CITY OF LINCOLN
2025 REGULAR MEETING - CITY COUNCIL / LINCOLN REDEVELOPMENT SUCCESSOR AGENCY / LINCOLN PUBLIC FINANCING AUTHORITY
November 18, 2025

AS A COURTESY, PLEASE TURN OFF ALL CELL PHONES & ELECTRONIC DEVICES DURING THE MEETING

-COUNCIL MEETING AGENDA-

6:00 PM

*******CHANGE OF MEETING ROOM LOCATION*******
Please note the meeting will be held in the 1st Floor Community Conference Room.

Mayor Holly Andreatta
Mayor Pro Tem Ben Brown **Councilmember Whitney Eklund**
Councilmember Richard Pearl **Councilmember John Reedy**

*******CLOSED SESSION*******
5:00pm
City Hall (CLOSED SESSION)
1st Floor City Manager's Conference Room
600 Sixth Street
Lincoln, CA 95648

*******GENERAL SESSION*******
6:00pm
City Hall (Extremely Limited Seating Capacity)
1st Floor Community Conference Room
600 Sixth Street
Lincoln, CA 95648

or attend via

ZOOM
register by using this link:
https://us06web.zoom.us/webinar/register/WN_mvBjLv0XQhGko_wUzBuF-g
or participate by calling US: +1 (669) 900-6833
use ID #842 1355 6096
and use *9 to raise hand to speak

EXECUTIVE TEAM

Sean Scully, City Manager	Kristine Mollenkopf, City Attorney
Nita Wracker, Asst. City Manager / Finance Director	Matt Alves, Police Chief
Jennifer Brown, Chief Innovation & Tech. Officer	Vin Cay, City Engineer
Erin Frye, Econ. Dev. & Communication Specialist	Kathryn Hunt, Library Services Director
Hope Ithurburn, City Clerk	Matthew Medill, Public Works Director
Veronica Rodriguez, Human Resources Director	Anthony Mejia, Fire Chief

MISSION STATEMENT: To provide the highest level of service responsive to our community's expectations and to enhance the quality of life and economic vitality.

THE FOLLOWING INFORMATION IS PROVIDED TO ASSIST WITH PUBLIC PARTICIPATION:

Americans with Disabilities Act (ADA): In compliance with the ADA, if you need special assistance to participate in this meeting or other services in conjunction with this meeting, please contact the City Clerk's Office at (916) 434-2490. The meeting room is wheelchair accessible and disabled parking is available. Notification at least 48 hours prior to the meeting or time when services are needed will assist City staff in assuring reasonable arrangements can be made to provide accessibility to the meeting or service.

Agenda Availability: The main posting location of the City Council Agenda pursuant to the Brown Act, Government Code § 54954.2(a) is on the public kiosk outside the entrance of City Hall, 600 6th Street, Lincoln, California. City Council Agenda Packets are available for review at the City Clerk's Office, 600 6th Street, Lincoln, California, and "Live and Archived" meetings, minutes and videos are available on the City's website at www.Lincolnca.gov. City Council Meetings are televised live 6:00PM on Cable channel 18.

Public Input: Persons wishing to address the City Council are asked to voluntarily complete and submit a speaker card to City staff. Speaker cards are available near the entrance of the meeting location. Persons wishing to address the City Council on an item appearing on this agenda will be called upon at the appropriate time during the item's consideration. Persons wishing to address the City Council on an item not appearing on the agenda will be called upon during "Public Comment on Non-Agenda Items." In either case, please stand to be recognized by the Mayor when your name is called. Please note: comments from the audience without coming to the podium may be disregarded or ruled out of order. All speakers' time will be limited to three (3) minutes, unless extended by the Mayor. All comments or questions should be addressed to the Mayor and in most cases, the City Council is prohibited from discussing or taking action on any item not appearing on the posted agenda, but may engage in brief discussion, provide direction to City staff, or schedule items for future meetings.

Special Meeting Public Input: Only issues listed on a special meeting agenda may be addressed pursuant to the Brown Act's regulation of Special Meetings.

Consent Agenda: All matters on the Consent Agenda are considered routine business and will be enacted by one motion. There will be no separate discussion of these items unless a member of the City Council requests a specific item be removed from the Consent Agenda for separate action. Any items removed will be considered after the remainder of the Consent Agenda.

Judicial Review: Pursuant to applicable laws and regulations, including without limitation, California Government Code § 65009 and/or California Public Resources Code § 21177, if you wish to challenge in court any of the decisions made by the City Council, including any action regarding planning, zoning or environmental decisions, you may be limited to raising only those issues you or someone else raised at the public hearing(s) described in this notice/agenda, or in written correspondence delivered to the City at, or prior to, the public hearing.

1. CLOSED SESSION - 5:00pm

1.A Conference with Labor Negotiator - Pursuant to Government Code Section 54957.6, City Designated Representative: Veronica Rodriguez, Organization: Lincoln Police Officers' Association (LPOA)

2. CALL TO ORDER

3. ROLL CALL

4. PUBLIC COMMENT ON CLOSED SESSION *In person only.

5. GENERAL SESSION - 6:00pm

6. INSPIRATION OR INVOCATION

7. CALL TO ORDER

8. ROLL CALL

9. REPORT FROM CLOSED SESSION (if any)

10. PLEDGE OF ALLEGIANCE

11. AGENDA MODIFICATIONS

12. PRESENTATIONS

13. PUBLIC COMMENT ON NON-AGENDA ITEMS WITHIN THE SUBJECT MATTER JURISDICTION OF THE COUNCIL ****All speakers' time will be limited to three (3) minutes, unless extended by the Mayor. All comments or questions should be addressed to the Mayor and in most cases, the City Council is prohibited from discussing or taking action on any item not appearing on the posted agenda, but may engage in brief discussion, provide direction to City staff, or schedule items for future meetings.***

14. CONSENT

14.A Approval of Meeting Minutes of the October 28, 2025 Regular City Council Meeting. (Hope Ithurburn)

14.B Adopt a Resolution Amending both the Fiscal Year 2024-25 Capital Improvements Program Budget and the 2025-27 Biennium Budget. (Nita Wracker)

14.C Adopt a Resolution Authorizing the Execution of Claims for Local Transportation Funds (LTF) and State Transit Assistance Funds for Fiscal year 2025/26. (Nita Wracker)

14.D Adopt a Resolution Approving the Esplanade at Turkey Creek Phase 7 Final Map. (Kaylie Tavenner)

14.E Adopt a Resolution to (1) Create CIP 722, Beermann Plaza Trash Enclosure, and (2) Authorize a Budget Augmentation of $500,000 from the Unencumbered Balance of Fund 7310, Solid Waste Capital. (Jacob Groeser)

14.F Adopt a Resolution Authorizing the City Manger to Execute the Public Facilities Element Fee Credit Agreement with Century Communities of California, LLC for Transportation and Water PFE Facilities associated with the Hidden Hills project. (Nita Wracker)

14.G Urban Water Management Plan Update 2025. (Chris Nelson)

15. PUBLIC HEARINGS

16. GENERAL BUSINESS

16.A Workshop to Discuss Potential Regulation of Tobacco and Vape Products in Lincoln. (Kristine Mollenkopf)

16.B Adopt a Resolution Approving the Downtown Innovation Hub Partnership with Jessup University. (Sean Scully)

16.C Adopt a Resolution Approving the Issuance of the City of Lincoln Community Facilities District No. 2025-1 (Joiner Ranch East) Special Tax Bonds, Series 2025. (Nita Wracker)

17. CITY MANAGER REPORTS

18. COUNCIL INITIATED BUSINESS

19. COMMITTEE REPORTS

20. INFORMATION ITEMS

21. ADJOURNMENT

NOTE: *Materials related to an item on this Agenda submitted to the Council/Redevelopment Successor Agency after distribution of the agenda packet are available for public inspection in the City Clerk's office at 600 Sixth Street, Lincoln, CA during normal business hours. Such documents are also available on the City of Lincoln's website at https://www.lincolnca.gov/ subject to staff's availability to post the documents before the meeting.*

In compliance with the American with Disabilities Act, the City will provide special assistance for disabled members of the public. The meeting room is wheelchair accessible and disabled parking is available. If you have a disability and need a disability-related modification or accommodation to participate in the meeting, please contact the City Clerk's Office at (916) 434-2490. As a courtesy, please make every effort to inform the Clerk of your needs at least 24 hours prior to the meeting so the City may make reasonable arrangements to ensure accessibility to this meeting.

Pursuant to applicable laws and regulations, including without limitation, California Government Code Section 65009 and/or California Public Resources Code Section 21177, if you wish to challenge in court any of the above decisions (including any action regarding planning, zoning and/or environmental decisions), you may be limited to raising only those issues you or someone else raised at the public hearing(s) described in this notice/agenda, or in written correspondence delivered to the City at, or prior to, the public hearing.

Levine Act Provisions -- The Levine Act requires a party (or the party's agent(s)) to a proceeding before the City of Lincoln that involves any action or consideration to their contract, license, permit, or other entitlement for use, to disclose any campaign contribution made to City elected or appointed officer totaling more than $500 within the 12 months before the City decision. This includes contributions to Councilmembers, Planning Commissioners and members of other City boards and commissions.

STAFF REPORT

Item Number 1.A

SUBJECT:	Conference with Labor Negotiator - Pursuant to Government Code Section 54957.6, City Designated Representative: Veronica Rodriguez, Organization: Lincoln Police Officers' Association (LPOA)
SUBMITTED BY:	City Clerk
DEPARTMENT:	Human Resources
DATE:	November 18, 2025

STAFF REPORT

Item Number 14.A

SUBJECT: Approval of Meeting Minutes of the October 28, 2025 Regular City Council Meeting. (Hope Ithurburn)

SUBMITTED BY: City Clerk

DEPARTMENT: City Manager's Office

DATE: November 18, 2025

BACKGROUND/INTRODUCTION:

ATTACHMENTS:
1.DRAFT - MEETING MINUTES, 10.28.2025.docx

MINUTES
CITY OF LINCOLN CITY COUNCIL,
PUBLIC FINANCE AUTHORITY
and REDEVELOPMENT SUCCESSOR AGENCY
Regular Meeting
October 28, 2025

CLOSED SESSION MEETING
The meeting was conducted in person at City Hall, 600 6th Street, Lincoln, CA in the City Manager's Conference Room.

CLOSED SESSION AGENDA ITEMS

A. Conference with Legal Counsel – Existing Litigation. City of Lincoln v. The Gathering Inn, et al., Placer County Superior Court case no. S-CV-0053711

1. CALL TO ORDER -The meeting was called to order by Mayor Andreatta at 5:00pm.

2. ROLL CALL Councilmembers present: Mayor Holly Andreatta
Whitney Eklund
Richard Pearl
John Reedy

Councilmembers absent: Ben Brown

3. PUBLIC COMMENT ON CLOSED SESSION * In person only.
There was no public comment.

OPEN SESSION MEETING
The meeting was conducted in person at City Hall, 600 6th Street, Lincoln, CA, and virtually on Zoom with a Live Stream on the City of Lincoln YouTube Channel and WAVE Channel 18.

4. CALL TO ORDER by Mayor Andreatta at 6:03 PM.

5. ROLL CALL: Councilmembers present: Mayor Holly Andreatta
Whitney Eklund
Richard Pearl
John Reedy

Councilmember absent: Ben Brown

6. PLEDGE OF ALLEGIANCE – led by Mayor Andreatta.

7. REPORT FROM CLOSED SESSION – City Attorney reported there was no reportable action.

8. AGENDA MODIFICATIONS – None.

9. PRESENTATIONS – None.

10. PUBLIC COMMENT ON NON-AGENDA ITEMS WITHIN THE SUBJECT MATTER JURISDICTION OF THE COUNCIL

The following provided public comment:

Stan Nadar, Lincoln resident
Byron Chapman, Lincoln resident

Seeing no further public comments, Mayor Andreatta closed public comment.

11. CONSENT

Mayor Andreatta asked if any members of the City Council or staff would like to pull any items from the consent agenda; none were pulled.

11.A **Approval of Meeting Minutes** of October 14, 2025 Regular City Council meeting.

11.B Adopt **RESOLUTION 2025-157** Awarding a Construction Contract for the Brentford Circle Trail Crossings Project (CIP 681).

