192,914,104) is the total budgeted major infrastructure cost for all of Planning Area 3 encompassing 7,500 dwelling units. According to the master developer, the majority of these costs spent to date are specific to the subject lots and none of the remaining major infrastructure costs (\$77,497,082) are required to be spent to build out the subject property (CFD No. 2025-01 (Improvement Area 1)).

Land Description and Analysis

Cost Obligation Summary: Planning Area 3 Major Infrastructure

Improvements	Budget*	Spent to Date	Remaining Costs**
Cow Camp Road	\$ 15,000,000	\$ 5,865,458	\$ 9,134,542
Public Storm Drain - Flood Basin	\$ 54,886,104	\$ 31,620,362	\$ 23,265,741
Bucker Road and Bridge	\$ 20,000,000	\$ 1,259,296	\$ 18,740,704
Ranch Canyon Road	\$ 2,988,000	\$ -	\$ 2,988,000
Rienda Park	\$ 10,040,000	\$ 671,906	\$ 9,368,094
CUSD School Facilities	\$ 90,000,000	\$ 76,000,000	\$ 14,000,000
Total Major Infrastructure	\$ 192,914,104	\$ 115,417,022	\$ 77,497,082

*Inclusive of Planning Area 3, which makes up a total of 7,500 total dwelling units; CFD No. 2025-01 (IA1) encompasses 501 dwelling units in Planning Area 3

**None of the remaining Major Infrastructure Costs are required to be spent to build out CFD No. 2025-01 (IA1)

The analysis herein considers only the remaining development costs of \$21,331,047, shown below, net of estimated CFD No. 2025-1 IA No. 1 County of Orange Bond Proceeds. It is noted, \$75,000,000 in 2026 bond proceeds are anticipated to be allocated for CUSD School Facilities (Planning Area 3 major infrastructure cost) referenced above. The balance of projected CFD Bond proceeds are applied below to offsite infrastructure costs specifically related to units within the improvement area proposed.

Cost Obligation Summary: Rienda 3 IA 1 Offsite Development Costs

Improvements	Budget	Spent to Date	Remaining Costs	Costs Funded with CFD Bond Proceeds	Remaining Costs Net of CFD Bond Proceeds
Development Costs					
Design/Engineering/Fees/Bonds (Project Soft Costs)	\$ 19,940,146	\$ 17,795,154	\$ 2,144,992	\$ 2,144,992	\$ -
Grading/Storm Drain	\$ 52,238,128	\$ 50,170,012	\$ 2,068,116	\$ 2,068,116	\$ -
Streets/Wet & Dry Utilities	\$ 43,291,502	\$ 31,086,408	\$ 12,205,093	\$ 12,205,093	\$ -
Landscape/Hardscape	\$ 15,670,528	\$ 8,361,798	\$ 7,308,731	\$ -	\$ 7,308,731
Parks/Trails	\$ 3,284,506	\$ 1,186,132	\$ 2,098,374	\$ -	\$ 2,098,374
Amenities/Clubhouse	\$ 26,467,000	\$ 17,468,869	\$ 8,998,131	\$ -	\$ 8,998,131
Indirect Construction Costs*	\$ 9,204,548	\$ 7,436,918	\$ 1,767,630	\$ 833,437	\$ 934,192
Impact Fees					
Impact Fees (TCA, SMWD, Library)	\$ 5,471,877	\$ 3,480,258	\$ 1,991,619	\$ -	\$ 1,991,619
Total Development Costs	\$ 175,568,235	\$ 136,985,549	\$ 38,582,686	\$ 17,251,639	\$ 21,331,047

*CFD Bond Proceeds applicable to the indirect costs is based on a ratio of 47.15% of remaining indirect costs

For valuation purposes it is appropriate to reflect these remaining off-site cost obligations as a deduction across the 442 single-family lots not held by individual homeowners and 217 multifamily units, as these costs benefit all the units appraised. The pro-rata deduction for the remaining off-site

cost obligations is calculated as follows, based on each components proportionate share on a developable acre.

Allocation of Remaining Costs Net of CFD Bond Proceeds

Land Use	Acres	Allocation of	
		Remaining Costs	
Single-Family Units	116.47	\$ 19,259,124	\$43,573 per unit
Multifamily Units	<u>12.53</u>	<u>\$ 2,071,923</u>	\$165,357 per acre
	129.00	\$ 21,331,047	

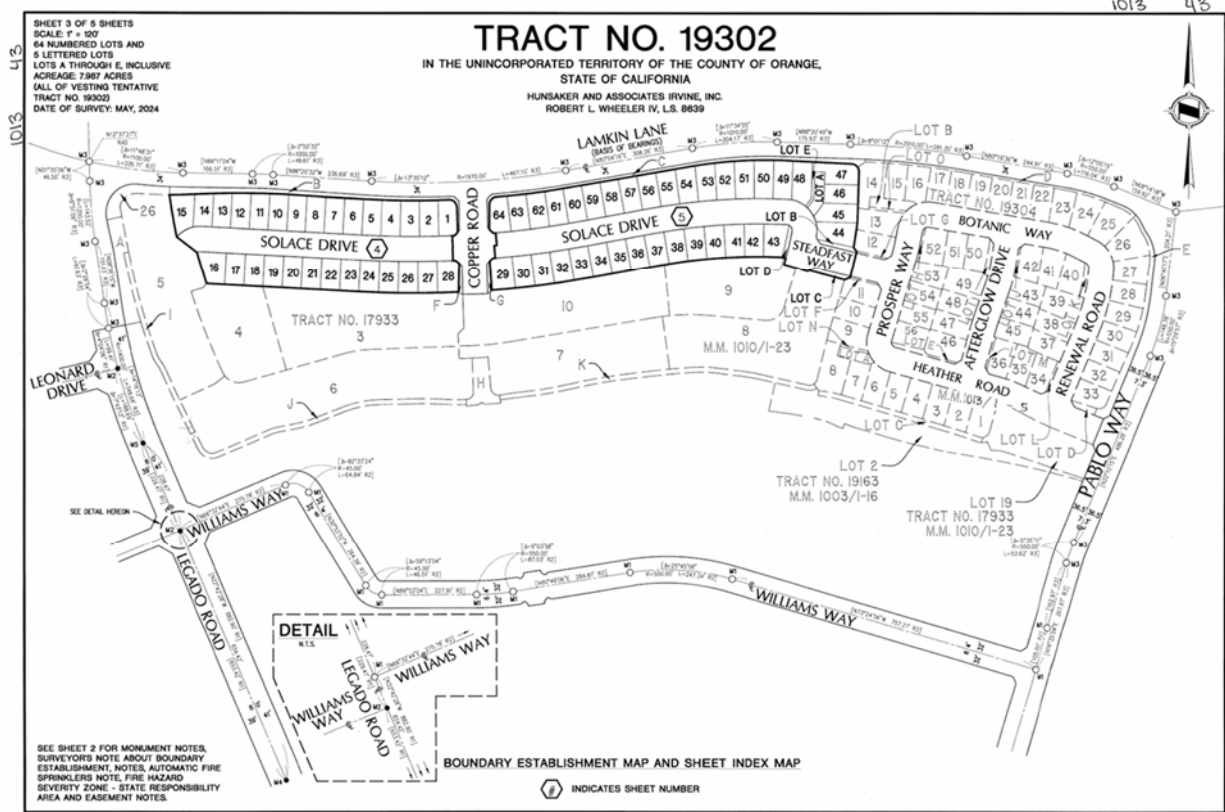
Remaining Costs Net of CFD Bond Proceeds \$ 21,331,047
\$165,356.95 per acre

Conclusion of Site Analysis

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

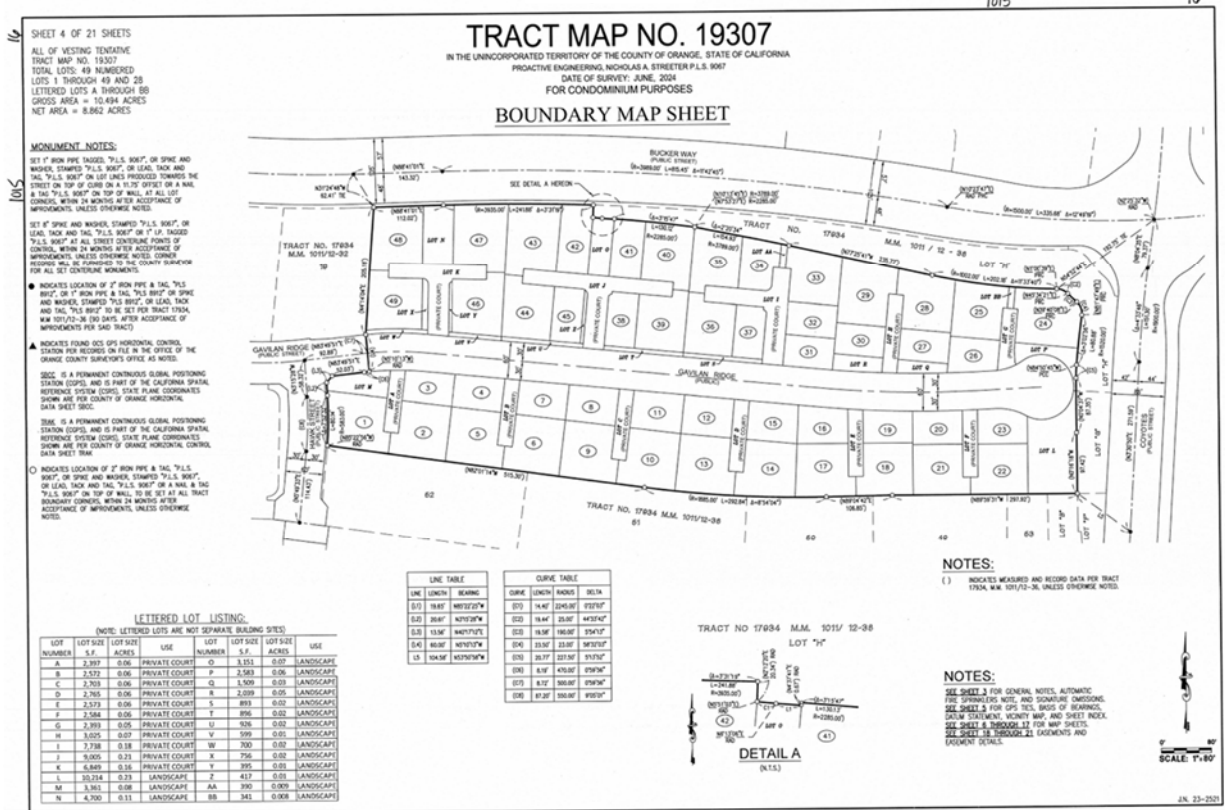
Final Maps

Planning Area 3.3: Sapphire

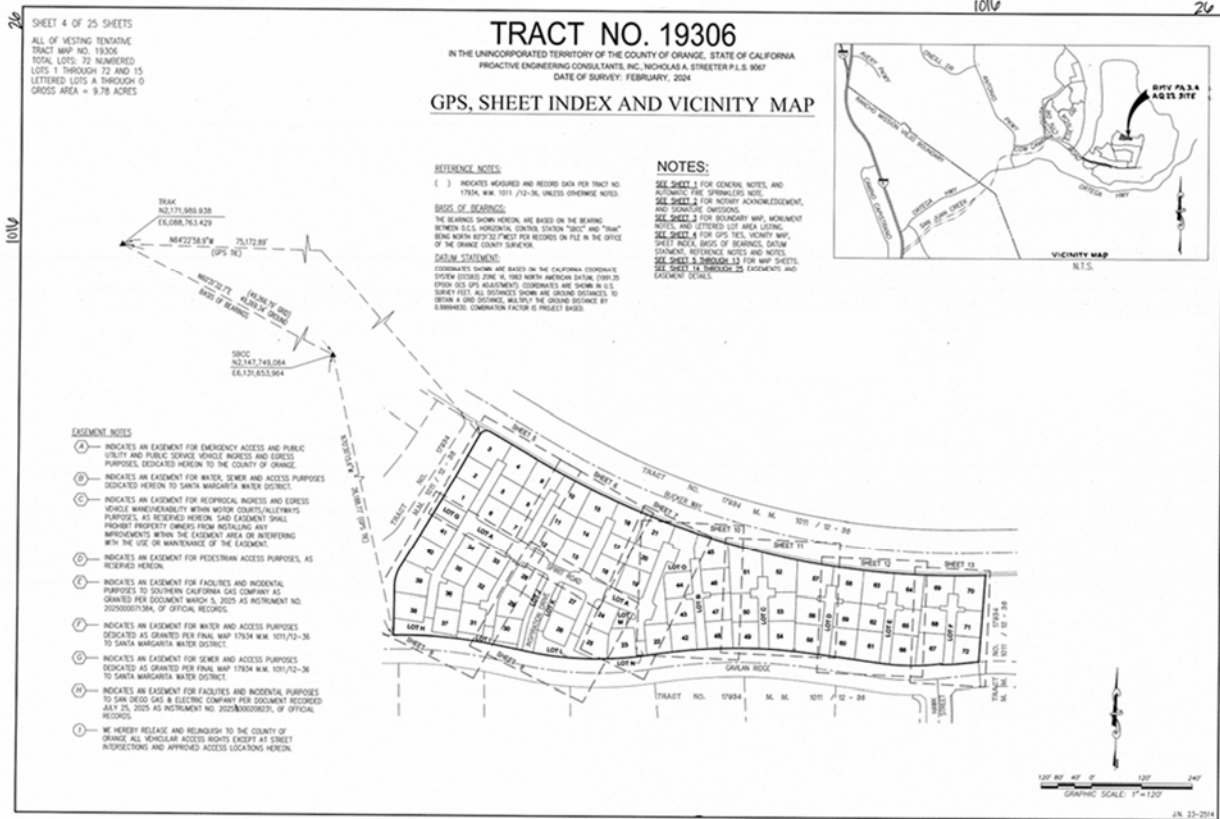


Land Description and Analysis

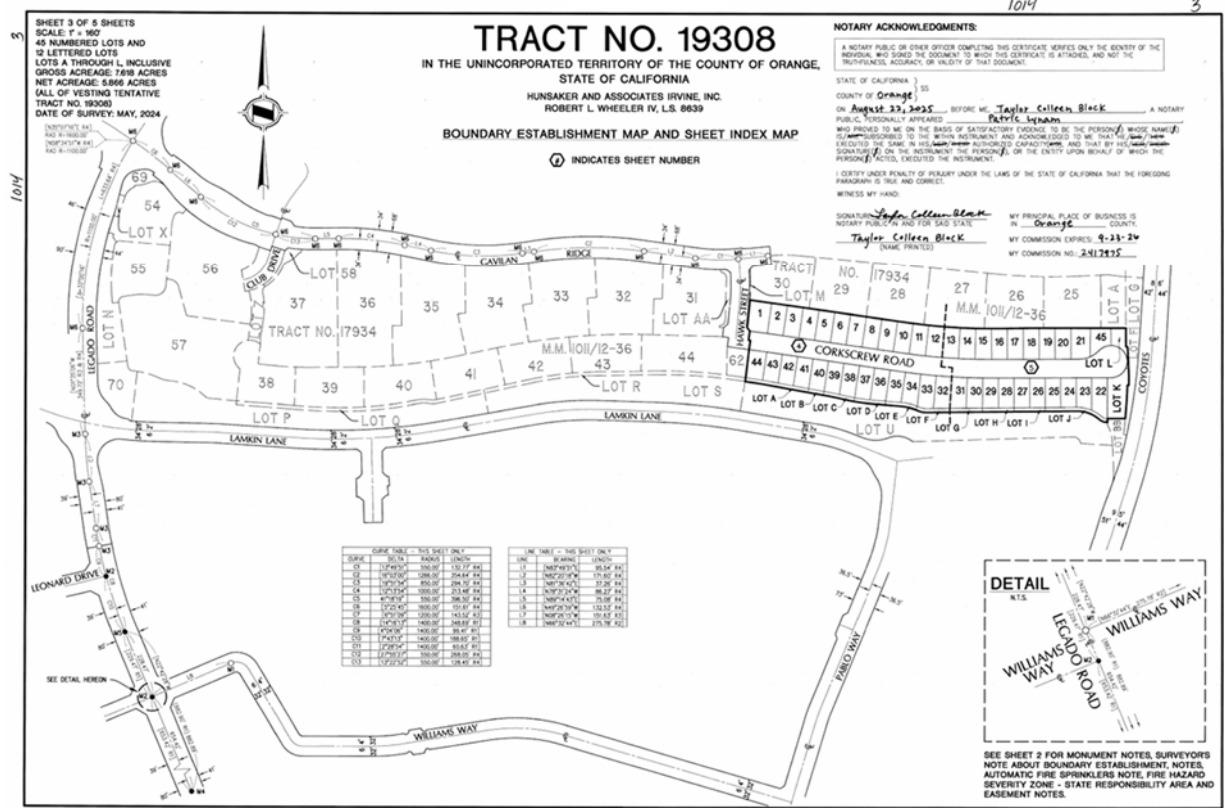
Planning Area 3.4: Lavender



Planning Area 3.4: Strata



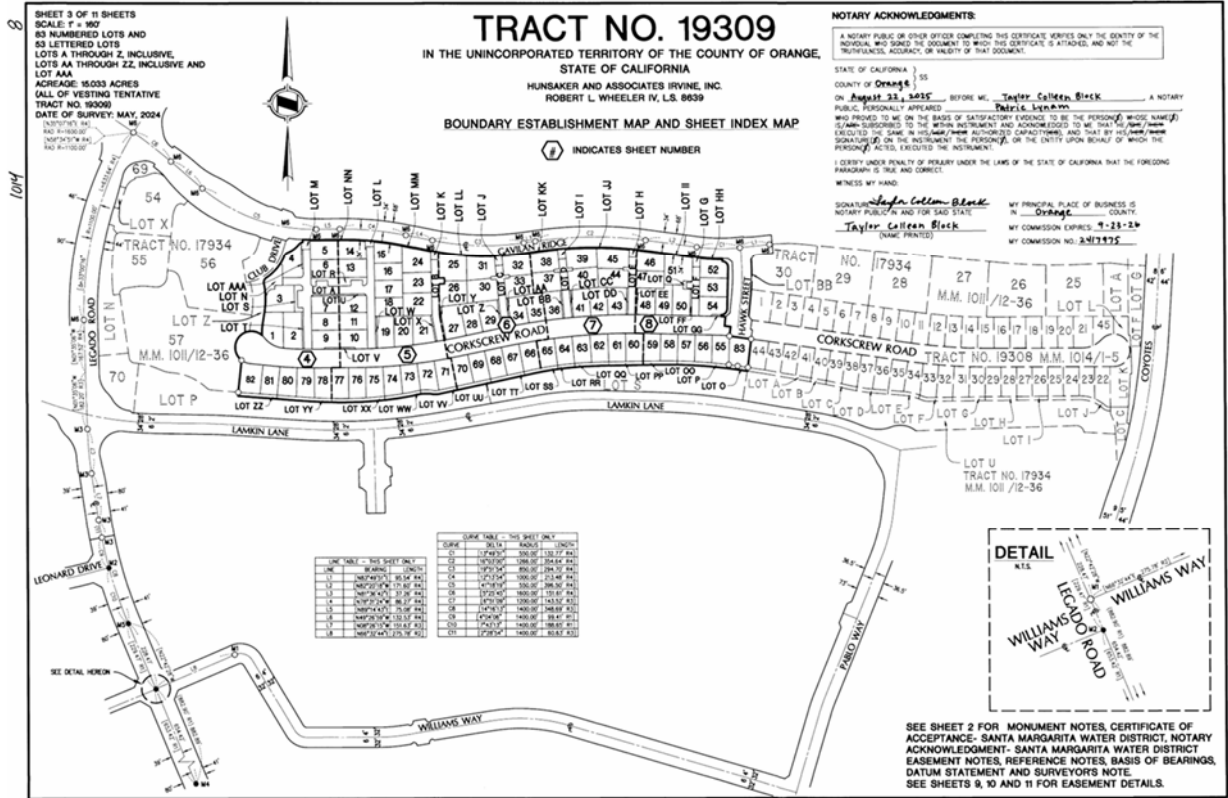
Planning Area 3.4: Elara



Planning Area 3.4: Luna

104

8



Drone Photos

The following drone photos were provided by the master developer, showing the development status of Planning Area 3, Phases 3 and 4 (PA 3.3 and 3.4), as of February 26, 2026.



















Proposed Improvements Description

Proposed Improvements Description

The table below provides a summary of the projects within The Village of Rienda master planned community comprising Phases 3.3 and 3.4.

Interior finishes vary amongst each of the builders/projects but are generally consistent with market expectations and offer a range of options and upgrades to prospective buyers.

It is noted the subject properties are encumbered by a Homeowner's Association (HOA) that will be responsible for maintenance of the private roads and common areas throughout the project. The dues vary by neighborhood, which range from \$248 to \$412 per home per month.

Floor Plan Summary										
Planning Area / Project Name	Builder	Market Segment / Product Type	Market Entry (Commence Sales)	Total No. of Units	Floor Plan	Unit Mix	Living Area (SF)	Emire Economics Recommended Price (February 2026)*	Builder Base Price as of February 2026**	HOA
Planning Area 3.3										
Sapphire	Trumark	All Age, Detached SFD Small Lot 3,542 SF Lots	2Q2025	64	Plan 1	19	2,461	\$1,397,000	\$1,486,255	\$248
					Plan 2	21	2,575	\$1,470,000	\$1,638,332	
					Plan 3	24	2,823	\$1,540,000	\$1,643,279	
Lotus	Trumark	All Age, Detached SFD Medium Lot 4,000 SF Lots	2Q2025	56	Plan 1	18	2,769	\$1,569,000	\$1,637,895	\$248
					Plan 2	18	3,057	\$1,660,000	\$1,966,312	
					Plan 3	20	3,129	\$1,680,000	\$1,773,216	
Arrowleaf	Shea	All Age, Detached SFD Large Lot 5,400 SF Lots	2Q2025	55	Plan 1	16	3,306	\$1,750,000	--	\$248
					Plan 2	18	3,691	\$1,880,000	--	
					Plan 3	21	3,965	\$2,071,018	\$1,995,410	
Planning Area 3.4										
Lavender	TriPointe	Age Qualified, Attached & Detached Duplex & Motorcourt	1Q2026	76	Plan 1	27	1,299	\$936,500	\$924,907	\$400
					Plan 2	27	1,671	\$1,111,029	\$1,088,000	
					Plan 3	12	1,747	\$1,198,500	\$1,205,000	
					Plan 4	10	2,022	\$1,387,000	--	
Nova	Lennar	Age Qualified, Attached Duplex	1Q2026	52	Plan 1	16	1,451	\$1,055,990	\$1,045,990	\$352
					Plan 2	8	1,566	\$1,095,990	\$1,085,990	
					Plan 2X	8	2,020	\$1,210,990	\$1,160,990	
					Plan 3	10	1,718	\$1,165,990	\$1,165,990	
					Plan 3X	10	2,263	\$1,289,990	\$1,249,990	
Strata	Lennar	Age Qualified, Detached Single Family Cluster	1Q2026	72	Plan 1	25	1,560	\$1,099,990	\$1,104,990	\$392
					Plan 2	15	1,711	\$1,199,990	\$1,219,990	
					Plan 3	16	2,063	\$1,274,990	\$1,284,990	
					Plan 4	8	1,861	\$1,299,990	\$1,299,990	
					Plan 5	8	2,378	\$1,389,990	\$1,394,990	
Elara	Pulte	Age Qualified, Detached Single Family Alley	1Q2026	44	Plan 1	13	2,454	\$1,619,990	\$1,610,990	\$292
					Plan 2	14	2,692	\$1,683,990	\$1,671,990	
					Plan 3	17	2,911	\$1,725,990	\$1,725,990	
Luna	Pulte	Age Qualified, Detached SFD Traditional	1Q2026	82	Plan 1	11	1,844	\$1,423,990	\$1,453,990	\$412
					Plan 2	14	2,484	\$1,584,484	\$1,473,990	
					Plan 3	13	1,907	\$1,583,605	\$1,563,990	
					Plan 4	14	2,736	\$1,691,462	\$1,623,990	
					Plan 5	30	2,806	\$1,729,082	\$1,643,990	

* Source: Price Point *Review* Study, prepared by Empire Economics, dated January 30, 2026, and Market Absorption Study, prepared by Empire Economics, dated February 6, 2026

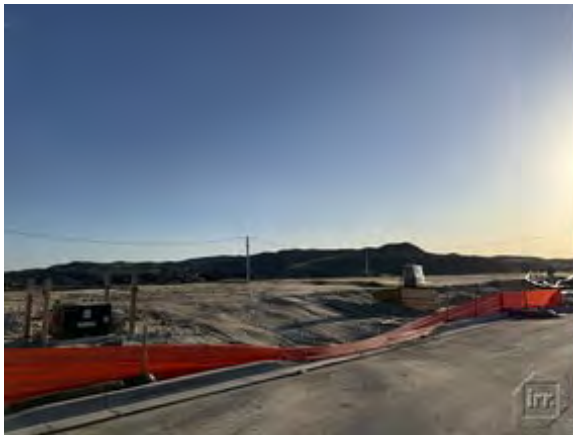
** Source: Merchant Builder Websites and Questionnaires

Proposed Improvements Description









Proposed Improvements Description



Real Estate Taxes

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

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

Ad Valorem Taxes

The existing ad valorem taxes are of nominal consequence in this appraisal, primarily due to the fact these taxes will be adjusted substantially as the remaining property improvements are completed and in consideration of the definition of market value employed in this appraisal, which assumes a sale of the appraised properties. According to the Orange County Treasurer-Tax Collector's Office, the subject has a tax rate of 1.070000% for tax year 2025-2026, based on assessed value. In addition, the appraised properties are subject to direct charges. Based on a survey of surrounding residential properties, it is estimated the subject would have direct charges of approximately \$17 per lot per year and will be considered in our analysis.

Special Assessments

All of the appraised properties are encumbered by the Special Tax Lien of IA No. 1 of the CFD No. 2025-1 of the County of Orange (Rienda 3) that also increases 2% per year. With respect to special taxes, we have relied upon information provided by the special tax consultant, for the annual special tax levy on the appraised properties, which are shown as follows:

Real Estate Taxes

Special Tax Table (Fiscal Year 2025-2026)				
Zone	Project	Units	Residential Floor Area	Assigned Special Tax
1	Sapphire	24	All Ages - SFD Small Lot (> 2,700 SF)	\$15,238 per unit
1	Sapphire	21	All Ages - SFD Small Lot (2,500 - 2,700 SF)	\$14,153 per unit
1	Sapphire	19	All Ages - SFD Small Lot (< 2,500 SF)	\$13,652 per unit
2	Lotus	20	All Ages - SFD Medium Lot (> 3,100 SF)	\$16,592 per unit
2	Lotus	18	All Ages - SFD Medium Lot (2,800 - 3,100 SF)	\$16,030 per unit
2	Lotus	18	All Ages - SFD Medium Lot (< 2,800 SF)	\$15,015 per unit
3	Arrowleaf	21	All Ages - SFD Large Lot (> 3,900 SF)	\$20,207 per unit
3	Arrowleaf	0	All Ages - SFD Large Lot (3,701 - 3,900 SF)	\$19,611 per unit
3	Arrowleaf	18	All Ages - SFD Large Lot (3,501 - 3,700 SF)	\$19,014 per unit
3	Arrowleaf	16	All Ages - SFD Large Lot (3,300 - 3,500 SF)	\$17,337 per unit
3	Arrowleaf	0	All Ages - SFD Large Lot (< 3,300 SF)	\$16,470 per unit
4	Lavender	10	AQ - Single Family Motorcourt (> 2,000 SF)	\$12,430 per unit
4	Lavender	12	AQ - Single Family Motorcourt (1,701 - 2,000 SF)	\$9,858 per unit
4	Lavender	27	AQ - Single Family Motorcourt (1,400 - 1,700 SF)	\$8,730 per unit
4	Lavender	27	AQ - Single Family Motorcourt (< 1,400 SF)	\$7,302 per unit
5	Nova	10	AQ - Single Family Duplex (> 2,100 SF)	\$10,239 per unit
5	Nova	8	AQ - Single Family Duplex (1,901 - 2,100 SF)	\$9,695 per unit
5	Nova	10	AQ - Single Family Duplex (1,701 - 1,900 SF)	\$8,857 per unit
5	Nova	8	AQ - Single Family Duplex (1,500 - 1,700 SF)	\$8,436 per unit
5	Nova	16	AQ - Single Family Duplex (< 1,500 SF)	\$8,117 per unit
6	Strata	8	AQ - Single Family Cluster (> 2,200 SF)	\$12,594 per unit
6	Strata	16	AQ - Single Family Cluster (2,001 - 2,200 SF)	\$11,604 per unit
6	Strata	8	AQ - Single Family Cluster (1,801 - 2,000 SF)	\$11,362 per unit
6	Strata	15	AQ - Single Family Cluster (1,600 - 1,800 SF)	\$10,638 per unit
6	Strata	25	AQ - Single Family Cluster (< 1,600 SF)	\$9,929 per unit
7	Elara	17	AQ - Single Family Alley (> 2,900 SF)	\$14,943 per unit
7	Elara	0	AQ - Single Family Alley (2,701 - 2,900 SF)	\$14,793 per unit
7	Elara	14	AQ - Single Family Alley (2,500 - 2,700 SF)	\$14,642 per unit
7	Elara	13	AQ - Single Family Alley (< 2,500 SF)	\$14,265 per unit
8	Luna	30	AQ - SFD Traditional (> 2,800 SF)	\$13,919 per unit
8	Luna	14	AQ - SFD Traditional (2,501 - 2,800 SF)	\$13,627 per unit
8	Luna	14	AQ - SFD Traditional (2,301 - 2,500 SF)	\$12,138 per unit
8	Luna	0	AQ - SFD Traditional (2,101 - 2,300 SF)	\$11,860 per unit
8	Luna	13	AQ - SFD Traditional (1,900 - 2,100 SF)	\$11,581 per unit
8	Luna	11	AQ - SFD Traditional (> 1,900 SF)	\$11,281 per unit
9	N/Ap	N/Ap	Residential Property	\$1,980 per unit
9	N/Ap	N/Ap	Non-Residential Property	\$37,409 per acre

Source: ETR Analysis CFD No. 2025-1, prepared by DTA and dated 9/29/2025

Highest and Best Use

Process

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

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

Highest and Best Use As If Vacant

Legally Permissible

The subject is part of the third phase of development within Rancho Mission Viejo and identified in The Ranch Plan Specific Plan as a portion of Planning Area 3 (PA-3), consisting of residential development areas.

To our knowledge, there are no legal restrictions such as easements or deed restrictions that would effectively limit the use of the property. The appraised properties are zoned and approved for single- and multi-family residential uses, as well as commercial uses. Overall, the legally permissible uses are to develop the appraised properties in accordance with the existing entitlements and land use designations, which have undergone extensive planning and review. A rezone to any other land use is highly unlikely. Additionally, the above land uses are consistent with The Ranch Specific Plan.

Physically Possible

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

Locational considerations include the compatibility and position of the subject property with respect to surrounding uses. Based on our physical inspection of the subject property, we know of no reason why the property would not support development. The size, shape and topography of the subject property appear adequate for development, similar to other projects currently developing in the immediate area. The subject is not located within a floodplain or a Fault-Rupture Hazard Zone. All utility services are available to the parcels, and evidence of development in the immediate area provides additional support for the possibility of development.

However, the subject is located a very high Fire Hazard Severity Zone in the state responsibility area. In recent years, wildfires have caused extensive damage throughout the State. Certain of these fires have burned thousands of acres and in some cases destroyed thousands of homes. In the case of the

Los Angeles wildfires at the beginning of 2025, entire neighborhoods were destroyed. There can be no assurances that wildfires will not affect the subject property whether or not it has been identified “at-risk” by CAL FIRE. Property damage due to wildfire could result in significant changes in the market value of subject property. The Master Developer has worked closely with the Orange County Fire Authority and the County of Orange on a three-party agreement detailed in this report. According to information provided by the Master Developer, other wildfire risk mitigations implemented by Rancho Mission Viejo include perpetual funding, maintenance, and enforcement through an HOA; appropriate and reliable fire access and evacuation routes; adequate water supplies; residential fire sprinklers; underground project utilities; community design and siting to minimize fire risk (e.g., slope setbacks); and new fire stations, fire equipment and/or funding for firefighters to provide for a rapid initial fire attack where it did not previously exist.

Based on the physical characteristics of the subject property, residential development is considered physically possible and most appropriate.

Financially Feasible

Financial feasibility depends on supply and demand influences. With respect to financial feasibility of residential development, in recent months merchant builders have acquired unimproved lots for near term construction, and there are multiple active projects in the area that demonstrate demand for new homes. Finished lots are transferring for prices that exceed the sum of unimproved lots and site development costs, which reflects completion of site development is financially feasible.

The Orange County multifamily market is poised for continued stability and growth, driven by strong demand, limited supply, and a diverse economy. As the outflow of population moderates and employment expansion continues, vacancy rates are expected to remain near 4%, and rent growth is forecasted to accelerate. Overall, the outlook for the Orange County multifamily market is positive, with opportunities for landlords to increase rents and for investors to capitalize on the market’s strong fundamentals.

Maximally Productive

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

As Improved (Proposed)

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

In the case of land under development, consideration must be given to whether it makes sense to demolish existing improvements (either on-site or off-site improvements) for replacement with another use. The time and expense to demolish existing improvements, re-grade, reroute utilities or

re-map must be weighed against alternative uses. If the existing or proposed improvements are not performing well, then it may produce a higher return to demolish existing improvements, if any, and re-grade the site for development of an alternative use.

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

Most Probable Buyer

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

Valuation

Valuation Methodology

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

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

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

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

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

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

The methodology employed in this assignment is summarized as follows:

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

Market Valuation – Floor Plans

Market Valuation – Floor Plans

The market values of the subject’s smallest floor plans by project with a completed home are estimated in this section. The objective of the analyses is to estimate the base price per floor plan, net of incentives, upgrades and lot premiums. Incentives can take the form of direct price reductions or non-price incentives such as upgrades or non-recurring closing costs. The sales comparison approach to value is employed in order to establish the market values for each floor plan.

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

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

For the homes with various options of the number of bedrooms or bathrooms, consistent with the “not-less-than” valuation, we will utilize the lesser of the two options. The floor plans analyzed are summarized in the following table.

Smallest Floor Plan Summary, by Project with a Completed Home

Project Name	Market Segment / Product Type	Merchant Builder	Living Area (SF)	Bedroom	Bathroom	Stories	Garage	Emire Economics		
								Typical Lot Size (SF)	Recommended Price (February 2026)*	Builder Base Price as of February 2026**
Planning Area 3.3										
Sapphire	MR - SFD Traditional (Small Lot)	Trumark	2,461	3	2.5	Two	2-Car	3,542	\$1,397,000	\$1,486,255
Lotus	MR - SFD Traditional (Medium Lot)	Trumark	2,769	3	3.0	Two	2-Car + Golf Cart	4,000	\$1,569,000	\$1,637,895
Arrowleaf	MR - SFD Traditional (Large Lot)	Shea	3,306	4	3.5	Two	3-Car (Tandem)	5,400	\$1,750,000	--
Planning Area 3.4										
Lavender	AQ - SFA Duplex & SFD Motorcourt	TriPointe	1,299	2	2.0	One	2-Car	4,146	\$936,500	\$924,907
Nova	AQ - SFA Duplex	Lennar	1,451	2	2.0	One	2-Car	3,500	\$1,055,990	\$1,045,990
Strata	AQ - SFD Cluster	Lennar	1,560	2	2.5	One	2-Car	3,500	\$1,099,990	\$1,104,990
Elara	AQ - SFD Alley	Pulte	2,454	3	3.0	Two	2-Car	4,700	\$1,619,990	\$1,610,990
Luna	AQ - SFD Traditional	Pulte	1,844	2	2.5	One	2-Car	5,000	\$1,423,990	\$1,453,990

*Source: Price Point *Review* Study, prepared by Emire Economics, dated January 30, 2026, and Market Absorption Study, prepared by Emire Economics, dated February 6, 2026

**Source: Merchant Builder Websites and Questionnaires

Market Valuation – Floor Plans

Two data sets were utilized in this analysis: a data set for the largest floor plans (greater than 2,500 square feet; Sapphire, Lotus and Arrowleaf) and a data set for the smallest floor plans (less than 2,500 square feet; Lavender, Nova, Strata, Elara and Luna). The comparable sales are summarized in the following tables.