11.C Receive and File the City of Lincoln Quarterly Treasurer's Report.

11.D Adopt **RESOLUTION 2025-158** Accepting the $36,482 FY 25-26 California Library Literacy Services Grant Award and Augmenting the Relevant Revenue and Expense Accounts in Fund 1000.

11.E Waive Second Reading and Adopt **ORDINANCE 1100B,** the 2025 California Green code, Administrative, Building, Fire, Plumbing, Mechanical, Electrical, Energy, Residential, Existing Building Code, and Related Construction Codes (LMC Title 15- Building and Construction) as Applicable to all Construction within the City of Lincoln.

11.F Adopt **RESOLUTION 2025-159** Authorizing the City Engineer to Install Stop Signs on Bella Breeze Drive at the Intersection with Hammond Street.

11.G Adopt **RESOLUTION 2025-160** Approving the Execution of a Construction Contract and Authorizing a Budget Augmentation from Unencumbered Balance of Fund 2410 for the Police Department Parking Lot Expansion Capital Improvement Project (CIP) 626.

11.H Adopt **RESOLUTION 2025-161** Approving the Establishment of a Temporary Battalion Chief Position within the Fire Department, and a Budget Augmentation in the Amount of $115,000 to Fund 1000 – General Fund.

11.I Adopt **RESOLUTION 2025-162** Approving an Update to Public Facilities Element Implementation Plan and Policies.

11.J Adopt **RESOLUTION 2025-163** Approving the Reclassification of One Vacant Administrative Analyst II Position in the Finance Department to the Senior Account Clerk Classification.

Seeing no public comments, Mayor Andreatta called for a motion of approval for the item. Councilmember Pearl motioned to approve, motion was seconded by Councilmember Reedy. Passed by the following roll call vote:

Ayes: Andreatta, Eklund, Pearl, Reedy
Noes: None
Absent: Brown
Abstain: None

12. PUBLIC HEARINGS

12.A Adopt **RESOLUTION 2025-164 and RESOLUTION 2025-165** Approving the Tentative Subdivision Map for the Proposed Parkwood Project.

Mikaela Noble, Associate Planner presented to Council with a brief discussion following. Mayor Andreatta opened the public hearing. The following provided public comment:

Darla Gutierrez, Lincoln resident

Seeing no further public comments, Mayor Andreatta called for a motion of approval for the item. Councilmember Pearl motioned to approve, motion was seconded by Councilmember Reedy. Passed by the following roll call vote:

Ayes: Andreatta, Eklund, Pearl, Reedy
Noes: None
Absent: Brown
Abstain: None

12.B Receive a Presentation and Hold a Public Hearing on the 2026-2030 Consolidated Plan.

Nita Wracker, Assistant City Manager introduced Frankie Lewington, Consultant with Root Policy Research who presented to Council with a brief discussion following. Mayor Andreatta opened the public hearing.

The following provided public comment:

Reverend Virgil Nelson, Lincoln resident/Placer People of Faith
Louise Arquilla, Stand Up Placer
Byron Chapman, Lincoln Resident
Lena Labosky, Lincoln Resident (via Zoom)

Seeing no further public comments, Mayor Andreatta closed the public hearing.

13. GENERAL BUSINESS

13.A Workshop to Discuss a Potential Lincoln Community Awards Program.

Kristine Mollenkopf, City Attorney presented to Council with a lengthy discussion following. Mayor Andreatta opened the discussion regarding the agenda item. There was no public comment. Council provided direction to staff.

13.B Adopt **RESOLUTION 2025-166** Approving the Issuance of the City of Lincoln Community Facilities District No. 2019-1 (Independence at Lincoln) Special Tax Bonds, Series 2025 (the

"Bonds").

Nita Wracker, Assistant City Manager introduced Brian Forbath, Consultant with Stradling Yocca Carlson & Rauth LLP who presented to Council with a brief discussion following. Mayor Andreatta opened the discussion regarding the agenda item. There were no public comments.

Seeing no public comments, Mayor Andreatta called for a motion of approval for the item. Councilmember Pearl motioned to approve, motion was seconded by Councilmember Eklund. Passed by the following roll call vote:

Ayes:	Andreatta, Eklund, Pearl, Reedy
Noes:	None
Absent:	Brown
Abstain:	None

14. **CITY MANAGER REPORTS**
City Manager Scully reminded the community that as the end of the year approaches, along with the holiday season, there will be one City Council meeting in November and one in December. Manager Scully also promoted the upcoming State of the City event and gave kudos to Chief Alves as he was chosen to serve on the State of California's Fireworks Task Force. Scully also read a press release regarding the recent arrest of a Lincoln Police Officer and subsequent events.

15. COUNCIL INITIATED BUSINESS
Councilmember Eklund requested Council discuss the unlicensed pop-up food tent issue along with code enforcement efforts and requested staff to create messaging to share with the community clarifying the connection between the City and Western Placer Unified School District (WPUSD) as it relates to residential development and impacted enrollment.

16. COMMITTEE REPORTS
Councilmember Pearl reported on the recently attended business seminar in downtown Sacramento. Councilmember Eklund reported on a recently attended California Local Area Formation Commission (LAFCO) conference and her appointment as the Central Region's Board Director as well as an award that was presented to Placer County's LAFCO for innovation and planning.

17. **INFORMATION ITEMS**
Mayor Andreatta reported she was appointed as the President of the Sacramento Valley Division for the League of California Cities.

18. **ADJOURNMENT**

Mayor Andreatta adjourned the meeting at 7:25pm.

Respectfully submitted by Hope Ithurburn, City Clerk

_____
Hope Ithurburn, City Clerk

STAFF REPORT

Item Number 14.B

SUBJECT:

Adopt a Resolution Amending both the Fiscal Year 2024-25 Capital Improvements Program Budget and the 2025-27 Biennium Budget. (Nita Wracker)

SUBMITTED BY: Ruthann Codina

DEPARTMENT: Finance

DATE: November 18, 2025

STAFF RECOMMENDATION:

Staff recommends that the City Council adopt a Resolution amending both the Fiscal Year 2024-25 Capital Improvements Program budget and the 2025-27 biennium budget.

BACKGROUND/INTRODUCTION:

The purpose of this report is to present an amendment to the Fiscal Year 2024-25 CIP Budget previously approved by the City Council on June 27, 2023 along with an amendment to the 2025-27 CIP Biennium budget previously approved on June 24, 2025. Due to various factors, many of the City's CIPs cross fiscal years and when this occurs, estimates must be used to budget the timing of expenditure appropriations in each of the construction years. At the close of each fiscal year, actual expenditures can be calculated and utilized to adjust the subsequent year's budgets. This process helps the budget remain as accurate as possible.

FINDINGS/ANALYSIS:

When the new budget is adopted each fiscal year, it is assumed that all budgeted funds for the prior year CIPs would be expended in full. However, the reality of CIP projects is that this is rarely the case and therefore, those unused funds need to be unencumbered from the 2024-25 fiscal year budget and re-budgeted into the fiscal year 2025-26 approved budget so that these CIPs can be continued and/or completed within the current budget cycle.

Staff has completed a thorough review of the actual expenses posted to each individual CIP for the 2024-25 fiscal year. Based upon this review, several of the CIP budgets that were approved in the 2025-27 budget will need to be adjusted upward to reflect the variance between actual fiscal year end 2024-25 expenses and what was budgeted for 2025-27. There are also instances of CIPs which were completed under budget - these remaining balances will be unencumbered. A detailed list of impacted CIPs is attached for reference.

FISCAL IMPACT:

Approval of this amendment will make changes to the budgeted appropriations for both 2024-25 and 2025-27. There could be a slight impact to fund balance, however that impact will largely be an increase to the unencumbered fund balances as some CIPs ended fiscal year 2024-25 under budget and those unspent funds are rolling back into fund balance. This action primarily shifts appropriations between fiscal year budgets and does not significantly increase or decrease the project budgets or fund balances in total.

The impacts by fund include the following total decrease to the 2024-25 adopted Capital Improvement Program budget:

1000	$ (1,336,243)
2150	(988,449)
2210	(3,389,086)
2230	(4,390,078)
2370	(64,986)
2400	(16,711,364)
2410	(765,334)
2430	(398,570)
2440	(57,375)
2450	(65,810)
2460	(7,476,537)
2470	(1,383,127)
2480	(41,334)
2700	(344,728)
2705	(266,483)
2750	(2,495,695)
2850	(28,366)
2870	(801,915)
2980	(1,260,175)

5400	(318,975)
5620	(1,110,706)
5650	(56,700)
6200	(220,970)
6300	(1,124,941)
7100	(33,929)
7110	(5,303,079)
7150	(3,387,500)
7200	(27,707)
7210	(1,868,656)
7250	(1,092,004)
7300	(18,816)
7310	(2,282)
7350	(277,571)
7400	(76,000)
7500	(315,144)
7550	(791,300)
8920	(490,000)

The total impact to the 2024-25 adopted CIP budget is a decrease across multiple funds in the amount of $58,855,320.

The impacts by fund include the following total increase to the 2025-27 adopted Capital Improvement Program budget:

1000	$ 1,218,681
2150	988,449
2210	3,021,326
2230	4,270,674
2370	64,986

2400	6,711,364
2410	748,885
2430	348,570
2440	43,671
2450	35,000
2460	5,935,799
2470	1,171,877
2700	344,728
2705	266,483
2750	2,495,695
2850	14,366
2870	726,571
2980	1,251,259
5400	313,564
5620	1,089,448
5650	56,700
6200	189,840
7100	33,929
7110	5,022,995
7150	3,387,500
7200	27.707
7210	1,835.752
7250	1,092,004
7300	18,816
7310	1,022
7400	76,000
7500	310,994
7550	791,300
8920	490,000

The total impact to the 2025-27 adopted CIP budget is an increase across multiple funds in the amount of $55,644,280.

ATTACHMENTS:
impacted cips.pdf

UPDATED - 2025_CIP_rollover_resolution (1).doc

PROJECT	PROJECT TITLE	unencumber 24/25	rebudget 25/26
CIP127	Sidewalk Replacement Prog	$ (26,594)	$ -
CIP181	Lakeview Farms Storage Ph 1	$ (3,786,832)	$ 3,786,832
CIP229	Airport Fuel Island	$ (5,412)	$ -
CIP230	Reconstruct Runway 15-33	$ (955,597)	$ 955,597
CIP298	Joiner Pkwy Pavement Rehab	$ (93,429)	$ -
CIP329	East Joiner Pkwy Widing	$ (20,273)	$ 20,273
CIP353	Bridge Rehab. McBean Park Dr	$ (1,245,977)	$ 1,251,259
CIP354	Lincoln Blvd Phase 3	$ (152,345)	$ 86,036
CIP423	PGE R20A Alley btwn 5th & 6th	$ (4,427)	$ -
CIP448	Ashwood WY Drainage improvem.	$ (32,321)	$ -
CIP456	Fiddyment Well Pump Replacemen	$ (40,000)	$ 40,000
CIP463	12 Bridges backstop repair	$ (56,700)	$ 56,700
CIP464	Aldo Pineschi Jr Park	$ (4,864,783)	$ 4,864,783
CIP466	Jimenez ParkingLot Pave	$ (4,858)	$ -
CIP467	Jimenez Ph3 Soccer fields	$ (1,257,137)	$ -
CIP474	AMI Implementation	$ (785,529)	$ 785,529
CIP475	Fire Hydrant replace prog21/22	$ (225,000)	$ 225,000
CIP476	Verdera N Pressure Reducing	$ (5,595)	$ -
CIP477	UPRR Sewer Rehab	$ (241,458)	$ 241,458
CIP478	East Joiner Pump station impro	$ (622,781)	$ 622,781
CIP484	Water Distrb Rehab - Hoitt	$ (325,407)	$ 325,407
CIP485	Water Dist Rehab - H, I, J Streets	$ (570,469)	$ 570,469
CIP486	Airport Oil/Water Separator	$ (194,304)	$ 194,304
CIP487	Fire Hydrant Replacement Prog	$ (250,000)	$ -
CIP488	Large Meter Replacement	$ (210,000)	$ 210,000
CIP497	Master Plan for Bella Breeze	$ (701,344)	$ 701,344
CIP600	Ferrari Ranch Road UPRR Crossing	$ (750,438)	$ 750,438
CIP601	I & J Street Rehab	$ (2,014,843)	$ 2,014,843
CIP609	McBean Bandstand Electrical	$ (54,628)	$ -
CIP612	Joiner Park shade & picnic	$ (100,000)	$ 100,000
CIP613	Moore Road Class 1 Trail	$ (1,009,992)	$ 1,009,992
CIP615	Road Sealant project	$ (324,569)	$ -
CIP616	SCADA control upgrades	$ (86,200)	$ 86,200
CIP618	Cardboard Recycling Facility	$ (171,995)	$ -
CIP619	Airport Infrastructure Grant	$ (4,578)	$ 4,578
CIP619	Airport Infrastructure Grant	$ (41,198)	$ 41,198
CIP621	PD Server Room A/C upgrade	$ (16,449)	$ -
CIP622	Police IT Room Expansion	$ (139,010)	$ 139,010
CIP624	Beerman Plaza lawn removal	$ (50,000)	$ 50,000
CIP626	Police Parking Lot Expansion	$ (609,874)	$ 609,874

PROJECT	PROJECT TITLE	unencumber 24/25	rebudget 25/26
CIP632	City Hall Reorg.Design	$ (348,570)	$ 348,570
CIP635	Bike Lanes 7th/Nicolaus/9th/H	$ (43,274)	$ 43,274
CIP637	Community Center Park	$ (2,369,995)	$ 2,369,995
CIP638	Foskett Park parking lot exp.	$ (300,000)	$ -
CIP642	Split rail fence (12 Bridges)	$ (35,000)	$ 35,000
CIP643	Wilson Park retaining wall	$ (30,810)	$ -
CIP644	Ferrari Ranch Road Widening	$ (9,540,189)	$ 9,540,189
CIP645	NEV & Golf Cart Improvements	$ (161,238)	$ 161,238
CIP646	Annual Sidewalk-Driveway Rep.	$ (112,560)	$ 112,560
CIP647	Curb Ramp Replacement-Install	$ (482,188)	$ 482,188
CIP648	Lincoln Blvd Signal Timing	$ (933,074)	$ 933,074
CIP649	Bicycle Infrastructure	$ (255,264)	$ 255,264
CIP650	Ferrari Ranch Rd Ramp metering	$ (375,000)	$ 375,000
CIP652	Pavement Preservation program	$ (693,807)	$ 693,807
CIP653	First Street pavement pres.	$ (306,056)	$ 306,056
CIP654	Water Dist. Rehab FY23-24	$ (5,530,205)	$ 5,530,205
CIP655	Lincoln Blvd Corridor Imp Ph4	$ (576,503)	$ 576,503
CIP656	3rd and L Street Traffic Calming	$ (100,000)	$ 100,000
CIP657	Q St Sewer lift station rehab	$ (469,224)	$ 469,224
CIP658	Sewer Rehab - hot spots	$ (1,105,000)	$ 1,105,000
CIP659	Fire #35 Perimeter Fence	$ (9,905)	$ -
CIP660	Markham Ravine sewer project	$ (400,000)	$ 400,000
CIP661	CDD office space reconf.	$ (41,334)	$ -
CIP662	6th Street Storm Drain Repair	$ (218,750)	$ 218,750
CIP663	E St & 8th St Drainage Improv.	$ (14,000)	$ -
CIP664	Ravine Meadows Floodwall	$ (211,250)	$ -
CIP665	Annual Storm drain replacement	$ (219,793)	$ 219,793
CIP666	Airport hangar and Office	$ (98,665)	$ 98,665
CIP667	Police Facility upgrades	$ (63,583)	$ 63,583
CIP668	Library book lockers	$ (44,671)	$ 44,671
CIP669	Library HVAC controls upgrade	$ (13,704)	$ -
CIP670	City Hall window repair	$ (45,000)	$ 45,000
CIP671	Plaza Building reroof	$ (40,026)	$ -
CIP672	Corp Yard Mechanics area heat	$ (94,840)	$ 94,840
CIP673	Corp Yard gutter replacement	$ (31,130)	$ -
CIP674	Repaint exterior of Airpt off.	$ (4,150)	$ -
CIP676	Civic Center Exterior Painting	$ (15,349)	$ -
CIP677	Community Center roof	$ (19,969)	$ -
CIP678	Parking - Art Bldg & McBean	$ (725,000)	$ 725,000
CIP679	Transit stop upgrades/replace.	$ (76,000)	$ 76,000

PROJECT	PROJECT TITLE	unencumber 24/25	rebudget 25/26
CIP681	Brentford Circle Trail Xing	$ (834,057)	$ 834,057
CIP682	E Joiner Pkwy/DW Blvd Intersection	$ (6,146,348)	$ 6,146,348
CIP683	Energy Conservation Project	$ (12,911)	$ 12,911
CIP685	11th Street Storm Drain Repair	$ (64,986)	$ 64,986
CIP694	Industrial Ave Rehab	$ 3,130	$ -
CIPT002	Citywide software	$ (1,124,941)	$ 1,124,941
CIPT006	C/Hall Int. Security Camera	$ (80,000)	$ 80,000
CIPT231	Physical Security Upgrades	$ (595,189)	$ 595,189
CIPT232	Network Architecture Security	$ (200,000)	$ 200,000
CIPT235	PW Work Order System	$ (104,930)	$ 104,930
CIPT241	Fire Station Alerting System	$ (4,757)	$ -
CIPT242	Document Storage refresh	$ (58,875)	$ 58,875
CIPV222	Type 3 Wildland Engine	$ (505,000)	$ 505,000
CIPV230	Roll off collection truck	$ (1,260)	$ -
CIPV232	Dump Truck	$ (58,080)	$ 58,080
CIPV232	Dump Truck	$ (14,000)	$ 14,000
CIPV233	3 Axle Trailer	$ (45,000)	$ 45,000
CIPV402	Type VI Fire Engine (Skeeter)	$ (525,000)	$ 525,000
CIPV404	(2) Fire Dept Pick Ups	$ (19,058)	$ -
CIPV415	Vactor 2100i	$ (19,230)	$ -
CIPV417	Street Sweeper	$ (24,073)	$ -
CIPV418	Flat-bed Truck	$ (81,503)	$ -
CIPV501	F250 - Parks lease	$ (28,732)	$ 28,732
CIPV502	MRL Mini Mac Thermo Striper	$ 4,993	$ -
CIPV503	Ford F350 Utility Truck w/Crane lease	$ (66,880)	$ 66,880
CIPV504	(1) Type I Fire Engine	$ (29,213)	$ -
CIPV509	Chevy Traverse - IT lease	$ (12,000)	$ 12,000
		$ (58,855,320)	$ 55,644,280

RESOLUTION NO. 2025-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LINCOLN AUTHORIZING AN AMENDMENT TO THE FISCAL YEAR 2024-25 AND 2025-27 CAPITAL IMPROVEMENTS PROGRAM BUDGETS ACROSS MULTIPLE FUNDS.

WHEREAS, the City of Lincoln Biennium budget for fiscal years 2023-25 was adopted by the City Council on June 27, 2023; and

WHEREAS, the City of Lincoln Annual Biennium budget for fiscal years 2025-27 was adopted by the City Council on June 24, 2025; and

WHEREAS, further review of projected expenditures within the Capital Improvement Program budget for fiscal year 2024-25 indicates the need to amend both the fiscal year 2024-25 and 2025-27 budgets to reflect actual 2024-25 expenditures.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Lincoln authorizes an amendment to the fiscal year 2024-25 and 2025-27 Biennium Capital Improvements Program Budgets across multiple funds.

PASSED AND ADOPTED this 12th day of August, 2025 by the following vote:

AYES: Councilmembers:
NOES: Councilmembers:
ABSENT: Councilmembers:
ABSTAIN: Councilmembers:

_____
Holly Andreatta, Mayor

ATTEST:

_____
Hope Ithurburn, City Clerk

STAFF REPORT

Item Number 14.C

SUBJECT: Adopt a Resolution Authorizing the Execution of Claims for Local Transportation Funds (LTF) and State Transit Assistance Funds for Fiscal year 2025/26. (Nita Wracker)

SUBMITTED BY: Ruthann Codina

DEPARTMENT: Finance

DATE: November 18, 2025

STAFF RECOMMENDATION:

Adopt a resolution to approve and authorize execution of fiscal year 2025/26 claims for Local Transportation Funds (LTF) and State Transit Assistance Funds (STA) in the amount of $4,557,769.

BACKGROUND/INTRODUCTION:

Each year local transportation funding is made available to local agencies and transit operators through the Local Transportation Fund established by the Transportation Development Act. These funds are for the development and support of public transportation needs and are allocated to areas in each county based on population, taxable sales and transit performance. Placer County Transportation Planning Agency (PCTPA) approves the apportionment and the annual transportation claim from each agency. The claims for the City of Lincoln for fiscal year 2025/26 are as follows:

1. Local Transportation Assistance for Transit Contracted Services: $ 45,659
2. STA for Transit Contracted Services 24/25 balance: $ 196,882
3. STA for Transit Contracted Services 25/26 allocation: $ 413,439
4. Local Transportation Assistance for Streets and Roads: $3,901,789

FINDINGS/ANALYSIS:

The allocation received provides funding to cover all costs associated with the City's contracted Transit services with Placer County Transit as well as a substantial allocation to the

Streets Fund for citywide streets projects.

FISCAL IMPACT:

Upon approval and execution of the Claim, and receipt of the funds, the City will record revenue to the following accounts:

Transit Local Transportation Funds (LTF):	7400 31150	$ 45,626
State Transit Assistance (STA):	7400 32260	$ 610,321
Streets and Roads (LTF):	2230 31160	$ 3,901,822

ATTACHMENTS:
REVISED - TDA_Resolution_25.26.docx

Final FY 25-26 LTF Apportionment.pdf

Final FY 25-26 STA Fund Allocation.pdf

RESOLUTION 2025-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LINCOLN APPROVING AND AUTHORIZING THE EXECUTION OF THE 2025/26 LOCAL TRANSPORTATION FUNDS, BALANCE REMAINING OF 2024/25 STATE TRANSIT ASSISTANCE FUNDS AND 2025/26 STATE TRANSIT ASSISTANCE FUNDS TO THE PLACER COUNTY TRANSPORTATION PLANNING AGENCY (PCTPA)

WHEREAS, the California Public Utilities Code commencing with Section 99200 and the California Code of Regulations commencing with Section 6600 authorizes local transportation funding available through the Local Transportation Fund established by the Transportation Development Act; and

WHEREAS, the Placer County Transportation Planning Agency (PCTPA) is authorized to receive and approve all claims for Local Transportation Funds and State Transit Assistance funds.

NOW, THEREFORE BE IT RESOLVED, that the City Council of the City of Lincoln does hereby approve the 2025/2026 Transportation Development Act Claim(s) to the Placer County Transportation Planning Agency as follows:

For the fiscal year 2024/25, balance remaining of $196,882 of State Transit Assistance for Transit contracted services. For the fiscal year 2025/26, $413,439 of State Transit Assistance for Transit contracted services, $45,659 of Local Transportation Funds for Transit contracted services and $3,901,789 of Local Transportation Funds for Streets and Roads.