Comparable Home Sale Summary (> 2,500 SF)

No.	Address	Contract		Close of Escrow	Living Area			Year Built	Lot Size (SF)	
		Date	Sale Price		(SF)	Bedroom	Bathroom			Garage
1	5257 Solace Drive	1/26/2026	\$1,634,071	2/25/2026	2,823	4	3.0	2-Car	2025	4,726
2	5273 Solace Drive	1/12/2026	\$1,497,317	2/20/2026	2,461	3	3.0	2-Car	2025	4,303
3	529 Afterglow Drive	12/16/2025	\$1,725,223	12/30/2025	3,130	4	3.0	2-Car	2025	4,625
4	539 Afterglow Drive	12/15/2025	\$1,668,963	12/31/2025	2,769	3	3.0	2-Car	2025	4,603
5	6177 Allure Drive	10/1/2025	\$1,956,127	12/12/2025	3,306	4	3.5	3-Car (Tandem)	2025	5,400

Comparable Home Sale Summary (< 2,500 SF)

No.	Address	Contract		Close of Escrow	Living Area			Year Built	Lot Size (SF)	
		Date	Sale Price		(SF)	Bedroom	Bathroom			Garage
1	1367 Gavilan Ridge	1/31/2026	\$1,104,990	2/25/2026	1,560	2	2.5	2-Car	2025	4,273
2	1409 Gavilan Ridge	12/18/2025	\$1,274,990	2/26/2026	2,063	2	3.5	2-Car	2025	4,318
3	1212 Cottontail Road	12/7/2025	\$1,114,944	2/19/2026	1,451	2	2.0	2-Car	2025	4,662
4	1202 Cottontail Road	12/5/2025	\$1,210,990	2/19/2026	1,566	2	2.0	2-Car	2025	4,183

Discussion of Adjustments

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

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

Adjustment Factor	Accounts For	Comments
Location	<p>attention needs to be paid to assess changing market conditions. Significant monthly changes in price levels can occur in several areas of a neighborhood, while prices in other areas remain relatively stable. Although the adjustment for market conditions is often referred to as a time adjustment, time is not the cause of the adjustment.</p> <p>Location is a very important factor to consider when making comparisons. The comparables need not be in the same neighborhood but should be in neighborhoods that offer the same advantage and have, in general, the same overall desirability to the most probable buyer or user.</p>	<p>the past three months has remained somewhat stable; as such, no adjustments are made to the comparable sales.</p> <p>All of the comparables are located in Rancho Mission Viejo and no adjustments are warranted.</p>
Community Appeal	<p>Community characteristics that may influence sale prices include a gated amenity or the condition of surrounding development.</p>	<p>While the subject and all of the comparables have similar community appeal and amenities, the appraised properties and comparables represent traditional detached single-family residential, as well as higher density single-family residential construction with lots in duplex, cluster and alley configurations. Differences in lot configurations between the comparables and each subject floor plan warrant adjustment.</p>
Lot Size	<p>The lot size adjustment pertains to the differences between the subject's average lot size and comparables with either larger or smaller lots. It does not include any lot premium adjustments, which are adjusted for separately. The amount of the adjustment used in the comparison of the base lot sizes</p>	<p>Considering the average lot size adjustment factors indicated by the comparable sales utilized in this analysis, lot size adjustment factor of \$135.00 per square foot is considered reasonable for the subject's residential lots. This figure is supported by observations of sales in the subject's market area.</p>

Adjustment Factor	Accounts For	Comments
Lot Premiums/ Discounts	comes from a survey of premiums paid for larger lots. Properties sometimes achieve premiums for corner or cul-de-sac positioning, or proximity to open space or views. Adjustments for lot position premiums would be in addition to lot size adjustments previously considered.	Appropriate adjustments are applied based upon lot placement within their respective projects.
Design and Appeal	Design and appeal of a floor plan is consumer specific. One exterior may appeal to one buyer, while another appeals to a different buyer. These types of features for new homes with similar functional utility are not typically noted in the base sales prices.	All of the comparables are similar to the subject in regard to design and appeal.
Quality of Construction	Construction quality can differ from slightly to substantially between projects and is noted in the exterior and interior materials and design features of a standard unit. In terms of quality of construction, the subject represents good construction quality.	All of the comparable sales feature similar construction quality and do not require adjustments.
Age/Condition	When comparing resale to resale, the market generally reflects a difference of 1% per year of difference in effective age.	All of the comparable sales represent new home sales and no adjustments are warranted.
Functional Utility	Ability to adequately provide for its intended purpose.	The appraised properties and comparables represent low and high density single-family residential construction on similar lot size categories as the subject. Adjustments for this factor do not apply.
Room Count	For similar size units the differences between room count is a buyer preference. One buyer might prefer two bedrooms and a den versus a three-bedroom unit. Extra rooms typically result in additional building	Because bathrooms are a functional item for each floor plan and add substantial cost due to the number of plumbing fixtures, an adjustment is made for the difference in the number of fixtures between the

Adjustment Factor	Accounts For	Comments
	area and are accounted for in the size adjustment. Therefore, no adjustments are made for number of total rooms or bedrooms.	subject and the comparable sales. The adjustment is based on an amount of \$15,000 per fixture (or half-bath) and is supported by cost estimates for an average quality home in the Residential Cost Handbook, published by the Marshall and Swift Corporation. Considering the fact that plumbing upgrades for existing bathrooms generally range from \$5,000 to over \$25,000 for the various fixtures, the \$15,000 per fixture, or half-bath, is supported. Consequently, a factor of \$30,000 per full bath is also applied in our analysis.
Unit Size/Living Area	Units similar (in the same development), except for size, were compared to derive the applicable adjustment for unit size. Those used for comparison purposes, are units within similar projects. Units within the same project were used since they have a high degree of similarity in quality, workmanship, design and appeal. Other items such as a single level or two-story designs, number of bathrooms and number of garage spaces were generally similar in these comparisons, in order to avoid other influences in price per square foot. Where differences exist, they are minor and do not impact the overall range or average concluded.	The typical range indicated by a paired analysis within the market generally demonstrated a value range from approximately \$350 to upwards of \$500 per square foot. Considering the information cited above, a factor of \$425.00 per square foot is concluded to be appropriate and reasonable for the difference in living area between the subject and the comparables, given the quality of the product.
Number of Stories	For similar size units, the differences between the number of stories is typically a buyer preference. One buyer might prefer a single-story versus a two-story unit.	In current market conditions, single story floor plans typically demand a slight premium; as such, an adjustment of 3% is applied for story differences.

Adjustment Factor	Accounts For	Comments
Parking/Garage	Number of garage spaces	The subject's floor plans offer two or three-car garages. Our survey of local real estate professionals indicates a premium value of approximately \$15,000 for a full garage space.
Landscaping	Included landscaping	As new home construction, the subject includes only front yard landscaping, which is typical for the market. No adjustments are necessary.

Adjustment Grids

The following pages include grids reflecting the aforementioned adjustments.

Market Valuation – Floor Plans

Sapphire										
Project Information										
Subject Property	Comparable 1	Comparable 2	Comparable 3	Comparable 4	Comparable 5					
Project Name	Sapphire	Sapphire	Sapphire	Lotus	Lotus	Arrowleaf				
Plan	Plan 1	Plan 3	Plan 1	Plan 3	Plan 1	Plan 1				
Address/Lot Number		5257 Solace Drive	5273 Solace Drive	529 Afterglow Drive	539 Afterglow Drive	6177 Allure Drive				
City/Area	RMV	RMV	RMV	RMV	RMV	RMV				
Price	N/Ap		\$1,634,071	\$1,497,317	\$1,725,223	\$1,668,963	\$1,956,127			
Price Per SF	N/Ap	\$578.84	\$608.42	\$551.19	\$602.73	\$591.69	\$591.69			
Special Taxes (12-year hold at 4.5%)	\$124,487		\$138,949	\$124,487	\$151,295	\$136,915	\$158,089			
Adjustment			\$14,462	\$0	\$26,809	\$12,429	\$33,602			
Adjusted Price (Including Bonds)			\$1,648,533	\$1,497,317	\$1,752,032	\$1,681,392	\$1,989,729			
Total Consideration per SF		\$583.96	\$608.42	\$559.75	\$607.22	\$601.85				
Data Source		Homebuilder	Homebuilder	Homebuilder	Homebuilder	Homebuilder				
Incentives	N/Ap	No	\$0 No	\$0 No	\$0 No	\$0 No	\$0			
Upgrades	Base	Yes	(\$50,665) Yes	(\$60,317) Yes	(\$40,223) Yes	(\$47,854) Yes	(\$206,127)			
Effective Base Sales Price			\$1,597,868	\$1,437,000	\$1,711,809	\$1,633,538	\$1,783,602			
Adjustments:										
Factor	Description	+ / (-)	Description	+ / (-)	Description	+ / (-)	Description	+ / (-)	Description	+ / (-)
Property Rights	Fee Simple	Similar	Similar	Similar	Similar	Similar	Similar	Similar	Similar	
Financing Terms	Cash Equivalent	Similar	Similar	Similar	Similar	Similar	Similar	Similar	Similar	
Conditions of Sale	Market	Market	Market	Market	Market	Market	Market	Market	Market	
Contract Date	2/25/2026	1/26/2026	1/12/2026	12/16/2025	12/15/2025	10/1/2025				
Project Location	RMV	RMV	RMV	RMV	RMV	RMV				
Community Appeal	Average/Traditional	Similar	Similar	Similar	Similar	Similar				
Lot Size	\$135.00 3,542	4,726	(\$159,840) 4,303	(\$102,735) 4,625	(\$146,205) 4,603	(\$143,235) 5,400	(\$250,830)			
Lot Premium	N/Ap	Similar	Similar	Similar	Similar	Similar				
Design and Appeal	Average	Similar	Similar	Similar	Similar	Similar				
Quality of Construction	Good	Similar	Similar	Similar	Similar	Similar				
Age (Total/Effective)	New	Similar	Similar	Similar	Similar	Similar				
Condition	Good/New	Similar	Similar	Similar	Similar	Similar				
Functional Utility	Average	Similar	Similar	Similar	Similar	Similar				
Room Count										
Bedrooms	3	4	3	4	3	4				
Baths	\$30,000 2.5	3.0	(\$15,000) 3.0	(\$15,000) 3.0	(\$15,000) 3.0	(\$15,000) 3.5	(\$30,000)			
Living Area (SF)	\$425.00 2,461	2,823	(\$153,850) 2,461	\$0 3,130	(\$284,325) 2,769	(\$130,900) 3,306	(\$359,125)			
Number of Stories	Two	Two	Two	Two	Two	Two				
Heating/Cooling	Central/Forced	Similar	Similar	Similar	Similar	Similar				
Garage	\$15,000 2-Car	2-Car	2-Car	2-Car	2-Car	3-Car (Tandem)	(\$7,500)			
Landscaping	Front	Similar	Similar	Similar	Similar	Similar				
Pool/Spa	None	Similar	Similar	Similar	Similar	Similar				
Patios/Decks	Patio	Similar	Similar	Similar	Similar	Similar				
Fencing	Rear	Similar	Similar	Similar	Similar	Similar				
Fireplace(s)	N/Ap	None	None	None	None	None				
Kitchen Equipment	Average	Similar	Similar	Similar	Similar	Similar				
Other	None	Similar	Similar	Similar	Similar	Similar				
Gross Adjustments			\$328,690	\$117,735	\$445,530	\$289,135	\$647,455			
Net Adjustments			(\$328,690)	(\$117,735)	(\$445,530)	(\$289,135)	(\$647,455)			
Adjusted Retail Value			\$1,269,178	\$1,319,265	\$1,266,279	\$1,344,403	\$1,136,147			
Concluded Retail Value			\$1,330,000							
Indicated Value Per SF			\$540.43							



Market Valuation – Floor Plans

Lotus													
Project Information		Subject Property		Comparable 1		Comparable 2		Comparable 3		Comparable 4		Comparable 5	
Project Name	Lotus	Sapphire	Sapphire	Lotus	Lotus	Arrowleaf							
Plan	Plan 1	Plan 3	Plan 1	Plan 3	Plan 1	Plan 1							
Address/Lot Number		5257 Solace Drive	5273 Solace Drive	529 Afterglow Drive	539 Afterglow Drive	6177 Allure Drive							
City/Area	RMV	RMV	RMV	RMV	RMV	RMV							
Price	N/Ap		\$1,634,071	\$1,497,317	\$1,725,223	\$1,668,963							\$1,956,127
Price Per SF	N/Ap	\$578.84		\$608.42	\$551.19	\$602.73							\$591.69
Special Taxes (12-year hold at 4.5%)	\$136,915		\$138,949	\$124,487	\$151,295	\$136,915							\$158,089
Adjustment			\$2,033	-\$12,429	\$14,380	\$0							\$21,173
Adjusted Price (Including Bonds)			\$1,636,104	\$1,484,888	\$1,739,603	\$1,668,963							\$1,977,300
Total Consideration per SF		\$579.56		\$603.37	\$555.78	\$602.73							\$598.09
Data Source		Homebuilder	Homebuilder	Homebuilder	Homebuilder	Homebuilder							Homebuilder
Incentives	N/Ap	No	\$0 No	\$0 No	\$0 No	\$0 No							\$0
Upgrades	Base	Yes	(\$50,665) Yes	(\$60,317) Yes	(\$40,223) Yes	(\$47,854) Yes							(\$206,127)
Effective Base Sales Price			\$1,585,439	\$1,424,571	\$1,699,380	\$1,621,109							\$1,771,173
Adjustments:	Factor	Description	+/()	Description	+/()	Description	+/()	Description	+/()	Description	+/()		
Property Rights	Fee Simple	Similar		Similar		Similar		Similar		Similar			
Financing Terms	Cash Equivalent	Similar		Similar		Similar		Similar		Similar			
Conditions of Sale	Market	Market		Market		Market		Market		Market			
Market Conditions													
Contract Date	2/25/2026	1/26/2026		1/12/2026		12/16/2025		12/15/2025		10/1/2025			
Project Location	RMV	RMV		RMV		RMV		RMV		RMV			
Community Appeal	Average	Similar		Similar		Similar		Similar		Similar			
Lot Size	\$135.00	4,000	4,726	(\$98,010)	4,303	4,625	(\$40,905)	4,603	(\$84,375)	5,400	(\$81,405)	5,400	(\$189,000)
Lot Premium	N/Ap	Similar		Similar		Similar		Similar		Similar			
Design and Appeal	Average	Similar		Similar		Similar		Similar		Similar			
Quality of Construction	Good	Similar		Similar		Similar		Similar		Similar			
Age (Total/Effective)	New	Similar		Similar		Similar		Similar		Similar			
Condition	Good/New	Similar		Similar		Similar		Similar		Similar			
Functional Utility	Average	Similar		Similar		Similar		Similar		Similar			
Room Count													
Bedrooms		3	4		3	4		3		4			
Baths	\$30,000	3.0	3.0	\$0	3.0	3.0	\$0	3.0	\$0	3.5	\$0	3.0	(\$15,000)
Living Area (SF)	\$425.00	2,769	2,823	(\$22,950)	2,461	3,130	\$130,900	2,769	(\$153,425)	3,306	\$0	3,306	(\$228,225)
Number of Stories		Two	Two		Two	Two		Two		Two		Two	
Heating/Cooling		Central/Forced	Similar		Similar	Similar		Similar		Similar		Similar	
Garage	\$15,000	2-Car + Golf Cart	2-Car	\$7,500	2-Car	2-Car	\$7,500	2-Car	\$7,500	3-Car (Tandem)	\$7,500	3-Car (Tandem)	
Landscaping		Front	Similar		Similar	Similar		Similar		Similar		Similar	
Pool/Spa		None	Similar		Similar	Similar		Similar		Similar		Similar	
Patios/Decks		Patio	Similar		Similar	Similar		Similar		Similar		Similar	
Fencing		Rear	Similar		Similar	Similar		Similar		Similar		Similar	
Fireplace(s)	N/Ap	None	None		None	None		None		None		None	
Kitchen Equipment		Average	Similar		Similar	Similar		Similar		Similar		Similar	
Other		None	Similar		Similar	Similar		Similar		Similar		Similar	
Gross Adjustments			\$128,460	\$179,305	\$245,300	\$88,905	\$432,225						
Net Adjustments			(\$113,460)	\$97,495	(\$230,300)	(\$73,905)	(\$432,225)						
Adjusted Retail Value			\$1,471,979	\$1,522,066	\$1,469,080	\$1,547,204	\$1,338,948						
Concluded Retail Value			\$1,550,000										
Indicated Value Per SF			\$559.77										



Market Valuation – Floor Plans

Arrowleaf													
Project Information		Subject Property		Comparable 1		Comparable 2		Comparable 3		Comparable 4		Comparable 5	
Project Name	Arrowleaf	Sapphire	Sapphire	Sapphire	Lotus	Lotus	Arrowleaf						
Plan	Plan 1	Plan 3	Plan 1	Plan 1	Plan 3	Plan 1	Plan 1	Plan 1					
Address/Lot Number		5257 Solace Drive	5273 Solace Drive	5273 Solace Drive	529 Afterglow Drive	539 Afterglow Drive	6177 Allure Drive						
City/Area	RMV	RMV	RMV	RMV	RMV	RMV	RMV						
Price	N/Ap		\$1,634,071	\$1,497,317	\$1,725,223	\$1,668,963	\$1,956,127						
Price Per SF	N/Ap	\$578.84	\$608.42	\$551.19	\$602.73	\$591.69	\$1,956,127						
Special Taxes (12-year hold at 4.5%)	\$158,089		\$138,949	\$124,487	\$151,295	\$136,915	\$158,089						
Adjustment			-\$19,140	-\$33,602	-\$6,793	-\$21,173	\$0						
Adjusted Price (Including Bonds)			\$1,614,931	\$1,463,715	\$1,718,430	\$1,647,790	\$1,956,127						
Total Consideration per SF		\$572.06	\$594.76	\$549.02	\$595.08	\$591.69	\$1,956,127						
Data Source		Homebuilder	Homebuilder	Homebuilder	Homebuilder	Homebuilder	Homebuilder						
Incentives	N/Ap	No	\$0	\$0	\$0	\$0	\$0						
Upgrades	Base	Yes	(\$50,665)	Yes	(\$60,317)	Yes	(\$40,223)	Yes	(\$47,854)	Yes	(\$206,127)		
Effective Base Sales Price			\$1,564,266	\$1,403,398	\$1,678,207	\$1,599,936	\$1,750,000						
Adjustments:													
	Factor	Description	+/()	Description	+/()	Description	+/()	Description	+/()	Description	+/()	Description	+/()
Property Rights		Fee Simple	Similar	Similar	Similar	Similar	Similar	Similar	Similar	Similar	Similar	Similar	Similar
Financing Terms		Cash Equivalent	Similar	Similar	Similar	Similar	Similar	Similar	Similar	Similar	Similar	Similar	Similar
Conditions of Sale		Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market
Market Conditions													
Contract Date		2/25/2026	1/26/2026	1/12/2026	12/16/2025	12/15/2025	10/1/2025						
Project Location		RMV	RMV	RMV	RMV	RMV	RMV						
Community Appeal		Average	Similar	Similar	Similar	Similar	Similar						
Lot Size	\$135.00	5,400	4,726	\$90,990	4,303	\$148,095	4,625	\$104,625	4,603	\$107,595	5,400	\$0	
Lot Premium		N/Ap	Similar	Similar	Similar	Similar	Similar	Similar	Similar	Similar	Similar	Similar	Similar
Design and Appeal		Average	Similar	Similar	Similar	Similar	Similar	Similar	Similar	Similar	Similar	Similar	Similar
Quality of Construction		Good	Similar	Similar	Similar	Similar	Similar	Similar	Similar	Similar	Similar	Similar	Similar
Age (Total/Effective)		New	Similar	Similar	Similar	Similar	Similar	Similar	Similar	Similar	Similar	Similar	Similar
Condition		Good/New	Similar	Similar	Similar	Similar	Similar	Similar	Similar	Similar	Similar	Similar	Similar
Functional Utility		Average	Similar	Similar	Similar	Similar	Similar	Similar	Similar	Similar	Similar	Similar	Similar
Room Count													
Bedrooms		4	4	3	4	3	4						
Baths	\$30,000	3.5	3.0	\$15,000	3.0	\$15,000	3.0	\$15,000	3.0	\$15,000	3.5	\$0	
Living Area (SF)	\$425.00	3,306	2,823	\$205,275	2,461	\$359,125	3,130	\$74,800	2,769	\$228,225	3,306	\$0	
Number of Stories		Two	Two	Two	Two	Two	Two	Two	Two	Two	Two	Two	Two
Heating/Cooling		Central/Forced	Similar	Similar	Similar	Similar	Similar	Similar	Similar	Similar	Similar	Similar	Similar
Garage	\$15,000	3-Car (Tandem)	2-Car	\$7,500	2-Car	\$7,500	2-Car	\$7,500	2-Car	\$7,500	3-Car (Tandem)		
Landscaping		Front	Similar	Similar	Similar	Similar	Similar	Similar	Similar	Similar	Similar	Similar	Similar
Pool/Spa		None	Similar	Similar	Similar	Similar	Similar	Similar	Similar	Similar	Similar	Similar	Similar
Patios/Decks		Patio	Similar	Similar	Similar	Similar	Similar	Similar	Similar	Similar	Similar	Similar	Similar
Fencing		Rear	Similar	Similar	Similar	Similar	Similar	Similar	Similar	Similar	Similar	Similar	Similar
Fireplace(s)	N/Ap	None	None	None	None	None	None	None	None	None	None	None	None
Kitchen Equipment		Average	Similar	Similar	Similar	Similar	Similar	Similar	Similar	Similar	Similar	Similar	Similar
Other		None	Similar	Similar	Similar	Similar	Similar	Similar	Similar	Similar	Similar	Similar	Similar
Gross Adjustments				\$318,765		\$529,720		\$201,925		\$358,320		\$0	
Net Adjustments				\$318,765		\$529,720		\$201,925		\$358,320		\$0	
Adjusted Retail Value				\$1,883,031		\$1,933,118		\$1,880,132		\$1,958,256		\$1,750,000	
Concluded Retail Value													\$1,750,000
Indicated Value Per SF													\$529.34



Market Valuation – Floor Plans

Lavender											
Project Information		Subject Property		Comparable 1		Comparable 2		Comparable 3		Comparable 4	
Project Name	Lavender	Strata	Strata	Nova	Nova						
Plan	Plan 1	Plan 1	Plan 2X	Plan 1	Plan 2						
Address/Lot Number		1367 Gavilan Ridge	1409 Gavilan Ridge	1212 Cottontail Road	1202 Cottontail Road						
City/Area	RMV	RMV	RMV	RMV	RMV						
Price	N/Ap		\$1,104,990	\$1,274,990				\$1,114,944		\$1,210,990	
Price Per SF	N/Ap	\$708.33		\$618.03				\$768.40		\$773.30	
Special Taxes (12-year hold at 4.5%)	\$66,584		\$90,538	\$90,538				\$74,016		\$76,924	
Adjustment			\$23,955	\$23,955				\$7,432		\$10,340	
Adjusted Price (Including Bonds)			\$1,128,945	\$1,298,945				\$1,122,376		\$1,221,330	
Total Consideration per SF		\$723.68		\$629.64				\$773.52		\$779.90	
Data Source		Homebuilder	Homebuilder	Homebuilder	Homebuilder						
Incentives	N/Ap	No	\$0 No	\$0 No				\$0 No		\$0 No	
Upgrades	Base	No	\$0 No	\$0 Yes				(\$28,954) No		\$0 No	
Effective Base Sales Price			\$1,128,945	\$1,298,945				\$1,093,422		\$1,221,330	
Adjustments:	Factor	Description	+ / (-)	Description	+ / (-)	Description	+ / (-)	Description	+ / (-)	Description	+ / (-)
Property Rights	Fee Simple	Similar		Similar		Similar		Similar		Similar	
Financing Terms	Cash Equivalent	Similar		Similar		Similar		Similar		Similar	
Conditions of Sale	Market	Market		Market		Market		Market		Market	
Market Conditions											
Contract Date	2/25/2026	1/31/2026		12/18/2025		12/7/2025		12/5/2025			
Project Location	RMV	RMV		RMV		RMV		RMV		RMV	
Community Appeal	Average/Duplex	Superior	(\$55,250)	Superior	(\$63,750)	Similar		Similar		Similar	
Lot Size	\$135.00 4,146	4,273	(\$17,086)	4,318	(\$23,161)	4,662	(\$69,601)	4,183		(\$4,936)	
Lot Premium	N/Ap	Similar		Similar		Similar		Similar		Similar	
Design and Appeal	Average	Similar		Similar		Similar		Similar		Similar	
Quality of Construction	Good	Similar		Similar		Similar		Similar		Similar	
Age (Total/Effective)	New	Similar		Similar		Similar		Similar		Similar	
Condition	Good/New	Similar		Similar		Similar		Similar		Similar	
Functional Utility	Average	Similar		Similar		Similar		Similar		Similar	
Room Count											
Bedrooms	2	2		2		2		2		2	
Baths	\$30,000 2.0	2.5	(\$15,000)	3.5	(\$45,000)	2.0	\$0	2.0		\$0	
Living Area (SF)	\$425.00 1,299	1,560	(\$110,925)	2,063	(\$324,700)	1,451	(\$64,600)	1,566		(\$113,475)	
Number of Stories	One	One		Two	\$38,250	One		Two		\$36,330	
Heating/Cooling	Central/Forced	Similar		Similar		Similar		Similar		Similar	
Garage	\$15,000 2-Car	2-Car		2-Car		2-Car		2-Car		2-Car	
Landscaping	Front	Similar		Similar		Similar		Similar		Similar	
Pool/Spa	None	Similar		Similar		Similar		Similar		Similar	
Patios/Decks	Patio	Similar		Similar		Similar		Similar		Similar	
Fencing	Rear	Similar		Similar		Similar		Similar		Similar	
Fireplace(s)	N/Ap	None		None		None		None		None	
Kitchen Equipment	Average	Similar		Similar		Similar		Similar		Similar	
Other	None	Similar		Similar		Similar		Similar		Similar	
Gross Adjustments			\$198,260	\$494,860		\$134,201		\$154,740			
Net Adjustments			(\$198,260)	(\$418,360)		(\$134,201)		(\$82,081)			
Adjusted Retail Value			\$930,684	\$880,584		\$959,221		\$1,139,250			
Concluded Retail Value		\$935,000									
Indicated Value Per SF		\$719.78									



Market Valuation – Floor Plans

Nova									
Project Information		Subject Property	Comparable 1	Comparable 2	Comparable 3	Comparable 4			
Project Name	Nova	Strata	Strata	Strata	Nova	Nova			
Plan	Plan 1	Plan 1	Plan 2X	Plan 1	Plan 1	Plan 2			
Address/Lot Number		1367 Gavilan Ridge	1409 Gavilan Ridge	1212 Cottontail Road	1202 Cottontail Road				
City/Area	RMV	RMV	RMV	RMV	RMV				
Price	N/Ap	\$1,104,990	\$1,274,990	\$1,114,944	\$1,210,990				
Price Per SF	N/Ap	\$708.33	\$618.03	\$768.40	\$773.30				
Special Taxes (12-year hold at 4.5%)	\$74,016	\$90,538	\$90,538	\$74,016	\$76,924				
Adjustment		\$16,523	\$16,523	\$0	\$2,909				
Adjusted Price (Including Bonds)		\$1,121,513	\$1,291,513	\$1,114,944	\$1,213,899				
Total Consideration per SF		\$718.92	\$626.04	\$768.40	\$775.16				
Data Source		Homebuilder	Homebuilder	Homebuilder	Homebuilder				
Incentives	N/Ap	No	\$0 No	\$0 No	\$0 No	\$0			
Upgrades	Base	No	\$0 No	\$0 Yes	(\$28,954) No	\$0			
Effective Base Sales Price		\$1,121,513	\$1,291,513	\$1,085,990	\$1,213,899				
Adjustments:	Factor	Description	+ / (-)	Description	+ / (-)	Description	+ / (-)	Description	+ / (-)
Property Rights		Fee Simple	Similar	Similar	Similar	Similar	Similar	Similar	
Financing Terms		Cash Equivalent	Similar	Similar	Similar	Similar	Similar	Similar	
Conditions of Sale		Market	Market	Market	Market	Market	Market	Market	
Market Conditions									
Contract Date		2/25/2026	1/31/2026	12/18/2025	12/7/2025	12/5/2025			
Project Location		RMV	RMV	RMV	RMV	RMV			
Community Appeal		Average/Duplex	Superior	Superior	Similar	Similar			
Lot Size	\$135.00	3,500	4,273	4,318	4,662	4,183			
Lot Premium		N/Ap	Similar	Similar	Similar	Similar			
Design and Appeal		Average	Similar	Similar	Similar	Similar			
Quality of Construction		Good	Similar	Similar	Similar	Similar			
Age (Total/Effective)		New	Similar	Similar	Similar	Similar			
Condition		Good/New	Similar	Similar	Similar	Similar			
Functional Utility		Average	Similar	Similar	Similar	Similar			
Room Count									
Bedrooms		2	2	2	2	2			
Baths	\$30,000	2.0	2.5	3.5	2.0	2.0			
Living Area (SF)	\$425.00	1,451	1,560	2,063	1,451	1,566			
Number of Stories		One	One	Two	One	Two			
Heating/Cooling		Central/Forced	Similar	Similar	Similar	Similar			
Garage	\$15,000	2-Car	2-Car	2-Car	2-Car	2-Car			
Landscaping		Front	Similar	Similar	Similar	Similar			
Pool/Spa		None	Similar	Similar	Similar	Similar			
Patios/Decks		Patio	Similar	Similar	Similar	Similar			
Fencing		Rear	Similar	Similar	Similar	Similar			
Fireplace(s)	N/Ap	None	None	None	None	None			
Kitchen Equipment		Average	Similar	Similar	Similar	Similar			
Other		None	Similar	Similar	Similar	Similar			
Gross Adjustments			\$220,930	\$517,529	\$156,870	\$177,410			
Net Adjustments			(\$220,930)	(\$441,030)	(\$156,870)	(\$104,750)			
Adjusted Retail Value			\$900,583	\$850,483	\$929,120	\$1,109,149			
Concluded Retail Value			\$1,020,000						
Indicated Value Per SF			\$702.96						



Market Valuation – Floor Plans

Strata									
Project Information	Subject Property	Comparable 1		Comparable 2		Comparable 3		Comparable 4	
Project Name	Strata	Strata		Strata		Nova		Nova	
Plan	Plan 1	Plan 1		Plan 2X		Plan 1		Plan 2	
Address/Lot Number		1367 Gavilan Ridge		1409 Gavilan Ridge		1212 Cottontail Road		1202 Cottontail Road	
City/Area	RMV	RMV		RMV		RMV		RMV	
Price	N/Ap		\$1,104,990		\$1,274,990		\$1,114,944	\$1,210,990	
Price Per SF	N/Ap	\$708.33		\$618.03		\$768.40		\$773.30	
Special Taxes (12-year hold at 4.5%)	\$90,538		\$90,538		\$90,538		\$74,016	\$76,924	
Adjustment			\$0		\$0		-\$16,523	-\$13,614	
Adjusted Price (Including Bonds)			\$1,104,990		\$1,274,990		\$1,098,421	\$1,197,376	
Total Consideration per SF		\$708.33		\$618.03		\$757.01		\$764.61	
Data Source		Homebuilder		Homebuilder		Homebuilder		Homebuilder	
Incentives	N/Ap	No	\$0	No	\$0	No	\$0	No	
Upgrades	Base	No	\$0	No	\$0	Yes	(\$28,954)	No	
Effective Base Sales Price			\$1,104,990		\$1,274,990		\$1,069,467	\$1,197,376	
Adjustments:	Factor	Description	+/(-)	Description	+/(-)	Description	+/(-)	Description	+/(-)
Property Rights		Fee Simple	Similar	Similar		Similar		Similar	
Financing Terms		Cash Equivalent	Similar	Similar		Similar		Similar	
Conditions of Sale		Market	Market	Market		Market		Market	
Market Conditions									
Contract Date		2/25/2026	1/31/2026	12/18/2025		12/7/2025		12/5/2025	
Project Location		RMV	RMV	RMV		RMV		RMV	
Community Appeal		Average/Cluster	Similar	Similar		Inferior	\$55,747	Similar	
Lot Size	\$135.00	3,500	4,273	4,318	(\$110,430)	4,662	(\$156,870)	4,183	(\$92,205)
Lot Premium		N/Ap	Similar	Similar		Similar		Similar	
Design and Appeal		Average	Similar	Similar		Similar		Similar	
Quality of Construction		Good	Similar	Similar		Similar		Similar	
Age (Total/Effective)		New	Similar	Similar		Similar		Similar	
Condition		Good/New	Similar	Similar		Similar		Similar	
Functional Utility		Average	Similar	Similar		Similar		Similar	
Room Count									
Bedrooms		2	2	2		2		2	
Baths	\$30,000	2.5	2.5	3.5	(\$30,000)	2.0	\$15,000	2.0	\$15,000
Living Area (SF)	\$425.00	1,560	1,560	2,063	(\$213,775)	1,451	\$46,325	1,566	(\$2,550)
Number of Stories		One	One	Two	\$38,250	One		Two	\$36,330
Heating/Cooling		Central/Forced	Similar	Similar		Similar		Similar	
Garage	\$15,000	2-Car	2-Car	2-Car		2-Car		2-Car	
Landscaping		Front	Similar	Similar		Similar		Similar	
Pool/Spa		None	Similar	Similar		Similar		Similar	
Patios/Decks		Patio	Similar	Similar		Similar		Similar	
Fencing		Rear	Similar	Similar		Similar		Similar	
Fireplace(s)	N/Ap	None	None	None		None		None	
Kitchen Equipment		Average	Similar	Similar		Similar		Similar	
Other		None	Similar	Similar		Similar		Similar	
Gross Adjustments			\$104,355		\$392,455		\$273,942		\$146,085
Net Adjustments			(\$104,355)		(\$315,955)		(\$39,798)		(\$43,425)
Adjusted Retail Value			\$1,000,635		\$959,035		\$1,029,669		\$1,153,951
Concluded Retail Value			\$1,075,000						
Indicated Value Per SF			\$689.10						



Market Valuation – Floor Plans

Elara									
Project Information	Subject Property	Comparable 1	Comparable 2	Comparable 3	Comparable 4				
Project Name	Elara	Strata	Strata	Nova	Nova				
Plan	Plan 1	Plan 1	Plan 2X	Plan 1	Plan 2				
Address/Lot Number		1367 Gavilan Ridge	1409 Gavilan Ridge	1212 Cottontail Road	1202 Cottontail Road				
City/Area	RMV	RMV	RMV	RMV	RMV				
Price	N/Ap	\$1,104,990	\$1,274,990	\$1,114,944	\$1,210,990				
Price Per SF	N/Ap	\$708.33	\$618.03	\$768.40	\$773.30				
Special Taxes (12-year hold at 4.5%)	\$130,077	\$90,538	\$90,538	\$74,016	\$76,924				
Adjustment		-\$39,538	-\$39,538	-\$56,061	-\$53,152				
Adjusted Price (Including Bonds)		\$1,065,452	\$1,235,452	\$1,058,883	\$1,157,838				
Total Consideration per SF		\$682.98	\$598.86	\$729.76	\$739.36				
Data Source		Homebuilder	Homebuilder	Homebuilder	Homebuilder				
Incentives	N/Ap	No	\$0 No	\$0 No	\$0 No				
Upgrades	Base	No	\$0 No	\$0 Yes	(\$28,954) No				
Effective Base Sales Price		\$1,065,452	\$1,235,452	\$1,029,929	\$1,157,838				
Adjustments:	Factor	Description	+/(-)	Description	+/(-)	Description	+/(-)	Description	+/(-)
Property Rights	Fee Simple	Similar		Similar		Similar		Similar	
Financing Terms	Cash Equivalent	Similar		Similar		Similar		Similar	
Conditions of Sale	Market	Market		Market		Market		Market	
Market Conditions									
Contract Date	2/25/2026	1/31/2026		12/18/2025		12/7/2025		12/5/2025	
Project Location	RMV	RMV		RMV		RMV		RMV	
Community Appeal	Average/Alley	Similar		Similar		Inferior	\$55,747	Inferior	\$60,550
Lot Size	\$135.00	4,700	\$57,645	4,318	\$51,570	4,662	\$5,130	4,183	\$69,795
Lot Premium	N/Ap	Similar		Similar		Similar		Similar	
Design and Appeal	Average	Similar		Similar		Similar		Similar	
Quality of Construction	Good	Similar		Similar		Similar		Similar	
Age (Total/Effective)	New	Similar		Similar		Similar		Similar	
Condition	Good/New	Similar		Similar		Similar		Similar	
Functional Utility	Average	Similar		Similar		Similar		Similar	
Room Count									
Bedrooms	3	2		2		2		2	
Baths	\$30,000	3.0	\$15,000	3.5	(\$15,000)	2.0	\$30,000	2.0	\$30,000
Living Area (SF)	\$425.00	2,454	\$379,950	2,063	\$166,175	1,451	\$426,275	1,566	\$377,400
Number of Stories	Two	One	(\$33,150)	Two		One	(\$33,448)	Two	
Heating/Cooling	Central/Forced	Similar		Similar		Similar		Similar	
Garage	\$15,000	2-Car		2-Car		2-Car		2-Car	
Landscaping	Front	Similar		Similar		Similar		Similar	
Pool/Spa	None	Similar		Similar		Similar		Similar	
Patios/Decks	Patio	Similar		Similar		Similar		Similar	
Fencing	Rear	Similar		Similar		Similar		Similar	
Fireplace(s)	N/Ap	None		None		None		None	
Kitchen Equipment	Average	Similar		Similar		Similar		Similar	
Other	None	Similar		Similar		Similar		Similar	
Gross Adjustments			\$485,745		\$232,745		\$550,601		\$537,745
Net Adjustments			\$419,445		\$202,745		\$483,704		\$537,745
Adjusted Retail Value			\$1,484,897		\$1,438,197		\$1,513,633		\$1,695,582
Concluded Retail Value		\$1,600,000							
Indicated Value Per SF		\$652.00							