PASSED AND ADOPTED this 18th day of November, 2025 by the following vote:

AYES: Councilmembers:
NOES: Councilmembers:
ABSENT: Councilmembers:
ABSTAIN: Councilmembers:

_____
Holly Andreatta, Mayor

ATTEST:

_____
Hope Ithurburn, City Clerk

PLACER COUNTY TRANSPORTATION PLANNING AGENCY (PCTPA)

FINAL FINDINGS OF APPORTIONMENT FOR FY 2025/2026

LOCAL TRANSPORTATION FUND (LTF)

August 2025

		FY 2024/2025 Estimated Fund Balance Subtotal [1]	FY 2025/2026 Revenue Subtotal	FY 2025/2026 Apportionment Total
PLACER COUNTY LTF REVENUE ESTIMATE		$1,662,406	$33,562,102	**$35,224,508**
TRPA Revenue Estimate [2]	2.36898677%		$795,082	$795,082
TRPA LTF Fund Balance		$132,254		$132,254
TRPA TOTAL			$795,082	$927,336
County Auditor Administrative Costs			$264	$264
BALANCE AVAILABLE FOR APPORTIONMENT BY TRPA				**$927,072**
PCTPA Revenue Estimate	97.63101323%		$32,111,680	$32,111,680
PCTPA LTF Fund Balance		$1,530,152		$1,530,152
PCTPA TOTAL			$32,111,680	**$33,641,832**
County Auditor Administrative Costs			$8,736	$8,736
PCTPA Administrative and Planning Costs [3]			$475,000	$475,000
Pedestrian and Bicycle Allocation [4]		$30,603	$632,559	$663,162
Community Transit Service Article 4.5 Allocation [5]		$67,480	$1,394,792	$1,462,272
BALANCE AVAILABLE FOR APPORTIONMENT BY PCTPA		$1,432,069	$29,600,593	**$31,032,662**

Apportionment of FY 2025/2026 PCTPA LTF Revenue Estimate by Jurisdiction

Jurisdiction	Population January 1, 2025	Percent (%)	FY 2025/2026 Allocation Subtotal	FY 2024/2025 Carryover Apportionment[6]	Revenue Apportionment
PLACER COUNTY	103,305	25.10681424%	$7,431,766	$359,547	$7,791,313
AUBURN	13,286	3.22897376%	$955,795	$46,241	$1,002,037
COLFAX	1,996	0.48509947%	$143,592	$6,947	$150,539
LINCOLN	54,520	13.25031230%	$3,922,171	$189,754	$4,111,925
LOOMIS	6,689	1.62566653%	$481,207	$23,281	$504,488
ROCKLIN	73,172	17.78341621%	$5,263,997	$254,671	$5,518,667
ROSEVILLE	158,494	38.51971750%	$11,402,065	$551,629	$11,953,694
TOTAL	**411,462**	**100.00%**	**$29,600,593**	**$1,432,069**	**$31,032,662**

Apportionment of FY 2025/2026 PCTPA LTF Revenue Estimate Available to Claimant

Jurisdiction	Revenue Apportionment	Planning Contribution[7]	Available to Claimant[8]	
PLACER COUNTY	$7,791,313	($311,653)	$7,479,660	
AUBURN	$1,002,037	($40,081)	$961,955	
COLFAX	$150,539	($6,022)	$225,629	Increased by $81,111 for Colfax/Roseville fund swap per Resolution 25-22
LINCOLN	$4,111,925	($164,477)	$3,947,448	
LOOMIS	$504,488	($20,180)	$484,308	
ROCKLIN	$5,518,667	($220,747)	$5,297,921	
ROSEVILLE	$11,953,694	($478,148)	$11,394,435	Reduced by $81,111 for Colfax/Roseville fund swap per Resolution 25-22
TOTAL	**$31,032,662**	**($1,241,306)**	**$29,791,356**	

NOTES:

1) FY 2025/26 LTF balance based on August 1, 2025 Estimated LTF Fund Estimate provided by the Placer County Auditor
2) Tahoe Regional Planning Agency receives funds proportional to its population within Placer County (see box below).
3) Apportioned per Section 7.1 PCTPA Rules & Bylaws for FY 2025/26 Final Overall Work Program and Budget, May 28, 2025.
4) Pedestrian and Bicycle Allocation is 2% of the remaining apportionment, per PCTPA Board direction.
5) Community Transit Service Article 4.5 allocation is up to 5% of the remaining apportionment, per PCTPA Board direction. FY 2025/26 Article 4.5 allocation is set at 4.5%.
6) FY 2024/25 carryover apportionment (see next page) uses May 2025 DOF population estimates.
7) PCTPA receives 4% of apportionment for regional planning purposes and implementation of federal planning requirements.
8) Assumes 0.5% growth in revenue over FY 2024/25

January 1, 2025 DOF Population Estimates[1]		
TRPA Population[2]	9,984	2.36898677%
PCTPA Population	411,462	97.63101323%
TOTAL	421,446	100.00000000%

Sources:

1. Table E-1: City/County Population Estimates January 1, 2024 to January 1, 2025, DOF, released May 1, 2025.
2. Western Slope and Tahoe Basin for Placer County as of January 1, 2025, DOF, June 6, 2025.

Printed:8/8/2025

Calculation of FY 2025/2026 PCTPA LTF Carryover

Using 2025 Population - Western Slope

Amount of FY 2024/2025 Carryover: **$1,432,069**

POPULATION				
JURISDICTION	**January 1, 2025[(1)]**	**PERCENT**	**FY 2024/2025 CARRYOVER ALLOCATION**	**TOTAL CARRYOVER ALLOCATION**
PLACER COUNTY	103,305	25.11%	$359,547	$359,547
AUBURN	13,286	3.23%	$46,241	$46,241
COLFAX	1,996	0.49%	$6,947	$6,947
LINCOLN	54,520	13.25%	$189,754	$189,754
LOOMIS	6,689	1.63%	$23,281	$23,281
ROCKLIN	73,172	17.78%	$254,671	$254,671
ROSEVILLE	158,494	38.52%	$551,629	$551,629
TOTAL	**411,462**	**100.00%**	**$1,432,069**	**$1,432,069**

Sources:

1. Table E-1: City/County Population Estimates January 1, 2024 to January 1, 2025, DOF, May 1, 2025.

2. FY 2024/25 LTF balance based on August 1, 2025 Final LTF Fund Estimate provided by the Placer County Auditor

PLACER COUNTY TRANSPORTATION PLANNING AGENCY
FY 2025/26 STATE TRANSIT ASSISTANCE (STA) FUND FINAL ALLOCATION ESTIMATE
(EXCLUDING TAHOE BASIN)
August 2025

PUC 99313 Allocation	$3,267,250
PUC 99314 Allocation	$461,351
Total STA Allocation[(1)]	$3,728,601
Less 4.5 Percent Allocation of PUC 99313 to WPCTSA[(2)]	$147,026
Total STA Allocation Available to Jurisdictions	$3,581,575

FY 2025/2026 Jurisdiction PUC Section 99313 STA Fund Allocation

Jurisdiction	January 2025 Population[(3)]	PUC 99313 Population Percentage	PUC 99313 Population Allocation
Placer County	103,305	25.11%	$783,389
Auburn	13,286	3.23%	$100,751
Colfax	1,996	0.49%	$15,136
Lincoln	54,520	13.25%	$413,439
Loomis	6,689	1.63%	$50,724
Rocklin	73,172	17.78%	$554,882
Roseville	158,494	38.52%	$1,201,901
TOTAL	411,462	100.00%	$3,120,224

Notes: (1) 2025/2026 State Transit Assistance Allocation Final Estimate, California State Controller Division of Accounting and Reporting, August 1, 2025.
(2) 4.5% of unencumbered PUC 99313 Allocation is allocated to WPCTSA.
(3) Table E-1: City/County Population Estimates January 1, 2024 to January 1, 2025, DOF, released May 1, 2025.
PUC = Public Utilities Code

FY 2025/2026 Jurisdiction PUC 99314 STA Fund Allocation

Jurisdiction	PUC 99314 Fare Revenue Basis[(4)]	PUC 99314 Fare Revenue Percentage	PUC 99314 Fare Revenue Allocation	PUC Section 99313 + 99314 Total Jurisdiction Allocation
Placer County	$5,410,141	81.9%	$377,732	$1,161,120
Auburn	$21,830	0.3%	$1,524	$102,275
Colfax	$0	0.0%	$0	$15,136
Lincoln	$0	0.0%	$0	$413,439
Loomis	$0	0.0%	$0	$50,724
Rocklin	$0	0.0%	$0	$554,882
Roseville	$1,175,827	17.8%	$82,095	$1,283,997
TOTAL	$6,607,798	100.0%	$461,351	$3,581,575

Notes: (4) 2025/2026 State Transit Assistance Allocation Preliminary Estimate, California State Controller Division of Accounting and Reporting, August 1, 2025.

STAFF REPORT

Item Number 14.D

SUBJECT: Adopt a Resolution Approving the Esplanade at Turkey Creek Phase 7 Final Map. (Kaylie Tavenner)

SUBMITTED BY: Kaylie Tavenner

DEPARTMENT: Engineering

DATE: November 18, 2025

STAFF RECOMMENDATION:
Staff recommends that City Council adopt a resolution as follows: (1) approving Esplanade Phase 7 Final Map; and (2) authorizing the City Clerk to sign the Clerk's Statements and record the Final Map.

BACKGROUND/INTRODUCTION:

On October 27, 2015, the City Council conditionally approved tentative subdivision maps for separate property ownership, collectively known as Phase 1 within the Village 1 Specific Plan area, and includes the following: Enclave at Horizon Edge, Epick 3, La Bella Rosa, and Walkup Ranch. Village 1 Phase 1 is generally located north of McBean Park Drive, south of the future Ferrari Ranch Road extension, and west of the future Oak Tree Lane extension. Phase 1 was approved for up to 753 Low Density Residential Units and 286 Medium Density Residential Units.

On October 13, 2020, City Council adopted Resolution 2020-179 conditionally approving an amended Small Lot Tentative Map for this Village 1 Phase 1 area, known as the Esplanade at Turkey Creek Small Lot Tentative Map. The Esplanade at Turkey Creek project (Project) will be an age restricted gated community with private streets and utilities maintained by the HOA and approved for 683 Low Density Residential Units and 179 Medium Density Residential Units. Public water and sewer infrastructure within the Project will be maintained by the City. This Project will include the extension of Ferrari Ranch Road from McBean Park Drive to intersect with the extension of Oak Tree Lane, North of McBean Park Drive. Ferrari Ranch Road and Oak Tree Lane extensions will be public streets and City maintained. Phase 7 subdivision is generally located southwest of the Ferrari Ranch Road and Esplanade Lane intersection. Phase 7 consists of 3 Low Density Residential lots.

Taylor Morrison of California, LLC, is requesting approval of the Esplanade at Turkey Creek Phase 7 Final Map.

FINDINGS/ANALYSIS:

The Esplanade at Turkey Creek Phase 7 Final Map (Attachment 2) was reviewed by the City's Surveyor for technical correctness and the City Engineer for conformance with the approved tentative map and conditions of approval (Attachment 3).

Section 66462 of the Subdivision Map Act requires the installation of all public improvements or an agreement with the local agency to secure the installation of these public improvements. Because the subdivision improvements have been completed for Esplanade at Turkey Creek Phase 7, an agreement is not required. On May 9, 2023, the City Council adopted Resolution 2023-067 to file the Notice of Completion and accept the public infrastructure. The one-year warranty period has expired for this project.

The processing of the final map is in conformance with the approved Tentative Map and Conditions of Approval, and conform to the requirements of the Subdivision Map Act.

Staff is requesting that the City Council approve the Esplanade at Turkey Creek Phase 7 Final Map.

ENVIRONMENTAL REVIEW:

The approval of the final map is exempt from further review pursuant to Public Resources Code 21080(b)(1) and CEQA Guidelines sections 15268(b)(3).

FISCAL IMPACT:

City costs for review of the Esplanade at Turkey Creek Phase 7 Final Map were funded pursuant to the City's master fee schedule with full cost recovery borne by the applicant through funds deposited into Developer Fund 248.

The Esplanade at Turkey Creek project will increase required levels of maintenance associated with open space, parks, streetlighting, stormwater facilities, and sewer and water infrastructure throughout the City. The Project has annexed to CFD 2018-1 (Maintenance Services), Tax Zone 13, to fund the maintenance of open space, landscaping, the neighborhood park, water, sewer, public street improvements on Ferrari Ranch Road, McBean Park Drive and Oak Tree Lane, and drainage improvements along Ferrari Ranch Road and Oak Tree Lane. The Esplanade at Turkey Creek project has also annexed to CFD 2018-2 (Public Services), Tax Zone 6, to provide funding to mitigate the subdivision's impact on the General Fund. The Home Owners' Association will maintain the private streets and other infrastructure.