Market Valuation – Floor Plans

Luna											
Project Information		Subject Property		Comparable 1		Comparable 2		Comparable 3		Comparable 4	
Project Name	Luna	Strata	Strata	Strata	Nova	Nova					
Plan	Plan 1	Plan 1	Plan 2X	Plan 1	Plan 1	Plan 2					
Address/Lot Number		1367 Gavilan Ridge	1409 Gavilan Ridge	1212 Cottontail Road	1202 Cottontail Road						
City/Area	RMV	RMV	RMV	RMV	RMV						
Price	N/Ap		\$1,104,990	\$1,274,990	\$1,114,944	\$1,210,990					
Price Per SF	N/Ap	\$708.33	\$618.03	\$768.40	\$773.30						
Special Taxes (12-year hold at 4.5%)	\$102,867		\$90,538	\$90,538	\$74,016	\$76,924					
Adjustment			-\$12,328	-\$12,328	-\$28,851	-\$25,942					
Adjusted Price (Including Bonds)			\$1,092,662	\$1,262,662	\$1,086,093	\$1,185,048					
Total Consideration per SF		\$700.42	\$612.05	\$748.51	\$756.74						
Data Source		Homebuilder	Homebuilder	Homebuilder	Homebuilder						
Incentives	N/Ap	No	\$0 No	\$0 No	\$0 No	\$0					
Upgrades	Base	No	\$0 No	\$0 Yes	(\$28,954) No	\$0					
Effective Base Sales Price			\$1,092,662	\$1,262,662	\$1,057,139	\$1,185,048					
Adjustments:	Factor	Description	+/(-)	Description	+/(-)	Description	+/(-)	Description	+/(-)	Description	+/(-)
Property Rights	Fee Simple	Similar		Similar		Similar		Similar		Similar	
Financing Terms	Cash Equivalent	Similar		Similar		Similar		Similar		Similar	
Conditions of Sale	Market	Market		Market		Market		Market		Market	
Market Conditions											
Contract Date	2/25/2026	1/31/2026		12/18/2025		12/7/2025		12/5/2025		RMV	
Project Location	RMV	RMV		RMV		RMV		RMV		RMV	
Community Appeal	Average/Traditional	Similar		Similar		Inferior	\$55,747	Inferior	\$60,550	Similar	
Lot Size	\$135.00 5,000	4,273	\$98,145	4,318	\$92,070	4,662	\$45,630	4,183	\$110,295	Similar	
Lot Premium	N/Ap	Similar		Similar		Similar		Similar		Similar	
Design and Appeal	Average	Similar		Similar		Similar		Similar		Similar	
Quality of Construction	Good	Similar		Similar		Similar		Similar		Similar	
Age (Total/Effective)	New	Similar		Similar		Similar		Similar		Similar	
Condition	Good/New	Similar		Similar		Similar		Similar		Similar	
Functional Utility	Average	Similar		Similar		Similar		Similar		Similar	
Room Count											
Bedrooms	2	2		2		2		2		2	
Baths	\$30,000 2.5	2.5	\$0	3.5	(\$30,000)	2.0	\$15,000	2.0	\$15,000	2.0	\$15,000
Living Area (SF)	\$425.00 1,844	1,560	\$120,700	2,063	(\$93,075)	1,451	\$167,025	1,566	\$118,150	1,566	\$118,150
Number of Stories	One	One		Two	\$38,250	One		Two	\$36,330	Two	
Heating/Cooling	Central/Forced	Similar		Similar		Similar		Similar		Similar	
Garage	\$15,000 2-Car	2-Car		2-Car		2-Car		2-Car		2-Car	
Landscaping	Front	Similar		Similar		Similar		Similar		Similar	
Pool/Spa	None	Similar		Similar		Similar		Similar		Similar	
Patios/Decks	Patio	Similar		Similar		Similar		Similar		Similar	
Fencing	Rear	Similar		Similar		Similar		Similar		Similar	
Fireplace(s)	N/Ap None	None		None		None		None		None	
Kitchen Equipment	Average	Similar		Similar		Similar		Similar		Similar	
Other	None	Similar		Similar		Similar		Similar		Similar	
Gross Adjustments			\$218,845	\$253,395	\$283,402	\$340,324					
Net Adjustments			\$218,845	\$7,245	\$283,402	\$340,324					
Adjusted Retail Value			\$1,311,507	\$1,269,906	\$1,340,541	\$1,525,372					
Concluded Retail Value			\$1,425,000								
Indicated Value Per SF			\$772.78								



Conclusion of Home Values

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

Floor Plan Value Conclusions								
Floor Plan	Market Segment / Product Type	Living Area (SF)	Bedroom	Bathroom	Stories	Garage	Typical Lot Size (SF)	Concluded Base Retail Value \$/SF
Sapphire	MR - SFD Traditional (Small Lot)	2,461	3	2.5	Two	2-Car	3,542	\$1,330,000 \$540
Lotus	MR - SFD Traditional (Medium Lot)	2,769	3	3.0	Two	2-Car + Golf Cart	4,000	\$1,550,000 \$560
Arrowleaf	MR - SFD Traditional (Large Lot)	3,306	4	3.5	Two	3-Car (Tandem)	5,400	\$1,750,000 \$529
Lavender	AQ - SFA Duplex & SFD Motorcourt	1,299	2	2.0	One	2-Car	4,146	\$935,000 \$720
Nova	AQ - SFA Duplex	1,451	2	2.0	One	2-Car	3,500	\$1,020,000 \$703
Strata	AQ - SFD Cluster	1,560	2	2.5	One	2-Car	3,500	\$1,075,000 \$689
Elara	AQ - SFD Alley	2,454	3	3.0	Two	2-Car	4,700	\$1,600,000 \$652
Luna	AQ - SFD Traditional	1,844	2	2.5	One	2-Car	5,000	\$1,425,000 \$773

Land Residual Analysis

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

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

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

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

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

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

Revenue

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

Considering the proposed home sizes provided by each homebuilder, as well as the Price Point *Review* Study, prepared by Empire Economics, dated February 25, 2026, the representative home and corresponding base price is estimated in the following table and will be utilized in the analyses.

Land Residual Revenue Basis							
Planning Area / Project Name	Market Segment / Product Type	Typical Lot Size (SF)	No. of Units	Representative Home Size (SF)	Base Price	\$/SF	Premiums (% of base home price)
Planning Area 3.3							
Sapphire	All Age - SFD Small Lot	3,542	64	2,600	\$1,425,000	\$548	5%
Lotus	All Age - SFD Medium Lot	4,000	56	3,000	\$1,635,000	\$545	5%
Arrowleaf	All Age - SFD Large Lot	5,400	55	3,600	\$1,875,000	\$521	5%
Planning Area 3.4							
Lavender	Age Qualified - Single Family Motorcourt	4,146	76	1,700	\$1,110,000	\$653	2%
Nova	Age Qualified - Single Family Duplex	3,500	52	1,800	\$1,150,000	\$639	2%
Strata	Age Qualified - Single Family Cluster	3,500	72	1,700	\$1,170,000	\$688	2%
Elara	Age Qualified - Single Family Alley	4,700	44	2,700	\$1,665,000	\$617	2%
Luna	Age Qualified - SFD Traditional	5,000	82	2,700	\$1,695,000	\$628	5%

It's common for subdivisions to achieve premiums for larger than typical lots, as well as lots with corner or cul-de-sac positioning, or proximity to open space or views. Based on the site plans of the subject planning areas, as well as achieved lot premiums within previous phases of The Village at Rienda of upwards of \$60,000 per lot, an overall premium of 5% of home revenue is considered reasonable for the subject's lower density product lines and 2% of home revenue for the higher density product lines.

Considering the level of upgrades selected for the subject's high-end homes, as well as lot specific premium amounts, some home sales in each project will likely be discernibly greater than the representative base prices and lot premiums utilized herein. These estimates above will be utilized in the analyses herein.

Closing Projections

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

Changes in Market Conditions (Price Increases or Decreases)

The subject's market area has experienced rapid market appreciation in home prices for the past few years; however, in early 2022 the Federal Reserve Bank began raising the benchmark federal-funds rate (from near zero in March 2022) in an effort to manage rising inflation, resulting in a substantial rise in mortgage interest rates, which have since moderated from 8.0% in October of 2023, now below 6.0% for the first time in several years. The rise in mortgage interest rates has impacted the affordability of homes for a certain segment of the homebuyer market, which may impact pricing in the near term. Consequently, under current market conditions, forecasting home appreciation during the absorption period is speculative, and several homebuilders surveyed indicate they typically do not trend/forecast home appreciation during the sell-off period. Therefore, for purposes of this analysis, the home price revenue will be held constant during the sell-off period.

Absorption

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

Based on the typical marketing and absorption rate data presented in the *Residential Market Analysis* section, and taking into consideration current market conditions, we estimate an absorption rate of approximately 1.5 to 2.7 units per month for the subject, which is generally consistent with the conclusions of the Market Absorption Study prepared by Empire Economics, Inc., dated February 25, 2026.

Land Residual Analysis

Expense Projections

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

Subdivision Budgets													
Developer Classification	Budget Date	No. of Units	Quality	Avg. Home Size (SF)	Typical Lot Size	G & A % of Revenue	Mkt & Sales % of Revenue	Direct Costs/SF	Indirect % of Direct Costs	Cost per Model	Profit % of Revenue	IRR	Projected Sales/Mo.
National	2025	81	Average	2,027	2,250	6.0%	N/Av	N/Av	N/Av	N/Av	10.00%	20.00%	3
National	2025	108	Average	1,926	4,260	5.0%	5.0%	\$115.00	N/Av	\$50,000	18.00%	20.00%	N/Av
Regional	2025	173	Average	2,409	5,520	3.8%	1.0%	\$105.85	5.9%	N/Av	N/Av	23.50%	6
National	2025	141	Average	2,638	5,664	2.0%	2.0%	\$85.06	N/Av	N/Av	12.10%	N/Av	6
National	2025	211	Good	3,267	5,546	3.3%	1.0%	N/Av	10.0%	N/Av	26.00%	N/Av	4
National	2025	132	Average	2,735	5,700	0.6%	0.2%	N/Av	N/Av	N/Av	15.60%	N/Av	N/Av
National	2024	71	Average	1,877	2,900	2.7%	N/Av	\$104.00	12.21%	N/Av	12.28%	N/Av	N/Av
National	2024	40	Good	1,900	5,200	5.0%	5.0%	N/Av	N/Av	\$50,000	18.00%	N/Av	N/Av
National	2024	276	Average	1,820	3,000	2.7%	2.7%	\$93.38	N/Av	N/Av	19.20%	N/Av	4
National	2024	184	Average	2,098	2,746	4.5%	4.5%	\$92.00	12.43%	N/Av	19.00%	7.0%	N/Av
Regional	2024	87	Average	2,290	5,200	N/Av	N/Av	\$115.00	N/Av	\$325,000	8.13%	N/Av	4
National	2024	120	Average	2,170	3,825	3.5%	3.2%	\$129.00	N/Av	N/Av	13.00%	N/Av	4
National	2024	85	Average	2,147	4,800	N/Av	4.5%	\$95.47	10.24%	N/Av	N/Av	N/Av	3
Local	2023	31	Good	2,560	3,695	2.5%	4.0%	\$137.00	5.00%	N/Av	7.0%	N/Av	N/Av
National	2023	106	Average	1,733	3,825	6.0%	6.0%	\$120.00	2.50%	N/Av	N/Av	25.0%	6
Local	2023	46	Average	1,411	3,400	N/Av	N/Av	\$130.00	13.85%	N/Av	N/Av	N/Av	N/Av
National	2023	573	Average	2,327	5,232	N/Av	N/Av	\$99.86	2.50%	N/Av	20.00%	N/Av	3
National	2023	63	Average	2,200	3,995	2.0%	5.0%	N/Av	N/Av	N/Av	10.0%	N/Av	4
Local	2022	99	Good	2,614	5,500	5.5%	1.2%	\$95-\$105	N/Av	\$125,000	29.0%	N/Av	N/Av
National	2022	919	Good	1,877	4,782	3.0%	3.0%	\$143.00	N/Av	N/Av	N/Av	25.0%	4
National	2022	150	Average	2,092	5,500	N/Av	N/Av	\$92.11	N/Av	N/Av	20.5%	N/Av	N/Av
National	2022	65	Average	3,447	5,200	N/Av	N/Av	\$110.00	N/Av	N/Av	N/Av	N/Av	N/Av
National	2022	41	Average	1,770	5,115	1.6%	1.7%	N/Av	N/Av	N/Av	28.0%	N/Av	N/Av
Local	2022	91	Average	2,160	5,475	5.0%	1.0%	\$117.00	N/Av	N/Av	10.0%	N/Av	N/Av
National	2022	159	Average	1,575	2,275	N/Av	N/Av	\$145.64	N/Av	N/Av	28.0%	25.0%	6
National	2022	387	Average	1,771	5,000	6.0%	3.0%	\$105.39	N/Av	N/Av	28.0%	25.0%	11
Minimum		31	Average	1,411	2,250	0.6%	0.2%	\$85.06	2.5%	\$50,000	7.00%	7.00%	3
Maximum		919	Good	3,447	5,700	6.0%	6.0%	\$145.64	13.8%	\$325,000	29.00%	25.00%	11
Average		171	Average	2,186	4,446	3.7%	3.0%	\$112.36	8.3%	\$137,500	17.59%	21.31%	5

Information from the surveys above will contribute to the estimate of development expenses summarized as follows and discussed in further detail on the following pages.

Land Residual Expense Summary									
	Sapphire All Age SFD Small Lot	Lotus All Age SFD Medium Lot	Arrowleaf All Age SFD Large Lot	Lavender Age Qualified SF Motorcourt	Nova Age Qualified SF Duplex	Strata Age Qualified SF Cluster	Elara Age Qualified SF Alley	Luna Age Qualified SFD Traditional	
Representative Home Size (SF)	2,600	3,000	3,600	1,700	1,800	1,700	2,700	2,700	
Base Price	\$1,425,000	\$1,635,000	\$1,875,000	\$1,110,000	\$1,150,000	\$1,170,000	\$1,665,000	\$1,695,000	
General and Administrative (% of total revenue)	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Marketing and Sales (% of total revenue)	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Ad Valorem Taxes (\$/unit/year)	\$7,998	\$9,420	\$10,774	\$5,671	\$6,354	\$6,013	\$9,333	\$9,073	
Direct Charges (\$/unit/year)	\$17	\$17	\$17	\$17	\$17	\$17	\$17	\$17	
Special Taxes/Assessments (\$/unit/year)	\$14,153	\$16,030	\$19,014	\$8,730	\$8,857	\$10,638	\$14,642	\$13,627	
Homeowner's Association Fees (\$/unit/month)	\$248	\$248	\$248	\$400	\$352	\$392	\$292	\$412	
Model Costs (\$/model)	\$150,000	\$150,000	\$175,000	\$100,000	\$100,000	\$100,000	\$150,000	\$150,000	
Permits and Fees (\$/unit)	\$3,500	\$3,500	\$3,500	\$2,500	\$2,500	\$2,500	\$2,500	\$3,500	
Direct Construction Costs (\$/SF)	\$115	\$110	\$100	\$125	\$125	\$125	\$115	\$115	
Indirect Construction Costs (% of Direct Costs)	10%	10%	10%	10%	10%	10%	10%	10%	
Developer's Incentive	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	
Discount Rate	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	
Implied Internal Rate of Return (IRR)	23.318%	24.750%	21.235%	14.669%	22.065%	14.247%	21.650%	14.022%	



General and Administrative

These expenses consist of management fees, liability and fire insurance, inspection fees, appraisal fees, legal and accounting fees and copying or publication costs. This expense category typically ranges from 2.0% to 4.0%, depending on length of project and if all of the categories are included in a builder's budget. We have used 2.0% for general and administrative expenses.

Marketing and Sale

These expenses typically consist of advertising and promotion, closing costs, sales operations, and sales commissions. The expenses are expressed as a percentage of the gross sales revenue. The range of marketing and sales expenses typically found in projects within the subject's market area is 5.0% to 6.5%. A figure of 5.0%, or 2.0% for marketing and 3.0% for sales, is estimated in the marketing and sales expense category.

Property Taxes (Ad Valorem and Special Taxes)

The subject is located within an area with an effective ad valorem tax rate of 1.0700%. This amount is applied to the estimated market values and divided by the total number of units to yield an estimate of ad valorem taxes/unit/year. The tax amounts are applied to unclosed inventory over the sell-off period. Property taxes are increased by 2% per year. In addition, the subject units are subject to various direct charges of \$17/unit/year.

The subject is encumbered by the Special Tax Lien of IA No. 1 of the CFD No. 2025-1 of the County of Orange (Rienda 3) that also increases 2% per year. We have relied upon information provided by the special tax consultant for the annual special tax levy on the appraised properties, which are shown as follows:

Land Residual Analysis

Special Tax Table (Fiscal Year 2025-2026)				
Zone	Project	Units	Residential Floor Area	Assigned Special Tax
1	Sapphire	24	All Ages - SFD Small Lot (> 2,700 SF)	\$15,238 per unit
1	Sapphire	21	All Ages - SFD Small Lot (2,500 - 2,700 SF)	\$14,153 per unit
1	Sapphire	19	All Ages - SFD Small Lot (< 2,500 SF)	\$13,652 per unit
2	Lotus	20	All Ages - SFD Medium Lot (> 3,100 SF)	\$16,592 per unit
2	Lotus	18	All Ages - SFD Medium Lot (2,800 - 3,100 SF)	\$16,030 per unit
2	Lotus	18	All Ages - SFD Medium Lot (< 2,800 SF)	\$15,015 per unit
3	Arrowleaf	21	All Ages - SFD Large Lot (> 3,900 SF)	\$20,207 per unit
3	Arrowleaf	0	All Ages - SFD Large Lot (3,701 - 3,900 SF)	\$19,611 per unit
3	Arrowleaf	18	All Ages - SFD Large Lot (3,501 - 3,700 SF)	\$19,014 per unit
3	Arrowleaf	16	All Ages - SFD Large Lot (3,300 - 3,500 SF)	\$17,337 per unit
3	Arrowleaf	0	All Ages - SFD Large Lot (< 3,300 SF)	\$16,470 per unit
4	Lavender	10	AQ - Single Family Motorcourt (> 2,000 SF)	\$12,430 per unit
4	Lavender	12	AQ - Single Family Motorcourt (1,701 - 2,000 SF)	\$9,858 per unit
4	Lavender	27	AQ - Single Family Motorcourt (1,400 - 1,700 SF)	\$8,730 per unit
4	Lavender	27	AQ - Single Family Motorcourt (< 1,400 SF)	\$7,302 per unit
5	Nova	10	AQ - Single Family Duplex (> 2,100 SF)	\$10,239 per unit
5	Nova	8	AQ - Single Family Duplex (1,901 - 2,100 SF)	\$9,695 per unit
5	Nova	10	AQ - Single Family Duplex (1,701 - 1,900 SF)	\$8,857 per unit
5	Nova	8	AQ - Single Family Duplex (1,500 - 1,700 SF)	\$8,436 per unit
5	Nova	16	AQ - Single Family Duplex (< 1,500 SF)	\$8,117 per unit
6	Strata	8	AQ - Single Family Cluster (> 2,200 SF)	\$12,594 per unit
6	Strata	16	AQ - Single Family Cluster (2,001 - 2,200 SF)	\$11,604 per unit
6	Strata	8	AQ - Single Family Cluster (1,801 - 2,000 SF)	\$11,362 per unit
6	Strata	15	AQ - Single Family Cluster (1,600 - 1,800 SF)	\$10,638 per unit
6	Strata	25	AQ - Single Family Cluster (< 1,600 SF)	\$9,929 per unit
7	Elara	17	AQ - Single Family Alley (> 2,900 SF)	\$14,943 per unit
7	Elara	0	AQ - Single Family Alley (2,701 - 2,900 SF)	\$14,793 per unit
7	Elara	14	AQ - Single Family Alley (2,500 - 2,700 SF)	\$14,642 per unit
7	Elara	13	AQ - Single Family Alley (< 2,500 SF)	\$14,265 per unit
8	Luna	30	AQ - SFD Traditional (> 2,800 SF)	\$13,919 per unit
8	Luna	14	AQ - SFD Traditional (2,501 - 2,800 SF)	\$13,627 per unit
8	Luna	14	AQ - SFD Traditional (2,301 - 2,500 SF)	\$12,138 per unit
8	Luna	0	AQ - SFD Traditional (2,101 - 2,300 SF)	\$11,860 per unit
8	Luna	13	AQ - SFD Traditional (1,900 - 2,100 SF)	\$11,581 per unit
8	Luna	11	AQ - SFD Traditional (> 1,900 SF)	\$11,281 per unit
9	N/Ap	N/Ap	Residential Property	\$1,980 per unit
9	N/Ap	N/Ap	Non-Residential Property	\$37,409 per acre

Source: ETR Analysis CFD No. 2025-1, prepared by DTA and dated 9/29/2025

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

HOA

The subject properties are encumbered by a Homeowner's Association (HOA) that will be responsible for maintenance of the private roads and common areas throughout the project. The dues vary by neighborhood, which range from \$248 to \$412 per home per month.

Model Complex

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

Based on the quality of the subjects' proposed improvements and the targeted buyer segments, a model upgrade cost between \$100,000 and \$175,000 per model is considered reasonable. Of this amount approximately 30% will be recaptured with the sale of the models. Model costs will be incurred in the first period while the recapture amount will be applied evenly over the disposition period.

Permits and Fees

Permits and fees represent all fees payable upon obtaining building permit for the construction of the proposed units.

Direct and Indirect Construction Costs

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

Conversations with homebuilders' indicate construction costs increased significantly over the course of the pandemic but have moderated and stabilized over the last several quarters. However, there is more uncertainty in the market as homebuilders adjust with the new tariffs.

Based on the cost comparables, and considering the product lines under development, direct cost estimates within the range of \$110 and \$125 per square foot are applied the estimated homes. These estimates are generally consistent with comparables in the market as well as the estimates provided by the developers.

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

- Architectural and engineering fees for plans, plan checks, surveys and environmental studies

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

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

Summary

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

Land Residual Analysis

Revenue & Expense Summary - All Age, SFD Small Lot					
REVENUE SUMMARY					
Floor Plan	No. of Units	Unit Size (SF)	\$/SF	Base Retail Value Per Unit	Extension
Average Unit	64	2,600	\$548	\$1,425,000	\$91,200,000
Lot Premiums				\$71,250	\$4,560,000
Model Recapture	(@ 30% of cost)				\$135,000
	64	2,600 (weighted avg.)			
				Total Revenue Before Appreciation:	\$ 95,895,000
					\$1,498,359 /unit
				Total Revenue After Appreciation:	\$ 95,895,000
					\$1,498,359 /unit
EXPENSES SUMMARY					
			Total Over Sell-Off Period		
General and Administrative	2.0%	of total revenue		\$ 1,917,900	
Marketing and Sales	5.0%	of total revenue		\$ 4,794,750	
Ad Valorem Taxes	\$7,998	/unit/year		\$ 582,643	(from cash flow)
Direct Charges	\$17	/unit/year		\$ 1,238	(from cash flow)
Special Taxes/Assessments	\$14,153	/unit/year		\$ 1,030,994	(from cash flow)
Homeowner's Association Fees	\$248	/unit/month		\$ 41,664	(from cash flow)
Model Costs	3	models		\$ 450,000	\$150,000 (per model)
Permits and Fees				\$ 224,000	\$3,500 (per unit)
Subtotal:				\$ 9,043,190	
Direct Construction Costs (Before Appreciation)	SE	Units	Cost/SF	Extension	
Average/Typical Floor Plan	2,600	64	\$115.00	\$ 19,136,000	\$299,000 /unit
Indirect Construction Costs	10%	of Direct Costs		\$ 1,913,600	\$29,900 /unit
Subtotal:				\$ 21,049,600	
				Total Expenses Before Appreciation:	\$ 30,092,790

Land Residual Analysis

Revenue & Expense Summary - All Age, SFD Medium Lot					
REVENUE SUMMARY					
Floor Plan	No. of Units	Unit Size (SF)	\$/SF	Base Retail Value Per Unit	Extension
Average Unit	56	3,000	\$545	\$1,635,000	\$91,560,000
Lot Premiums				\$81,750	\$4,578,000
Model Recapture (@ 30% of cost)					\$135,000
	56	3,000 (weighted avg.)			
				Total Revenue Before Appreciation:	\$ 96,273,000
					\$1,719,161 /unit
				Total Revenue After Appreciation:	\$ 96,273,000
					\$1,719,161 /unit
EXPENSES SUMMARY					
General and Administrative	2.0% of total revenue			Total Over Sell-Off Period	
Marketing and Sales	5.0% of total revenue			\$ 1,925,460	
Ad Valorem Taxes	\$9,420 /unit/year			\$ 4,813,650	
Direct Charges	\$17 /unit/year			\$ 532,818	(from cash flow)
Special Taxes/Assessments	\$16,030 /unit/year			\$ 962	(from cash flow)
Homeowner's Association Fees	\$248 /unit/month			\$ 906,713	(from cash flow)
Model Costs	3 models			\$ 35,712	(from cash flow)
Permits and Fees				\$ 450,000	\$150,000 (per model)
Subtotal:				\$ 196,000	\$3,500 (per unit)
				\$ 8,861,315	
Direct Construction Costs (Before Appreciation)	SE	Units	Cost/SF	Extension	
Average/Typical Floor Plan	3,000	56	\$110.00	\$ 18,480,000	\$330,000 /unit
Indirect Construction Costs	10% of Direct Costs			\$ 1,848,000	\$33,000 /unit
Subtotal:				\$ 20,328,000	
				Total Expenses Before Appreciation:	\$ 29,189,315

Land Residual Analysis

Revenue & Expense Summary - All Age, SFD Large Lot					
REVENUE SUMMARY					
Floor Plan	No. of Units	Unit Size (SF)	\$/SF	Base Retail Value Per Unit	Extension
Average Unit	55	3,600	\$521	\$1,875,000	\$103,125,000
Lot Premiums				\$93,750	\$5,156,250
Model Recapture	(@ 30% of cost)				\$157,500
	55	3,600	(weighted avg.)		
				Total Revenue Before Appreciation: \$ 108,438,750	\$1,971,614 /unit
				Total Revenue After Appreciation: \$ 108,438,750	\$1,971,614 /unit
EXPENSES SUMMARY					
General and Administrative	2.0% of total revenue			Total Over Sell-Off Period	
Marketing and Sales	5.0% of total revenue			\$ 2,168,775	
Ad Valorem Taxes	\$10,774 /unit/year			\$ 5,421,938	
Direct Charges	\$17 /unit/year			\$ 761,754	(from cash flow)
Special Taxes/Assessments	\$19,014 /unit/year			\$ 1,202	(from cash flow)
Homeowner's Association Fees	\$248 /unit/month			\$ 1,344,355	(from cash flow)
Model Costs	3 models			\$ 36,456	(from cash flow)
Permits and Fees				\$ 525,000	\$175,000 (per model)
Subtotal:				\$ 192,500	\$3,500 (per unit)
				\$ 10,451,980	
Direct Construction Costs (Before Appreciation)	SE	Units	Cost/SF	Extension	
Average/Typical Floor Plan	3,600	55	\$100.00	\$ 19,800,000	\$360,000 /unit
Indirect Construction Costs	10% of Direct Costs			\$ 1,980,000	\$36,000 /unit
Subtotal:				\$ 21,780,000	
				Total Expenses Before Appreciation: \$ 32,231,980	

Land Residual Analysis

Revenue & Expense Summary - Age Qualified, Single Family Motorcourt

REVENUE SUMMARY

Floor Plan	No. of Units	Unit Size (SF)	\$/SF	Base Retail Value Per Unit	Extension
Average Unit	76	1,700	\$653	\$1,110,000	\$84,360,000
Lot Premiums				\$22,200	\$1,687,200
Model Recapture (@ 30% of cost)					\$120,000
	76	1,700 (weighted avg.)			
				Total Revenue Before Appreciation:	\$ 86,167,200 \$1,133,779 /unit
				Total Revenue After Appreciation:	\$ 86,167,200 \$1,133,779 /unit

EXPENSES SUMMARY

General and Administrative	2.0% of total revenue			Total Over Sell-Off Period	
Marketing and Sales	5.0% of total revenue			\$ 1,723,344	
Ad Valorem Taxes	\$5,671 /unit/year			\$ 4,308,360	
Direct Charges	\$17 /unit/year			\$ 950,983	(from cash flow)
Special Taxes/Assessments	\$8,730 /unit/year			\$ 2,851	(from cash flow)
Homeowner's Association Fees	\$400 /unit/month			\$ 1,463,954	(from cash flow)
Model Costs	4 models			\$ 158,400	(from cash flow)
Permits and Fees				\$ 400,000	\$100,000 (per model)
Subtotal:				\$ 190,000	\$2,500 (per unit)
				\$ 9,197,891	
Direct Construction Costs (Before Appreciation)	SE	Units	Cost/SF	Extension	
Average/Typical Floor Plan	1,700	76	\$125.00	\$ 16,150,000	\$212,500 /unit
Indirect Construction Costs	10% of Direct Costs			\$ 1,615,000	\$21,250 /unit
Subtotal:				\$ 17,765,000	
				Total Expenses Before Appreciation:	\$ 26,962,891

Land Residual Analysis

Revenue & Expense Summary - Age Qualified, Single Family Duplex

REVENUE SUMMARY

Floor Plan	No. of Units	Unit Size (SF)	\$/SF	Base Retail Value Per Unit	Extension
Average Unit	52	1,800	\$639	\$1,150,000	\$59,800,000
Lot Premiums				\$23,000	\$1,196,000
Model Recapture (@ 30% of cost)					\$90,000
	52	1,800 (weighted avg.)			
				Total Revenue Before Appreciation: \$	61,086,000
					\$1,174,731 /unit
				Total Revenue After Appreciation: \$	61,086,000
					\$1,174,731 /unit

EXPENSES SUMMARY

General and Administrative	2.0% of total revenue			Total Over Sell-Off Period	
Marketing and Sales	5.0% of total revenue			\$	1,221,720
Ad Valorem Taxes	\$6,354 /unit/year			\$	3,054,300
Direct Charges	\$17 /unit/year			\$	405,502 (from cash flow)
Special Taxes/Assessments	\$8,857 /unit/year			\$	1,085 (from cash flow)
Homeowner's Association Fees	\$352 /unit/month			\$	565,226 (from cash flow)
Model Costs	3 models			\$	48,576 (from cash flow)
Permits and Fees				\$	300,000 \$100,000 (per model)
Subtotal:				\$	130,000 \$2,500 (per unit)
				\$	5,726,409
Direct Construction Costs (Before Appreciation)	SE	Units	Cost/SF	Extension	
Average/Typical Floor Plan	1,800	52	\$125.00	\$	11,700,000 \$225,000 /unit
Indirect Construction Costs	10% of Direct Costs			\$	1,170,000 \$22,500 /unit
Subtotal:				\$	12,870,000
				Total Expenses Before Appreciation: \$	18,596,409

Land Residual Analysis

Revenue & Expense Summary - Age Qualified, Single Family Cluster						
REVENUE SUMMARY						
Floor Plan	No. of Units	Unit Size (SF)	\$/SF	Base Retail Value Per Unit	Extension	
Average Unit	72	1,700	\$688	\$1,170,000	\$84,240,000	
Lot Premiums				\$23,400	\$1,684,800	
Model Recapture					(\$150,000)	
	72	1,700			(weighted avg.)	
				Total Revenue Before Appreciation:	\$ 86,074,800	
					\$1,195,483 /unit	
				Total Revenue After Appreciation:	\$ 86,074,800	
					\$1,195,483 /unit	
EXPENSES SUMMARY						
			Total Over Sell-Off Period			
General and Administrative	2.0% of total revenue			\$ 1,721,496		
Marketing and Sales	5.0% of total revenue			\$ 4,303,740		
Ad Valorem Taxes	\$6,013 /unit/year			\$ 997,147	(from cash flow)	
Direct Charges	\$17 /unit/year			\$ 2,819	(from cash flow)	
Special Taxes/Assessments	\$10,638 /unit/year			\$ 1,764,177	(from cash flow)	
Homeowner's Association Fees	\$392 /unit/month			\$ 148,176	(from cash flow)	
Model Costs	5 models			\$ 500,000	\$100,000 (per model)	
Permits and Fees				\$ 180,000	\$2,500 (per unit)	
Subtotal:				\$ 9,617,555		
Direct Construction Costs (Before Appreciation)	SF	Units	Cost/SF	Extension		
Average/Typical Floor Plan	1,700	72	\$125.00	\$ 15,300,000	\$212,500 /unit	
Indirect Construction Costs	10% of Direct Costs			\$ 1,530,000	\$21,250 /unit	
Subtotal:				\$ 16,830,000		
Total Expenses Before Appreciation:				\$ 26,447,555		

Land Residual Analysis

Revenue & Expense Summary - Age Qualified, Single Family Alley

REVENUE SUMMARY

Floor Plan	No. of Units	Unit Size (SF)	\$/SF	Base Retail Value Per Unit	Extension
Average Unit	44	2,700	\$617	\$1,665,000	\$73,260,000
Lot Premiums				\$33,300	\$1,465,200
Model Recapture					\$135,000
					(@ 30% of cost)
	44	2,700 (weighted avg.)			
				Total Revenue Before Appreciation:	\$ 74,860,200
					\$1,701,368 /unit
				Total Revenue After Appreciation:	\$ 74,860,200
					\$1,701,368 /unit

EXPENSES SUMMARY

				Total Over Sell-Off Period	
General and Administrative	2.0% of total revenue			\$ 1,497,204	
Marketing and Sales	5.0% of total revenue			\$ 3,743,010	
Ad Valorem Taxes	\$9,333 /unit/year			\$ 510,636	(from cash flow)
Direct Charges	\$17 /unit/year			\$ 930	(from cash flow)
Special Taxes/Assessments	\$14,642 /unit/year			\$ 801,080	(from cash flow)
Homeowner's Association Fees	\$292 /unit/month			\$ 34,164	(from cash flow)
Model Costs	3 models			\$ 450,000	\$150,000 (per model)
Permits and Fees				\$ 110,000	\$2,500 (per unit)
Subtotal:				\$ 7,147,023	
Direct Construction Costs (Before Appreciation)	<u>SF</u>	<u>Units</u>	<u>Cost/SF</u>	<u>Extension</u>	
Average/Typical Floor Plan	2,700	44	\$115.00	\$ 13,662,000	\$310,500 /unit
Indirect Construction Costs	10% of Direct Costs			\$ 1,366,200	\$31,050 /unit
Subtotal:				\$ 15,028,200	
				Total Expenses Before Appreciation:	\$ 22,175,223

Land Residual Analysis

Revenue & Expense Summary - Age Qualified, SFD Traditional					
REVENUE SUMMARY					
Floor Plan	No. of Units	Unit Size (SF)	\$/SF	Base Retail Value Per Unit	Extension
Average Unit	82	2,700	\$628	\$1,695,000	\$138,990,000
Lot Premiums				\$84,750	\$6,949,500
Model Recapture					\$225,000
					(@ 30% of cost)
	82	2,700			(weighted avg.)
Total Revenue Before Appreciation:				\$ 146,164,500	
					\$1,782,494 /unit
Total Revenue After Appreciation:				\$ 146,164,500	
					\$1,782,494 /unit
EXPENSES SUMMARY					
			Total Over Sell-Off Period		
General and Administrative	2.0%	of total revenue		\$ 2,923,290	
Marketing and Sales	5.0%	of total revenue		\$ 7,308,225	
Ad Valorem Taxes	\$9,073	/unit/year		\$ 1,746,965	(from cash flow)
Direct Charges	\$17	/unit/year		\$ 3,273	(from cash flow)
Special Taxes/Assessments	\$13,627	/unit/year		\$ 2,623,869	(from cash flow)
Homeowner's Association Fees	\$412	/unit/month		\$ 177,984	(from cash flow)
Model Costs	5	models		\$ 750,000	\$150,000 (per model)
Permits and Fees				\$ 287,000	\$3,500 (per unit)
Subtotal:				\$ 15,820,606	
Direct Construction Costs (Before Appreciation)	SF	Units	Cost/SF	Extension	
Average/Typical Floor Plan	2,700	82	\$115.00	\$ 25,461,000	\$310,500 /unit
Indirect Construction Costs	10%	of Direct Costs		\$ 2,546,100	\$31,050 /unit
Subtotal:				\$ 28,007,100	
Total Expenses Before Appreciation:				\$ 43,827,706	

Internal Rate of Return and Discount Rate

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

Using a 5.00% present value factor and 15.00% for developer's incentive, results in an implied internal rate of return (IRR) between 14.022% and 24.750%.