ATTACHMENTS:

REVISED - Attachment_1_-_Resolution.docx

Attachment 2 - Esplanade Ph 7 Final Map.pdf

Attachment 3 - Esplanade Ph 7 Final Map Conditions of Approval.pdf

RESOLUTION 2025-

A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF LINCOLN APPROVING ESPLANADE AT TURKEY CREEK PHASE 7 FINAL MAP, AND AUTHORIZING THE RECORDING OF THE FINAL MAP

WHEREAS, on October 27, 2015, the City Council conditionally approved the Tentative Maps for Epick Three via Resolution 2015-231, Enclave at Horizon Edge via Resolution 2015-233, Walkup Ranch via Resolution 2015-227, and La Bella Rosa via Resolution 2015-229; and

WHEREAS, the City Council conditionally approved an amendment to the above referenced tentative maps, combining them into a single project know as Esplanade at Turkey Creek on October 13, 2020 per City Council Resolution 2020-179; and

WHEREAS, the owner, Taylor Morrison of California, LLC, has requested the recordation of the Esplanade at Turkey Creek Phase 7 Final Map in accordance with section 66462 of the Subdivision Map Act; and

WHEREAS, the Esplanade at Turkey Creek Phase 7 Final Map is technically accurate as approved by the City's Surveyor; and

WHEREAS, the City Engineer has determined that the Esplanade at Turkey Creek Phase 7 Final Map is substantially the same as it appeared on the Esplanade at Turkey Creek Tentative Map and any approved alteration thereof; and

WHEREAS, the City Engineer has determined that all conditions of approval applicable to the Esplanade at Turkey Creek Phase 7 Final Map have been satisfied; and

WHEREAS, the City Engineer has determined that all provisions of the Subdivision Map Act and any local ordinances applicable at the time of approval of the Tentative Map have been satisfied; and

WHEREAS, the City has determined that the Esplanade at Turkey Creek Phase 7 Final Map is exempt from the California Environmental Quality Act (Public Resources Code § 21000 et seq., CEQA) pursuant to Public Resources Code 21080(b)(1) and CEQA guidelines section 15268(b)(3).

NOW THEREFORE BE IT RESOLVED:

Section 1. Pursuant to Section 66474.1 of the Subdivision Map Act, the City Council hereby finds and determines that the Final Map for Esplanade at Turkey Creek Phase 7 is in substantial compliance with the previously approved Tentative Map and all associated conditions of approval specific to these Final Maps have been satisfied.

Section 2. The Esplanade at Turkey Creek Phase 7 Final Map is hereby approved, and the City Clerk is authorized to sign the Clerk's Statements accepting on behalf of the public, all easements, and relinquishment of groundwater rights.

Section 3. The City Clerk is authorized to proceed with the Recordation of the Esplanade at Turkey Creek Phase 7 Final Map at the office of the County Recorder.

PASSED AND ADOPTED this 18th day of November, 2025 by the following vote:

AYES: Councilmembers:
NOES: Councilmembers:
ABSENT: Councilmembers:
ABSTAIN: Councilmembers:

_____
Holly Andreatta, Mayor

ATTEST:

_____
Hope Ithurburn, City Clerk

ATTACHMENT 2

BOOK ____ OF MAPS, PAGE ____

OWNER'S STATEMENT

THE UNDERSIGNED HEREBY CERTIFIES THAT WE ARE THE OWNERS OF THE RECORD TITLE INTEREST IN THE REAL PROPERTY INCLUDED WITHIN THIS FINAL MAP, ESPLANADE AT TURKEY CREEK PHASE 7, WITHIN THE DISTINCTIVE BORDERS AND THAT WE CONSENT TO THE PREPARATION AND FILING OF THIS FINAL MAP AND WE HEREBY OFFER THE FOLLOWING DEDICATIONS:

THE FOLLOWING IS A DEDICATION OF EASEMENTS TO THE CITY OF LINCOLN:

A. PUBLIC UTILITY EASEMENT FOR THE INSTALLATION AND MAINTENANCE OF WATER, GAS, STORM DRAIN, SANITARY SEWER, TELECOMMUNICATION, CABLE AND ELECTRIC SERVICES, AND ALL USES INCIDENT THERETO ON, OVER, UNDER, AND ACROSS THE 12.5' STRIP OF LAND ADJACENT TO PRIVATE ROAD LOT T4 AS SHOWN HEREON AND LABELED (P.U.E.).

THE FOLLOWING IS A DEDICATION TO THE CITY OF LINCOLN FOR UNDERGROUND WATER RIGHTS:

WE HEREBY RELINQUISH AND WAIVE OUR PRIORITY TO ANY AND ALL UNDERGROUND WATER RIGHTS ASSOCIATED WITH THE REAL PROPERTY WITHIN ALL LOTS AS SHOWN WITHIN THIS SUBDIVISION BOUNDARY.

TAYLOR MORRISON OF CALIFORNIA, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY

BY: _____ BY: _____

JAY PAWLEK, VICE PRESIDENT AREN BAZZOCCO, VICE PRESIDENT

DEVELOPMENT NOTES

1. THIS MAP IS SUBJECT TO THE COVENANTS, CONDITIONS & RESTRICTIONS (CC&R'S) RECORDED ON SEPTEMBER 30, 2021 AS DOCUMENT #2021–0122492, OFFICIAL RECORDS OF PLACER COUNTY.
2. THIS MAP IS SUBJECT TO A HOMEOWNER'S ASSOCIATION.

FINAL MAP NO. _____
ESPLANADE AT TURKEY CREEK PHASE 7

PORTION OF SECTION 14, TOWNSHIP 12 NORTH, RANGE 6 EAST, M.D.B.&M., IN THE CITY OF LINCOLN, STATE OF CALIFORNIA.

SHEET 1 OF 3 JUNE 2025

FRAYJi DESIGN GROUP
CIVIL ENGINEERING | PLANNING | SURVEYING
1316 Blue Oaks Blvd, Roseville, CA 95678

A NOTARY PUBLIC OR OTHER OFFICER COMPLETING THIS CERTIFICATE VERIFIES ONLY THE IDENTITY OF THE INDIVIDUAL WHO SIGNED THE DOCUMENT TO WHICH THIS CERTIFICATE IS ATTACHED, AND NOT THE TRUTHFULNESS, ACCURACY, OR VALIDITY OF THAT DOCUMENT.

STATE OF CALIFORNIA

COUNTY OF Sacramento

ON June 9, 2025 BEFORE ME, Carol Peterson , A NOTARY PUBLIC,

PERSONALLY APPEARED Jay Pawlek .

WHO PROVED TO ME ON THE BASIS OF SATISFACTORY EVIDENCE TO BE THE PERSON(S) WHOSE NAME(S) IS/~~ARE~~ SUBSCRIBED TO THE WITHIN INSTRUMENT AND ACKNOWLEDGED TO ME THAT (HE)/~~SHE/THEY~~ EXECUTED THE SAME IN (HIS)/~~HER/THEIR~~ AUTHORIZED CAPACITY(IES), AND THAT BY (HIS)/~~HER/THEIR~~ SIGNATURE(S) ON THE INSTRUMENT THE PERSON(S) OR THE ENTITY UPON BEHALF OF WHICH THE PERSON(S) ACTED, EXECUTED THE INSTRUMENT.

I CERTIFY UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE STATE OF CALIFORNIA THAT THE FOREGOING PARAGRAPH IS TRUE AND CORRECT.

WITNESS MY HAND AND OFFICIAL SEAL.

Carol Peterson — SIGNATURE OF NOTARY PUBLIC
Carol Peterson — PRINTED NAME

COMMISSION NO. 2470499

COUNTY OF PRINCIPAL PLACE OF BUSINESS Placer

MY COMMISSION EXPIRES December 7, 2027

A NOTARY PUBLIC OR OTHER OFFICER COMPLETING THIS CERTIFICATE VERIFIES ONLY THE IDENTITY OF THE INDIVIDUAL WHO SIGNED THE DOCUMENT TO WHICH THIS CERTIFICATE IS ATTACHED, AND NOT THE TRUTHFULNESS, ACCURACY, OR VALIDITY OF THAT DOCUMENT.

STATE OF CALIFORNIA

COUNTY OF Sacramento

ON June 9, 2025 BEFORE ME, Carol Peterson , A NOTARY PUBLIC,

PERSONALLY APPEARED Aren Bazzocco .

WHO PROVED TO ME ON THE BASIS OF SATISFACTORY EVIDENCE TO BE THE PERSON(S) WHOSE NAME(S) IS/~~ARE~~ SUBSCRIBED TO THE WITHIN INSTRUMENT AND ACKNOWLEDGED TO ME THAT (HE)/~~SHE/THEY~~ EXECUTED THE SAME IN (HIS)/~~HER/THEIR~~ AUTHORIZED CAPACITY(IES), AND THAT BY (HIS)/~~HER/THEIR~~ SIGNATURE(S) ON THE INSTRUMENT THE PERSON(S) OR THE ENTITY UPON BEHALF OF WHICH THE PERSON(S) ACTED, EXECUTED THE INSTRUMENT.

I CERTIFY UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE STATE OF CALIFORNIA THAT THE FOREGOING PARAGRAPH IS TRUE AND CORRECT.

WITNESS MY HAND AND OFFICIAL SEAL.

Carol Peterson — SIGNATURE OF NOTARY PUBLIC
Carol Peterson — PRINTED NAME

COMMISSION NO. 2470499

COUNTY OF PRINCIPAL PLACE OF BUSINESS Placer

MY COMMISSION EXPIRES December 7, 2027

SURVEYORS STATEMENT

THIS FINAL MAP WAS PREPARED BY ME OR UNDER MY DIRECTION AND IS BASED UPON A FIELD SURVEY IN CONFORMANCE WITH THE REQUIREMENTS OF THE SUBDIVISION MAP ACT AND LOCAL ORDINANCES AT THE REQUEST OF TAYLOR MORRISON OF CALIFORNIA, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY FROM MARCH 2016 TO AUGUST 2021. I HEREBY STATE THAT THIS FINAL MAP SUBSTANTIALLY CONFORMS TO THE CONDITIONALLY APPROVED TENTATIVE MAP; THAT ALL THE MONUMENTS ARE OF THE CHARACTER AND OCCUPY THE POSITIONS INDICATED THAT ALL STREET MONUMENTS WILL BE SET PRIOR TO ACCEPTANCE OF THE STREETS BY THE CITY AND ALL LOT CORNERS WILL BE SET PRIOR TO THE ISSUANCE OF THE FIRST BUILDING PERMIT AND THAT THE MONUMENTS ARE, OR WILL BE, SUFFICIENT TO ENABLE THE SURVEY TO BE RETRACED.

DATE: 6-3-25 _____

MICHAEL S. COSTA
REGISTRATION NUMBER: L.S. 6600
REGISTRATION EXPIRES 12–31–2025

PROFESSIONAL LAND SURVEYOR · MICHAEL S. COSTA · LS 6600 · STATE OF CALIFORNIA

SURVEYOR'S STATEMENT

I HEREBY STATE THAT I HAVE EXAMINED THIS MAP OF FINAL MAP OF ESPLANADE AT TURKEY CREEK PHASE 7, AND FIND THIS MAP TO BE TECHNICALLY CORRECT.

_____

RAYMOND MICHAEL MANGER
L.S. NO. 5154
REGISTRATION EXPIRES 6–30–2027

PROFESSIONAL LAND SURVEYOR · RAYMOND MICHAEL MANGER · LS 5154 · STATE OF CALIFORNIA

CITY ENGINEER'S STATEMENT

I, VIN CAY, CITY ENGINEER FOR THE CITY OF LINCOLN, DO HEREBY STATE THAT I HAVE EXAMINED THIS FINAL MAP OF THE ESPLANADE AT TURKEY CREEK PHASE 7, CITY OF LINCOLN, STATE OF CALIFORNIA, COMPRISED OF THREE (3) SHEETS; THAT THE SUBDIVISION SHOWN HEREON IS SUBSTANTIALLY THE SAME AS IT APPEARED ON THE TENTATIVE MAP AND ANY APPROVED ALTERATIONS THEREOF; AND THAT ALL PROVISIONS OF THE SUBDIVISION MAP ACT AND ANY LOCAL ORDINANCES APPLICABLE AT THE TIME OF APPROVAL OF THE TENTATIVE MAP HAVE BEEN COMPLIED WITH.