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

California/Pacific Islands: Subdivisions & PUDs

	Actual Rates			Pro-Forma Rates		
	Min	Max	Avg	Min	Max	Avg
Site-Built Residential	18.12%	39.50%	26.73%	17.39%	37.92%	25.66%
-100 Units	18.12%	34.05%	25.56%	17.39%	32.69%	24.54%
100-500 Units	18.57%	37.46%	26.89%	17.83%	35.96%	25.82%
500+ Units	19.02%	39.16%	27.35%	18.26%	37.59%	26.25%
Mixed Use	19.48%	39.50%	27.13%	18.70%	37.92%	26.04%
Manufactured Housing	18.69%	43.18%	28.70%	17.95%	41.45%	27.55%
-100 Units	18.69%	37.55%	27.56%	17.95%	36.05%	26.46%
100-500 Units	19.16%	41.30%	29.02%	18.40%	39.65%	27.86%
500+ Units	19.63%	43.18%	29.52%	18.84%	41.45%	28.34%
Business Parks	18.65%	41.29%	27.82%	17.90%	39.64%	26.71%
-100 Acres	18.65%	35.90%	26.73%	17.90%	34.47%	25.66%
100-500 Acres	19.11%	39.49%	28.13%	18.35%	37.91%	27.01%
500+ Acres	19.58%	41.29%	28.61%	18.80%	39.64%	27.46%
Industrial Parks	18.73%	34.84%	24.95%	17.98%	33.45%	23.95%
-100 Acres	18.73%	30.30%	24.02%	17.98%	29.08%	23.06%
100-500 Acres	19.20%	33.33%	25.21%	18.43%	31.99%	24.20%
500+ Acres	19.67%	34.84%	25.62%	18.88%	33.45%	24.59%

*3rd Quarter 2025 Data

Realty Rates Developers Survey 2025 Q4

California/Pacific Islands: CA, Guam, HI

The survey above is primarily focused on raw land development; whereas, the subject property is analyzed herein as if improved (finished lot, or improved site, condition), which carries less risk associated with the construction, sales and disposition of the homes. Furthermore, each implied IRR is just below or within the range presented by the RealtyRates California/Pacific Islands survey, which is skewed by higher rates in the Pacific Islands. Overall, each implied IRR is considered to be reasonable considering the specifics of the subject property.

Conclusion

The land residual analyses are presented as follows:

Land Residual Analysis

Land Residual Analysis - All Age, SFD Small Lot											
Quarter:	0	1	2	3	4	5	6	7	8	9	Total
ABSORPTION											
Sales		8	8	8	8	8	8	8	8	0	64
Close of Escrow (COE)		0	8	8	8	8	8	8	8	8	64
Unsold Inventory	64	56	48	40	32	24	16	8	0	0	
Sales Revenue (Before Appreciation)		\$ 11,986,875	\$ 11,986,875	\$ 11,986,875	\$ 11,986,875	\$ 11,986,875	\$ 11,986,875	\$ 11,986,875	\$ 11,986,875	\$ -	
Annual Appreciation Factor	0%	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	
Sales Revenue (After Appreciation)		\$ 11,986,875	\$ 11,986,875	\$ 11,986,875	\$ 11,986,875	\$ 11,986,875	\$ 11,986,875	\$ 11,986,875	\$ 11,986,875	\$ -	\$ 95,895,000
Total Sales Revenue (at Close of Escrow)		\$ -	\$ 11,986,875	\$ 11,986,875	\$ 11,986,875	\$ 11,986,875	\$ 11,986,875	\$ 11,986,875	\$ 11,986,875	\$ 11,986,875	\$ 95,895,000
EXPENSES AND CASH FLOWS											
General and Administrative	2.0%	\$ (213,100)	\$ (213,100)	\$ (213,100)	\$ (213,100)	\$ (213,100)	\$ (213,100)	\$ (213,100)	\$ (213,100)	\$ (213,100)	\$ (1,917,900)
Marketing and Sales	5.0%	\$ -	\$ (599,344)	\$ (599,344)	\$ (599,344)	\$ (599,344)	\$ (599,344)	\$ (599,344)	\$ (599,344)	\$ (599,344)	\$ (4,794,750)
Ad Valorem Taxes (\$/unit/yr)	\$7,998	\$ (127,972)	\$ (112,535)	\$ (96,941)	\$ (81,188)	\$ (65,275)	\$ (49,201)	\$ (32,965)	\$ (16,565)	\$ -	\$ (582,643)
Direct Charges (\$/unit/yr)	\$17	\$ (272)	\$ (239)	\$ (206)	\$ (173)	\$ (139)	\$ (105)	\$ (70)	\$ (35)	\$ -	\$ (1,238)
Special Taxes/Assessments (\$/unit/yr)	\$14,153	\$ (226,448)	\$ (199,133)	\$ (171,539)	\$ (143,664)	\$ (115,506)	\$ (87,062)	\$ (58,332)	\$ (29,312)	\$ -	\$ (1,030,994)
Homeowner's Association Fees (\$/unit/mo)	\$248	\$ -	\$ (5,952)	\$ (5,952)	\$ (5,952)	\$ (5,952)	\$ (5,952)	\$ (5,952)	\$ (5,952)	\$ -	\$ (41,664)
Model Costs		\$ (450,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (450,000)
Permits and Fees		\$ (28,000)	\$ (28,000)	\$ (28,000)	\$ (28,000)	\$ (28,000)	\$ (28,000)	\$ (28,000)	\$ (28,000)	\$ -	\$ (224,000)
Subtotal:		\$ (1,045,792)	\$ (1,158,303)	\$ (1,115,082)	\$ (1,071,420)	\$ (1,027,315)	\$ (982,764)	\$ (937,762)	\$ (892,307)	\$ (812,444)	\$ (9,043,190)
Direct Construction Costs		\$ (1,196,000)	\$ (2,392,000)	\$ (2,392,000)	\$ (2,392,000)	\$ (2,392,000)	\$ (2,392,000)	\$ (2,392,000)	\$ (2,392,000)	\$ (1,196,000)	
Annual Appreciation Factor	0%	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	
Direct Construction Costs (Appreciated)		\$ (1,196,000)	\$ (2,392,000)	\$ (2,392,000)	\$ (2,392,000)	\$ (2,392,000)	\$ (2,392,000)	\$ (2,392,000)	\$ (2,392,000)	\$ (1,196,000)	\$ (19,136,000)
Indirect Construction Costs	10%	\$ (119,600)	\$ (239,200)	\$ (239,200)	\$ (239,200)	\$ (239,200)	\$ (239,200)	\$ (239,200)	\$ (239,200)	\$ (119,600)	\$ (1,913,600)
Subtotal:		\$ (1,315,600)	\$ (2,631,200)	\$ (2,631,200)	\$ (2,631,200)	\$ (2,631,200)	\$ (2,631,200)	\$ (2,631,200)	\$ (2,631,200)	\$ (1,315,600)	\$ (21,049,600)
Total Expenses		\$ (2,361,392)	\$ (3,789,503)	\$ (3,746,282)	\$ (3,702,620)	\$ (3,658,515)	\$ (3,613,964)	\$ (3,568,962)	\$ (3,523,507)	\$ (2,128,044)	\$ (30,092,790)
NET INCOME BEFORE DEVELOPER'S INCENTIVE		\$ (2,361,392)	\$ 8,197,372	\$ 8,240,593	\$ 8,284,255	\$ 8,328,360	\$ 8,372,911	\$ 8,417,913	\$ 8,463,368	\$ 9,858,831	\$ 65,802,210
Developers Incentive	15.00%	\$ -	\$ (1,798,031)	\$ (1,798,031)	\$ (1,798,031)	\$ (1,798,031)	\$ (1,798,031)	\$ (1,798,031)	\$ (1,798,031)	\$ (1,798,031)	\$ (14,384,250)
NET INCOME BEFORE DISCOUNTING		\$ (2,361,392)	\$ 6,399,341	\$ 6,442,562	\$ 6,486,224	\$ 6,530,328	\$ 6,574,880	\$ 6,619,881	\$ 6,665,336	\$ 8,060,800	\$ 51,417,960
Present Value Factors											
Discount Rate	5.00%	0.98765	0.97546	0.96342	0.95152	0.93978	0.92817	0.91672	0.90540	0.89422	
Discounted Cash Flow		\$ (2,332,239)	\$ 6,242,308	\$ 6,206,882	\$ 6,171,799	\$ 6,137,053	\$ 6,102,638	\$ 6,068,551	\$ 6,034,785	\$ 7,208,134	\$ 47,839,911
Net Present Value (Rounded)											\$ 47,840,000
										per unit:	\$747,500
Implied Internal Rate of Return (IRR)	23.318%	0.94492	0.89287	0.84369	0.79721	0.75330	0.71181	0.67260	0.63555	0.60054	
	(\$47,840,000)	(\$2,231,320)	\$7,319,176	\$6,952,481	\$6,604,326	\$6,273,766	\$5,959,902	\$5,661,882	\$5,378,898	\$5,920,649	(\$240)



Land Residual Analysis

Land Residual Analysis - All Age, SFD Medium Lot											
	Quarter:	0	1	2	3	4	5	6	7	8	Total
ABSORPTION											
Sales			8	8	8	8	8	8	8	0	56
Close of Escrow (COE)			0	8	8	8	8	8	8	8	56
Unsold Inventory	56		48	40	32	24	16	8	0	0	
Sales Revenue (Before Appreciation)		\$ 13,753,286	\$ 13,753,286	\$ 13,753,286	\$ 13,753,286	\$ 13,753,286	\$ 13,753,286	\$ 13,753,286	\$ 13,753,286	\$ -	
Annual Appreciation Factor	0%	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	
Sales Revenue (After Appreciation)		\$ 13,753,286	\$ 13,753,286	\$ 13,753,286	\$ 13,753,286	\$ 13,753,286	\$ 13,753,286	\$ 13,753,286	\$ 13,753,286	\$ -	\$ 96,273,000
Total Sales Revenue (at Close of Escrow)		\$ -	\$ 13,753,286	\$ 13,753,286	\$ 13,753,286	\$ 13,753,286	\$ 13,753,286	\$ 13,753,286	\$ 13,753,286	\$ 13,753,286	\$ 96,273,000
EXPENSES AND CASH FLOWS											
General and Administrative	2.0%	\$ (240,683)	\$ (240,683)	\$ (240,683)	\$ (240,683)	\$ (240,683)	\$ (240,683)	\$ (240,683)	\$ (240,683)	\$ (240,683)	\$ (1,925,460)
Marketing and Sales	5.0%	\$ -	\$ (687,664)	\$ (687,664)	\$ (687,664)	\$ (687,664)	\$ (687,664)	\$ (687,664)	\$ (687,664)	\$ (687,664)	\$ (4,813,650)
Ad Valorem Taxes (\$/unit/yr)	\$9,420	\$ (131,878)	\$ (113,603)	\$ (95,143)	\$ (76,495)	\$ (57,658)	\$ (38,631)	\$ (19,412)	\$ -	\$ -	\$ (532,818)
Direct Charges (\$/unit/yr)	\$17	\$ (238)	\$ (205)	\$ (172)	\$ (138)	\$ (104)	\$ (70)	\$ (35)	\$ -	\$ -	\$ (962)
Special Taxes/Assessments (\$/unit/yr)	\$16,030	\$ (224,420)	\$ (193,322)	\$ (161,907)	\$ (130,173)	\$ (98,118)	\$ (65,739)	\$ (33,034)	\$ -	\$ -	\$ (906,713)
Homeowner's Association Fees (\$/unit/mo)	\$248	\$ -	\$ (5,952)	\$ (5,952)	\$ (5,952)	\$ (5,952)	\$ (5,952)	\$ (5,952)	\$ -	\$ -	\$ (35,712)
Model Costs		\$ (450,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (450,000)
Permits and Fees		\$ (28,000)	\$ (28,000)	\$ (28,000)	\$ (28,000)	\$ (28,000)	\$ (28,000)	\$ (28,000)	\$ (28,000)	\$ -	\$ (196,000)
Subtotal:		\$ (1,075,218)	\$ (1,269,429)	\$ (1,219,520)	\$ (1,169,105)	\$ (1,118,179)	\$ (1,066,738)	\$ (1,014,780)	\$ (928,347)	\$ -	\$ (8,861,315)
Direct Construction Costs		\$ (1,320,000)	\$ (2,640,000)	\$ (2,640,000)	\$ (2,640,000)	\$ (2,640,000)	\$ (2,640,000)	\$ (2,640,000)	\$ (2,640,000)	\$ (1,320,000)	
Annual Appreciation Factor	0%	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	
Direct Construction Costs (Appreciated)		\$ (1,320,000)	\$ (2,640,000)	\$ (2,640,000)	\$ (2,640,000)	\$ (2,640,000)	\$ (2,640,000)	\$ (2,640,000)	\$ (2,640,000)	\$ (1,320,000)	\$ (18,480,000)
Indirect Construction Costs	10%	\$ (132,000)	\$ (264,000)	\$ (264,000)	\$ (264,000)	\$ (264,000)	\$ (264,000)	\$ (264,000)	\$ (264,000)	\$ (132,000)	\$ (1,848,000)
Subtotal:		\$ (1,452,000)	\$ (2,904,000)	\$ (2,904,000)	\$ (2,904,000)	\$ (2,904,000)	\$ (2,904,000)	\$ (2,904,000)	\$ (2,904,000)	\$ (1,452,000)	\$ (20,328,000)
Total Expenses		\$ (2,527,218)	\$ (4,173,429)	\$ (4,123,520)	\$ (4,073,105)	\$ (4,022,179)	\$ (3,970,738)	\$ (3,918,780)	\$ (2,380,347)	\$ -	\$ (29,189,315)
NET INCOME BEFORE DEVELOPER'S INCENTIVE		\$ (2,527,218)	\$ 9,579,857	\$ 9,629,766	\$ 9,680,181	\$ 9,731,107	\$ 9,782,547	\$ 9,834,506	\$ 11,372,939	\$ -	\$ 67,083,685
Developers Incentive	15.00%	\$ -	\$ (2,062,993)	\$ (2,062,993)	\$ (2,062,993)	\$ (2,062,993)	\$ (2,062,993)	\$ (2,062,993)	\$ (2,062,993)	\$ (2,062,993)	\$ (14,440,950)
NET INCOME BEFORE DISCOUNTING		\$ (2,527,218)	\$ 7,516,864	\$ 7,566,773	\$ 7,617,188	\$ 7,668,114	\$ 7,719,555	\$ 7,771,513	\$ 9,309,946	\$ -	\$ 52,642,735
Present Value Factors											
Discount Rate	5.00%	0.98765	0.97546	0.96342	0.95152	0.93978	0.92817	0.91672	0.90540		
Discounted Cash Flow		\$ (2,496,018)	\$ 7,332,408	\$ 7,289,968	\$ 7,247,939	\$ 7,206,318	\$ 7,165,097	\$ 7,124,270	\$ 8,429,211	\$ -	\$ 49,299,193
Net Present Value (Rounded)											\$ 49,300,000
										per unit:	\$880,357
Implied Internal Rate of Return (IRR)	24.750%	(\$2,527,218)	\$9,579,857	\$9,629,766	\$9,680,181	\$9,731,107	\$9,782,547	\$9,834,506	\$11,372,939		
		(\$49,300,000)	(\$2,379,958)	\$8,495,956	\$8,042,583	\$7,613,597	\$7,207,676	\$6,823,569	\$6,460,093	\$7,035,347	(\$1,137)



Land Residual Analysis

Land Residual Analysis - All Age, SFD Large Lot													
Quarter:		0	1	2	3	4	5	6	7	8	9	10	Total
ABSORPTION													
Sales			6	6	6	6	6	6	6	6	7	0	55
Close of Escrow (COE)		0	6	6	6	6	6	6	6	6	6	7	55
Unsold Inventory	55	49	43	37	31	25	19	13	7	0	0	0	
Sales Revenue (Before Appreciation)		\$ 11,829,682	\$ 11,829,682	\$ 11,829,682	\$ 11,829,682	\$ 11,829,682	\$ 11,829,682	\$ 11,829,682	\$ 11,829,682	\$ 11,829,682	\$ 13,801,295	\$ -	
Annual Appreciation Factor	0%	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	
Sales Revenue (After Appreciation)		\$ 11,829,682	\$ 11,829,682	\$ 11,829,682	\$ 11,829,682	\$ 11,829,682	\$ 11,829,682	\$ 11,829,682	\$ 11,829,682	\$ 11,829,682	\$ 13,801,295	\$ -	\$ 108,438,750
Total Sales Revenue (at Close of Escrow)		\$ -	\$ 11,829,682	\$ 11,829,682	\$ 11,829,682	\$ 11,829,682	\$ 11,829,682	\$ 11,829,682	\$ 11,829,682	\$ 11,829,682	\$ 13,801,295	\$ -	\$ 108,438,750
EXPENSES AND CASH FLOWS													
General and Administrative	2.0%	\$ (216,878)	\$ (216,878)	\$ (216,878)	\$ (216,878)	\$ (216,878)	\$ (216,878)	\$ (216,878)	\$ (216,878)	\$ (216,878)	\$ (216,878)	\$ (216,878)	\$ (2,168,775)
Marketing and Sales	5.0%	\$ -	\$ (591,484)	\$ (591,484)	\$ (591,484)	\$ (591,484)	\$ (591,484)	\$ (591,484)	\$ (591,484)	\$ (591,484)	\$ (591,484)	\$ (690,065)	\$ (5,421,938)
Ad Valorem Taxes (\$/unit/yr)	\$10,774	\$ (148,142)	\$ (132,641)	\$ (116,981)	\$ (101,161)	\$ (85,180)	\$ (69,037)	\$ (52,731)	\$ (36,259)	\$ (19,622)	\$ -	\$ -	\$ (761,754)
Direct Charges (\$/unit/yr)	\$17	\$ (234)	\$ (209)	\$ (185)	\$ (160)	\$ (134)	\$ (109)	\$ (83)	\$ (57)	\$ (31)	\$ -	\$ -	\$ (1,202)
Special Taxes/Assessments (\$/unit/yr)	\$19,014	\$ (261,443)	\$ (234,086)	\$ (206,450)	\$ (178,531)	\$ (150,328)	\$ (121,838)	\$ (93,060)	\$ (63,991)	\$ (34,629)	\$ -	\$ -	\$ (1,344,355)
Homeowner's Association Fees (\$/unit/mo)	\$248	\$ -	\$ (4,464)	\$ (4,464)	\$ (4,464)	\$ (4,464)	\$ (4,464)	\$ (4,464)	\$ (4,464)	\$ (4,464)	\$ -	\$ -	\$ (36,456)
Model Costs		\$ (525,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (525,000)
Permits and Fees		\$ (21,000)	\$ (21,000)	\$ (21,000)	\$ (21,000)	\$ (21,000)	\$ (21,000)	\$ (21,000)	\$ (21,000)	\$ (21,000)	\$ (24,500)	\$ -	\$ (192,500)
Subtotal:		\$ (1,172,695)	\$ (1,200,762)	\$ (1,157,441)	\$ (1,113,677)	\$ (1,069,468)	\$ (1,024,810)	\$ (979,700)	\$ (934,133)	\$ (892,351)	\$ (850,942)	\$ (809,942)	\$ (10,451,980)
Direct Construction Costs		\$ (1,080,000)	\$ (2,160,000)	\$ (2,160,000)	\$ (2,160,000)	\$ (2,160,000)	\$ (2,160,000)	\$ (2,160,000)	\$ (2,160,000)	\$ (2,340,000)	\$ (2,160,000)	\$ (2,160,000)	\$ (19,800,000)
Annual Appreciation Factor	0%	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	
Direct Construction Costs (Appreciated)		\$ (1,080,000)	\$ (2,160,000)	\$ (2,160,000)	\$ (2,160,000)	\$ (2,160,000)	\$ (2,160,000)	\$ (2,160,000)	\$ (2,160,000)	\$ (2,340,000)	\$ (2,160,000)	\$ (2,160,000)	\$ (19,800,000)
Indirect Construction Costs	10%	\$ (108,000)	\$ (216,000)	\$ (216,000)	\$ (216,000)	\$ (216,000)	\$ (216,000)	\$ (216,000)	\$ (216,000)	\$ (234,000)	\$ (216,000)	\$ (216,000)	\$ (1,980,000)
Subtotal:		\$ (1,188,000)	\$ (2,376,000)	\$ (2,376,000)	\$ (2,376,000)	\$ (2,376,000)	\$ (2,376,000)	\$ (2,376,000)	\$ (2,376,000)	\$ (2,574,000)	\$ (2,376,000)	\$ (2,376,000)	\$ (21,780,000)
Total Expenses		\$ (2,360,695)	\$ (3,576,762)	\$ (3,533,441)	\$ (3,489,677)	\$ (3,445,468)	\$ (3,400,810)	\$ (3,355,700)	\$ (3,310,133)	\$ (3,466,351)	\$ (2,292,942)	\$ (2,292,942)	\$ (32,231,980)
NET INCOME BEFORE DEVELOPER'S INCENTIVE		\$ (2,360,695)	\$ 8,252,920	\$ 8,296,241	\$ 8,340,005	\$ 8,384,214	\$ 8,428,872	\$ 8,473,982	\$ 8,519,549	\$ 8,363,330	\$ 11,508,353	\$ 11,508,353	\$ 76,206,770
Developers Incentive	15.00%	\$ -	\$ (1,774,452)	\$ (1,774,452)	\$ (1,774,452)	\$ (1,774,452)	\$ (1,774,452)	\$ (1,774,452)	\$ (1,774,452)	\$ (1,774,452)	\$ (1,774,452)	\$ (2,070,194)	\$ (16,265,813)
NET INCOME BEFORE DISCOUNTING		\$ (2,360,695)	\$ 6,478,468	\$ 6,521,789	\$ 6,565,552	\$ 6,609,761	\$ 6,654,419	\$ 6,699,530	\$ 6,745,096	\$ 6,588,878	\$ 9,438,159	\$ 9,438,159	\$ 59,940,958
Present Value Factors													
Discount Rate	5.00%	0.98765	0.97546	0.96342	0.95152	0.93978	0.92817	0.91672	0.90540	0.89422	0.88318	0.87233	0.86168
Discounted Cash Flow		\$ (2,331,551)	\$ 6,319,493	\$ 6,283,211	\$ 6,247,282	\$ 6,211,702	\$ 6,176,465	\$ 6,141,566	\$ 6,107,000	\$ 5,891,911	\$ 8,335,602	\$ 8,335,602	\$ 55,382,681
Net Present Value (Rounded)		\$ -	\$ 55,380,000	\$ 55,380,000	\$ 55,380,000	\$ 55,380,000	\$ 55,380,000	\$ 55,380,000	\$ 55,380,000	\$ 55,380,000	\$ 55,380,000	\$ 55,380,000	\$ 55,380,000
Implied Internal Rate of Return (IRR)	21.235%	\$ (55,380,000)	\$ (52,241,690)	\$ (49,103,380)	\$ (45,965,070)	\$ (42,826,760)	\$ (39,688,450)	\$ (36,550,140)	\$ (33,411,830)	\$ (30,273,520)	\$ (27,135,210)	\$ (24,000,000)	\$ 2,000,000

Land Residual Analysis - Age Qualified, Single Family Motorcourt													
Semianual (6 Months):		0	1	2	3	4	5	6	7	8	9	Total	
ABSORPTION													
Sales			10	10	10	10	10	10	10	6	0	76	
Close of Escrow (COE)		0	10	10	10	10	10	10	10	10	6	76	
Unsold Inventory	76	66	56	46	36	26	16	6	0	0	0		
Sales Revenue (Before Appreciation)		\$ 11,337,789	\$ 11,337,789	\$ 11,337,789	\$ 11,337,789	\$ 11,337,789	\$ 11,337,789	\$ 11,337,789	\$ 11,337,789	\$ 6,802,674	\$ -		
Annual Appreciation Factor	0%	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000		
Sales Revenue (After Appreciation)		\$ 11,337,789	\$ 11,337,789	\$ 11,337,789	\$ 11,337,789	\$ 11,337,789	\$ 11,337,789	\$ 11,337,789	\$ 11,337,789	\$ 6,802,674	\$ -	\$ 86,167,200	
Total Sales Revenue (at Close of Escrow)		\$ -	\$ 11,337,789	\$ 11,337,789	\$ 11,337,789	\$ 11,337,789	\$ 11,337,789	\$ 11,337,789	\$ 11,337,789	\$ 11,337,789	\$ 6,802,674	\$ 86,167,200	
EXPENSES AND CASH FLOWS													
General and Administrative	2.0%	\$ (191,483)	\$ (191,483)	\$ (191,483)	\$ (191,483)	\$ (191,483)	\$ (191,483)	\$ (191,483)	\$ (191,483)	\$ (191,483)	\$ (191,483)	\$ (1,723,344)	
Marketing and Sales	5.0%	\$ -	\$ (566,889)	\$ (566,889)	\$ (566,889)	\$ (566,889)	\$ (566,889)	\$ (566,889)	\$ (566,889)	\$ (566,889)	\$ (340,134)	\$ (4,308,360)	
Ad Valorem Taxes (\$/unit/yr)	\$5,671	\$ (215,498)	\$ (189,014)	\$ (161,980)	\$ (134,385)	\$ (106,223)	\$ (77,484)	\$ (48,159)	\$ (18,240)	\$ -	\$ -	\$ (950,983)	
Direct Charges (\$/unit/yr)	\$17	\$ (646)	\$ (567)	\$ (486)	\$ (403)	\$ (318)	\$ (232)	\$ (144)	\$ (55)	\$ -	\$ -	\$ (2,851)	
Special Taxes/Assessments (\$/unit/yr)	\$8,730	\$ (331,740)	\$ (290,971)	\$ (249,353)	\$ (206,874)	\$ (163,521)	\$ (119,279)	\$ (74,137)	\$ (28,079)	\$ -	\$ -	\$ (1,463,954)	
Homeowner's Association Fees (\$/unit/mo)	\$400	\$ -	\$ (24,000)	\$ (24,000)	\$ (24,000)	\$ (24,000)	\$ (24,000)	\$ (24,000)	\$ (24,000)	\$ (14,400)	\$ -	\$ (158,400)	
Model Costs		\$ (400,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (400,000)	
Permits and Fees		\$ (25,000)	\$ (25,000)	\$ (25,000)	\$ (25,000)	\$ (25,000)	\$ (25,000)	\$ (25,000)	\$ (25,000)	\$ (15,000)	\$ -	\$ (190,000)	
Subtotal:		\$ (1,164,367)	\$ (1,287,924)	\$ (1,219,191)	\$ (1,149,034)	\$ (1,077,434)	\$ (1,004,367)	\$ (929,812)	\$ (834,146)	\$ (714,616)	\$ (531,616)	\$ (9,197,891)	
Direct Construction Costs		\$ (1,062,500)	\$ (2,125,000)	\$ (2,125,000)	\$ (2,125,000)	\$ (2,125,000)	\$ (2,125,000)	\$ (2,125,000)	\$ (2,125,000)	\$ (1,700,000)	\$ (637,500)	\$ (16,150,000)	
Annual Appreciation Factor	0%	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000		
Direct Construction Costs (Appreciated)		\$ (1,062,500)	\$ (2,125,000)	\$ (2,125,000)	\$ (2,125,000)	\$ (2,125,000)	\$ (2,125,000)	\$ (2,125,000)	\$ (2,125,000)	\$ (1,700,000)	\$ (637,500)	\$ (16,150,000)	
Indirect Construction Costs	10%	\$ (106,250)	\$ (212,500)	\$ (212,500)	\$ (212,500)	\$ (212,500)	\$ (212,500)	\$ (212,500)	\$ (212,500)	\$ (170,000)	\$ (63,750)	\$ (1,615,000)	
Subtotal:		\$ (1,168,750)	\$ (2,337,500)	\$ (2,337,500)	\$ (2,337,500)	\$ (2,337,500)	\$ (2,337,500)	\$ (2,337,500)	\$ (2,337,500)	\$ (1,870,000)	\$ (701,250)	\$ (17,765,000)	
Total Expenses		\$ (2,333,117)	\$ (3,625,424)	\$ (3,556,691)	\$ (3,486,534)	\$ (3,414,934)	\$ (3,341,867)	\$ (3,267,312)	\$ (3,200,146)	\$ (2,704,146)	\$ (1,232,866)	\$ (26,962,891)	
NET INCOME BEFORE DEVELOPER'S INCENTIVE		\$ (2,333,117)	\$ 7,712,365	\$ 7,781,099	\$ 7,851,255	\$ 7,922,856	\$ 7,995,922	\$ 8,070,477	\$ 8,633,643	\$ 5,569,807	\$ 5,569,807	\$ 59,204,309	
Developers Incentive	15.00%	\$ -	\$ (1,700,668)	\$ (1,700,668)	\$ (1,700,668)	\$ (1,700,668)	\$ (1,700,668)	\$ (1,700,668)	\$ (1,700,668)	\$ (1,700,668)	\$ (1,020,401)	\$ (12,925,080)	
NET INCOME BEFORE DISCOUNTING		\$ (2,333,117)	\$ 6,011,697	\$ 6,080,430	\$ 6,150,587	\$ 6,222,187	\$ 6,295,254	\$ 6,369,809	\$ 6,932,975	\$ 4,549,406	\$ 4,549,406	\$ 46,279,229	
Present Value Factors													
Discount Rate	5.00%	0.97561	0.95181	0.92860	0.90595	0.88385	0.86230	0.84127	0.82075	0.80073	0.78123	0.76233	
Discounted Cash Flow		\$ (2,276,211)	\$ 5,722,020	\$ 5,646,284	\$ 5,572,128	\$ 5,499,507	\$ 5,428,378	\$ 5,358,699	\$ 5,690,215	\$ 3,642,839	\$ 3,642,839	\$ 40,283,858	
Net Present Value (Rounded)		\$ -	\$ 40,280,000	\$ 40,280,000	\$ 40,280,000	\$ 40,280,000	\$ 40,280,000	\$ 40,280,000	\$ 40,280,000	\$ 40,280,000	\$ 40,280,000	\$ 40,280,000	
Implied Internal Rate of Return (IRR)	14.669%	\$ (40,280,000)	\$ (37,141,690)	\$ (34,003,380)	\$ (30,865,070)	\$ (27,726,760)	\$ (24,588,450)	\$ (21,450,140)	\$ (18,311,830)	\$ (15,173,520)	\$ (12,035,210)	\$ 2,000,000	



Land Residual Analysis

Land Residual Analysis - Age Qualified, Single Family Duplex												
Quarter:	0	1	2	3	4	5	6	7	8	9	10	Total
ABSORPTION												
Sales		6	6	6	6	6	6	6	6	4	0	52
Close of Escrow (COE)		0	6	6	6	6	6	6	6	6	4	52
Unsold Inventory	52	46	40	34	28	22	16	10	4	0	0	
Sales Revenue (Before Appreciation)		\$ 7,048,385	\$ 7,048,385	\$ 7,048,385	\$ 7,048,385	\$ 7,048,385	\$ 7,048,385	\$ 7,048,385	\$ 7,048,385	\$ 4,698,923	\$ -	
Annual Appreciation Factor	0%	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	
Sales Revenue (After Appreciation)		\$ 7,048,385	\$ 7,048,385	\$ 7,048,385	\$ 7,048,385	\$ 7,048,385	\$ 7,048,385	\$ 7,048,385	\$ 7,048,385	\$ 4,698,923	\$ -	\$ 61,086,000
Total Sales Revenue (at Close of Escrow)		\$ -	\$ 7,048,385	\$ 7,048,385	\$ 7,048,385	\$ 7,048,385	\$ 7,048,385	\$ 7,048,385	\$ 7,048,385	\$ 7,048,385	\$ 4,698,923	\$ 61,086,000
EXPENSES AND CASH FLOWS												
General and Administrative	2.0%	\$ (122,172)	\$ (122,172)	\$ (122,172)	\$ (122,172)	\$ (122,172)	\$ (122,172)	\$ (122,172)	\$ (122,172)	\$ (122,172)	\$ (122,172)	\$ (1,221,720)
Marketing and Sales	5.0%	\$ -	\$ (352,419)	\$ (352,419)	\$ (352,419)	\$ (352,419)	\$ (352,419)	\$ (352,419)	\$ (352,419)	\$ (352,419)	\$ (234,946)	\$ (3,054,300)
Ad Valorem Taxes (\$/unit/yr)	\$6,354	\$ (82,604)	\$ (73,438)	\$ (64,179)	\$ (54,825)	\$ (45,375)	\$ (35,830)	\$ (26,189)	\$ (16,450)	\$ (6,613)	\$ -	\$ (405,502)
Direct Charges (\$/unit/yr)	\$17	\$ (221)	\$ (196)	\$ (172)	\$ (147)	\$ (121)	\$ (96)	\$ (70)	\$ (44)	\$ (18)	\$ -	\$ (1,085)
Special Taxes/Assessments (\$/unit/yr)	\$8,857	\$ (115,141)	\$ (102,365)	\$ (89,458)	\$ (76,419)	\$ (63,248)	\$ (49,944)	\$ (36,504)	\$ (22,929)	\$ (9,218)	\$ -	\$ (565,226)
Homeowner's Association Fees (\$/unit/mo)	\$352	\$ -	\$ (6,336)	\$ (6,336)	\$ (6,336)	\$ (6,336)	\$ (6,336)	\$ (6,336)	\$ (6,336)	\$ (4,224)	\$ -	\$ (48,576)
Model Costs		\$ (300,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (300,000)
Permits and Fees		\$ (15,000)	\$ (15,000)	\$ (15,000)	\$ (15,000)	\$ (15,000)	\$ (15,000)	\$ (15,000)	\$ (15,000)	\$ (10,000)	\$ -	\$ (130,000)
Subtotal:		\$ (635,138)	\$ (671,927)	\$ (649,735)	\$ (627,318)	\$ (604,672)	\$ (581,797)	\$ (558,690)	\$ (535,350)	\$ (504,663)	\$ (357,118)	\$ (5,726,409)
Direct Construction Costs		\$ (675,000)	\$ (1,350,000)	\$ (1,350,000)	\$ (1,350,000)	\$ (1,350,000)	\$ (1,350,000)	\$ (1,350,000)	\$ (1,350,000)	\$ (1,125,000)	\$ (450,000)	
Annual Appreciation Factor	0%	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	
Direct Construction Costs (Appreciated)		\$ (675,000)	\$ (1,350,000)	\$ (1,350,000)	\$ (1,350,000)	\$ (1,350,000)	\$ (1,350,000)	\$ (1,350,000)	\$ (1,350,000)	\$ (1,125,000)	\$ (450,000)	\$ (11,700,000)
Indirect Construction Costs	10%	\$ (67,500)	\$ (135,000)	\$ (135,000)	\$ (135,000)	\$ (135,000)	\$ (135,000)	\$ (135,000)	\$ (135,000)	\$ (112,500)	\$ (45,000)	\$ (1,170,000)
Subtotal:		\$ (742,500)	\$ (1,485,000)	\$ (1,485,000)	\$ (1,485,000)	\$ (1,485,000)	\$ (1,485,000)	\$ (1,485,000)	\$ (1,485,000)	\$ (1,237,500)	\$ (495,000)	\$ (12,870,000)
Total Expenses		\$ (1,377,638)	\$ (2,156,927)	\$ (2,134,735)	\$ (2,112,318)	\$ (2,089,672)	\$ (2,066,797)	\$ (2,043,690)	\$ (2,020,350)	\$ (1,742,163)	\$ (852,118)	\$ (18,596,409)
NET INCOME BEFORE DEVELOPER'S INCENTIVE		\$ (1,377,638)	\$ 4,891,458	\$ 4,913,649	\$ 4,936,067	\$ 4,958,712	\$ 4,981,588	\$ 5,004,694	\$ 5,028,034	\$ 5,306,221	\$ 3,846,805	\$ 42,489,591
Developers Incentive	15.00%	\$ -	\$ (1,057,258)	\$ (1,057,258)	\$ (1,057,258)	\$ (1,057,258)	\$ (1,057,258)	\$ (1,057,258)	\$ (1,057,258)	\$ (1,057,258)	\$ (704,838)	\$ (9,162,900)
NET INCOME BEFORE DISCOUNTING		\$ (1,377,638)	\$ 3,834,200	\$ 3,856,392	\$ 3,878,809	\$ 3,901,455	\$ 3,924,330	\$ 3,947,437	\$ 3,970,777	\$ 4,248,964	\$ 3,141,966	\$ 33,326,691
Present Value Factors												
Discount Rate	5.00%	0.98765	0.97546	0.96342	0.95152	0.93978	0.92817	0.91672	0.90540	0.89422	0.88318	
Discounted Cash Flow		\$ (1,360,630)	\$ 3,740,113	\$ 3,715,318	\$ 3,690,781	\$ 3,666,498	\$ 3,642,464	\$ 3,618,678	\$ 3,595,135	\$ 3,799,511	\$ 2,774,925	\$ 30,882,793
Net Present Value (Rounded)												\$ 30,880,000
											per unit:	\$593,846
Implied Internal Rate of Return (IRR)	22.065%	(\$1,377,638)	\$4,891,458	\$4,913,649	\$4,936,067	\$4,958,712	\$4,981,588	\$5,004,694	\$5,028,034	\$5,306,221	\$3,846,805	
	(\$30,880,000)	(\$1,305,617)	\$4,393,389	\$4,182,598	\$3,982,022	\$3,791,161	\$3,609,539	\$3,436,704	\$3,272,227	\$3,272,738	\$2,248,571	\$3,331



Land Residual Analysis

Land Residual Analysis - Age Qualified, Single Family Cluster											
Semiannual (6 Months):	0	1	2	3	4	5	6	7	8	9	Total
ABSORPTION											
Sales		9	9	9	9	9	9	9	9	0	72
Close of Escrow (COE)		0	9	9	9	9	9	9	9	9	72
Unsold Inventory	72	63	54	45	36	27	18	9	0	0	
Sales Revenue (Before Appreciation)		\$ 10,759,350	\$ 10,759,350	\$ 10,759,350	\$ 10,759,350	\$ 10,759,350	\$ 10,759,350	\$ 10,759,350	\$ 10,759,350	\$ -	
Annual Appreciation Factor	0%	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	
Sales Revenue (After Appreciation)		\$ 10,759,350	\$ 10,759,350	\$ 10,759,350	\$ 10,759,350	\$ 10,759,350	\$ 10,759,350	\$ 10,759,350	\$ 10,759,350	\$ -	\$ 86,074,800
Total Sales Revenue (at Close of Escrow)		\$ -	\$ 10,759,350	\$ 10,759,350	\$ 10,759,350	\$ 10,759,350	\$ 10,759,350	\$ 10,759,350	\$ 10,759,350	\$ 10,759,350	\$ 86,074,800
EXPENSES AND CASH FLOWS											
General and Administrative	2.0%	\$ (191,277)	\$ (191,277)	\$ (191,277)	\$ (191,277)	\$ (191,277)	\$ (191,277)	\$ (191,277)	\$ (191,277)	\$ (191,277)	\$ (1,721,496)
Marketing and Sales	5.0%	\$ -	\$ (537,968)	\$ (537,968)	\$ (537,968)	\$ (537,968)	\$ (537,968)	\$ (537,968)	\$ (537,968)	\$ (537,968)	\$ (4,303,740)
Ad Valorem Taxes (\$/unit/yr)	\$6,013	\$ (216,461)	\$ (191,297)	\$ (165,609)	\$ (139,387)	\$ (112,625)	\$ (85,314)	\$ (57,444)	\$ (29,009)	\$ -	\$ (997,147)
Direct Charges (\$/unit/yr)	\$17	\$ (612)	\$ (541)	\$ (468)	\$ (394)	\$ (318)	\$ (241)	\$ (162)	\$ (82)	\$ -	\$ (2,819)
Special Taxes/Assessments (\$/unit/yr)	\$10,638	\$ (382,968)	\$ (338,448)	\$ (292,999)	\$ (246,608)	\$ (199,259)	\$ (150,939)	\$ (101,632)	\$ (51,324)	\$ -	\$ (1,764,177)
Homeowner's Association Fees (\$/unit/mo)	\$392	\$ -	\$ (21,168)	\$ (21,168)	\$ (21,168)	\$ (21,168)	\$ (21,168)	\$ (21,168)	\$ (21,168)	\$ -	\$ (148,176)
Model Costs		\$ (500,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (500,000)
Permits and Fees		\$ (22,500)	\$ (22,500)	\$ (22,500)	\$ (22,500)	\$ (22,500)	\$ (22,500)	\$ (22,500)	\$ (22,500)	\$ -	\$ (180,000)
Subtotal:		\$ (1,313,818)	\$ (1,303,199)	\$ (1,231,989)	\$ (1,159,302)	\$ (1,085,115)	\$ (1,009,406)	\$ (932,152)	\$ (853,328)	\$ (729,245)	\$ (9,617,555)
Direct Construction Costs		\$ (956,250)	\$ (1,912,500)	\$ (1,912,500)	\$ (1,912,500)	\$ (1,912,500)	\$ (1,912,500)	\$ (1,912,500)	\$ (1,912,500)	\$ (956,250)	
Annual Appreciation Factor	0%	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	
Direct Construction Costs (Appreciated)		\$ (956,250)	\$ (1,912,500)	\$ (1,912,500)	\$ (1,912,500)	\$ (1,912,500)	\$ (1,912,500)	\$ (1,912,500)	\$ (1,912,500)	\$ (956,250)	\$ (15,300,000)
Indirect Construction Costs	10%	\$ (95,625)	\$ (191,250)	\$ (191,250)	\$ (191,250)	\$ (191,250)	\$ (191,250)	\$ (191,250)	\$ (191,250)	\$ (95,625)	\$ (1,530,000)
Subtotal:		\$ (1,051,875)	\$ (2,103,750)	\$ (2,103,750)	\$ (2,103,750)	\$ (2,103,750)	\$ (2,103,750)	\$ (2,103,750)	\$ (2,103,750)	\$ (1,051,875)	\$ (16,830,000)
Total Expenses		\$ (2,365,693)	\$ (3,406,949)	\$ (3,335,739)	\$ (3,263,052)	\$ (3,188,865)	\$ (3,113,156)	\$ (3,035,902)	\$ (2,957,078)	\$ (1,781,120)	\$ (26,447,555)
NET INCOME BEFORE DEVELOPER'S INCENTIVE		\$ (2,365,693)	\$ 7,352,401	\$ 7,423,611	\$ 7,496,298	\$ 7,570,485	\$ 7,646,194	\$ 7,723,448	\$ 7,802,272	\$ 8,978,230	\$ 59,627,245
Developers Incentive	15.00%	\$ -	\$ (1,613,903)	\$ (1,613,903)	\$ (1,613,903)	\$ (1,613,903)	\$ (1,613,903)	\$ (1,613,903)	\$ (1,613,903)	\$ (1,613,903)	\$ (12,911,220)
NET INCOME BEFORE DISCOUNTING		\$ (2,365,693)	\$ 5,738,498	\$ 5,809,708	\$ 5,882,395	\$ 5,956,582	\$ 6,032,291	\$ 6,109,546	\$ 6,188,369	\$ 7,364,328	\$ 46,716,025
Present Value Factors											
Discount Rate	5.00%	0.97561	0.95181	0.92860	0.90595	0.88385	0.86230	0.84127	0.82075	0.80073	
Discounted Cash Flow		\$ (2,307,993)	\$ 5,461,985	\$ 5,394,892	\$ 5,329,160	\$ 5,264,751	\$ 5,201,626	\$ 5,139,748	\$ 5,079,083	\$ 5,896,826	\$ 40,460,077
Net Present Value (Rounded)											\$ 40,460,000
										per unit:	\$561,944
Implied Internal Rate of Return (IRR)	14.247%	(\$2,365,693)	\$7,352,401	\$7,423,611	\$7,496,298	\$7,570,485	\$7,646,194	\$7,723,448	\$7,802,272	\$8,978,230	
	(\$40,460,000)	0.93350	0.87143	0.81348	0.75938	0.70889	0.66175	0.61774	0.57666	0.53832	\$146



Land Residual Analysis

Land Residual Analysis - Age Qualified, Single Family Alley												
Quarter:	0	1	2	3	4	5	6	7	8	9	10	Total
ABSORPTION												
Sales		5	5	5	5	5	5	5	5	4	0	44
Close of Escrow (COE)		0	5	5	5	5	5	5	5	5	4	44
Unsold Inventory	44	39	34	29	24	19	14	9	4	0	0	
Sales Revenue (Before Appreciation)		\$ 8,506,841	\$ 8,506,841	\$ 8,506,841	\$ 8,506,841	\$ 8,506,841	\$ 8,506,841	\$ 8,506,841	\$ 8,506,841	\$ 6,805,473	\$ -	
Annual Appreciation Factor	0%	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	
Sales Revenue (After Appreciation)		\$ 8,506,841	\$ 8,506,841	\$ 8,506,841	\$ 8,506,841	\$ 8,506,841	\$ 8,506,841	\$ 8,506,841	\$ 8,506,841	\$ 6,805,473	\$ -	\$ 74,860,200
Total Sales Revenue (at Close of Escrow)		\$ -	\$ 8,506,841	\$ 8,506,841	\$ 8,506,841	\$ 8,506,841	\$ 8,506,841	\$ 8,506,841	\$ 8,506,841	\$ 8,506,841	\$ 6,805,473	\$ 74,860,200
EXPENSES AND CASH FLOWS												
General and Administrative	2.0%	\$ (149,720)	\$ (149,720)	\$ (149,720)	\$ (149,720)	\$ (149,720)	\$ (149,720)	\$ (149,720)	\$ (149,720)	\$ (149,720)	\$ (149,720)	\$ (1,497,204)
Marketing and Sales	5.0%	\$ -	\$ (425,342)	\$ (425,342)	\$ (425,342)	\$ (425,342)	\$ (425,342)	\$ (425,342)	\$ (425,342)	\$ (425,342)	\$ (340,274)	\$ (3,743,010)
Ad Valorem Taxes (\$/unit/yr)	\$9,333	\$ (102,667)	\$ (91,455)	\$ (80,129)	\$ (68,687)	\$ (57,128)	\$ (45,453)	\$ (33,659)	\$ (21,746)	\$ (9,713)	\$ -	\$ (510,636)
Direct Charges (\$/unit/yr)	\$17	\$ (187)	\$ (167)	\$ (146)	\$ (125)	\$ (104)	\$ (83)	\$ (61)	\$ (40)	\$ (18)	\$ -	\$ (930)
Special Taxes/Assessments (\$/unit/yr)	\$14,642	\$ (161,062)	\$ (143,473)	\$ (125,705)	\$ (107,755)	\$ (89,622)	\$ (71,306)	\$ (52,804)	\$ (34,115)	\$ (15,238)	\$ -	\$ (801,080)
Homeowner's Association Fees (\$/unit/mo)	\$292	\$ -	\$ (4,380)	\$ (4,380)	\$ (4,380)	\$ (4,380)	\$ (4,380)	\$ (4,380)	\$ (4,380)	\$ (3,504)	\$ -	\$ (34,164)
Model Costs		\$ (450,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (450,000)
Permits and Fees		\$ (12,500)	\$ (12,500)	\$ (12,500)	\$ (12,500)	\$ (12,500)	\$ (12,500)	\$ (12,500)	\$ (12,500)	\$ (10,000)	\$ -	\$ (110,000)
Subtotal:		\$ (876,136)	\$ (827,037)	\$ (797,922)	\$ (768,509)	\$ (738,797)	\$ (708,784)	\$ (678,466)	\$ (647,843)	\$ (613,535)	\$ (489,994)	\$ (7,147,023)
Direct Construction Costs		\$ (776,250)	\$ (1,552,500)	\$ (1,552,500)	\$ (1,552,500)	\$ (1,552,500)	\$ (1,552,500)	\$ (1,552,500)	\$ (1,552,500)	\$ (1,397,250)	\$ (621,000)	
Annual Appreciation Factor	0%	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	
Direct Construction Costs (Appreciated)		\$ (776,250)	\$ (1,552,500)	\$ (1,552,500)	\$ (1,552,500)	\$ (1,552,500)	\$ (1,552,500)	\$ (1,552,500)	\$ (1,552,500)	\$ (1,397,250)	\$ (621,000)	\$ (13,662,000)
Indirect Construction Costs	10%	\$ (77,625)	\$ (155,250)	\$ (155,250)	\$ (155,250)	\$ (155,250)	\$ (155,250)	\$ (155,250)	\$ (155,250)	\$ (139,725)	\$ (62,100)	\$ (1,366,200)
Subtotal:		\$ (853,875)	\$ (1,707,750)	\$ (1,707,750)	\$ (1,707,750)	\$ (1,707,750)	\$ (1,707,750)	\$ (1,707,750)	\$ (1,707,750)	\$ (1,536,975)	\$ (683,100)	\$ (15,028,200)
Total Expenses		\$ (1,730,011)	\$ (2,534,787)	\$ (2,505,672)	\$ (2,476,259)	\$ (2,446,547)	\$ (2,416,534)	\$ (2,386,216)	\$ (2,355,593)	\$ (2,150,510)	\$ (1,173,094)	\$ (22,175,223)
NET INCOME BEFORE DEVELOPER'S INCENTIVE		\$ (1,730,011)	\$ 5,972,054	\$ 6,001,169	\$ 6,030,582	\$ 6,060,294	\$ 6,090,307	\$ 6,120,624	\$ 6,151,248	\$ 6,356,330	\$ 5,632,379	\$ 52,684,977
Developers Incentive	15.00%	\$ -	\$ (1,276,026)	\$ (1,276,026)	\$ (1,276,026)	\$ (1,276,026)	\$ (1,276,026)	\$ (1,276,026)	\$ (1,276,026)	\$ (1,276,026)	\$ (1,020,821)	\$ (11,229,030)
NET INCOME BEFORE DISCOUNTING		\$ (1,730,011)	\$ 4,696,028	\$ 4,725,143	\$ 4,754,556	\$ 4,784,268	\$ 4,814,281	\$ 4,844,598	\$ 4,875,222	\$ 5,080,304	\$ 4,611,558	\$ 41,455,947
Present Value Factors												
Discount Rate	5.00%	0.98765	0.97546	0.96342	0.95152	0.93978	0.92817	0.91672	0.90540	0.89422	0.88318	
Discounted Cash Flow		\$ (1,708,653)	\$ 4,580,792	\$ 4,552,290	\$ 4,524,075	\$ 4,496,145	\$ 4,468,495	\$ 4,441,120	\$ 4,414,018	\$ 4,542,913	\$ 4,072,840	\$ 38,384,036
Net Present Value (Rounded)												\$ 38,380,000
											per unit:	\$872,273
Implied Internal Rate of Return (IRR)	21.650%	(\$1,730,011)	\$5,972,054	\$6,001,169	\$6,030,582	\$6,060,294	\$6,090,307	\$6,120,624	\$6,151,248	\$6,356,330	\$5,632,379	
	(\$38,380,000)	(\$1,641,182)	\$5,374,517	\$5,123,415	\$4,884,170	\$4,656,216	\$4,439,014	\$4,232,051	\$4,034,840	\$3,955,282	\$3,324,840	\$3,164



Land Residual Analysis

Land Residual Analysis - Age Qualified, SFD Traditional											
Semiannual (6 Months):	0	1	2	3	4	5	6	7	8	9	Total
ABSORPTION											
Sales		10	10	10	10	10	10	10	12	0	82
Close of Escrow (COE)		0	10	10	10	10	10	10	10	12	82
Unsold Inventory	82	72	62	52	42	32	22	12	0	0	
Sales Revenue (Before Appreciation)		\$ 17,824,939	\$ 17,824,939	\$ 17,824,939	\$ 17,824,939	\$ 17,824,939	\$ 17,824,939	\$ 17,824,939	\$ 21,389,927	\$ -	
Annual Appreciation Factor	0%	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	
Sales Revenue (After Appreciation)		\$ 17,824,939	\$ 17,824,939	\$ 17,824,939	\$ 17,824,939	\$ 17,824,939	\$ 17,824,939	\$ 17,824,939	\$ 21,389,927	\$ -	\$ 146,164,500
Total Sales Revenue (at Close of Escrow)		\$ -	\$ 17,824,939	\$ 17,824,939	\$ 17,824,939	\$ 17,824,939	\$ 17,824,939	\$ 17,824,939	\$ 17,824,939	\$ 21,389,927	\$ 146,164,500
EXPENSES AND CASH FLOWS											
General and Administrative	2.0%	\$ (324,810)	\$ (324,810)	\$ (324,810)	\$ (324,810)	\$ (324,810)	\$ (324,810)	\$ (324,810)	\$ (324,810)	\$ (324,810)	\$ (2,923,290)
Marketing and Sales	5.0%	\$ -	\$ (891,247)	\$ (891,247)	\$ (891,247)	\$ (891,247)	\$ (891,247)	\$ (891,247)	\$ (891,247)	\$ (1,069,496)	\$ (7,308,225)
Ad Valorem Taxes (\$/unit/yr)	\$9,073	\$ (371,986)	\$ (329,888)	\$ (286,911)	\$ (243,041)	\$ (198,265)	\$ (152,570)	\$ (105,941)	\$ (58,364)	\$ -	\$ (1,746,965)
Direct Charges (\$/unit/yr)	\$17	\$ (697)	\$ (618)	\$ (538)	\$ (455)	\$ (371)	\$ (286)	\$ (199)	\$ (109)	\$ -	\$ (3,273)
Special Taxes/Assessments (\$/unit/yr)	\$13,627	\$ (558,707)	\$ (495,478)	\$ (430,928)	\$ (365,038)	\$ (297,787)	\$ (229,154)	\$ (159,119)	\$ (87,660)	\$ -	\$ (2,623,869)
Homeowner's Association Fees (\$/unit/mo)	\$412	\$ -	\$ (24,720)	\$ (24,720)	\$ (24,720)	\$ (24,720)	\$ (24,720)	\$ (24,720)	\$ (29,664)	\$ -	\$ (177,984)
Model Costs		\$ (750,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (750,000)
Permits and Fees		\$ (35,000)	\$ (35,000)	\$ (35,000)	\$ (35,000)	\$ (35,000)	\$ (35,000)	\$ (35,000)	\$ (42,000)	\$ -	\$ (287,000)
Subtotal:		\$ (2,041,200)	\$ (2,101,760)	\$ (1,994,153)	\$ (1,884,311)	\$ (1,772,200)	\$ (1,657,787)	\$ (1,541,035)	\$ (1,433,854)	\$ (1,394,306)	\$ (15,820,606)
Direct Construction Costs		\$ (1,552,500)	\$ (3,105,000)	\$ (3,105,000)	\$ (3,105,000)	\$ (3,105,000)	\$ (3,105,000)	\$ (3,105,000)	\$ (3,415,500)	\$ (1,863,000)	
Annual Appreciation Factor	0%	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	
Direct Construction Costs (Appreciated)		\$ (1,552,500)	\$ (3,105,000)	\$ (3,105,000)	\$ (3,105,000)	\$ (3,105,000)	\$ (3,105,000)	\$ (3,105,000)	\$ (3,415,500)	\$ (1,863,000)	\$ (25,461,000)
Indirect Construction Costs	10%	\$ (155,250)	\$ (310,500)	\$ (310,500)	\$ (310,500)	\$ (310,500)	\$ (310,500)	\$ (310,500)	\$ (341,550)	\$ (186,300)	\$ (2,546,100)
Subtotal:		\$ (1,707,750)	\$ (3,415,500)	\$ (3,415,500)	\$ (3,415,500)	\$ (3,415,500)	\$ (3,415,500)	\$ (3,415,500)	\$ (3,757,050)	\$ (2,049,300)	\$ (28,007,100)
Total Expenses		\$ (3,748,950)	\$ (5,517,260)	\$ (5,409,653)	\$ (5,299,811)	\$ (5,187,700)	\$ (5,073,287)	\$ (4,956,535)	\$ (5,190,904)	\$ (3,443,606)	\$ (43,827,706)
NET INCOME BEFORE DEVELOPER'S INCENTIVE		\$ (3,748,950)	\$ 12,307,679	\$ 12,415,286	\$ 12,525,128	\$ 12,637,239	\$ 12,751,652	\$ 12,868,404	\$ 12,634,035	\$ 17,946,320	\$ 102,336,794
Developers Incentive	15.00%	\$ -	\$ (2,673,741)	\$ (2,673,741)	\$ (2,673,741)	\$ (2,673,741)	\$ (2,673,741)	\$ (2,673,741)	\$ (2,673,741)	\$ (3,208,489)	\$ (21,924,675)
NET INCOME BEFORE DISCOUNTING		\$ (3,748,950)	\$ 9,633,938	\$ 9,741,545	\$ 9,851,387	\$ 9,963,498	\$ 10,077,912	\$ 10,194,663	\$ 9,960,294	\$ 14,737,831	\$ 80,412,119
Present Value Factors											
Discount Rate	5.00%	0.97561	0.95181	0.92860	0.90595	0.88385	0.86230	0.84127	0.82075	0.80073	
Discounted Cash Flow		\$ (3,657,512)	\$ 9,169,721	\$ 9,045,993	\$ 8,924,870	\$ 8,806,280	\$ 8,690,152	\$ 8,576,416	\$ 8,174,877	\$ 11,801,000	\$ 69,531,797
Net Present Value (Rounded)											\$ 69,530,000
											\$847,927
Implied Internal Rate of Return (IRR)	14.022%	(\$3,748,950)	\$12,307,679	\$12,415,286	\$12,525,128	\$12,637,239	\$12,751,652	\$12,868,404	\$12,634,035	\$17,946,320	
	(\$69,530,000)	(\$3,503,331)	\$10,747,793	\$10,131,447	\$9,551,432	\$9,005,547	\$8,491,725	\$8,008,031	\$7,347,079	\$9,752,582	\$2,304

Land Residual Conclusion

Planning Area / Project Name	Market Segment / Product Type	No. of Units	Density	Typical Home Size (SF)	Finished Lot Value
Planning Area 3.3					
Sapphire	All Age - SFD Small Lot	64	8.00	2,600	\$750,000
Lotus	All Age - SFD Medium Lot	56	5.96	3,000	\$880,000
Arrowleaf	All Age - SFD Large Lot	55	4.74	3,600	\$1,010,000
Planning Area 3.4					
Lavender	Age Qualified - Single Family Motorcourt	76	7.24	1,700	\$530,000
Nova	Age Qualified - Single Family Duplex	52	8.67	1,800	\$590,000
Strata	Age Qualified - Single Family Cluster	72	7.35	1,700	\$560,000
Elara	Age Qualified - Single Family Alley	44	5.79	2,700	\$870,000
Luna	Age Qualified - SFD Traditional	82	6.61	2,700	\$850,000



Sales Comparison Approach

All of the subject properties have sold or are in contract to be sold in blue top condition, whereby the properties are rough graded with backbone streets installed and utilities stubbed to the site(s). While details of each transaction have been provided for our review, they have been made confidential. Further, due to the lack of comparable bulk land sales in the subject's neighborhood and surrounding areas, we have arrayed available bulk land transactions as a test of reasonableness for the land residual conclusions. We searched for sale transactions within the following parameters:

- Location: Rancho Mission Viejo and comparable surrounding communities
- Use: attached and detached single-family residential
- Typical Lot Size: less than 6,000 square feet
- Number of Lots: 50 to 250 lots
- Transaction Date: within the past 24 to 36 months

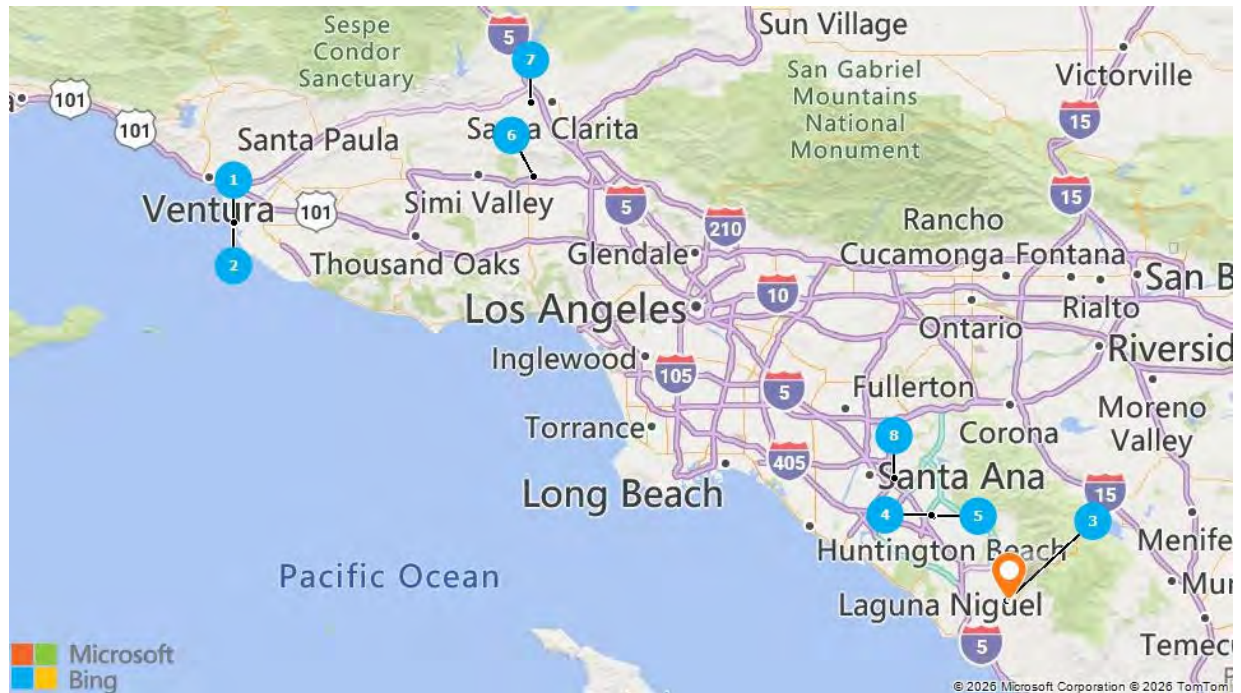
The bulk lot sales are analyzed on a finished lot basis. The most relevant sales are summarized in the following table:

Sales Comparison Approach

Summary of Comparable Land Sales

No.	Name/Address	Sale Date; Status	Sale Price	Number of Lots	\$/Lot	Expenditures After Purchase
1	Northshore at Mandalay Bay - Village A Harbor Blvd. Oxnard Ventura County Comments: The 109 lots comprising Village A within Northshore at Mandalay Bay are in-contract to a confidential homebuilder. The seller/master developer reports the lots are in-contract for approximately \$735,000 per lot and will transfer in finished lot condition. Detached condominiums with a typical lot size of 4,000 square feet are proposed for Village A. Impact fees are estimated at an additional \$110,293 per lot. The project is proposed for bond financing to reimburse the master developer for infrastructure costs and to finance impact fees; net impact fees after financing are \$59,097 per lot. The proposed special taxes for Village A are \$6,135 per lot.	Mar-26 In-Contract	\$80,115,000	109	\$735,000	\$59,097
2	Northshore at Mandalay Bay - Village C Harbor Blvd. Oxnard Ventura County Comments: This reflects a 32-lot takedown within Northshore at Mandalay Bay. Trumark is in-contract with the master developer to purchase the entirety of Village C, which includes 95 lots in total. The typical lot size for Village C is 6,000 square feet. The project is proposed for bond financing to reimburse the master developer for infrastructure costs and to finance impact fees. The proposed special taxes for Village C are \$7,244 per lot. This first takedown transferred in finished lot condition, with impact fees estimated at an additional \$110,4725 per lot; net impact fees after bond financing are \$59,097 per lot.	Jan-26 Closed	\$31,220,500	32	\$975,641	\$59,097
3	Arrowleaf 6162 Allure Dr. Mission Viejo Orange County Comments: Sale of 55 blue top lots with a typical lot size of 5,400 square feet. Finishing costs are estimated at \$124,545 per lot. Shea Homes is constructing three floor plans between 3,306 and 3,965 square feet. Home pricing is around \$1,995,000. Arrowleaf at Rienda is part of The Ranch master planned community, which approximately 23,000 acres and substantial open space.	Sep-24 Closed	\$50,900,000	55	\$925,455	\$124,545
4	Ovata at Great Park Great Park Blvd. and Bosque Irvine Orange County Comments: Sale of 61 detached condominium lots within District 1 of Great Park to builder Taylor Morrison. The lots were in blue top condition at the time of sale. The property is within Irvine Unified School District. Remaining site development costs were approximately \$43,939 per lot and impact fees are estimated at \$23,500. Special taxes are approximately \$9,118 per lot. Floor plans will range from 2,323 to 2,734 square feet.	May-24 Closed	\$54,249,000	61	\$889,328	\$67,439
5	Uly at Great Park Carmine and Terrapin Irvine Orange County Comments: Sale of 44 detached condominium lots to builder Taylor Morrison. The property is located within District 1 of Great Park, within the Irvine Unified School District. The lots were in blue top condition at the time of sale, with remaining site development costs estimated at approximately \$43,939 per lot. Impact fees are estimated at \$23,500, and special taxes are approximately \$9,118 per lot. Floor plans will range from 2,081 to 3,009 square feet.	Apr-24 Closed	\$41,890,816	44	\$952,064	\$67,439
6	Deerlake Ranch (portion of) Deerlake Ranch Rd. Chatsworth Los Angeles County Comments: This is a sale of 45 essentially finished lots within Deerlake Ranch comprising portions of two existing communities Horizon and Skyline at Deerlake Ranch. The finished lot is estimated at \$662,556 per lot. A building permit is estimated at \$5,000 per lot. It is unclear if the project is going to utilize bond financing; however, given the prevalence of bond financing in the region, it is estimated the project would have an annual special tax of \$7,000 per lot, which is consistent with other projects in the region.	Dec-23 Closed	\$27,578,556	45	\$612,857	\$54,699
7	Skylar II Neighborhood Magic Mountain Pky. Santa Clarita Los Angeles County Comments: The Valencia Skylar II neighborhood sold in August 2023 for \$25,275,101, or \$407,663 per unit. The neighborhood plans for detached homes at a density of 5.7 units per acre (5,500 SF lots). Additional in-tract costs and permits and fees were estimated to total \$100,000 per unit.	Aug-23 Closed	\$25,275,101 \$0	62	\$407,663	\$100,000
8	The Jessup 17802 Irvine Blvd. Tustin Orange County Comments: This property comprises 1.02 acres and was improved with an office building at the time of sale. However, the property has an approved tentative map for 40 small lot homes. Finished lot value is \$365,000.	Mar-23 Closed	\$8,250,000	40	\$206,250	\$158,750
Subject IA No. 1 of CFD No. 2025-1 of the County of Orange (Rienda 3)				501		

Comparable Land Sales Map



The sales range from \$365,000 to \$1,050,000 per finished lot. Our land residual conclusions fall within the comparable range and are considered reasonable. Further, all of the subject properties have sold. While details of each transaction have been provided for our review, they have been made confidential. Our value conclusions are supported by the contract prices of the subject properties.

Market Valuation – Multifamily Land

This section of the appraisal is concerned with the valuation of the Multifamily Land component of the subject property. The subject multifamily land encompasses three contiguous parcels proposed for the development of 217 market-rate apartments on 12.53 acres, implying a density of 17.31 units per acre.

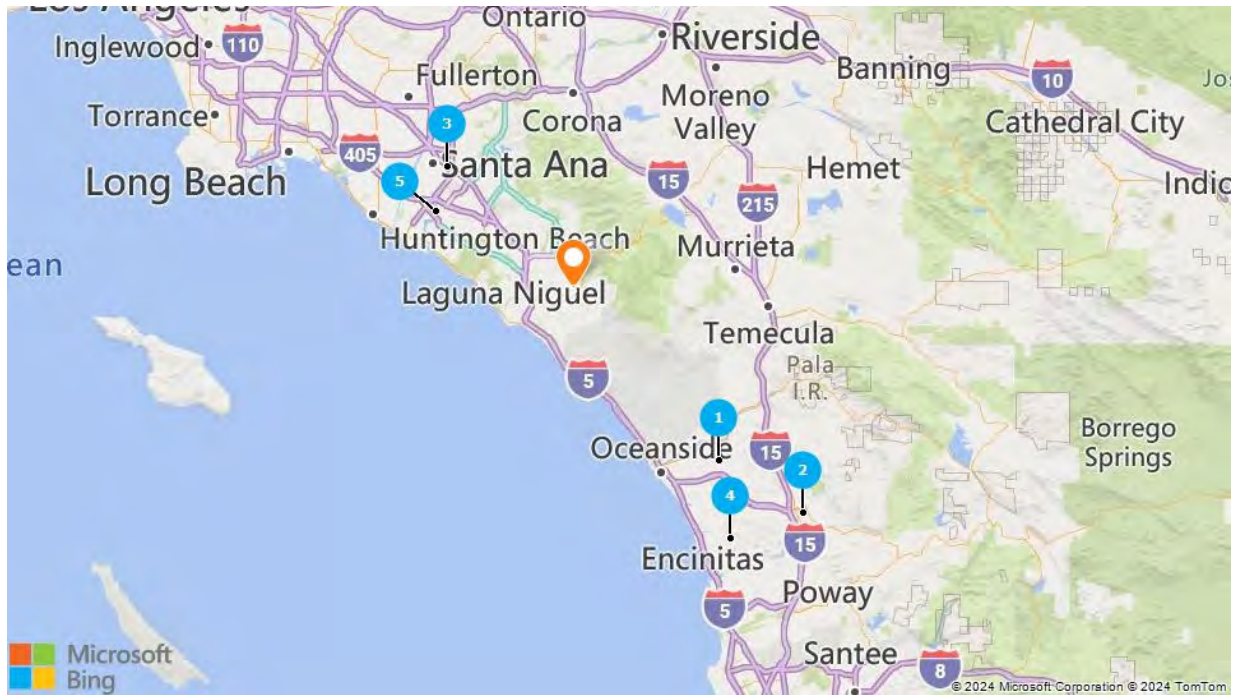
To apply the sales comparison approach to the Multifamily Land component, we searched for sale transactions most relevant to the subject in terms of location, size, highest and best use, and transaction date. Using price per square foot as the appropriate unit of comparison, we summarize the most relevant sales in the following table.

Market Valuation – Multifamily Land

Summary of Comparable Land Sales

No.	Name/Address	Sale Date; Status	Sale Price	SF; Acres	Zoning	\$/SF Land	\$/Acre
1	SEC Oceanside Blvd & Melrose Dr Oceanside Blvd & Melrose Dr Oceanside San Diego County CA	Dec-23 Closed	\$13,000,000	388,991 8.93	CN	\$33.42	\$1,455,767
	Comments: The primary site area contains 7.30 acres within the city of Oceanside which will be developed to a mixed-use project. The sale also included an adjacent 1.63 acre parcel located in the city of Vista, which is zoned for single family use and will not be part of the proposed project. The buyer obtained entitlements for a mixed-use project consisting of 323 apartment units and 2,365 square feet of commercial space. A density bonus was obtained by setting aside 33 units for very low income residents. The base zoning density is 29 units per acre, and thus the base unit yield is 211. The site is across the street from a Sprinter station.						
2	Palomar Heights 555 E. Valley Pky Escondido San Diego County CA	May-22 Closed	\$55,000,000	609,840 14.00	S-P	\$90.19	\$3,928,571
	Comments: On 5/3/2022, Integral Communities sold 14 acres of land at 555 E Valley Pky in Escondido, CA to Greystar Real Estate Partners for \$55,000,000, or \$3,928,571 per acre. The property is set to be the location for a mixed-use development called Palomar Heights. The current proposal shows 258 apartment units (for-rent), 90 senior apartment units (for-rent), and 162 row-homes and villas (for-sale), with accessory residential amenities and up to 12,000 square feet of commercial/office space on approximately 13.8 acres at the east end of downtown.						
3	200 N. Cabrillo Park 200 N. Cabrillo Park Dr. Santa Ana Orange County CA	Dec-21 Closed	\$6,500,000	132,422 3.04	SD54	\$49.09	\$2,138,158
	Comments: This is the sale of 2.79-acres that is fully entitled for 260 luxury apartment homes called The Madison in Santa Ana CA. The property is contiguous to Interstate 5, immediately north of the Interstate 5 / State Route 55 interchange and well situated between two class-A office towers.						
4	La Costa Town Center La Costa Ave. Carlsbad San Diego County CA	Sep-21 Closed	\$21,650,000	275,299 6.32	P-C	\$78.64	\$3,425,633
	Comments: Sale of a vacant site zoned P-D adjacent to a shopping center. Site has entitlements for development of a 95-unit apartment property.						
5	1660 Dove St. Et al. 1660 Dove St. Newport Beach Orange County CA	Jun-21 Closed	\$45,000,000	247,726 5.69	PC-11	\$181.65	\$7,912,784
	Comments: The site has frontage along four streets and is bounded by Dove Street on the south, Scott Drive on the west, Corinthian Way on the north, and Martingale Way on the east. The site is surrounded by retail to the west, a mix of retail and hospitality to the north, and office to the east and west. At the time of sale, the site was improved with MacArthur Square, consisting of eight office and retail buildings totaling 58,196 square feet. Several units were leased and generating interim income until the site is redeveloped. The buyer purchased the site in order to redevelop it with a mixed-use retail and multifamily project known as The Newport Crossings. The project consists of 350 residential units, 2,000 square feet of "casual-dining" restaurant space, and 5,500 square feet of retail space. The site was fully entitled for this project at the time of sale.						