DATE: _____ _____

VIN CAY, CITY ENGINEER
CITY OF LINCOLN, R.C.E. NO. 72903
REGISTRATION EXPIRES 12–31–2026

REGISTERED PROFESSIONAL ENGINEER · VIN CAY · No. 72903 · CIVIL ENGINEER · STATE OF CALIFORNIA

CITY CLERK'S STATEMENT

I, HOPE ITHURBURN, INTERIM CITY CLERK OF THE CITY OF LINCOLN, HEREBY STATE THAT THE CITY COUNCIL OF THE CITY OF LINCOLN HAS APPROVED THIS FINAL MAP OF ESPLANADE AT TURKEY CREEK PHASE 7, AND DID ACCEPT ON BEHALF OF THE PUBLIC THE EASEMENT FOR PUBLIC UTILITY PURPOSES AND THE DEDICATION OF THE WATER RIGHTS AS OFFERED HEREON.

_____ _____

HOPE ITHURBURN DATE:
INTERIM CITY CLERK, CITY OF LINCOLN

RECORDER'S STATEMENT

FILED THIS _____ DAY OF _____, 2025, AT _____ _____.M. IN BOOK _____ OF MAPS, AT PAGE _____ AT THE REQUEST OF TAYLOR MORRISON OF CALIFORNIA, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY.

DOCUMENT NO 2025–_____

FEE: _____

RYAN RONCO
PLACER COUNTY RECORDER

BY: _____
DEPUTY

BOOK____OF MAPS, PAGE____

OVERALL BOUNDARY SHEET

FOUND MONUMENT AND BOUNDARY NOTES:

1. FOUND ¾" IRON PIPE W/3" BRASS CAP STAMPED 'RE 5438' PER 5 RS 2, ACCEPTED AS E ¼ CORNER OF SECTION 14.
2. FOUND 1.5" IP W/2" BRASS CAP STAMPED LS 3636 PER 5 RS 2, ACCEPTED AS N ¼ CORNER OF SECTION 14.
3. FOUND 1.5" BRASS DISK STAMPED LS 3636 PER 5 RS 2, ACCEPTED AS W ¼ CORNER OF SECTION 14
4. FOUND 5/8 INCH REBAR W/PLASTIC CAP MARKED "LS 4533" PER 20 RS 3. ACCEPTED AS A POINT ON THE WEST LINE.
5. FOUND 6x6 CONCRETE MONUMENT PER 18 RS 63. DESTROYED BY NEW CONSTRUCTION. TO BE RESET BY FF MAPS 55.
6. FOUND 2.5" BRASS DISC STAMPED "LS 3636" PER 4 PM 56. ACCEPTED AS SECTION CORNER.
7. FOUND 2.5" BRASS DISC STAMPED "LS 3636" PER 3 PM 4. ACCEPTED AS SECTION CORNER.
8. FOUND 1.5" BRASS DISC (UNREADABLE). ACCEPTED AS SECTION CORNER.
9. FOUND 3/4 INCH IRON PIPE TAGGED "LS 4645" PER 26 PM 52.
10. FOUND 6x6 CONCRETE MONUMENT, NO TAG PER 18 RS 63.
11. FOUND 3/4 INCH IRON PIPE TAGGED "LS 4645" PER 26 PM 52. SINCE DESTROYED DURING CONSTRUCTION.
12. FOUND 3/4 INCH IRON PIPE W/PLUG TAGGED "LS 5473" PER EE MAPS 30.
13. THE NORTHERLY LINE OF MCBEAN PARK DRIVE WAS HELD AT MONUMENTS FOUND PER 18 RS 63 AND RECORD INFORMATION AS SHOWN ON (8).
14. FOUND 1" IP W/PLASTIC CAP MARKED "CA DOT" PER 18 RS 63. DESTROYED BY NEW CONSTRUCTION. TO BE RESET BY FF MAPS 55.
15. FOUND 6x6 CONCRETE MONUMENT, NO TAG PER 18 RS 63. SINCE DESTROYED BY NEW CONSTRUCTION. TO BE RESET BY FF MAPS 55.

REFERENCES:

(1) 20 RS 3
(2) 5 RS 2
(3) Z MAPS 53
(4) EE MAPS 30
(5) 18 RS 27
(6) 18 RS 63
(7) 829 OR 532
(8) CALTRANS RIGHT OF WAY MAP R-35290.4
(9) 2019-0057206
(10) FF MAPS 55
(11) FF MAPS 76
(12) FF MAPS 97
(13) EE MAPS 30

LEGEND

- DENOTES DIMENSION POINT
- FOUND MONUMENT AS NOTED
- FOUND SECTION CORNER, QUARTER CORNER
- NOT FOUND SECTION CENTER ¼ CORNER, QUARTER CORNER
- ( ) DENOTES RECORD INFORMATION
- PHASE LIMITS

SCALE: 1"=300'

0' 300' 600'

SCALE: 1"=300'

FINAL MAP NO. _____
ESPLANADE AT TURKEY CREEK
PHASE 7

PORTION OF SECTION 14, TOWNSHIP 12 NORTH, RANGE 6 EAST, M.D.B.&M., IN THE CITY OF LINCOLN, STATE OF CALIFORNIA.

SHEET 2 OF 3 JANUARY 2025

FRAYJI DESIGN GROUP
CIVIL ENGINEERING | PLANNING | SURVEYING
1316 Blue Oaks Blvd, Roseville, CA 95678

CORNER SEARCHED FOR, NOT FOUND. HELD BEARING BETWEEN POINTS 2 AND 5 AND SET AT A RECORD DISTANCE OF 5303.48' PER 20 R.O.S. 3 FOR NORTH-SOUTH SEC. 14 CENTERLINE

SEE SHEET # FOR LEGEND, GENERAL NOTES, ABBREVIATIONS & BASIS OF BEARINGS

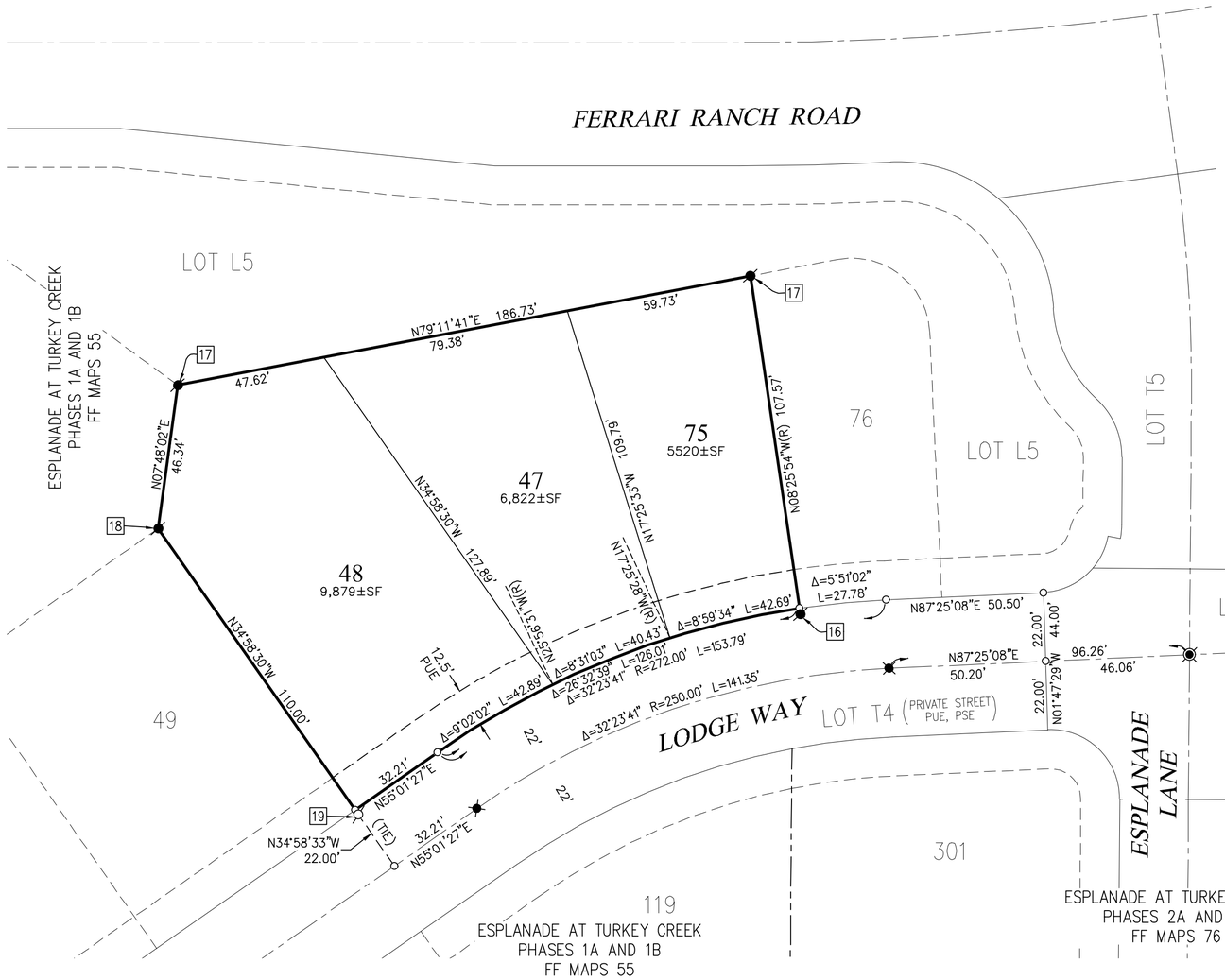
BOOK_____OF MAPS, PAGE_____

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PORTIONS OF SECTION 14, TOWNSHIP 12 NORTH, RANGE 6 EAST, M.D.B.&M.,
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LEGEND

o	DENOTES DIMENSION POINT
⊗	LOCATION OF COPPERWELD MONUMENT WITH CENTER PUNCH IN MONUMENT WELL STAMPED "LS 5473" PER FF MAPS 55.
●	LOCATION OF COPPERWELD MONUMENT WITH CENTER PUNCH, FLUSH WITH PAVEMENT, STAMPED "LS 5473" PER FF MAPS 55.
⌀	FOUND MONUMENTS AS NOTED.
⌀	SET MONUMENT AS NOTES.
( )	DENOTES RECORD INFORMATION
(R)	RADIAL BEARING

FOUND MONUMENT NOTES:

16 LOCATION OF 1" BRASS MARKER 'LS 5473' ON-LINE ONE FOOT (1.0') FROM FRONT LOT CORNER PER FF MAPS 55

17 LOCATION OF 5/8" REBAR WITH PLASTIC CAP 'LS 5473' ON-LINE AND TWO FEET (2.0') FROM LOT CORNER PER FF MAPS 55

18 LOCATION OF 5/8" REBAR WITH PLASTIC CAP 'LS 5473' PER FF MAPS 55

19 SEARCHED FOR, NOTHING FOUND PER FF MAPS 55 (DESTROYED BY CONSTRUCTION). RE-SET 1" BRASS MARKER STAMPED "LS 6600" SET IN THE SIDEWALK ON THE PROJECTION OF THE SIDE LOT LINE 1.0'(FT.) FROM THE FRONT LOT CORNER.

GENERAL NOTES:

1. A SOILS REPORT FOR THIS SUBDIVISION WAS PREPARED BY WALLACE & KUHL IN DECEMBER 2018. A COPY OF THIS REPORT IS AVAILABLE FOR PUBLIC INSPECTION AT THE OFFICE OF THE CITY OF LINCOLN BUILDING INSPECTION DIVISION.
2. TOTAL AREA FOR THIS SUBDIVISION IS 0.51± ACRES, CONSISTING OF 3 RESIDENTIAL LOTS.
3. ALL REAR LOT CORNERS AND ANGLE POINTS ARE MARKED BY A 5/8" REBAR WITH PLASTIC CAP STAMPED "LS 6600". WHERE MONUMENTS FALL ADJACENT TO A RETAINING WALL, SOUNDWALL OR CONCRETE FOOTING A 5/8" REBAR WITH PLASTIC PLUG STAMPED "LS 6600" WILL BE SET ON THE SIDE LOT LINE 2.00' OFFSET TO THE REAR LOT CORNER AS SHOWN.
4. EACH FRONT LOT CORNER IS MARKED BY A 1" BRASS MARKER STAMPED "LS 6600" SET IN THE SIDEWALK ON THE PROJECTION OF THE SIDE LOT LINE 1.0'(FT.) FROM THE FRONT LOT CORNER.
5. LOT NUMBERING REFLECTS LOT NUMBERS AS SHOWN ON THE TENTATIVE MAP.