Comparable Land Sales Map – Multifamily Land



Analysis and Adjustment of Sales

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

Adjustment Factor	Accounts For	Comments
Effective Sale Price	Atypical economics of a transaction, such as demolition cost or expenditures by buyer at time of purchase.	No adjustments are warranted.
Real Property Rights	Fee simple, leased fee, leasehold, partial interest, etc.	All the comparables represent fee simple estate transactions. Therefore, adjustments for property rights are not necessary.
Financing Terms	Seller financing, or assumption of existing financing, at non-market terms.	All of the comparable sales were cash to the seller transactions and do not require adjustments.
Conditions of Sale	Extraordinary motivation of buyer or seller, assemblage, forced sale.	All of the comparable transactions were arms-length and do not require a conditions of sale adjustment.
Market Conditions	Changes in the economic environment over time that affect the appreciation and depreciation of real estate.	Multifamily land prices have remained relatively stable over the past few years as rising construction costs have offset the undersupply of vacant developable land in the area. Based on these considerations, no adjustments for market conditions are considered necessary.
Location	Market or submarket area influences on sale price; surrounding land use influences.	The subject is located in the Rancho Mission Viejo community of Orange County. Comparables 1, 2 and 4 are in northwestern San Diego County, areas considered to be inferior to the subject and upward adjustments are applied. Comparable 5 is in Newport Beach and a downward adjustment is applied for its superior location.
Access/Exposure	Convenience to transportation facilities; ease of site access; visibility; traffic counts.	No adjustments are warranted.

Market Valuation – Multifamily Land

Adjustment Factor	Accounts For	Comments
Size (Number of Units)	Inverse relationship that often exists between parcel size and unit value.	A downward adjustment is applied to Comparable 2 as it can accommodate significantly more units than the subject. Conversely, an upward adjustment is applied to Comparable 4 for its smaller size.
Shape and Topography	Primary physical factors that affect the utility of a site for its highest and best use.	No adjustments are required in this category.
Density (Units per Acre)	Properties that allow for lower density development sell for less per unit than those that allow for higher density development.	Comparables 2, 3 and 5 are planned for significantly higher densities and upward adjustments are applied. No other adjustments are warranted for this element of comparison.
Zoning /Entitlements	Government regulations that affect the types and intensities of uses allowable on a site. The specific level of governmental approvals attained pertaining to development of a site.	In addition to multifamily units, Comparable 2 is also proposed to include a for-sale product; therefore, a downward adjustment is applied. No other adjustments are warranted.

Market Valuation – Multifamily Land

The following table summarizes the adjustments we make to each sale.

Land Sales Adjustment Grid						
	Subject	Comparable 1	Comparable 2	Comparable 3	Comparable 4	Comparable 5
Name	Rienda 3	SEC Oceanside Blvd & Melrose Dr	Palomar Heights	200 N. Cabrillo Park	La Costa Town Center	1660 Dove St. Et al.
Address	Pablo Way	Oceanside Blvd & Melrose Dr	555 E. Valley Pky	200 N. Cabrillo Park Dr.	La Costa Ave.	1660 Dove St.
City	Rancho Mission Viejo	Oceanside	Escondido	Santa Ana	Carlsbad	Newport Beach
County	Orange	San Diego	San Diego	Orange	San Diego	Orange
State	California	CA	CA	CA	CA	CA
Sale Date		Dec-23	May-22	Dec-21	Sep-21	Jun-21
Sale Status		Closed	Closed	Closed	Closed	Closed
Sale Price		\$13,000,000	\$55,000,000	\$6,500,000	\$21,650,000	\$45,000,000
Square Feet	545,939	388,991	609,840	132,422	275,299	247,726
Acres	12.53	8.93	14.00	3.04	6.32	5.69
Zoned Units	217	211	510	260	95	350
Units Per Acre	17.31	23.63	36.43	85.53	15.03	61.54
Price per Square Foot		\$33.42	\$90.19	\$49.09	\$78.64	\$181.65
Transactional Adjustments						
Property Rights		Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Ranking		–	–	–	–	–
Financing Terms		Cash to seller	Cash to seller	Cash to seller	Cash to seller	Cash to seller
Ranking		–	–	–	–	–
Conditions of Sale		Arm's-length	Arm's-length	Arm's-length	Arm's-length	Arm's-length
Ranking		–	–	–	–	–
Expenditures Made Immediately After Purchase		None	None	None	None	None
Ranking		–	–	–	–	–
Market Conditions	2/25/2026	Dec-23	May-22	Dec-21	Sep-21	Jun-21
Annual % Adjustment		–	–	–	–	–
Property Adjustments						
Location		Inferior	Inferior	–	Inferior	Very Superior
Access/Exposure		–	–	–	–	–
Size (No. of Units)		–	Superior	–	Inferior	–
Shape and Topography		–	–	–	–	–
Density (Units per Acre)		–	Inferior	Inferior	–	Inferior
Zoning		–	Superior	–	–	–
Overall Ranking		Inferior	Similar	Inferior	Inferior	Superior
Indicated Value		\$90.00				

Market Valuation – Multifamily Land

Land Value Conclusion – Multifamily Land

After accounting for bonds, the unadjusted sale prices of the comparable sales ranged from \$33.42 to \$181.65 per square foot. Given the analysis on the preceding pages, a ranking analysis of the subject property and the comparable sales is presented as follows:

Ranking Analysis and Reconciliation

Comparable No.	Overall Comparability	Price per Square	
		Foot	Estimated Value
1	Inferior	\$33.42	
3	Inferior	\$49.09	
4	Inferior	\$78.64	
Subject			\$90.00
2	Similar	\$90.19	
5	Superior	\$181.65	
Estimated Unit Value			\$90.00

Land Value Conclusion

Indicated Value per Square Foot	\$90.00
Subject Square Feet	<u>545,939</u>
Indicated Value	\$49,134,552
Rounded	\$49,130,000
	<i>\$3,920,990 per acre</i>

Market Value by Ownership

Market Value by Ownership

The purpose of the appraisal is to provide an indication of market value by ownership. There are multiple components appraised which vary by ownership entity. In this section, the previously concluded component market values will be allocated to each ownership group comprising the appraised properties in order to provide a market value of the appraised properties by ownership.

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

Appraised Property Summary by Ownership							
Owner	Multifamily Parcels	Unimproved SFR Lots	Partially Improved SFR Lots	Finished SFR Lots	Partially Completed Homes	Completed Homes	Total
RMV PA3 Development, LLC	3	0	0	0	--	--	3
Trumark	--	0	0	43	16	12	71
Shea	--	0	0	26	17	8	51
TriPointe	--	42	20	4	8	2	76
Lennar	--	14	50	7	20	28	119
Pulte	--	65	15	22	18	5	125
Individual Homeowners	--	--	--	--	--	59	59
TOTAL	3	121	85	102	79	114	504

In light of the fact the master developer and merchant builders each possess a number of lot(s) that could sell in bulk, assuming they are not exposed concurrently, within 12 months, no additional discounting is necessary beyond the market value, in bulk, of the various single-family residential lot categories previously estimated. In addition, the merchant builders each possess a number of completed homes that could sell within 12 months based on current absorption estimates and no additional discounting is necessary.

The subject projects comprise lots at various stages of development, from unimproved lots to partially improved lots to finished lots with homes under construction, as well as lots with completed homes. To arrive at the market value by ownership, the previously concluded "not-less-than" value for the smallest floor plan are applied to the completed homes within each product line.

The previously concluded finished lot values are applied to the homes under construction, with the contributory value of the building permit considered herein.

Based on the builder site development costs provided, and considering remaining site development costs reported the remaining site development costs will be applied evenly to all lots within each respective project, except for the lots with a completed home. Details of the remaining site development costs are provided in the following table.

Market Value by Ownership

Builder Site Development Costs			
Project Name	Budgeted Costs*	Spent to Date*	Remaining Costs**
Planning Area 3.3			
Sapphire	\$19,464,832	(\$17,335,866)	\$2,128,966
	\$304,138 per unit	(\$270,873) per unit	\$54,589 per unit
Lotus	\$19,742,128	(\$18,557,600)	\$1,184,528
	\$352,538 per unit	(\$331,386) per unit	\$59,226 per unit
Arrowleaf	\$12,989,075	(\$8,738,105)	\$4,250,970
	\$236,165 per unit	(\$158,875) per unit	\$98,860 per unit
Planning Area 3.4			
Lavender	\$12,966,284	(\$4,947,661)	\$8,018,623
	\$170,609 per unit	(\$65,101) per unit	\$108,360 per unit
Nova	\$8,721,596	(\$7,715,258)	\$1,006,338
	\$167,723 per unit	(\$148,370) per unit	\$26,483 per unit
Strata	\$14,635,008	(\$12,195,840)	\$2,439,168
	\$203,264 per unit	(\$169,387) per unit	\$46,022 per unit
Elara	\$11,763,136	(\$5,079,536)	\$6,683,600
	\$267,344 per unit	(\$115,444) per unit	\$163,015 per unit
Luna	\$20,141,004	(\$5,649,306)	\$14,491,698
	\$245,622 per unit	(\$68,894) per unit	\$183,439 per unit
* Costs per unit derived from total number of lots			
** Costs per unit derived from total number of lots, less lots with completed homes			

In addition, there are remaining off-site cost obligations associated with the subject. The following table summarizes the major infrastructure costs, for which the total budget (\$192,914,104) is the total budgeted major infrastructure cost for all of Planning Area 3 encompassing 7,500 dwelling units. According to the master developer, the majority of these costs spent to date are specific to the subject lots and none of the remaining major infrastructure costs (\$77,497,082) are required to be spent to build out the subject property (CFD No. 2025-01 (Improvement Area 1)).

Market Value by Ownership

Cost Obligation Summary: Planning Area 3 Major Infrastructure

Improvements	Budget*	Spent to Date	Remaining Costs**
Cow Camp Road	\$ 15,000,000	\$ 5,865,458	\$ 9,134,542
Public Storm Drain - Flood Basin	\$ 54,886,104	\$ 31,620,362	\$ 23,265,741
Bucker Road and Bridge	\$ 20,000,000	\$ 1,259,296	\$ 18,740,704
Ranch Canyon Road	\$ 2,988,000	\$ -	\$ 2,988,000
Rienda Park	\$ 10,040,000	\$ 671,906	\$ 9,368,094
CUSD School Facilities	\$ 90,000,000	\$ 76,000,000	\$ 14,000,000
Total Major Infrastructure	\$ 192,914,104	\$ 115,417,022	\$ 77,497,082

*Inclusive of Planning Area 3, which makes up a total of 7,500 total dwelling units; CFD No. 2025-01 (IA1) encompasses 501 dwelling units in Planning Area 3

**None of the remaining Major Infrastructure Costs are required to be spent to build out CFD No. 2025-01 (IA1)

This analysis considers only the remaining development costs of \$21,331,047, shown below, net of estimated CFD No. 2025-1 IA No. 1 County of Orange Bond Proceeds. It is noted, \$75,000,000 in 2026 bond proceeds are anticipated to be allocated for CUSD School Facilities (Planning Area 3 major infrastructure cost) referenced above. The balance of projected CFD Bond proceeds are applied below to offsite infrastructure costs specifically related to units within the improvement area proposed.

Cost Obligation Summary: Rienda 3 IA 1 Offsite Development Costs

Improvements	Budget	Spent to Date	Remaining Costs	Costs Funded with CFD Bond Proceeds	Remaining Costs Net of CFD Bond Proceeds
Development Costs					
Design/Engineering/Fees/Bonds (Project Soft Costs)	\$ 19,940,146	\$ 17,795,154	\$ 2,144,992	\$ 2,144,992	\$ -
Grading/Storm Drain	\$ 52,238,128	\$ 50,170,012	\$ 2,068,116	\$ 2,068,116	\$ -
Streets/Wet & Dry Utilities	\$ 43,291,502	\$ 31,086,408	\$ 12,205,093	\$ 12,205,093	\$ -
Landscape/Hardscape	\$ 15,670,528	\$ 8,361,798	\$ 7,308,731	\$ -	\$ 7,308,731
Parks/Trails	\$ 3,284,506	\$ 1,186,132	\$ 2,098,374	\$ -	\$ 2,098,374
Amenities/Clubhouse	\$ 26,467,000	\$ 17,468,869	\$ 8,998,131	\$ -	\$ 8,998,131
Indirect Construction Costs*	\$ 9,204,548	\$ 7,436,918	\$ 1,767,630	\$ 833,437	\$ 934,192
Impact Fees					
Impact Fees (TCA, SMWD, Library)	\$ 5,471,877	\$ 3,480,258	\$ 1,991,619	\$ -	\$ 1,991,619
Total Development Costs	\$ 175,568,235	\$ 136,985,549	\$ 38,582,686	\$ 17,251,639	\$ 21,331,047

*CFD Bond Proceeds applicable to the indirect costs is based on a ratio of 47.15% of remaining indirect costs

The analysis herein considers only the remaining development costs of \$21,331,047, shown below, net of estimated CFD No. 2025-1 County of Orange Bond Proceeds. It is noted, \$75,000,000 in 2026 bond proceeds are anticipated to be allocated for CUSD School Facilities (Planning Area 3 major

Market Value by Ownership

infrastructure cost) referenced above. The balance of projected CFD Bond proceeds are applied below to offsite infrastructure costs specifically related to units within the improvement area proposed.

Allocation of Remaining Costs Net of CFD Bond Proceeds

Land Use	Allocation of		
	Acres	Remaining Costs	
Single-Family Units	116.47	\$ 19,259,124	\$43,573 per unit
Multifamily Units	<u>12.53</u>	<u>\$ 2,071,923</u>	\$165,357 per acre
	129.00	\$ 21,331,047	

Remaining Costs Net of CFD Bond Proceeds \$ 21,331,047
\$165,356.95 per acre

Based on the previous analyses, the estimates of market value, by ownership, subject to the impact of the Lien of the Special Tax securing the IA No. 1 of the CFD No. 2025-1 of the County of Orange (Rienda 3), as of the date of value, February 25, 2026, are presented in the following table.

Market Value by Ownership

Market Value by Ownership							
	Lots/ Homes/ Acres	Concluded Unit Value	Remaining Off-Site Costs	Remaining Builder Site Development Costs	Building Permit	Value per Component (Rounded)	Market Value
RMV PA3 Development, LLC							
Multifamily Land	12.53	\$3,920,990 (\$90.00/SF)	(\$165,357)			\$3,755,633	<u>\$47,058,000</u>
Total - RMV PA3 Development, LLC	12.53						\$47,058,000
Trumark							
Finished Lots							
Sapphire: MR - SFD Small Lot	35	\$750,000	(\$43,573)	(\$54,589)		\$652,000	\$22,820,000
Lotus: MR - SFD Medium Lot	8	\$880,000	(\$43,573)	(\$59,226)		\$777,000	\$6,216,000
	43						\$29,036,000
Homes Under Construction							
Sapphire: MR - SFD Small Lot	4	\$750,000	(\$43,573)	(\$54,589)	\$3,500	\$655,000	\$2,620,000
Lotus: MR - SFD Medium Lot	12	\$880,000	(\$43,573)	(\$59,226)	\$3,500	\$781,000	\$9,372,000
	16						\$11,992,000
Completed Homes*							
Sapphire: MR - SFD Small Lot	5	\$1,330,000	(\$43,573)			\$1,286,000	\$6,430,000
Lotus: MR - SFD Medium Lot	7	\$1,550,000	(\$43,573)			\$1,506,000	\$10,542,000
	12						\$16,972,000
Total - Trumark	71						\$58,000,000
Shea							
Finished Lots							
Arrowleaf: MR - SFD Large Lot	26	\$1,010,000	(\$43,573)	(\$98,860)		\$868,000	\$22,568,000
	26						\$22,568,000
Homes Under Construction							
Arrowleaf: MR - SFD Large Lot	17	\$1,010,000	(\$43,573)	(\$98,860)	\$3,500	\$871,000	\$14,807,000
	17						\$14,807,000
Completed Homes*							
Arrowleaf: MR - SFD Large Lot	8	\$1,750,000	(\$43,573)			\$1,706,000	\$13,648,000
	8						\$13,648,000
Total - Shea	51						\$51,023,000
TriPointe							
Unimproved Lots							
Lavender: AQ - Single Family Motorcourt	42	\$530,000	(\$43,573)	(\$108,360)		\$378,000	\$15,876,000
	42						\$15,876,000
Partially-Improved Lots							
Lavender: AQ - Single Family Motorcourt	20	\$530,000	(\$43,573)	(\$108,360)		\$378,000	\$7,560,000
	20						\$7,560,000
Finished Lots							
Lavender: AQ - Single Family Motorcourt	4	\$530,000	(\$43,573)	(\$108,360)		\$378,000	\$1,512,000
	4						\$1,512,000
Homes Under Construction							
Lavender: AQ - Single Family Motorcourt	8	\$530,000	(\$43,573)	(\$108,360)	\$2,500	\$381,000	\$3,048,000
	8						\$3,048,000
Completed Homes*							
Lavender: AQ - Single Family Motorcourt	2	\$935,000	(\$43,573)			\$891,000	\$1,782,000
	2						\$1,782,000
Total - TriPointe	76						\$29,778,000

*Not-less-than

Market Value by Ownership

Market Value by Ownership (Continued)							
	Lots/ Homes	Lot/Home Value	Remaining Off-Site Costs	Remaining Builder Site Development Costs	Building Permit	Value per Component (Rounded)	Market Value
Lennar							
Unimproved Lots							
Strata: AQ - Single Family Cluster	14	\$560,000	(\$43,573)	(\$46,022)		\$470,000	\$6,580,000
	14						\$6,580,000
Partially-Improved Lots							
Nova: AQ - Single Family Duplex	20	\$590,000	(\$43,573)	(\$26,483)		\$520,000	\$10,400,000
Strata: AQ - Single Family Cluster	30	\$560,000	(\$43,573)	(\$46,022)		\$470,000	\$14,100,000
	50						\$24,500,000
Finished Lots							
Nova: AQ - Single Family Duplex	4	\$590,000	(\$43,573)	(\$26,483)		\$520,000	\$2,080,000
Strata: AQ - Single Family Cluster	3	\$560,000	(\$43,573)	(\$46,022)		\$470,000	\$1,410,000
	7						\$3,490,000
Homes Under Construction							
Nova: AQ - Single Family Duplex	14	\$590,000	(\$43,573)	(\$26,483)	\$2,500	\$522,000	\$7,308,000
Strata: AQ - Single Family Cluster	6	\$560,000	(\$43,573)	(\$46,022)	\$2,500	\$473,000	\$2,838,000
	20						\$10,146,000
Completed Homes*							
Nova: AQ - Single Family Duplex	11	\$1,550,000	(\$43,573)			\$1,506,000	\$16,566,000
Strata: AQ - Single Family Cluster	17	\$1,750,000	(\$43,573)			\$1,706,000	\$29,002,000
	28						\$45,568,000
Total - Lennar	119						\$90,284,000
Pulte							
Unimproved Lots							
Elara: AQ - Single Family Alley	2	\$870,000	(\$43,573)	(\$163,015)		\$663,000	\$1,326,000
Luna: AQ - SFD Traditional	63	\$850,000	(\$43,573)	(\$183,439)		\$623,000	\$39,249,000
	65						\$40,575,000
Partially-Improved Lots							
Elara: AQ - Single Family Alley	13	\$870,000	(\$43,573)	(\$163,015)		\$663,000	\$8,619,000
Luna: AQ - SFD Traditional	2	\$850,000	(\$43,573)	(\$183,439)		\$623,000	\$1,246,000
	15						\$9,865,000
Finished Lots							
Elara: AQ - Single Family Alley	20	\$870,000	(\$43,573)	(\$163,015)		\$663,000	\$13,260,000
Luna: AQ - SFD Traditional	2	\$850,000	(\$43,573)	(\$183,439)		\$623,000	\$1,246,000
	22						\$14,506,000
Homes Under Construction							
Elara: AQ - Single Family Alley	6	\$870,000	(\$43,573)	(\$163,015)	\$2,500	\$666,000	\$3,996,000
Luna: AQ - SFD Traditional	12	\$850,000	(\$43,573)	(\$183,439)	\$3,500	\$626,000	\$7,512,000
	18						\$11,508,000
Completed Homes*							
Elara: AQ - Single Family Alley	3	\$1,600,000	(\$43,573)			\$1,556,000	\$4,668,000
Luna: AQ - SFD Traditional	2	\$1,425,000	(\$43,573)			\$1,381,000	\$2,762,000
	5						\$7,430,000
Total - Pulte	125						\$83,884,000
Individual Homeowners							
Completed Homes*							
Sapphire: MR - SFD Small Lot	20	\$1,330,000				\$1,330,000	\$26,600,000
Lotus: MR - SFD Medium Lot	29	\$1,550,000				\$1,550,000	\$44,950,000
Arrowleaf: MR - SFD Large Lot	4	\$1,750,000				\$1,750,000	\$7,000,000
Nova: AQ - Single Family Duplex	3	\$1,020,000				\$1,020,000	\$3,060,000
Strata: AQ - Single Family Cluster	2	\$1,075,000				\$1,075,000	\$2,150,000
Luna: AQ - SFD Traditional	1	\$1,425,000				\$1,425,000	\$1,425,000
	59						\$85,185,000
Total - Individual Homeowners	59						\$85,185,000
Aggregate Value, subject to a hypothetical condition	501						\$445,212,000

*Not-less-than

Market Value by Ownership

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

Value Conclusion

Value Type & Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value, subject to a Hypothetical Condition	Fee Simple	February 25, 2026	
RMV PA3 Development, LLC			\$47,058,000
Trumark			\$58,000,000
Shea			\$51,023,000
TriPointe			\$29,778,000
Lennar			\$90,284,000
Pulte			\$83,884,000
Individual Homeowners			<u>\$85,185,000</u>
Aggregate Value			\$445,212,000

Extraordinary Assumptions and Hypothetical Conditions

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

(None)

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

1. Certain proceeds from the CFD Bonds will be used to reimburse and finance infrastructure improvements. The market values estimated herein are subject to the hypothetical condition certain authorized public improvements to be funded by proceeds from the County of Orange CFD No. 2025-1 IA No. 1 Bonds are completed. The estimates of market value account for the impact of lien of the Special Taxes securing the CFD Bonds.

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

Exposure Time

Exposure time is the length of time the subject property would have been exposed for sale in the market had it sold on the effective valuation date at the concluded market value. Exposure time is always presumed to precede the effective date of the appraisal. Based on our review of recent sales transactions for similar properties and our analysis of supply and demand in the local market, it is our opinion that the probable exposure time for the subject at the concluded market values stated previously is 12 months. As it relates to the completed home component of the subject, current market conditions indicate that 30-to-60-day exposure period is reasonable.

Marketing Time

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

Certification

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

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

Certification

14. As of the date of this report, Sara Gilbertson, MAI, Eric Segal, MAI, and Noah Kauffman, MAI, R/W-AC, have completed the continuing education program for Designated Members of the Appraisal Institute.



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



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



Noah Kauffman, MAI, R/W-AC
Certified General Real Estate Appraiser
California Certificate # 3004618

Assumptions and Limiting Conditions

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

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

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

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

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

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

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

Extraordinary Assumptions and Hypothetical Conditions

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

(None)

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

1. Certain proceeds from the CFD Bonds will be used to reimburse and finance infrastructure improvements. The market values estimated herein are subject to the hypothetical condition certain authorized public improvements to be funded by proceeds from the County of Orange CFD No. 2025-1 IA No. 1 Bonds are completed. The estimates of market value account for the impact of lien of the Special Taxes securing the CFD Bonds.

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

Addendum A

Appraiser Qualifications

Eric Segal, MAI

Experience

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

Professional Activities & Affiliations

MAI Designation, Appraisal Institute Appraisal Institute, January 2016

Licenses

California, Certified General Real Estate Appraiser, AG026558, Expires February 2027

Nevada, Certified General, A.0207666-CG, Expires January 2027

Washington, Certified General, 20100611, Expires June 2027

Education

Academic:

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

Appraisal and Real Estate Courses:

Uniform Appraisal Standards for Federal Land Acquisitions (Yellow Book)

Uniform Standards of Professional Appraisal Practice

Appraisal Principles

Basic Income Capitalization

Highest & Best Use and Market Analysis

Advanced Income Capitalization

Report Writing and Valuation Analysis

Self Storage Economics and Appraisal Seminar

Appraisal Litigation Practice and Courtroom Management

Hotel Valuations: New Techniques for today's Uncertain Times

Computer Enhanced Cash Flow Modeling

Advanced Sales Comparison & Cost Approaches

Advanced Applications

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esegal@irr.com - 213.984.4425



Eric Segal, MAI

Education (Cont'd)

Subdivision Valuation
Appraisal of Self-Storage Facilities
Appraisal of Fast Food Facilities
Appraisal of Limited Service Hotels
How Tenants Create or Destroy Value: Leasehold Valuation and its Impact on Value
Appraisal of Manufactured Homes Featuring Next Generation Manufactured Homes
Appraisal and Real Estate Courses (cont'd):
Business Practices and Ethics
IRS Valuation Update

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Noah Kauffman, MAI, R/W-AC

Experience

Mr. Kauffman is a Certified General real estate appraiser with Integra Realty Resources, a real estate appraisal firm that engages in a wide variety of real estate valuation and consultation assignments. Mr. Kauffman joined IRR's Sacramento office in 2014, following roles with financial firms including Bridgewater Associates and Trust Company of the West. Having lived in both Northern and Southern California, he brings statewide market knowledge and focuses on subdivision development appraisals for land-secured financing including Community Facilities Districts (CFDs) and Assessment Districts (ADs). He also manages the company's Right-of-Way / public acquisition appraisal services across multiple California offices. Mr. Kauffman has developed the experience and background necessary to deal with complex assignments covering an array of property types. Noah Kauffman holds the Appraisal Institute's MAI designation and the Right of Way – Appraisal Certification (R/W-AC) from the International Right of Way Association.

Licenses

California, Certified General Real Estate Appraiser, 3004618, Expires June 2027

Education

Academic:

Bachelor of Science in Agricultural Management and Rangeland Resources, University of California, Davis

Appraisal and Real Estate Courses:

Advanced Concepts & Case Studies
 Advanced Income Capitalization
 Advanced Market Analysis & Highest and Best Use
 Subdivision Valuation
 Quantitative Analysis
 Laws and Regulations for California Appraisers
 Problems in the Valuation of Partial Acquisitions
 Reviewing Appraisals in Eminent Domain
 The Uniform Act Executive Summary
 The Valuation of Partial Acquisitions
 Uniform Appraisal Standards for Federal Land Acquisitions: Practical Applications
 Ethics and the Right of Way Profession
 Farm and Rural Resources Appraisal
 Basic Appraisal Principles
 Basic Appraisal Procedures
 Business Practices and Ethics
 General Appraiser Sales Comparables Approach
 General Appraiser Site Valuation and Cost Approach
 General Appraiser Market Analysis and Highest and Best Use
 General Appraiser Report Writing and Case Studies
 General Appraiser Income Capitalization Approach Part I & II
 Residential Sales Comparables and Income Approach
 Residential Site Valuation and Cost Approach
 Residential Market Analysis and Highest and Best Use
 Residential Report Writing and Case Studies

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Noah Kauffman, MAI, R/W-AC

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

Noah J. Kauffman

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

"Certified General Real Estate Appraiser"

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

BREA APPRAISER IDENTIFICATION NUMBER: 3004618

Effective Date: June 12, 2025
 Date Expires: June 11, 2027

Angela Jemmett
 Angela Jemmett, Bureau Chief, BREA

3081417

THIS DOCUMENT CONTAINS A TRUE WATERMARK - HOLD UP TO LIGHT TO SEE "CHAIN LINK"

Sara Gilbertson, MAI

Experience

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

Licenses

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

Education

Academic:

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

Appraisal Institute Courses:

Basic Appraisal Principles

Basic Appraisal Procedures

Uniform Standards of Professional Appraisal Practice

Real Estate Finance and Statistics and Valuation Modeling

Sales Comparison Approach

Report Writing and Case Studies

Market Analysis and Highest and Best Use

Site Valuation and Cost Approach

Basic Income Capitalization

Federal and California Statutory and Regulator Laws

Quantitative Analysis

Business Practices and Ethics

Advanced Market Analysis and Highest and Best Use

Advanced Income Capitalization

Advanced Concepts and Case Studies

Integra Realty Resources - Sacramento

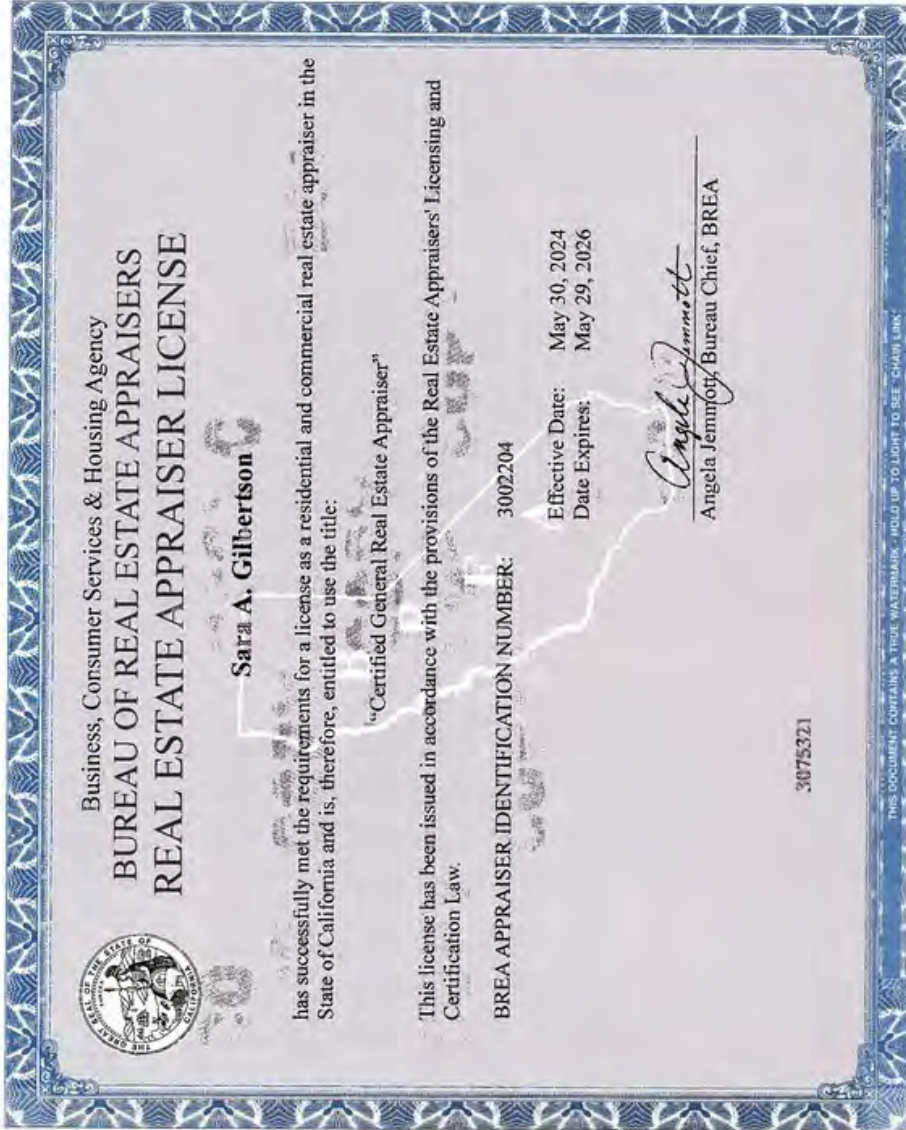
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About IRR

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

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

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

Local Expertise...Nationally!

irr.com



Addendum B

Definitions

Definitions

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

As Is Market Value

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

Disposition Value

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

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

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

Effective Date

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

Entitlement

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

Entrepreneurial Profit

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

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

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

Exposure Time

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

Fee Simple Estate

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

Floor Area Ratio (FAR)

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

Highest and Best Use

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

Investment Value

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

Lease

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

Leased Fee Interest

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

Leasehold Interest

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

Liquidation Value

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

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

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

Marketing Time

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

Market Value

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

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

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

Prospective Opinion of Value

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

Addendum C

Preliminary Title Reports



First American Title™

First American Title Company

4140 Temescal Canyon Rd, Ste 301
Corona, CA 92883

Cory Yoder
Shea Homes
2 Ada Suite 200
Irvine, CA 92618

Customer Reference: Tract No. 19303

Order Number: NHSC-7118779 (mk)

Title Officer: Michael Keough
Phone: (951)256-5827
Fax No.:
E-Mail: MKeough@firstam.com
Property: Vacant Land

PRELIMINARY REPORT

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

The printed Exceptions and Exclusions from the coverage and Limitations on Covered Risks of said policy or policies are set forth in Exhibit A attached. *The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than that set forth in the arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties.* Limitations on Covered Risks applicable to the CLTA and ALTA Homeowner's Policies of Title Insurance which establish a Deductible Amount and a Maximum Dollar Limit of Liability for certain coverages are also set forth in Exhibit A. Copies of the policy forms should be read. They are available from the office which issued this report.

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

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

Please be advised that any provision contained in this document, or in a document that is attached, linked or referenced in this document, that under applicable law illegally discriminates against a class of individuals based upon personal characteristics such as race, color, religion, sex, sexual orientation, gender identity, familial status, disability, national origin, or any other legally protected class, is illegal and unenforceable by law.

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

Dated as of August 14, 2025 at 7:30 A.M.

The form of Policy of title insurance contemplated by this report is:

DRE

A specific request should be made if another form or additional coverage is desired.

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

RMV PA3 DEVELOPMENT, LLC, A DELAWARE LIMITED LIABILITY COMPANY, AS TO LOTS 1-29, A, B, C, D, E, I AND J; AND

SHEA HOMES LIMITED PARTNERSHIP, A CALIFORNIA LIMITED PARTNERSHIP, AS TO LOTS 30-55, F, G, H AND K

The estate or interest in the land hereinafter described or referred to covered by this Report is:

Fee

The Land referred to herein is described as follows:

(See attached Legal Description)

At the date hereof exceptions to coverage in addition to the printed Exceptions and Exclusions in said policy form would be as follows:

1. General and special taxes and assessments for the fiscal year 2025-2026, a lien not yet due or payable.
2. Taxes and assessments. Report to follow. Please verify before closing.
3. The lien of special tax assessed pursuant to Chapter 2.5 commencing with Section 53311 of the California Government Code for Community Facilities District 2025-1 (Rienda) (Improvement Area No. 1), as disclosed by Notice of Special Tax Lien recorded January 30, 2025 as Instrument No. 2025000041321 and amended April 22, 2025 as Instrument No. 2025000117108 both of Official Records.
4. The lien of supplemental taxes, if any, assessed pursuant to Chapter 3.5 commencing with Section 75 of the California Revenue and Taxation Code.
5. The terms and provisions contained in the document entitled "Agreement for Financing Public School Facilities" recorded June 27, 1985 as Instrument No. 85-237046 of Official Records.

6. The terms and provisions contained in the document entitled "Rancho Mission Viejo Development Agreement County of Orange (Ranch Plan Project)" recorded December 6, 2004 as Instrument No. 2004001082094 of Official Records.

The terms and provisions contained in the document entitled "Assignment and Assumption Agreement" recorded August 1, 2024 as Instrument No. 2024000197067 of Official Records.

Affects: Lots 1-55

The terms and provisions contained in the document entitled Assignment and Assumption Agreement recorded October 04, 2024 as Instrument No. 2024000258901 of Official Records.

(Affects Lots 1-26)

7. The terms and provisions contained in the document entitled "Notice of Settlement and Declaration of Restrictions" recorded August 17, 2005 as Instrument No. 2005000648330 of Official Records.
8. The terms and provisions contained in the document entitled "Secured Fire Protection Agreement" recorded April 04, 2007 as Instrument No. 2007000218114 of Official Records.
9. Covenants, conditions, restrictions, easements, assessments, liens, charges, terms and provisions in the document recorded February 7, 2013 as Instrument No. 2013000081623 and amended February 13, 2018 as Instrument No. 2018000049313 both of Official Records, which provide that a violation thereof shall not defeat or render invalid the lien of any first mortgage or deed of trust made in good faith and for value, but deleting any covenant, condition, or restriction, if any, indicating a preference, limitation, or discrimination based on race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, familial status, marital status, disability, handicap, veteran or military status, genetic information, national origin, source of income as defined in subdivision (p) of Section 12955, or ancestry, to the extent that such covenants, conditions or restrictions violate applicable state or federal laws. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.

Note: You may wish to contact the homeowners association referred to in the above document for information regarding assessments, transfer requirements or other matters.

A declaration of annexation recorded May 7, 2025 as Instrument No. 2025000132420 of Official Records.

(Affects Lots 34, 51-55 and F)

A declaration of annexation recorded June 10, 2025 as Instrument No. 2025000166263 of Official Records.

(Affects Lots 35-37 and 48-50)

A declaration of annexation recorded June 10, 2025 as Instrument No. 2025000166264 of Official Records.

(Affects Lots 38-40 and 45-47)

A declaration of annexation recorded August 20, 2025 as Instrument No. 2025000230675 of Official Records.

(Affects Lots 41-44)

10. The terms and provisions contained in the document entitled "Memorandum of School Facilities and Funding Agreement and Option to Purchase School Site" recorded January 31, 2014 as Instrument No. 2014000040452 of Official Records.
11. The terms and provisions contained in the document entitled Covenant and Declaration of Restriction recorded November 9, 2022 as Instrument No. 2022000358976 of Official Records.
12. The terms and provisions contained in the document entitled Declaration of Development Covenants, Conditions and Restrictions recorded December 13, 2022 as Instrument No. 2022000404992 of Official Records.

Document re-recorded December 14, 2022 as Instrument No. 2022000408038 of Official Records.

13. An easement shown or dedicated on Tract 17933, Book 1010, Pages 1 through 23 of Miscellaneous Maps. In favor of the County of Orange.
For: Storm drain and access and incidental purposes.

(Affects Lot B)

14. An easement shown or dedicated on Tract 17933, Book 1010, Pages 1 through 23 of Miscellaneous Maps. In favor of the Santa Margarita Water District.
For: Water, sewer and access and incidental purposes.

(Affects Lots 11, 12, 13, 19, 20, A, B and I)

15. The terms and provisions contained in the document entitled "Assignment and Assumption Agreement" recorded October 4, 2024 as Instrument No. 2024000258901 and amended July 10, 2025 as Instrument No. 2025000193668 both of Official Records.

(Affects Lots 30-55)

16. The terms and provisions contained in the document entitled DECLARATION OF RESTRICTIVE COVENANT recorded July 23, 2024 as Instrument No. 2024000185570 of Official Records.

(Affects Lots 1-55)

17. The terms and provisions contained in the document entitled "Declaration of Development Covenants, Conditions and Restrictions for Rienda Planned Community" recorded August 15, 2024 as Instrument No. 202400210237 of Official Records.

A declaration of annexation recorded September 18, 2024 as Instrument No. 2024000241750 of Official Records.

(Affects Lots 30-55, F, G, H and K)

18. The effect of a document entitled Certificate of Correction, recorded September 17, 2024 as Instrument No. 2024000239924 of Official Records.

19. The terms and provisions contained in the document entitled "Memorandum of Repurchase Option" recorded September 18, 2024 as Instrument No. 2024000241752 of Official Records.

(Affects Lots 30-55, F, G, H and K)

20. A deed of trust to secure the performance of an agreement or other obligation, recorded September 18, 2024 as Instrument No. 2024000241753 of Official Records.

Dated:	September 18, 2024
Trustor:	Shea Homes Limited Partnership, a California limited partnership
Trustee:	First American Title Insurance Company, a Nebraska corporation
Beneficiary:	RMV PA3 Development, LLC, a Delaware limited liability company

(Affects Lots 30-55, F, G, H and K)

A document recorded May 7, 2025 as Instrument No. 2025000132420 of Official Records provides that the above Deed of Trust was subordinated to the aforementioned document by a subordination included therein.

A document recorded August 20, 2025 as Instrument No. 2025000230675 of Official Records provides that the above Deed of Trust was subordinated to the aforementioned document by a subordination included therein.

21. The terms and provisions contained in the document entitled Agreement and Permission to Grade off-Site recorded September 18, 2024 as Instrument No. 2024000242137 of Official Records.

22. The following matters shown or disclosed by the filed or recorded Tract No. 19303 referred to in the legal description:

WE ALSO EXPRESSLY RESERVE FOR OURSELVES AND OUR SUCCESSORS AND ASSIGNS, TOGETHER WITH THE RIGHT TO GRANT AND TRANSFER ALL OR A PORTION OF THE SAME, THE EASEMENTS FOR RECIPROCAL INGRESS AND EGRESS PURPOSES SHOWN ON TRACT NO. 19303.

(AFFECTS LOTS A AND B)

1) DEDICATION OF A PUBLIC ROADWAY TO THE BOUNDARIES OF SAID LOTS OR PORTION THEREOF, OR GRANT OF ANOTHER PRIVATE EASEMENT WHICH PROVIDES ACCESS FROM SUCH LOT, OR PORTION THEREOF, TO A PUBLIC OR PRIVATE ROADWAY, OR

2) RECORDATION OF A MAP PURSUANT TO THE CALIFORNIA SUBDIVISION MAP ACT COVERING SAID LOTS OR PORTION THEREOF, OR ANY ADJACENT PROPERTY WHICH ESTABLISHES ROADWAYS WHICH PROVIDE ACCESS FROM SAID LOTS OR PORTION THEREOF, TO A PUBLIC OR PRIVATE ROADWAY.

CONVEYANCE OF ANY NUMBERED LOTS SHOWN ON SAID MAP MUST INCLUDE INGRESS AND EGRESS TO A PUBLIC STREET.

GENERAL NOTES:

1. TRACT NO. 19303 IS SUBJECT TO THE STANDARDS OF THE RANCH PLAN PLANNED COMMUNITY.

2. THIS DEVELOPMENT IS SUBJECT TO THE CONDITIONS OF APPROVAL FOR ALL OF VESTING TENTATIVE TRACT NO. 19303.

3. THE PRIVATE COURTS CONSTRUCTED WITHIN THIS MAP SHALL BE OWNED, OPERATED AND MAINTAINED BY THE DEVELOPER, SUCCESSORS OR ASSIGNS. THE COUNTY OF ORANGE SHALL HAVE NO RESPONSIBILITY THEREFORE UNLESS PURSUANT TO APPROPRIATE SECTIONS OF THE STREETS AND HIGHWAYS CODE OF THE STATE OF CALIFORNIA, THE SAID PRIVATE COURTS HAVE BEEN ACCEPTED INTO THE COUNTY ROAD SYSTEM BY APPROPRIATE RESOLUTION OF THE ORANGE COUNTY BOARD OF SUPERVISORS.

4. LOTS C THROUGH K SHALL BE DEVELOPED EXCLUSIVELY AS OPEN SPACE AND LANDSCAPE AREA AND SHALL NOT BE DEVELOPED AS RESIDENTIAL LOTS OR FOR ANY OTHER USE.

HIGH FIRE HAZARD AREA NOTE: THE DEVELOPMENT IS WITHIN A STATE RESPONSIBILITY AREA (SRA) - VERY HIGH FIRE HAZARD SEVERITY ZONE.

AUTOMATIC FIRE SPRINKLERS

ALL NEW HABITABLE STRUCTURES SHALL BE EQUIPPED THE APPROPRIATE AUTOMATIC FIRE SPRINKLER SYSTEMS PER RANCH PLAN FIRE PROTECTION PROGRAM EXHIBIT 2, SECTION A, CONDITION OF APPROVAL NO. 1, EXCEPT AS NOTED PER THE EXCEPTIONS LISTED IN THE TEXT OF THE CONDITION.

HIGH FIRE HAZARD AREA NOTE:

AT THE TIME OF MAP APPROVAL THE LOTS SHOWN ON THIS MAP ARE IN A FIRE HAZARD SEVERITY ZONE DUE TO WILDLAND EXPOSURE. THE RESIDENTIAL DEVELOPMENT IS WITHIN A STATE RESPONSIBILITY AREA (SRA) - VERY HIGH FIRE HAZARD SEVERITY ZONE.

LOTS AND PROPOSED BUILDINGS ARE LOCATED WITHIN THE EMBER MITIGATION ZONE AND WITHIN THE RADIANT HEAT/EMBER MITIGATION ZONE. LOTS 1 -55 ARE WITHIN THE RADIANT HEAT ZONE/ EMBER MITIGATION ZONE

23. An easement shown or dedicated on the Tract 17933, Book 1013, Pages 23 through 32 of Miscellaneous Maps. In favor of the County of Orange
For: Emergency access, public utility and public service
vehicle ingress and egress and incidental purposes.

(Affects Lots A and B)

24. An easement shown or dedicated on the Tract 17933, Book 1013, Pages 23 through 32 of Miscellaneous Maps. In favor of the Santa Margarita Water District.
For: Water, sewer and access and incidental purposes.

(Affects Lot B)

25. The terms and provisions contained in the document entitled "Agreement Imposing Community Services Fee on Conveyance" recorded April 16, 2025 as Instrument No. 2025000112349 of Official Records.

(Affects Lots 30-55)

26. The terms and provisions contained in the document entitled "Agreement Imposing Reserve Connection Fee on Conveyance" recorded April 16, 2025 as Instrument No. 2025000112350 of Official Records.

(Affects Lots 30-55)

27. The terms and provisions contained in the document entitled "Notice Payment of Transfer Fee Required " recorded April 16, 2025 as Instrument No. 2025000112351 of Official Records.

(Affects Lots 30-55)

28. The terms and provisions contained in the document entitled "Declaration of Solar Energy Covenants and Restrictions for Arrowleaf at Rancho Mission Viejo " recorded May 7, 2025 as Instrument No. 2025000132421 of Official Records.

(Affects Lots 1-55)

29. The terms and provisions contained in the document entitled "Supplemental Declaration of Covenants and Restrictions and Agreement Establishing Dispute Resolution Procedures for Arrowleaf at Rancho Mission Viejo " recorded May 7, 2025 as Instrument No. 2025000132422 of Official Records.

(Affects Lots 1-55)

30. An easement for facilities and incidental purposes, recorded July 25, 2025 as Instrument No. 2025000208228 of Official Records.

In Favor of: San Diego Gas & Electric Company, a corporation

Affects: Lots 30-55

INFORMATIONAL NOTES

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

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

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

The map attached, if any, may or may not be a survey of the land depicted hereon. First American expressly disclaims any liability for loss or damage which may result from reliance on this map except to the extent coverage for such loss or damage is expressly provided by the terms and provisions of the title insurance policy, if any, to which this map is attached.

LEGAL DESCRIPTION

Real property in the City of (Unincorporated), County of Orange, State of California, described as follows:

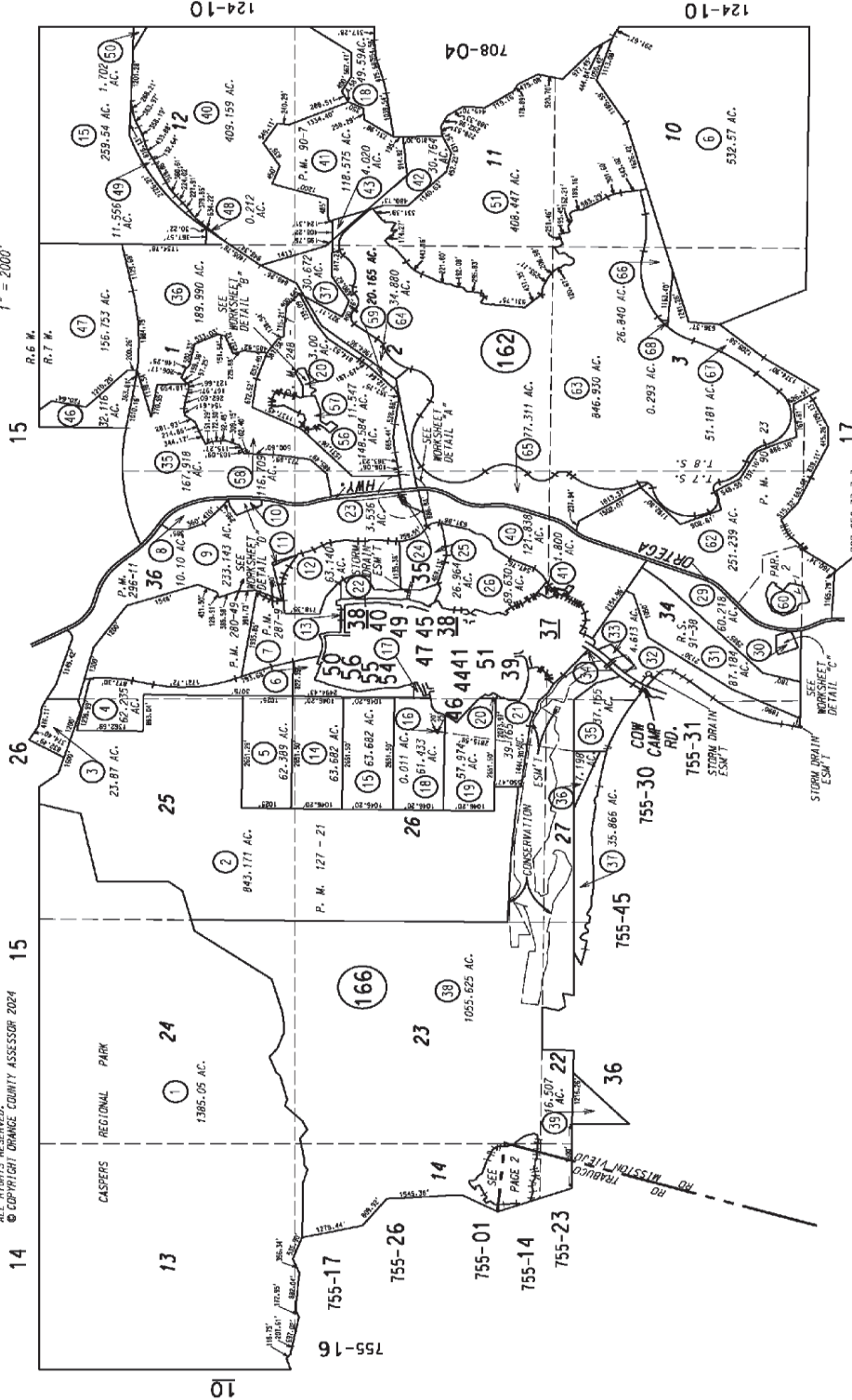
LOTS 1 THROUGH 55, INCLUSIVE AND LETTERED LOTS A THROUGH K, INCLUSIVE, AS SHOWN ON TRACT NO. 19303, IN THE COUNTY OF ORANGE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK1013, PAGES 23 THROUGH 32, INCLUSIVE, OF MISCELLANEOUS MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING ANY AND ALL RIPARIAN, APPROPRIATIVE, OVERLYING OR OTHER WATER AND WATER RIGHTS AND ANY AND ALL INTERESTS IN SUCH WATER, INCLUDING SURFACE WATER, SUBSURFACE UNDERFLOW, AND PERCOLATING GROUNDWATER APPURTENANT OR RELATING TO SAID LAND, CONVEYED TO RANCHO MISSION VIEJO MUTUAL WATER COMPANY, A CALIFORNIA NONPROFIT MUTUAL BENEFIT CORPORATION IN DEED RECORDED APRIL 23, 2012 AS INSTRUMENT NO. 2012000230675 OF OFFICIAL RECORDS.

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PAGE 1 OF 2



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NOTE - ASSESSOR'S BLOCK & PARCEL NUMBERS SHOWN IN CIRCLES

ASSESSOR'S MAP BOOK 125 PAGE 16 COUNTY OF ORANGE

P.M. 90-7, 90-23, 127-21

PARCEL MAP

MARCH 1951

NOTICE

Section 12413.1 of the California Insurance Code, effective January 1, 1990, requires that any title insurance company, underwritten title company, or controlled escrow company handling funds in an escrow or sub-escrow capacity, wait a specified number of days after depositing funds, before recording any documents in connection with the transaction or disbursing funds. This statute allows for funds deposited by wire transfer to be disbursed the same day as deposit. In the case of cashier's checks or certified checks, funds may be disbursed the next day after deposit. In order to avoid unnecessary delays of three to seven days, or more, please use wire transfer, cashier's checks, or certified checks whenever possible.

EXHIBIT A
LIST OF PRINTED EXCEPTIONS AND EXCLUSIONS (BY POLICY TYPE)
CLTA/ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE [(07-01-2021) v. 01.00]
EXCLUSIONS FROM COVERAGE

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

1. a. any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) that restricts, regulates, prohibits, or relates to:
 - i. the occupancy, use, or enjoyment of the Land;
 - ii. the character, dimensions, or location of any improvement on the Land;
 - iii. the subdivision of land; or
 - iv. environmental remediation or protection.
- b. any governmental forfeiture, police, or regulatory, or national security power.
- c. the effect of a violation or enforcement of any matter excluded under Exclusion 1.a. or 1.b.
 Exclusion 1 does not modify or limit the coverage provided under Covered Risk 8.a., 14, 15, 16, 18, 19, 20, 23, or 27.
2. Any power to take the Land by condemnation. Exclusion 2 does not modify or limit the coverage provided under Covered Risk 17.
3. Any defect, lien, encumbrance, adverse claim, or other matter:
 - a. created, suffered, assumed, or agreed to by You;
 - b. not Known to Us, not recorded in the Public Records at the Date of Policy, but Known to You and not disclosed in writing to Us by You prior to the date You became an Insured under this policy;
 - c. resulting in no loss or damage to You;
 - d. attaching or created subsequent to the Date of Policy (Exclusion 3.d. does not modify or limit the coverage provided under Covered Risk 5, 8.f., 25, 26, 27, 28, or 32); or
 - e. resulting in loss or damage that would not have been sustained if You paid consideration sufficient to qualify You as a bona fide purchaser of the Title at the Date of Policy.
4. Lack of a right:
 - a. to any land outside the area specifically described and referred to in Item 3 of Schedule A; and
 - b. in any street, road, avenue, alley, lane, right-of-way, body of water, or waterway that abut the Land.
 Exclusion 4 does not modify or limit the coverage provided under Covered Risk 11 or 21.
5. The failure of Your existing structures, or any portion of Your existing structures, to have been constructed before, on, or after the Date of Policy in accordance with applicable building codes. Exclusion 5 does not modify or limit the coverage provided under Covered Risk 14 or 15.
6. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights law, that the transfer of the Title to You is a:
 - a. fraudulent conveyance or fraudulent transfer;
 - b. voidable transfer under the Uniform Voidable Transactions Act; or
 - c. preferential transfer:
 - i. to the extent the instrument of transfer vesting the Title as shown in Schedule A is not a transfer made as a contemporaneous exchange for new value; or
 - ii. for any other reason not stated in Covered Risk 30.
7. Contamination, explosion, fire, flooding, vibration, fracturing, earthquake, or subsidence.
8. Negligence by a person or an entity exercising a right to extract or develop oil, gas, minerals, groundwater, or any other subsurface substance.
9. Any lien on Your Title for real estate taxes or assessments imposed or collected by a governmental authority that becomes due and payable after the Date of Policy. Exclusion 9 does not modify or limit the coverage provided under Covered Risk 8.a. or 27.
10. Any discrepancy in the quantity of the area, square footage, or acreage of the Land or of any improvement to the Land.

LIMITATIONS ON COVERED RISKS

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

For Covered Risk 16, 18, 19, and 21 Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A. The deductible amounts and maximum dollar limits shown on Schedule A are as follows:

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

ALTA OWNER'S POLICY [(07-01-2021) V. 01.00]
CLTA STANDARD COVERAGE OWNER'S POLICY [(02-04-22) V. 01.00]
 EXCLUSIONS FROM COVERAGE

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

1. a. any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) that restricts, regulates, prohibits, or relates to:
 - i. the occupancy, use, or enjoyment of the Land;
 - ii. the character, dimensions, or location of any improvement on the Land;
 - iii. the subdivision of land; or
 - iv. environmental remediation or protection.
 - b. any governmental forfeiture, police, regulatory, or national security power.
 - c. the effect of a violation or enforcement of any matter excluded under Exclusion 1.a. or 1.b.
- Exclusion 1 does not modify or limit the coverage provided under Covered Risk 5 or 6.
2. Any power of eminent domain. Exclusion 2 does not modify or limit the coverage provided under Covered Risk 7.
 3. Any defect, lien, encumbrance, adverse claim, or other matter:
 - a. created, suffered, assumed, or agreed to by the Insured Claimant;
 - b. not Known to the Company, not recorded in the Public Records at the Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - c. resulting in no loss or damage to the Insured Claimant;
 - d. attaching or created subsequent to the Date of Policy (Exclusion 3.d. does not modify or limit the coverage provided under Covered Risk 9 or 10); or
 - e. resulting in loss or damage that would not have been sustained if consideration sufficient to qualify the Insured named in Schedule A as a bona fide purchaser had been given for the Title at the Date of Policy.
 4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights law, that the transaction vesting the Title as shown in Schedule A is a:
 - a. fraudulent conveyance or fraudulent transfer;
 - b. voidable transfer under the Uniform Voidable Transactions Act; or
 - c. preferential transfer:
 - i. to the extent the instrument of transfer vesting the Title as shown in Schedule A is not a transfer made as a contemporaneous exchange for new value; or
 - ii. for any other reason not stated in Covered Risk 9.b.
 5. Any claim of a PACA-PSA Trust. Exclusion 5 does not modify or limit the coverage provided under Covered Risk 8.
 6. Any lien on the Title for real estate taxes or assessments imposed or collected by a governmental authority that becomes due and payable after the Date of Policy. Exclusion 6 does not modify or limit the coverage provided under Covered Risk 2.b.
 7. Any discrepancy in the quantity of the area, square footage, or acreage of the Land or of any improvement to the Land.

NOTE: The 2021 ALTA Owner's Policy may be issued to afford either Standard Coverage or Extended Coverage. In addition to variable exceptions such as taxes, easements, CC&R's, etc., the Exceptions from Coverage in a Standard Coverage policy will also include the Western Regional Standard Coverage Exceptions listed below as numbers 1 through 7. The 2021 CLTA Standard Coverage Owner's Policy will include the Western Regional Standard Coverage Exceptions listed below as numbers 1 through 7.

EXCEPTIONS FROM COVERAGE

Some historical land records contain Discriminatory Covenants that are illegal and unenforceable by law. This policy treats any Discriminatory Covenant in a document referenced in Schedule B as if each Discriminatory Covenant is redacted, repudiated, removed, and not republished or recirculated. Only the remaining provisions of the document are excepted from coverage.

This policy does not insure against loss or damage and the Company will not pay costs, attorneys' fees, or expenses resulting from the terms and conditions of any lease or easement identified in Schedule A, and the following matters:

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

uranium, clay, rock, sand, and gravel located in, on, or under the Land or produced from the Land, whether such ownership or rights arise by lease, grant, exception, conveyance, reservation, or otherwise; and (b) any rights, privileges, immunities, rights of way, and easements associated therewith or appurtenant thereto, whether or not the interests or rights excepted in (a) or (b) appear in the Public Records or are shown in Schedule B.

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

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

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

NOTE: The 2006 ALTA Owner's Policy may be issued to afford either Standard Coverage or Extended Coverage. In addition to variable exceptions such as taxes, easements, CC&R's, etc., the Exceptions from Coverage in a Standard Coverage policy will also include the Western Regional Standard Coverage Exceptions listed below as numbers 1 through 7.

EXCEPTIONS FROM COVERAGE

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

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

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records at Date of Policy but that could be (a) ascertained by an inspection of the Land, or (b) asserted by persons or parties in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records at Date of Policy.
4. Any encroachment, encumbrance, violation, variation, easement, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records at Date of Policy.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor, material or equipment unless such lien is shown by the Public Records at Date of Policy.
7. Any claim to (a) ownership of or rights to minerals and similar substances, including but not limited to ores, metals, coal, lignite, oil, gas, uranium, clay, rock, sand, and gravel located in, on, or under the Land or produced from the Land, whether such ownership or rights arise by lease, grant, exception, conveyance, reservation, or otherwise; and (b) any rights, privileges, immunities, rights of way, and easements associated therewith or appurtenant thereto, whether or not the interests or rights excepted in (a) or (b) appear in the Public Records or are shown in Schedule B.

Updated 09/02/2025



First American Title™

First American Title Company

4140 Temescal Canyon Rd, Ste 301
Corona, CA 92883

Angela Schmidt
Trumark Homes LLC - SoCal
450 Newport Center Drive, Suite 300
Newport Beach, CA 92660

Customer Reference: Tract No. 19304 - Lotus MR46

Order Number: NHSC-7127196 (mk)

Title Officer: Michael Keough
Phone: (951)256-5827
Fax No.:
E-Mail: MKeough@firstam.com
Property: Tract No. 19304
Unincorporated, CA

PRELIMINARY REPORT

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

The printed Exceptions and Exclusions from the coverage and Limitations on Covered Risks of said policy or policies are set forth in Exhibit A attached. *The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than that set forth in the arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties.* Limitations on Covered Risks applicable to the CLTA and ALTA Homeowner's Policies of Title Insurance which establish a Deductible Amount and a Maximum Dollar Limit of Liability for certain coverages are also set forth in Exhibit A. Copies of the policy forms should be read. They are available from the office which issued this report.

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

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

Please be advised that any provision contained in this document, or in a document that is attached, linked or referenced in this document, that under applicable law illegally discriminates against a class of individuals based upon personal characteristics such as race, color, religion, sex, sexual orientation, gender identity, familial status, disability, national origin, or any other legally protected class, is illegal and unenforceable by law.

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

Dated as of June 26, 2025 at 7:30 A.M.

The form of Policy of title insurance contemplated by this report is:

DRE

A specific request should be made if another form or additional coverage is desired.

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

TH Rancho Mission Viejo MR 46 LLC, a California limited liability company

The estate or interest in the land hereinafter described or referred to covered by this Report is:

A fee.

The Land referred to herein is described as follows:

(See attached Legal Description)

At the date hereof exceptions to coverage in addition to the printed Exceptions and Exclusions in said policy form would be as follows:

1. General and special taxes and assessments for the fiscal year 2025-2026, a lien not yet due or payable.
2. Taxes and assessments. Report to follow. Please verify before closing.
3. The lien of supplemental taxes, if any, assessed pursuant to Chapter 3.5 commencing with Section 75 of the California Revenue and Taxation Code.
4. The terms and provisions contained in the document entitled "Agreement for Financing Public School Facilities" recorded June 27, 1985 as Instrument No. 85-237046 of Official Records.
5. The terms and provisions contained in the document entitled "Rancho Mission Viejo Development Agreement County of Orange (Ranch Plan Project)" recorded December 6, 2004 as Instrument No. 2004001082094 of Official Records.

The terms and provisions contained in the document entitled Assignment and Assumption Agreement (Subarea 3.3) recorded August 1, 2024 as Instrument No. 2024000197067 of Official Records.

(Affects Lots 1-56)

The terms and provisions contained in the document entitled Assignment and Assumption Agreement (Subarea 3.3 - Neighborhood Builder) recorded August 28, 2024 as Instrument No. 2024000221313 of Official Records.

(Affects Lots 1-56)

6. The terms and provisions contained in the document entitled "Notice of Settlement and Declaration of Restrictions" recorded August 17, 2005 as Instrument No. 2005000648330 of Official Records.
7. The terms and provisions contained in the document entitled "Secured Fire Protection Agreement" recorded April 04, 2007 as Instrument No. 2007000218114 of Official Records.
8. Covenants, conditions, restrictions and easements in the document recorded February 7, 2013 as Instrument No. 2013000081623, and amended by document recorded February 13, 2018, Instrument No. 2018000049313, both of Official Records, but deleting any covenant, condition, or restriction, if any, indicating a preference, limitation, or discrimination based on race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, familial status, marital status, disability, handicap, veteran or military status, genetic information, national origin, source of income as defined in subdivision (p) of Section 12955, or ancestry, to the extent that such covenants, conditions or restrictions violate applicable state or federal laws. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.

The terms and provisions contained in the document entitled Assignment of Master Declarant Rights Under the Master Declaration of Covenants, Conditions, Reestrctions and Reservation of Easements for Rancho Mission Viejo recorded March 26, 2025 as Instrument No. 2025000091797 of Official Records.

A declaration of annexation recorded May 30, 2025 as Instrument No. 2025000154287 of Official Records.

(Affects Lots 25-28)

A declaration of annexation recorded June 12, 2025 as Instrument No. 2025000168800 of Official Records.

(Affects Lots 21-24, 40-42, "J" and "K")

A declaration of annexation recorded June 12, 2025 as Instrument No. 2025000168801 of Official Records.

(Affects Lots 17-20, 50-52, "H" and "I")

A declaration of annexation recorded July 1, 2025 as Instrument No. 2025000186647 of Official Records.

(Affects Lots 12-16, "B", "G" and "O")

A declaration of annexation recorded July 1, 2025 as Instrument No. 2025000186648 of Official Records.

(Affects Lots 43-49)

A declaration of annexation recorded August 28, 2025 as Instrument No. 2025000238072 of Official Records.

(Affects Lots 10, 11, 53-56 "E" and "F")

A declaration of annexation recorded August 29, 2025 as Instrument No. 2025000240106 of Official Records.

(Affects Lots 4-9, "A" and "N")

9. The terms and provisions contained in the document entitled "Memorandum of School Facilities and Funding Agreement and Option to Purchase School Site" recorded January 31, 2014 as Instrument No. 2014000040452 of Official Records.
10. The terms and provisions contained in the document entitled "Declaration of Restrictive Covenant" recorded July 23, 2024 as Instrument No. 2024000185570 of Official Records.
11. The terms and provisions contained in the document entitled "Declaration of Development Covenants, Conditions and Restrictions" recorded August 15, 2024 as Instrument No. 2024000210237 of Official Records.
12. The terms and provisions contained in the document entitled "Memorandum of Repurchase Option" recorded August 15, 2024 as Instrument No. 2024000210239 of Official Records.
13. A deed of trust to secure the performance of an agreement or other obligation, recorded August 15, 2024 as Instrument No. 2024000210240 of Official Records.

Dated:	August 15, 2024
Trustor:	TH Rancho Mission Viejo MR 46 LLC, a California limited liability company
Trustee:	First American Title Insurance Company, a Nebraska corporation
Beneficiary:	RMV PA3 DEVELOPMENT, LLC, A DELAWARE LIMITED LIABILITY COMPANY

A document recorded May 30, 2025 as Instrument No. 2025000154172 provides that the lien or charge of the deed of trust was subordinated to the lien or charge of the deed of trust recorded August 15, 2024 as Instrument No. 2024000210240 of Official Records.

Documents recorded June 12, 2025 as Instrument Nos. 2025000168800 and 2025000168801 both of Official Records provides that the above Deed of Trust was subordinated to the aforementioned document by a subordination included therein.

Documents recorded July 1, 2025 as Instrument Nos. 2025000186647 and 2025000186648 both of Official Records provides that the above Deed of Trust was subordinated to the aforementioned document by a subordination included therein.

A document recorded August 28, 2025 as Instrument No. 2025000238072 of Official Records provides that the above Deed of Trust was subordinated to the aforementioned document by a subordination included therein.

A document recorded August 29, 2025 as Instrument No. 2025000240106 of Official Records provides that the above Deed of Trust was subordinated to the aforementioned document by a subordination included therein.

14. An easement for pipelines and conduits for the transportation and distribution of natural gas and communications and incidental purposes, recorded November 20, 2024 as Instrument No. 2024000304007 of Official Records.

In Favor of: Southern California Gas Company, a California corporation, its successors and assigns

Affects: Lots 6, 7, 8, "B" and "O"

15. The following matters shown or disclosed by the filed or recorded Tract No. 19304 referred to in the legal description:

WE HEREBY RESERVE FOR OURSELVES AND OUR SUCCESSORS AND ASSIGNS, TOGETHER WITH THE RIGHT TO GRANT AND TRANSFER ALL OR A PORTION OF THE SAME, AN EASEMENT FOR RECIPROCAL INGRESS AND EGRESS PURPOSES FOR THE BENEFIT OF LOTS 6, 7 AND 8 AS SHOWN ON TRACT NO. 19304.

(AFFECTS LOTS A AND B)

WE HEREBY RESERVE FOR OURSELVES AND OUR SUCCESSORS AND ASSIGNS, TOGETHER WITH THE RIGHT TO GRANT AND TRANSFER ALL OR A PORTION OF THE SAME, AN EASEMENT FOR RECIPROCAL INGRESS AND EGRESS PURPOSES FOR THE BENEFIT OF LOTS 14, 15 AND 16 AS SHOWN ON TRACT NO. 19304.

(AFFECTS LOTS A AND B)

GENERAL NOTES:

1. TRACT NO. 19304 IS SUBJECT TO THE STANDARDS OF THE RANCH PLAN PLANNED COMMUNITY.
2. THIS DEVELOPMENT IS SUBJECT TO THE CONDITONS OF APPROVAL FOR ALL OF VESTING TENTATIVE TRACT NO. 19304.
3. LOTS A AND B ARE FOR PRIVATE COURT PURPOSES AND ARE NOT SEPARATE BUILDING SITES.
4. LOTS D THROUGH O, INCLUSIVE, ARE FOR LANDSCAPE/OPEN SPACE PURPOSES, AND ARE NOT SEPARATE BUILDING SITES AND ARE TO BE MAINTAINED BY MASTER HOMEOWNERS ASSOCIATION.
5. LOT C IS FOR PRIVATE LANDSCAPE PURPOSES, AND ARE NOT SEPARATE BUILDING SITES AND IS TO BE MAINTAINED BY HOMEOWNER.
6. THE PRIVATE COURTS CONSTRUCTED WITHIN THIS MAP SHALL BE OWNED, OPERATED AND MAINTAINED BY THE DEVELOPER, SUCCESSORS OR ASSIGNS. THE COUNTY OF ORANGE SHALL HAVE NO RESPONSIBILITY FOR SAID PRIVATE COURTS UNLESS THEY ARE ACCEPTED INTO THE COUNTY ROAD SYSTEM BY APPROPRIATE RESOLUTION OF THE ORANGE COUNTY BOARD OF

SUPERVISORS PURSUANT TO APPROPRIATE SECTIONS OF THE STREETS AND HIGHWAYS CODE OF THE STATE OF CALIFORNIA.

FIRE HAZARD SEVERITY ZONE - STATE RESPONSIBILITY AREA
AT THE TIME OF MAP APPROVAL THE LOTS SHOWN ON TRACT NO. 19304 ARE IN A VERY HIGH FIRE HAZARD SEVERITY ZONE - STATE RESPONSIBILITY AREA DUE TO WILDLAND EXPOSURE.

AUTOMATIC FIRE SPRINKLERS

ALL NEW HABITABLE STRUCTURES SHALL BE EQUIPPED THE APPROPRIATE AUTOMATIC FIRE SPRINKLER SYSTEMS PER RANCH PLAN FIRE PROTECTION PROGRAM EXHIBIT 2, SECTION A, CONDITION OF APPROVAL NO. 1, EXCEPT AS NOTED PER THE EXCEPTIONS LISTED IN THE TEXT OF THE CONDITION.

16. Abutter's rights of ingress and egress to or from Steadfast Way, Prosper Way, Botanic Way, Renewal Road, Heather Rod and Afterglow Drive have been dedicated or relinquished on the filed Map.

(Affects Lots "D" - "M")

17. An easement shown or dedicated on Tract No. 19304, Book 1013, Pages 1 through 5 of Miscellaneous Maps. In favor of the County of Orange.

For: Emergency access, public utility and public service
vehicle ingress and egress and incidental purposes.

(Affects Lots "A" and "B")

18. An easement shown or dedicated on Tract No. 19304, Book 1013, Pages 1 through 5 of Miscellaneous Maps. In favor of the Santa Margarita Water District.

For: Water, sewer and access and incidental purposes.

(Affects Lots 6, 7, 8, "A", "B", "N" and "O")

19. The terms and provisions contained in the document entitled RANCHO MISSION VIEJO COMMUNITY SERVICES ORGANIZATION "RANCLIFE" AGREEMENT IMPOSING COMMUNITY SERVICES FEE ON CONVEYANCE LOTUS AT RANCHO MISSION VIEJO recorded April 9, 2025 as Instrument No. 2025000105262 of Official Records.

(Affects Lots 1-56)

20. The terms and provisions contained in the document entitled AGREEMENT IMPOSING RESERVE CONNECTION FEE ON CONVEYANCE recorded April 9, 2025 as Instrument No. 2025000105263 of Official Records.

(Affects Lots 1-56)

21. The terms and provisions contained in the document entitled NOTICE PAYMENT OF TRANSFER FEE REQUIRED NOTICE PURSUANT TO SECTION 1098.5 OF THE CALIFORNIA CIVIL CODE (PROTECTED HABITAT) LOTUS AT RANCHO MISSION VIEJO recorded April 9, 2025 as Instrument No. 2025000105264 of Official Records.

(Affects Lots 1-56)

22. The terms and provisions contained in the document entitled Declaration of Covenants Regarding Property Disputes (Lotus at Rancho Mission Viejo - Tract 19304) recorded May 30, 2025 as Instrument No. 2025000154172 of Official Records.

(Affects Lots 1-56)

23. An easement for facilities and incidental purposes, recorded July 25, 2025 as Instrument No. 2025000208229 of Official Records.

In Favor of: San Diego Gas & Electric Company, a corporation
Affects: Lots 1-3, 5, 6, 10-13, 18, 19, 22, 23, 25, 26, 28-31,
48 and 49

INFORMATIONAL NOTES

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

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

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

The map attached, if any, may or may not be a survey of the land depicted hereon. First American expressly disclaims any liability for loss or damage which may result from reliance on this map except to the extent coverage for such loss or damage is expressly provided by the terms and provisions of the title insurance policy, if any, to which this map is attached.