ABBREVIATIONS

N,S,E,W	NORTH, SOUTH, EAST, WEST
PSE	PUBLIC SERVICES EASEMENT
PUE	PUBLIC UTILITY EASEMENT
(R)	RADIAL BEARING
SF	SQUARE FEET

BASIS OF BEARINGS

THE BASIS OF BEARINGS FOR THIS MAP IS THE SOUTHEASTERLY BOUNDARY OF PARCEL 2, ALSO BEING THE CENTERLINE OF LEAVELL LANE, AS SHOWN ON RECORD OF SURVEY NO. 2938, AS RECORDED IN BOOK 20, PAGE 3 OF SURVEYS, O.R.P.C., BEING: NORTH 49°09'42" EAST.

SEE SHEET 2 FOR REFERENCES.

ATTACHMENT 3

RESOLUTION 2020 - 179

A RESOLUTION OF THE CITY COUNCIL APPROVING THE SMALL LOT TENTATIVE SUBDIVISION MAP FOR THE ESPLANADE AT TURKEY CREEK PROJECT WITHIN THE VILLAGE 1 SPECIFIC PLAN ON VARIOUS ASSESSOR'S PARCEL NUMBERS

WHEREAS, Title 17, Chapter 17.04 of the Lincoln Municipal Code provides for the review and recommendations of the City's Planning Commission on all Tentative Subdivision Maps; and

WHEREAS, the Planning Commission has reviewed the proposed Tentative Subdivision Map for the Esplanade at Turkey Creek Estates project (Project) and recommended approval to the City Council via Planning Commission Resolution #2020-26; and

WHEREAS, pursuant to Government Code Section 65090, notice of the City Planning Commission's hearing was published on an 1/8th of a page in accordance with Section 6061 of the Government Code in at least one newspaper of general circulation within the City of Lincoln at least ten calendar days before the City Planning Commission's public hearing; and,

WHEREAS, the Esplanade at Turkey Creek Estates project is located within the Village 1 Specific Plan and is consistent with the goals, policies and intent of the Specific Plan and the applicable development standards of the approved Village 1 General Development Plan; and

WHEREAS, on November 27, 2012, the City Council adopted Resolution No. 2012-196 certifying the Village 1 Specific Plan Final Environmental Impact Report ("Village 1 EIR"), Report Making Findings Concerning Mitigation Measures, Adopting a Mitigation Monitoring Plan, Making Findings Concerning Alternatives and Adopting a Statement of Overriding Considerations in Accordance with the California Environmental Quality Act for the Village 1 Specific Plan Project; and

WHEREAS, on November 27, 2012, the City Council adopted Resolution No. 2012-196 certifying the Final Environmental Impact Report for the Village 1 Specific Plan Project ("Village 1 EIR") (State Clearinghouse No. 2010102018), Making Findings Concerning Mitigation Measures, Adopting a Mitigation Monitoring Plan Making Findings in Accordance with the California Environmental Quality Act for the Village 1 Specific Plan Project, and that the mitigation measures identified in the Final EIR have been imposed on and incorporated into the Esplanade at Turkey Creek Estates Project, and that the Esplanade at Turkey Creek Estates Project is consistent with the development intensity analyzed within the Final EIR and is located upon essentially the same development footprint, and therefore, the project does not have the potential to increase the significance of previously identified impacts or create any new significant impacts; and,

WHEREAS, the Esplanade at Turkey Creek Estates project site was analyzed for development within the Village 1 Specific Plan Development Project EIR pursuant to the EIR. Pursuant to the requirements of the California Environmental Quality Act (CEQA) and the Environmental Guidelines of the City of Lincoln, the City has determined that the project is exempt from further environmental review pursuant to Section 15183 whereby projects which are consistent with the development density established by existing zoning, community plan, or general plan policies for which an EIR was certified shall not require additional environmental review, except as might be necessary to examine whether there are project-specific significant effects which are peculiar to the project or its site; and,

WHEREAS, the application includes minor amendments to the Village 1 Specific Plan; minor amendments to the Village 1 General Development Plan, and a Large Lot Tentative Map; and a Small Lot Tentative Subdivision Map. The project site is located in the City's Village 1 Specific Plan area, which designates the site for Village Low Density Residential (VLDR), Village Medium Density Residential (VMDR), Village Park/Recreation (VPR), and Village Open Space/Corridors (VOS); and,

WHEREAS, the proposed project would result in an overall residential density less than that assumed in the EIR, the project's effects associated with development intensity, such as air quality, greenhouse gas emissions, noise, population, public services, utilities, and transportation, would be less than those disclosed in the EIR. The footprint of the proposed project is within the development footprint assumed in the EIR, so there would be no change with respect to impacts related to footprint; and,

WHEREAS, the type of housing product proposed for the VLDR and VMDR is consistent with the housing product analyzed in the Final EIR, and the amount of land dedicated to development and the overall number of units are consistent with that analyzed in the EIR. Therefore, the project is substantially consistent with the Village 1 Specific Plan; and,

WHEREAS, the potential impacts of the project were fully analyzed in the Village 1 Specific Plan EIR and the mitigation measures established in that EIR shall apply to the Esplanade at Turkey Creek project. Therefore, no further review of the Esplanade at Turkey Creek Small Lot Tentative Subdivision Map is required under CEQA; and,

WHEREAS, the City Council reviewed and considered the information contained in the above incorporated Environmental Documents, and finds that the mitigation measures identified therein, imposed on and incorporated into the Village 1 Specific Plan Project as amended which mitigate or avoid the significant environmental effects will be imposed upon the project.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LINCOLN APPROVES THE ESPLANADE AT TURKEY CREEK SMALL LOT TENTATIVE SUBDIVISION MAP FOR THE VILLAGE 1 SPECIFIC PLAN PROJECT SUBJECT TO THE FOLLOWING FINDINGS AND CONDITIONS:

Section 1. This Resolution incorporates, and by this reference makes a part hereof, the approved Specific Plan and General Development Plan goals, policies and standards and the mitigation measures associated with the previously approved Village 1 Specific Plan EIR, and affirms the applicability of such policies, development standards and mitigation measures to the Esplanade at Turkey Creek Project.

Section 2. Based on the recitals set forth in this Resolution, the CEQA Resolution, the evidence in the Staff Report, and the Conditions of Approval set forth in Exhibit B of this Resolution, the City Council hereby makes the following findings with respect to the Project:

1. The Project, together with the provisions for its design and improvement, is consistent with the general plan and the Village 1 Specific Plan.

2. The Project site is physically suitable for the types of development proposed.

3. The Project site is physically suitable for the proposed density of development.

4. Neither the design of the Project nor the proposed improvements are likely to cause substantial environmental damage or substantially and avoidably injure fish or wildlife or their habitat.

5. The design of the Project or the type of improvements is not likely to cause serious public health problems.

6. The design of the Project or the type of improvements will not conflict with public easements for access or use of property within the proposed subdivision.

7. The proposed waste discharge will not result in or add to violation of requirements of the Regional Water Quality Control Board.

Section 3. Based on the findings set forth in this Resolution, the previously approved CEQA Resolution, the evidence in the Staff Report, and subject to the Conditions of Approval set forth in Exhibit A of this Resolution, the City Council approves the Esplanade at Turkey Creek Tentative Subdivision Map.

Section 4. This Resolution incorporates, and by this reference makes a part hereof, previously approved Specific Plan and General Development Plan goals, policies and standards and the mitigation measures associated with the previously approved Village 1 Specific Plan EIR, and affirms the applicability of such policies, development standards and mitigation measures to the Esplanade at Turkey Creek Project.

Section 5. Based on the findings set forth in this Resolution, and the evidence in the Staff Report, the City Council hereby recommends approval of the Small Lot Tentative Subdivision Map to the Esplanade at Turkey Creek, substantially in the form on file with the Community Development Director, as Exhibit B.

PASSED AND ADOPTED this 13th day of October, 2020, by the following roll call vote:

AYES: COUNCILMEMBERS: Gilbert, Joiner, Andreatta, Silhi, Karleskint

NOES: COUNCILMEMBERS:

ABSENT: COUNCILMEMBERS:

Daniel Karleskint

Dan Karleskint, Mayor

ATTEST:

Gwen Scanlon

Gwen Scanlon, City Clerk

EXHIBIT A

The Small Lot Tentative Subdivision Map for the Esplanade at Turkey Creek project is approved subject to the attached conditions of approval:

The Esplanade at Turkey Creek Project, located within the Village 1 Specific Plan in the City of Lincoln, on various Assessors's Parcel Numbers, generally located north of McBean Park Drive, south and east of Ferrari Ranch Road, and west of Oak Tree Lane, is approved subject to the following conditions of approval:

****** (Double Asterisk) located in front of the Condition is specific to the Esplanade at Turkey Creek Project.

	Condition	Timing	Responsible Party	Status
1.	The ability to proceed under any approvals, entitlements, or authorizations granted by this action, including the recordation of Final Map, are contingent upon compliance with the terms and conditions of the Annexation Process from Placer County, the Village 1 Specific Plan and the terms and conditions of the General Development Plan.	General Condition	City of Lincoln	
2.	All development within the Village 1 Specific Plan area is subject to compliance with Mitigation Measures contained within the Village 1 Specific Plan EIR (State Clearinghouse No. 2010102018).	General Condition	City of Lincoln	
3.	The Applicant shall hold harmless the City, its Council Members, its Planning Commission, officers, agents, employees, and representatives from liability for any award, damages, costs and fees incurred by the City and/or awarded to any plaintiff in an action challenging the validity of this permit or any environmental or other documentation related to approval of this permit. Applicant further agrees to provide a defense for the City in any such action.	General Condition	City of Lincoln	
4.	The Applicant shall pay the City's actual costs of providing entitlement processing Plan review, Final Map review, GIS, administrative fee, and inspection services. This may be a combination of staff costs and direct billing for contract professional services.	General Condition	City of Lincoln	

Condition	Timing	Responsible Party	Status
5. The ability to proceed under any approvals, entitlements, or authorizations granted by this action are contingent upon a Development Agreement is being executed with the City of Lincoln, which incorporates changes associated with this tentative map for Taylor Morrison to combine into this single project, Esplanade at Turkey Creek, all of the projects north of McBean Park Drive, south and east of Ferrari Ranch Road and Auburn Ravine, and west of the future extension of Oak Tree Lane. Such Development Agreement shall be executed prior to City Council approval of any Final Map and may establish obligations to be completed prior to approval of any Final Map.	General Condition	City of Lincoln	
6. The design, maintenance, inspection, and reporting of all storm water systems, devices, and treatment systems by the Applicant/HOA shall be in compliance with the State Water Resources Control Board Water Quality Order No. 2013-0001-DWQ National Pollutant Discharge Elimination System Permit Phase II Municipal General Permit No. CAS000004, Waste Discharge Requirements for Storm Water Discharges from Small Municipal Separate Storm Sewer Systems and any design guidance developed by the City.	General Condition On-going	Development Engineering & City Engineer	
7. The installation timing of specific offsite improvements associated with the project have been established in the Development Agreement, for Esplanade at Turkey Creek.	General Condition	Community Development & City Engineer	
8. If there is a conflict between the Project Development Agreement and the Conditions of Approval, the Development Agreement shall prevail.	General Condition	City of Lincoln	
9. As set out in the City's Public Facilities Element Fee (PFE program) the project is subject to Infrastructure and Capital Facility Impact Fees categories including but not limited to, Wastewater Fee; Reclaimed or Raw Water Fee; Drainage Fee; Water Fee; Transportation Fee; and Community Services Fees which includes Parks, City Administration, Fire, Police, Solid Waste, and Library.	General Condition	Finance	