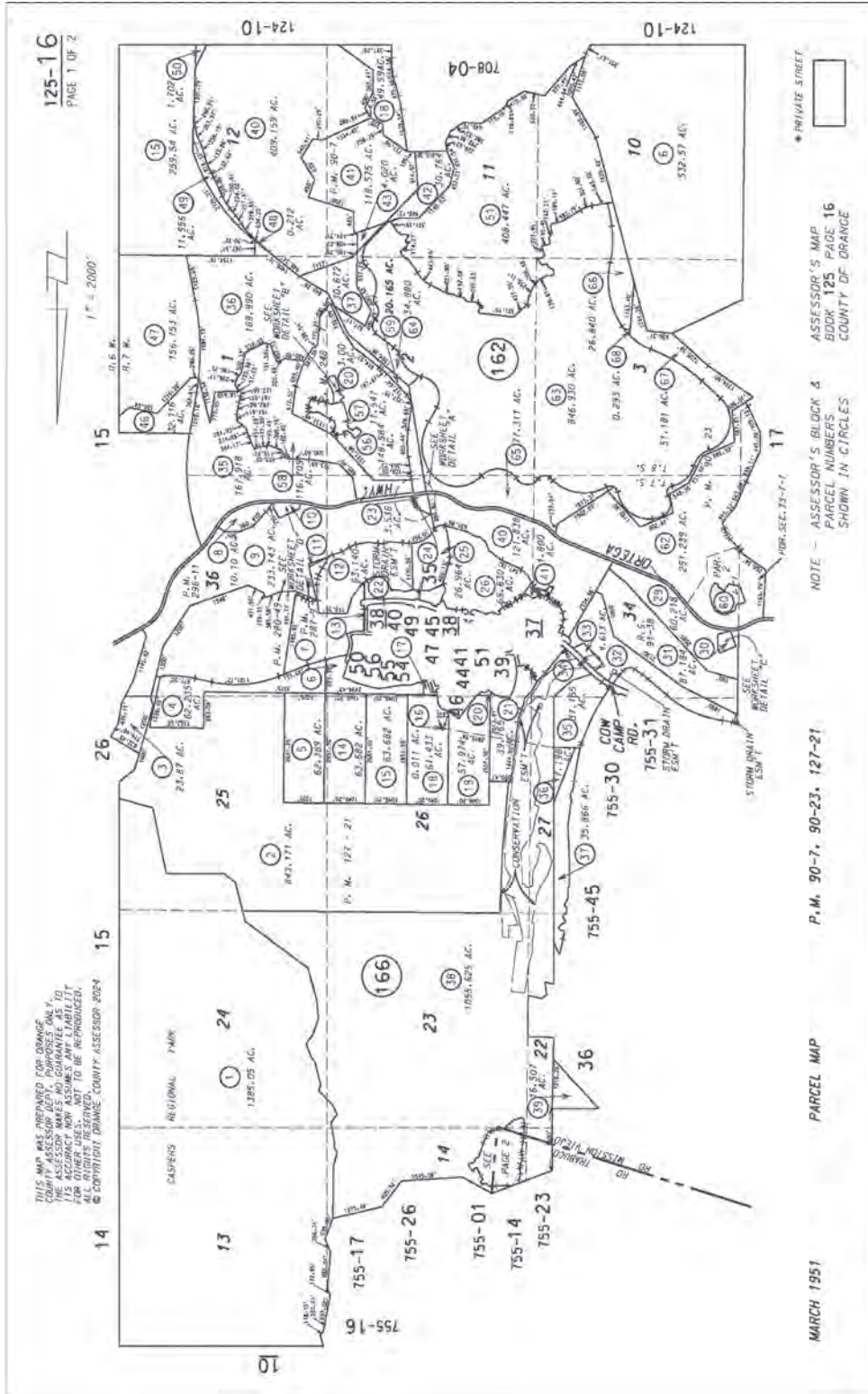
LEGAL DESCRIPTION

Real property in the unincorporated area of the County of Orange, State of California, described as follows:

LOTS 1 THROUGH 24, INCLUSIVE, 29 THROUGH 56, INCLUSIVE, AND LETTERED LOTS "A" THROUGH "O", AS SHOWN ON TRACT NO. 19304, IN THE COUNTY OF ORANGE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 1013, PAGES 1 THROUGH 5, INCLUSIVE, OF MISCELLANEOUS MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING ANY AND ALL RIPARIAN, APPROPRIATIVE, OVERLYING OR OTHER WATER AND WATER RIGHTS AND ANY AND ALL INTERESTS IN SUCH WATER, INCLUDING SURFACE WATER, SUBSURFACE UNDERFLOW, AND PERCOLATING GROUNDWATER APPURTENANT OR RELATING TO SAID LAND, CONVEYED TO RANCHO MISSION VIEJO MUTUAL WATER COMPANY, A CALIFORNIA NONPROFIT MUTUAL BENEFIT CORPORATION IN DEED RECORDED APRIL 23, 2012 AS INSTRUMENT NO. 2012000230675 OF OFFICIAL RECORDS.

APN: PORTIONS OF 125-166-06; 125-166-14 AND 125-166-15



NOTICE

Section 12413.1 of the California Insurance Code, effective January 1, 1990, requires that any title insurance company, underwritten title company, or controlled escrow company handling funds in an escrow or sub-escrow capacity, wait a specified number of days after depositing funds, before recording any documents in connection with the transaction or disbursing funds. This statute allows for funds deposited by wire transfer to be disbursed the same day as deposit. In the case of cashier's checks or certified checks, funds may be disbursed the next day after deposit. In order to avoid unnecessary delays of three to seven days, or more, please use wire transfer, cashier's checks, or certified checks whenever possible.

EXHIBIT A
LIST OF PRINTED EXCEPTIONS AND EXCLUSIONS (BY POLICY TYPE)
CLTA/ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE [(07-01-2021) v. 01.00]
EXCLUSIONS FROM COVERAGE

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

1. a. any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) that restricts, regulates, prohibits, or relates to:
 - i. the occupancy, use, or enjoyment of the Land;
 - ii. the character, dimensions, or location of any improvement on the Land;
 - iii. the subdivision of land; or
 - iv. environmental remediation or protection.
- b. any governmental forfeiture, police, or regulatory, or national security power.
- c. the effect of a violation or enforcement of any matter excluded under Exclusion 1.a. or 1.b.
 Exclusion 1 does not modify or limit the coverage provided under Covered Risk 8.a., 14, 15, 16, 18, 19, 20, 23, or 27.
2. Any power to take the Land by condemnation. Exclusion 2 does not modify or limit the coverage provided under Covered Risk 17.
3. Any defect, lien, encumbrance, adverse claim, or other matter:
 - a. created, suffered, assumed, or agreed to by You;
 - b. not Known to Us, not recorded in the Public Records at the Date of Policy, but Known to You and not disclosed in writing to Us by You prior to the date You became an Insured under this policy;
 - c. resulting in no loss or damage to You;
 - d. attaching or created subsequent to the Date of Policy (Exclusion 3.d. does not modify or limit the coverage provided under Covered Risk 5, 8.f., 25, 26, 27, 28, or 32); or
 - e. resulting in loss or damage that would not have been sustained if You paid consideration sufficient to qualify You as a bona fide purchaser of the Title at the Date of Policy.
4. Lack of a right:
 - a. to any land outside the area specifically described and referred to in Item 3 of Schedule A; and
 - b. in any street, road, avenue, alley, lane, right-of-way, body of water, or waterway that abut the Land.
 Exclusion 4 does not modify or limit the coverage provided under Covered Risk 11 or 21.
5. The failure of Your existing structures, or any portion of Your existing structures, to have been constructed before, on, or after the Date of Policy in accordance with applicable building codes. Exclusion 5 does not modify or limit the coverage provided under Covered Risk 14 or 15.
6. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights law, that the transfer of the Title to You is a:
 - a. fraudulent conveyance or fraudulent transfer;
 - b. voidable transfer under the Uniform Voidable Transactions Act; or
 - c. preferential transfer:
 - i. to the extent the instrument of transfer vesting the Title as shown in Schedule A is not a transfer made as a contemporaneous exchange for new value; or
 - ii. for any other reason not stated in Covered Risk 30.
7. Contamination, explosion, fire, flooding, vibration, fracturing, earthquake, or subsidence.
8. Negligence by a person or an entity exercising a right to extract or develop oil, gas, minerals, groundwater, or any other subsurface substance.
9. Any lien on Your Title for real estate taxes or assessments imposed or collected by a governmental authority that becomes due and payable after the Date of Policy. Exclusion 9 does not modify or limit the coverage provided under Covered Risk 8.a. or 27.
10. Any discrepancy in the quantity of the area, square footage, or acreage of the Land or of any improvement to the Land.

LIMITATIONS ON COVERED RISKS

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

For Covered Risk 16, 18, 19, and 21 Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A. The deductible amounts and maximum dollar limits shown on Schedule A are as follows:

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

ALTA OWNER'S POLICY [(07-01-2021) V. 01.00]
CLTA STANDARD COVERAGE OWNER'S POLICY [(02-04-22) V. 01.00]
EXCLUSIONS FROM COVERAGE

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

1. a. any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) that restricts, regulates, prohibits, or relates to:
 - i. the occupancy, use, or enjoyment of the Land;
 - ii. the character, dimensions, or location of any improvement on the Land;
 - iii. the subdivision of land; or
 - iv. environmental remediation or protection.
 - b. any governmental forfeiture, police, regulatory, or national security power.
 - c. the effect of a violation or enforcement of any matter excluded under Exclusion 1.a. or 1.b.
- Exclusion 1 does not modify or limit the coverage provided under Covered Risk 5 or 6.
2. Any power of eminent domain. Exclusion 2 does not modify or limit the coverage provided under Covered Risk 7.
 3. Any defect, lien, encumbrance, adverse claim, or other matter:
 - a. created, suffered, assumed, or agreed to by the Insured Claimant;
 - b. not Known to the Company, not recorded in the Public Records at the Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - c. resulting in no loss or damage to the Insured Claimant;
 - d. attaching or created subsequent to the Date of Policy (Exclusion 3.d. does not modify or limit the coverage provided under Covered Risk 9 or 10); or
 - e. resulting in loss or damage that would not have been sustained if consideration sufficient to qualify the Insured named in Schedule A as a bona fide purchaser had been given for the Title at the Date of Policy.
 4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights law, that the transaction vesting the Title as shown in Schedule A is a:
 - a. fraudulent conveyance or fraudulent transfer;
 - b. voidable transfer under the Uniform Voidable Transactions Act; or
 - c. preferential transfer:
 - i. to the extent the instrument of transfer vesting the Title as shown in Schedule A is not a transfer made as a contemporaneous exchange for new value; or
 - ii. for any other reason not stated in Covered Risk 9.b.
 5. Any claim of a PACA-PSA Trust. Exclusion 5 does not modify or limit the coverage provided under Covered Risk 8.
 6. Any lien on the Title for real estate taxes or assessments imposed or collected by a governmental authority that becomes due and payable after the Date of Policy. Exclusion 6 does not modify or limit the coverage provided under Covered Risk 2.b.
 7. Any discrepancy in the quantity of the area, square footage, or acreage of the Land or of any improvement to the Land.

NOTE: The 2021 ALTA Owner's Policy may be issued to afford either Standard Coverage or Extended Coverage. In addition to variable exceptions such as taxes, easements, CC&R's, etc., the Exceptions from Coverage in a Standard Coverage policy will also include the Western Regional Standard Coverage Exceptions listed below as numbers 1 through 7. The 2021 CLTA Standard Coverage Owner's Policy will include the Western Regional Standard Coverage Exceptions listed below as numbers 1 through 7.

EXCEPTIONS FROM COVERAGE

Some historical land records contain Discriminatory Covenants that are illegal and unenforceable by law. This policy treats any Discriminatory Covenant in a document referenced in Schedule B as if each Discriminatory Covenant is redacted, repudiated, removed, and not republished or recirculated. Only the remaining provisions of the document are excepted from coverage.

This policy does not insure against loss or damage and the Company will not pay costs, attorneys' fees, or expenses resulting from the terms and conditions of any lease or easement identified in Schedule A, and the following matters:

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

uranium, clay, rock, sand, and gravel located in, on, or under the Land or produced from the Land, whether such ownership or rights arise by lease, grant, exception, conveyance, reservation, or otherwise; and (b) any rights, privileges, immunities, rights of way, and easements associated therewith or appurtenant thereto, whether or not the interests or rights excepted in (a) or (b) appear in the Public Records or are shown in Schedule B.

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

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

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

NOTE: The 2006 ALTA Owner's Policy may be issued to afford either Standard Coverage or Extended Coverage. In addition to variable exceptions such as taxes, easements, CC&R's, etc., the Exceptions from Coverage in a Standard Coverage policy will also include the Western Regional Standard Coverage Exceptions listed below as numbers 1 through 7.

EXCEPTIONS FROM COVERAGE

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

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

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records at Date of Policy but that could be (a) ascertained by an inspection of the Land, or (b) asserted by persons or parties in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records at Date of Policy.
4. Any encroachment, encumbrance, violation, variation, easement, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records at Date of Policy.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor, material or equipment unless such lien is shown by the Public Records at Date of Policy.
7. Any claim to (a) ownership of or rights to minerals and similar substances, including but not limited to ores, metals, coal, lignite, oil, gas, uranium, clay, rock, sand, and gravel located in, on, or under the Land or produced from the Land, whether such ownership or rights arise by lease, grant, exception, conveyance, reservation, or otherwise; and (b) any rights, privileges, immunities, rights of way, and easements associated therewith or appurtenant thereto, whether or not the interests or rights excepted in (a) or (b) appear in the Public Records or are shown in Schedule B.



First American Title™

First American Title Company

4140 Temescal Canyon Rd, Ste 301
Corona, CA 92883

Trumark Homes LLC - SoCal
450 Newport Center Drive, Suite 300
Newport Beach, CA 92660

Customer Reference:

Order Number: NHSC-7303915 (RA)

Title Officer: Ryan Achterberg
Phone: (949)299-4950
Fax No.: (714)824-5946
E-Mail: rachterberg@firstam.com

Borrower:
Property: Lots 1 through 64, inclusive, and lettered Lots "A" through "O"
Unincorporated, CA

PRELIMINARY REPORT

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

The printed Exceptions and Exclusions from the coverage and Limitations on Covered Risks of said policy or policies are set forth in Exhibit A attached. *The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than that set forth in the arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties.* Limitations on Covered Risks applicable to the CLTA and ALTA Homeowner's Policies of Title Insurance which establish a Deductible Amount and a Maximum Dollar Limit of Liability for certain coverages are also set forth in Exhibit A. Copies of the policy forms should be read. They are available from the office which issued this report.

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

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

Please be advised that any provision contained in this document, or in a document that is attached, linked or referenced in this document, that under applicable law illegally discriminates against a class of individuals based

upon personal characteristics such as race, color, religion, sex, sexual orientation, gender identity, familial status, disability, national origin, or any other legally protected class, is illegal and unenforceable by law.

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

Dated as of September 18, 2025 at 7:30 A.M.

The form of Policy of title insurance contemplated by this report is:

To Be Determined

A specific request should be made if another form or additional coverage is desired.

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

TH Rancho Mission Viejo MR 45-2 LLC, a California limited liability company

The estate or interest in the land hereinafter described or referred to covered by this Report is:

A fee.

The Land referred to herein is described as follows:

(See attached Legal Description)

At the date hereof exceptions to coverage in addition to the printed Exceptions and Exclusions in said policy form would be as follows:

1. General and special taxes and assessments for the fiscal year 2025-2026, a lien not yet due or payable.
2. General and special taxes and assessments for the fiscal year 2024-2025.

First Installment:	\$29,489.21, PAID
Penalty:	\$0.00
Second Installment:	\$29,489.21, PAID
Penalty:	\$0.00
Tax Rate Area:	82-105
A. P. No.:	125-166-14

Affects: The land and other property.

3. General and special taxes and assessments for the fiscal year 2024-2025.

First Installment:	\$29,489.21, PAID
Penalty:	\$0.00
Second Installment:	\$29,489.21, PAID
Penalty:	\$0.00
Tax Rate Area:	82-105
A. P. No.:	125-166-15

Affects: The land and other property.

4. General and special taxes and assessments for the fiscal year 2024-2025.

First Installment:	\$28,458.09, PAID
Penalty:	\$0.00
Second Installment:	\$28,458.09, PAID
Penalty:	\$0.00
Tax Rate Area:	82-105
A. P. No.:	125-166-18

Affects: The land and other property.

5. The lien of supplemental taxes, if any, assessed pursuant to Chapter 3.5 commencing with Section 75 of the California Revenue and Taxation Code.

6. The terms and provisions contained in the document entitled "Agreement for Financing Public School Facilities" recorded June 27, 1985 as Instrument No. 85-237046 of Official Records.

7. The terms and provisions contained in the document entitled "Rancho Mission Viejo Development Agreement County of Orange (Ranch Plan Project)" recorded December 6, 2004 as Instrument No. 2004001082094 of Official Records.

The terms and provisions contained in the document entitled Assignment and Assumption Agreement (Subarea 3.3 - Neighborhood Builder) recorded October 4, 2024 as Instrument No. 2024000258814 of Official Records.

8. The terms and provisions contained in the document entitled "Notice of Settlement and Declaration of Restrictions" recorded August 17, 2005 as Instrument No. 2005000648330 of Official Records.

9. The terms and provisions contained in the document entitled "Secured Fire Protection Agreement" recorded April 04, 2007 as Instrument No. 2007000218114 of Official Records.

10. Covenants, conditions, restrictions, easements, assessments, liens, charges, terms and provisions in the document recorded February 7, 2013 as Instrument No. 2013000081623 and amended February 13, 2018 as Instrument No. 2018000049313, both of Official Records, which provide that a violation thereof shall not defeat or render invalid the lien of any first mortgage or deed of trust made in good faith and for value, but deleting any covenant, condition, or restriction, if any, indicating a preference, limitation, or discrimination based on race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, familial status, marital status, disability, handicap, veteran or military status, genetic information, national origin, source of income as defined in subdivision (p) of Section 12955, or ancestry, to the extent that such covenants, conditions or restrictions violate applicable state or federal laws. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.

Note: You may wish to contact the homeowners association referred to in the above document for information regarding assessments, transfer requirements or other matters.

The terms and provisions contained in the document entitled Assignment of Master Declarant Rights Under the Master Declaration of Covenants, Conditions, Restrictions and Reservation of Easements for Rancho Mission Viejo recorded March 26, 2025 as Instrument No. 2025000091797 of Official Records.

A declaration of annexation recorded July 2, 2025 as Instrument No. 2025000188210 of Official Records.

(Affects Lots 34-37 and 56-59)

A declaration of annexation recorded July 15, 2025 as Instrument No. 2025000197515 of Official Records.

(Affects Lots 38-41 and 51-55)

A declaration of annexation recorded July 15, 2025 as Instrument No. 2025000197516 of Official Records.

(Affects Lots 42-43, 49-50 and D)

A declaration of annexation recorded August 1, 2025 as Instrument No. 2025000214417 of Official Records.

(Affects Lots 44-48, A, B, C and E)

A declaration of annexation recorded August 20, 2025 as Instrument No. 2025000230125 of Official Records.

(Affects Lots 1-4 and 25-28)

11. The terms and provisions contained in the document entitled "Memorandum of School Facilities and Funding Agreement and Option to Purchase School Site" recorded January 31, 2014 as Instrument No. 2014000040452 of Official Records.

12. The terms and provisions contained in the document entitled "Declaration of Restrictive Covenant" recorded July 23, 2024 as Instrument No. 2024000185570 of Official Records.
13. The terms and provisions contained in the document entitled "Declaration of Development Covenants, Conditions and Restrictions" recorded August 15, 2024 as Instrument No. 2024000210237 of Official Records.

The terms and provisions contained in the document entitled Supplemental Declaration of Development Covenants, Conditions and Restrictions recorded September 18, 2024 as Instrument No. 2024000242008 of Official Records.

14. The terms and provisions contained in the document entitled "Memorandum of Repurchase Option" recorded September 18, 2024 as Instrument No. 2024000242010 of Official Records.
15. A deed of trust to secure the performance of an agreement or other obligation, recorded September 18, 2024 as Instrument No. 2024000242011 of Official Records.

Dated: September 18, 2024
 Trustor: TH Rancho Mission Viejo MR 45-2 LLC, a California limited liability company
 Trustee: First American Title Insurance Company, a Nebraska corporation
 Beneficiary: RMV PA3 DEVELOPMENT, LLC, A DELAWARE LIMITED LIABILITY COMPANY

Documents recorded July 15, 2025 as Instrument Nos. 2025000197515 and 2025000197516 both of Official Records provides that the above Deed of Trust was subordinated to the aforementioned document by a subordination included therein.

A document recorded August 1, 2025 as Instrument No. 2025000214417 of Official Records provides that the above Deed of Trust was subordinated to the aforementioned document by a subordination included therein.

16. An easement for facilities and incidental purposes, recorded February 26, 2025 as Instrument No. 2025000065076 of Official Records.
 In Favor of: Southern California Gas Company, a California corporation, its successors and assigns
 Affects: As described therein
17. The terms and provisions contained in the document entitled Assignment and Assumption Agreement recorded August 1, 2024 as Instrument No. 2024000197067 of Official Records.
18. The terms and provisions contained in the document entitled Agreement of Drainage Encumbrance recorded October 28, 2024 as Instrument No. 2024000280221 of Official Records.
19. The following matters shown or disclosed by the filed or recorded map referred to in the legal description:

OWNERSHIP CERTIFICATE:

WE ALSO HEREBY RESERVE FOR OURSELVES AND OUR SUCCESSORS AND ASSIGNS, TOGETHER

WITH THE RIGHT TO GRANT AND TRANSFER ALL OR A PORTION OF THE SAME, AN EASEMENT FOR RECIPROCAL INGRESS AND EGRESS PURPOSES FOR THE BENEFIT OF LOTS 45, 46 AND 47 AS SHOWN ON THIS MAP.

AUTOMATIC FIRE SPRINKLERS NOTE:

ALL NEW HABITABLE STRUCTURES SHALL BE EQUIPPED WITH APPROPRIATE AUTOMATIC FIRE SPRINKLER SYSTEMS PER RANCH PLAN FIRE PROTECTION PROGRAM EXHIBIT 2, SECTION A, CONDITION OF APPROVAL NO. 1, EXCEPT AS NOTED PER THE EXCEPTIONS LISTED IN THE TEXT OF THE CONDITION.

FIRE HAZARD SEVERITY ZONE - STATE RESPONSIBILITY AREA:

AT THE TIME OF MAP APPROVAL THE LOTS SHOWN ON THIS MAP ARE IN A VERY HIGH FIRE HAZARD SEVERITY ZONE - STATE RESPONSIBILITY AREA DUE TO WILDLAND EXPOSURE.

NOTES:

1. THIS TRACT MAP IS SUBJECT TO THE STANDARDS OF THE RANCH PLAN PLANNED COMMUNITY.
2. THIS DEVELOPMENT IS SUBJECT TO THE CONDITION OF APPROVAL FOR VESTING TENTATIVE TRACT NO. 19302.
3. LOT A IS FOR PRIVATE COURT PURPOSES AND IS NOT A SEPARATE BUILDING SITE.
4. LOTS B THROUGH E, INCLUSIVE, ARE FOR LANDSCAPE/OPEN SPACE PURPOSES, AND ARE NOT SEPARATE BUILDING SITES AND ARE TO BE MAINTAINED BY MASTER HOMEOWNERS ASSOCIATION.
5. THE PRIVATE COURTS CONSTRUCTED WITHIN THIS MAP SHALL BE OWNED, OPERATED AND MAINTAINED BY THE DEVELOPER, SUCCESSORS OR ASSIGNS THE COUNTY OF ORANGE SHALL HAVE NO RESPONSIBILITY FOR SAID PRIVATE COURTS UNLESS THEY ARE ACCEPTED INTO THE COUNTY ROAD SYSTEM BY APPROPRIATE RESOLUTION OF THE ORANGE COUNTY BOARD OF SUPERVISORS PURSUANT TO APPROPRIATE SECTIONS OF THE STREETS AND HIGHWAYS CODE OF THE STATE OF CALIFORNIA.
20. An easement shown or dedicated on the Map as referred to in the legal description
For: Emergency Access and incidental purposes.
21. An easement shown or dedicated on the Map as referred to in the legal description
For: Water, Sewer and Access and incidental purposes.
22. Abutter's rights of ingress and egress to or from Solace Drive, Steadfast Way and Copper Road have been dedicated or relinquished on the filed Map.
23. The terms and provisions contained in the document entitled "Agreement Imposing Reserve Connection Fee on Conveyance" recorded June 5, 2025 as Instrument No. 2025000162286 of Official Records.

(Affects Lots 1-64)

24. The terms and provisions contained in the document entitled "Agreement Imposing Community Services Fee on Conveyance" recorded June 5, 2025 as Instrument No. 2025000162287 of Official Records.

(Affects Lots 1-64)

25. The terms and provisions contained in the document entitled "Notice Payment of Transfer Fee Required" recorded June 5, 2025 as Instrument No. 2025000162288 of Official Records.

(Affects Lots 1-64)

26. The terms and provisions contained in the document entitled "Declaration of Covenants Regarding Property Disputes" recorded July 2, 2025 as Instrument No. 2025000188128 of Official Records.

(Affects Lots 1-64)

27. Water rights, claims or title to water, whether or not shown by the Public Records.

28. Rights of parties in possession.

Prior to the issuance of any policy of title insurance, the Company will require:

29. With respect to TH Rancho Mission Viejo MR 45-2 LLC, a limited liability company:
- a. A copy of its operating agreement and any amendments thereto;
 - b. If it is a California limited liability company, that a certified copy of its articles of organization (LLC-1) and any certificate of correction (LLC-11), certificate of amendment (LLC-2), or restatement of articles of organization (LLC-10) be recorded in the public records;
 - c. If it is a foreign limited liability company, that a certified copy of its application for registration (LLC-5) be recorded in the public records;
 - d. With respect to any deed, deed of trust, lease, subordination agreement or other document or instrument executed by such limited liability company and presented for recordation by the Company or upon which the Company is asked to rely, that such document or instrument be executed in accordance with one of the following, as appropriate:
 - (i) If the limited liability company properly operates through officers appointed or elected pursuant to the terms of a written operating agreement, such document must be executed by at least two duly elected or appointed officers, as follows: the chairman of the board, the president or any vice president, and any secretary, assistant secretary, the chief financial officer or any assistant treasurer;
 - (ii) If the limited liability company properly operates through a manager or managers identified in the articles of organization and/or duly elected pursuant to the terms of a written operating agreement, such document must be executed by at least two such managers or by one manager if the limited liability company properly operates with the existence of only one manager.
 - e. Other requirements which the Company may impose following its review of the material required herein and other information which the Company may require.

INFORMATIONAL NOTES

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

The map attached, if any, may or may not be a survey of the land depicted hereon. First American expressly disclaims any liability for loss or damage which may result from reliance on this map except to the extent coverage for such loss or damage is expressly provided by the terms and provisions of the title insurance policy, if any, to which this map is attached.

LEGAL DESCRIPTION

Real property in the City of Unincorporated, County of Orange, State of California, described as follows:

Real property in the City of Unincorporated, County of Orange, State of California, described as follows:

LOTS 1 THROUGH 64, INCLUSIVE, AND LETTERED LOTS A THROUGH E, INCLUSIVE, OF TRACT NO. 19302, IN THE COUNTY OF ORANGE, STATE OF CALIFORNIA, AS PER MAP FILED IN BOOK 1013, PAGES 41 THROUGH 45, INCLUSIVE, OF MISCELLANEOUS MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING ANY AND ALL RIPARIAN, APPROPRIATIVE, OVERLYING OR OTHER WATER AND WATER RIGHTS AND ANY AND ALL INTERESTS IN SUCH WATER, INCLUDING SURFACE WATER, SUBSURFACE UNDERFLOW, AND PERCOLATING GROUNDWATER APPURTENANT OR RELATING TO SAID LAND, CONVEYED TO RANCHO MISSION VIEJO MUTUAL WATER COMPANY, A CALIFORNIA NONPROFIT MUTUAL BENEFIT CORPORATION IN DEED RECORDED APRIL 23, 2012 AS INSTRUMENT NO. 2012000230675 OF OFFICIAL RECORDS.

APN: PORTIONS OF 125-166-14 AND 125-166-15 AND 125-166-18

APN: 125-166-14 and 125-166-15 and 125-166-18

NOTICE

Section 12413.1 of the California Insurance Code, effective January 1, 1990, requires that any title insurance company, underwritten title company, or controlled escrow company handling funds in an escrow or sub-escrow capacity, wait a specified number of days after depositing funds, before recording any documents in connection with the transaction or disbursing funds. This statute allows for funds deposited by wire transfer to be disbursed the same day as deposit. In the case of cashier's checks or certified checks, funds may be disbursed the next day after deposit. In order to avoid unnecessary delays of three to seven days, or more, please use wire transfer, cashier's checks, or certified checks whenever possible.

EXHIBIT A
LIST OF PRINTED EXCEPTIONS AND EXCLUSIONS (BY POLICY TYPE)
CLTA/ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE [(07-01-2021) v. 01.00]
EXCLUSIONS FROM COVERAGE

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

1. a. any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) that restricts, regulates, prohibits, or relates to:
 - i. the occupancy, use, or enjoyment of the Land;
 - ii. the character, dimensions, or location of any improvement on the Land;
 - iii. the subdivision of land; or
 - iv. environmental remediation or protection.
- b. any governmental forfeiture, police, or regulatory, or national security power.
- c. the effect of a violation or enforcement of any matter excluded under Exclusion 1.a. or 1.b.
 Exclusion 1 does not modify or limit the coverage provided under Covered Risk 8.a., 14, 15, 16, 18, 19, 20, 23, or 27.
2. Any power to take the Land by condemnation. Exclusion 2 does not modify or limit the coverage provided under Covered Risk 17.
3. Any defect, lien, encumbrance, adverse claim, or other matter:
 - a. created, suffered, assumed, or agreed to by You;
 - b. not Known to Us, not recorded in the Public Records at the Date of Policy, but Known to You and not disclosed in writing to Us by You prior to the date You became an Insured under this policy;
 - c. resulting in no loss or damage to You;
 - d. attaching or created subsequent to the Date of Policy (Exclusion 3.d. does not modify or limit the coverage provided under Covered Risk 5, 8.f., 25, 26, 27, 28, or 32); or
 - e. resulting in loss or damage that would not have been sustained if You paid consideration sufficient to qualify You as a bona fide purchaser of the Title at the Date of Policy.
4. Lack of a right:
 - a. to any land outside the area specifically described and referred to in Item 3 of Schedule A; and
 - b. in any street, road, avenue, alley, lane, right-of-way, body of water, or waterway that abut the Land.
 Exclusion 4 does not modify or limit the coverage provided under Covered Risk 11 or 21.
5. The failure of Your existing structures, or any portion of Your existing structures, to have been constructed before, on, or after the Date of Policy in accordance with applicable building codes. Exclusion 5 does not modify or limit the coverage provided under Covered Risk 14 or 15.
6. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights law, that the transfer of the Title to You is a:
 - a. fraudulent conveyance or fraudulent transfer;
 - b. voidable transfer under the Uniform Voidable Transactions Act; or
 - c. preferential transfer:
 - i. to the extent the instrument of transfer vesting the Title as shown in Schedule A is not a transfer made as a contemporaneous exchange for new value; or
 - ii. for any other reason not stated in Covered Risk 30.
7. Contamination, explosion, fire, flooding, vibration, fracturing, earthquake, or subsidence.
8. Negligence by a person or an entity exercising a right to extract or develop oil, gas, minerals, groundwater, or any other subsurface substance.
9. Any lien on Your Title for real estate taxes or assessments imposed or collected by a governmental authority that becomes due and payable after the Date of Policy. Exclusion 9 does not modify or limit the coverage provided under Covered Risk 8.a. or 27.
10. Any discrepancy in the quantity of the area, square footage, or acreage of the Land or of any improvement to the Land.

LIMITATIONS ON COVERED RISKS

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

For Covered Risk 16, 18, 19, and 21 Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A. The deductible amounts and maximum dollar limits shown on Schedule A are as follows:

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

ALTA OWNER'S POLICY [(07-01-2021) V. 01.00]
CLTA STANDARD COVERAGE OWNER'S POLICY [(02-04-22) V. 01.00]
 EXCLUSIONS FROM COVERAGE

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

1. a. any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) that restricts, regulates, prohibits, or relates to:
 - i. the occupancy, use, or enjoyment of the Land;
 - ii. the character, dimensions, or location of any improvement on the Land;
 - iii. the subdivision of land; or
 - iv. environmental remediation or protection.
 - b. any governmental forfeiture, police, regulatory, or national security power.
 - c. the effect of a violation or enforcement of any matter excluded under Exclusion 1.a. or 1.b.
- Exclusion 1 does not modify or limit the coverage provided under Covered Risk 5 or 6.
2. Any power of eminent domain. Exclusion 2 does not modify or limit the coverage provided under Covered Risk 7.
 3. Any defect, lien, encumbrance, adverse claim, or other matter:
 - a. created, suffered, assumed, or agreed to by the Insured Claimant;
 - b. not Known to the Company, not recorded in the Public Records at the Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - c. resulting in no loss or damage to the Insured Claimant;
 - d. attaching or created subsequent to the Date of Policy (Exclusion 3.d. does not modify or limit the coverage provided under Covered Risk 9 or 10); or
 - e. resulting in loss or damage that would not have been sustained if consideration sufficient to qualify the Insured named in Schedule A as a bona fide purchaser had been given for the Title at the Date of Policy.
 4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights law, that the transaction vesting the Title as shown in Schedule A is a:
 - a. fraudulent conveyance or fraudulent transfer;
 - b. voidable transfer under the Uniform Voidable Transactions Act; or
 - c. preferential transfer:
 - i. to the extent the instrument of transfer vesting the Title as shown in Schedule A is not a transfer made as a contemporaneous exchange for new value; or
 - ii. for any other reason not stated in Covered Risk 9.b.
 5. Any claim of a PACA-PSA Trust. Exclusion 5 does not modify or limit the coverage provided under Covered Risk 8.
 6. Any lien on the Title for real estate taxes or assessments imposed or collected by a governmental authority that becomes due and payable after the Date of Policy. Exclusion 6 does not modify or limit the coverage provided under Covered Risk 2.b.
 7. Any discrepancy in the quantity of the area, square footage, or acreage of the Land or of any improvement to the Land.

NOTE: The 2021 ALTA Owner's Policy may be issued to afford either Standard Coverage or Extended Coverage. In addition to variable exceptions such as taxes, easements, CC&R's, etc., the Exceptions from Coverage in a Standard Coverage policy will also include the Western Regional Standard Coverage Exceptions listed below as numbers 1 through 7. The 2021 CLTA Standard Coverage Owner's Policy will include the Western Regional Standard Coverage Exceptions listed below as numbers 1 through 7.

EXCEPTIONS FROM COVERAGE

Some historical land records contain Discriminatory Covenants that are illegal and unenforceable by law. This policy treats any Discriminatory Covenant in a document referenced in Schedule B as if each Discriminatory Covenant is redacted, repudiated, removed, and not republished or recirculated. Only the remaining provisions of the document are excepted from coverage.

This policy does not insure against loss or damage and the Company will not pay costs, attorneys' fees, or expenses resulting from the terms and conditions of any lease or easement identified in Schedule A, and the following matters:

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

uranium, clay, rock, sand, and gravel located in, on, or under the Land or produced from the Land, whether such ownership or rights arise by lease, grant, exception, conveyance, reservation, or otherwise; and (b) any rights, privileges, immunities, rights of way, and easements associated therewith or appurtenant thereto, whether or not the interests or rights excepted in (a) or (b) appear in the Public Records or are shown in Schedule B.

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

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

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

NOTE: The 2006 ALTA Owner's Policy may be issued to afford either Standard Coverage or Extended Coverage. In addition to variable exceptions such as taxes, easements, CC&R's, etc., the Exceptions from Coverage in a Standard Coverage policy will also include the Western Regional Standard Coverage Exceptions listed below as numbers 1 through 7.

EXCEPTIONS FROM COVERAGE

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

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

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records at Date of Policy but that could be (a) ascertained by an inspection of the Land, or (b) asserted by persons or parties in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records at Date of Policy.
4. Any encroachment, encumbrance, violation, variation, easement, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records at Date of Policy.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor, material or equipment unless such lien is shown by the Public Records at Date of Policy.
7. Any claim to (a) ownership of or rights to minerals and similar substances, including but not limited to ores, metals, coal, lignite, oil, gas, uranium, clay, rock, sand, and gravel located in, on, or under the Land or produced from the Land, whether such ownership or rights arise by lease, grant, exception, conveyance, reservation, or otherwise; and (b) any rights, privileges, immunities, rights of way, and easements associated therewith or appurtenant thereto, whether or not the interests or rights excepted in (a) or (b) appear in the Public Records or are shown in Schedule B.