Condition	Timing	Responsible Party	Status
10. The project shall comply with requirements of SB 5 (200-year flood protection) and regulations and guidelines published by the State Department of Water Resources, and as may be adopted by the City of Lincoln in compliance with the requirements of SB 5.	General Condition	Development Engineering	
11. The Small Lot Tentative Map shall be subject to those provisions set forth in the approved General Development Plan for the Plan Area, adopted by Ordinance No.873 B and Amended 886 B, and the currently proposed amendment associated with this Map, if approved by the City Council.	General Condition	Development Engineering	
12. The conditions of approval for the Tentative Maps supersede any and all conflicting notations, and information which may be shown on said Maps.	General Condition	City of Lincoln	
13. The Tentative Subdivision Map approval is valid for two years from the date of City Council approval, unless an extension of time is subsequently approved per Government Code Section 66452.6(e), or extended by the terms of a Development Agreement.	General Condition	City of Lincoln	
14. All improvements and construction within the project shall be consistent with the Esplanade at Turkey Creek Tentative Subdivision Map and the Village 1 General Development Plan.	General Condition	City of Lincoln	
15. One or more residential small lot maps may be recorded concurrent with or subsequent to the recordation of the Large Lot Final Map.	General Condition	Development Engineering	
16. **Conditions of Approval noted herein generally apply to the recordation of all Small Lot Final Maps. However, the City retains the right to defer, at its sole discretion, certain Conditions of Approval when it determines that such conditions are not relevant to recordation of a Final Map. In such cases, compliance with related Conditions of Approval shall be deferred to recordation of other Small Lot Final Maps within the subject Large Lot Map.	General Condition	Development Engineering	

Condition	Timing	Responsible Party	Status
17. Unless otherwise addressed in the Development Agreement, the design and construction of all improvements shall conform to the City of Lincoln Design Criteria and Procedures Manual and Public Facilities Improvement Standards, or as modified by these Conditions of Approval, or as approved by the City Engineer and/or Community Development Director.	Prior to approval of Improvement Plans & Acceptance of Improvements	Development Engineering & City Engineer	

Condition	Timing	Responsible Party	Status
18. Unless otherwise addressed in the Development Agreement, the Tentative Subdivision Map allows for the project be developed in phases. Prior to the submittal of Improvement Plans or final map, the Applicant shall submit a phasing plan that includes lots, street, utilities, etc. The City Engineer and Community Development Director will review the proposed phasing plan for the project and determine the extent, timing and installation requirements of public facilities necessary to the provision of public services to the subject parcel. The determination of the City through its City Engineer and Community Development Director will control, limited to the following criteria: any phase that serves more than forty-five (45) units shall provide two points of vehicular access, one of which can be a temporary road if such road does not provide the ultimate second point of residential access, and shall be designed to the satisfaction of the City Engineer; provide a looped water system capable of achieving fire flow, maximum day flow and pressure as required by the then current Improvement Standards; provide a sanitary sewer system which could consist of gravity mains and is connected to the wastewater treatment plant; provide a storm drainage system (including storm water quality facilities) to adequately convey storm water to an ultimate discharge point shown on the storm drainage master plan or to an interim discharge point consistent with the extension to the ultimate discharge point; or to require improvements necessary to comply with any other Federal, State or local agency requirements applicable to the project. All phases of development will require final approval by the Community Development Department, Police, and Fire Chiefs based upon the ability to access each phase for regular and emergency City services, as well as the provision of needed public utilities. The City reserves the right to require improvements outside of each phase if deemed appropriate to achieve needed levels of service for each phase.	Phasing plan shall be submitted for review prior to improvement plan submittal	Community Development & Engineering	

Condition	Timing	Responsible Party	Status
19. Improvements to backbone infrastructure (McBean Park Drive, Ferrari Ranch Road, and Oak Tree Lane) shall be designed and constructed consistently with the development standards and phasing requirements outlined in the Village 1 Specific Plan, Infrastructure Master Plan and Financing Plan, and as substantiated by a supplemental traffic analysis. The Infrastructure Master Plan and Financing plan identify the interim and ultimate Village 1 improvements as well as installation timing, and signal installation triggers. These Plans, together with the project DA, shall specify the Applicant's financial responsibility toward the ultimate improvements and minimum interim improvements required with this project. Any interim improvements must be proposed in a manner acceptable to the City Engineer.	Prior to approval of improvement plans	Community Development, City Engineer, Finance	
DEVELOPMENT STUDIES/MITIGATION			
20. Demonstrate compliance with the approved Master Plan for Village 1 Specific Plan water study and any updates with the 1st submittal of Improvement Plans to be approved by the City Engineer. The project design shall also plan to connect with existing water lines extending to the property, provide appropriately-sized stubs for future connections for adjacent properties, and shall size the internal network of the project to consider the water needs of future development of those parcels.	Prior to approval of Improvement Plans	Development Engineering & City Engineer	
21. Demonstrate compliance with the approved Master Plan for Village 1 Specific Plan sewer study and non-potable water study and any updates with the 1st submittal of Improvement Plans to be approved by the City Engineer. The project shall provide appropriately-sized stubs for future connection of adjacent properties and provide excess capacity in the project sewer lines for all current and anticipated upstream sewer shed areas.	Prior to approval of Improvement Plans	Development Engineering & City Engineer	

Condition	Timing	Responsible Party	Status
22. Demonstrate compliance with the approved Master Plan for Village 1 Specific Plan master drainage study and any update with the 1st submittal of Improvement Plans and approved by the City Engineer. The project shall plan to provide appropriately-sized stubs for future connection of adjacent properties and provide excess capacity in the project drainage lines, channels, detention basins and water quality features for all current and anticipated upstream drainage shed areas. The project shall provide a site-specific storm drainage report, with corresponding supporting analysis, to show compliance.	Prior to approval of Improvement Plans	Development Engineering & City Engineer	
23. With each phase of development, the Applicant shall submit a soils report prepared by a soils engineer for the development including the park sites. The report shall identify any grading and/or foundation soil problems on the lots and recommend any necessary corrective action to be taken. The reports shall be submitted with the Grading Permit or Improvement Plans whichever occurs first. The reports shall include sub-grade soil evaluation for roadway design and provide suggested structural road sections.	Prior to approval of Improvement Plans	Development Engineering & City Engineer	
24. For those improvements that affect regulated resources, the Applicant shall have secured all required Environmental and Mitigation Permits for offsite improvements prior to City approval of Plans for the offsite improvements affecting the regulated resources.	Prior to approval of offsite Improvement Plans that affect regulated resources.	Development Engineering & City Engineer	
25. The Applicant shall provide the City with a copy of the approved 404 Permit and a 401 Certification to the Community Development Department. The boundaries of the sensitive areas and the boundaries of the permitted area shall be shown and labeled on the improvement plans.	Prior to approval of Improvement Plans that affect the regulated resources	Development Engineering & City Engineer	
26. The Applicant shall comply with the City of Lincoln Tree Preservation Ordinance and retain an Arborist to recommend mitigation measures if construction encroaches within the Oak tree dripline area.	Prior to approval of Improvement Plans	Planning	

Condition	Timing	Responsible Party	Status
27. **The Applicant shall prepare and submit for Community Development Department review an analysis of the grading around the proposed DiGiordano parcel and its effects on the Village 1 Specific Plan Drainage Master Plan (DMP). The analysis shall compare the hydraulic results of the proposed grading with the results in the DMP and describe the impacts of the change. If the analysis demonstrates the proposed grading is not consistent with the impacts and mitigations described in the DMP, the Applicant shall amend the Village 1 DMP to reflect the proposed grading around the DiGiordano parcel.	Prior to approval of Improvement Plans and any Final Map	Development Engineering & City Engineer	
TRANSPORTATION/STREET IMPROVEMENTS			
28. **The following traffic indexes (TI) shall be used for roadway design: Minor Residential TI = 6.0 Entrance streets TI = 6.5 Ferrari Ranch Road and Oak Tree Lane TI = 7.5 McBean Park Drive TI = 11 Emergency Access TI = As recommended by soils engineer & accepted by City. (Entrance street defined: serves at least 100 homes.)	Prior to approval of Improvement Plans	Development Engineering & City Engineer	
29. **The Interim Entrance on McBean Park Drive at Red Lake Way shall allow right turn in and right turn out, only. Design and construct acceleration and deceleration lanes for the entry. This Interim Entrance shall remain in place until the City Engineer is satisfied that Oak Tree Lane and the streets that connect to Oak Tree Lane are constructed and accepted by the City. This interim entrance may be replaced with the lots shown on the tentative map after the City Engineer has been satisfied with the acceptance of the other streets described above.	Prior to approval of Improvement Plans & Acceptance of Improvements	Development Engineering & City Engineer	

Condition	Timing	Responsible Party	Status
30. **Private entry gates shall be designed and constructed to meet the requirements of City Fire and to the satisfaction of the City Engineer.	Prior to approval of Improvement Plans and construction	Development Engineering & City Engineer	
31. **Design and construct full improvements including off-street multi-use trail on Ferrari Ranch Road and on Oak Tree Lane within the area north of Marlette Way as well as the row of lots on the south side of Marlette Way. Phasing of the design and construction of the improvements shall be to the satisfaction of the City Engineer. Full landscaping improvements adjacent to Ferrari Ranch Road and Oak Tree Lane shall be designed and included with the Improvement Plans for the adjacent streets. Construction of landscape improvements shall be limited to irrigation system, trees, ground cover plants, and mulch. If landscaping is deferred to City approval, funds shall be deposited to complete the installation at a later date. The Applicant shall deposit with the City the estimated cost for the City to complete the landscaping at a later date to be determined by the City. The final 2 inch lift of AC paving may be constructed with improvements for the bridge across Auburn Ravine at the discretion of the City Engineer.	Prior to approval of Improvement Plans & Acceptance of Improvements	Development Engineering & City Engineer	
32. **Provide turn lane storage analysis to determine length of turn lanes for both interim improvements and ultimate improvements at Oak Tree Lane/McBean Park Drive, , and Ferrari Ranch Road/Oak Tree Lane, as well as on Oak Tree Lane at the entry streets.	Prior to approval of Improvement Plans and Acceptance of Public Improvements	Development Engineering & City Engineer	
33. **Oak Tree Lane, Ferrari Ranch Road, McBean Park Drive and typical Village entrance streets shall be posted as “No Parking”.	Prior to Acceptance of Improvements.	Development Engineering & City Engineer	
34. **Demonstrate that Oak Tree Lane right-of-way can be constructed pursuant to the amended Village 1 General Development Plan.	Prior to approval of Improvement Plans	Development Engineering & City Engineer	

	Condition	Timing	Responsible Party	Status
35.	**The Applicant shall design and construct improvements on the north leg of Oak Tree Lane at McBean Park Dr intersection that meet the City General Plan Policy of Level of Service (LOS) C under 2050 projected conditions. Applicant shall submit a traffic analysis acceptable to the Community Development Department, that demonstrates that the proposed improvements will comply with the General Plan Policy LOS C. The traffic analysis shall be based on the most recent Placer County Travel Demand Model using 2050 plus project traffic demands. The Applicant shall design and construct, if not already existing, improvements on the south leg of the intersection to accommodate existing plus project projected traffic and align with improvements on the north leg.	Prior to approval of Improvement Plans or approval of any Final Map that includes the intersection. Prior to Acceptance of Improvements	Community Development and Engineering Departments	
36.	Traffic striping, markings and signing shall be provided as required by the City's then current Standards and Specifications. A striping plan shall be submitted to the City Engineer for approval with each phase of Improvement Plans.	Prior to approval of Improvement Plans	Development Engineering & City Engineer	
37.	Permanent emergency vehicle access points, (EVA) shall be constructed in a minimum 20-foot wide easement with 12-foot wide or as approved by the Fire Department and Community Development Department, pavement and aggregate base and 2-foot wide aggregate base shoulders and shall be provided with a minimum vertical clearance of not less than 13-feet 6-inches (13'-6"). Structural section shall be determined during design. Gates, if installed in the easement, shall swing in the direction of travel and shall not impede access. A Knox Company padlock to be provided on all easement gates.	Prior to approval of Improvement Plans	Development Engineering & City Engineer	
38.	The Applicant shall design and construct ADA compliant ramps to allow movement of bicycles from sidewalks to on-street bike lanes where bike/trail routes merge with frontage sidewalks.	Prior to approval of Improvement Plans & Acceptance of Improvements	Development Engineering & City Engineer	
39.	Street names shall be reviewed and approved by the City. The applicant shall work with the City to determine appropriate names to be incorporated into street names as feasible.	Prior to approval of Improvement Plans & Small-Lot Final Map	Planning	

Condition	Timing	Responsible Party	Status
UTILITIES			
40. If required, the Applicant shall design and construct water sampling stations at locations approved by the City Engineer to allow for sampling of the water supply system, pursuant to the State of California and the City of Lincoln.	Prior to approval of Improvement Plans & Acceptance of Improvements	Development Engineering & City Engineer	
41. ** The Applicant shall design and construct a water transmission main connected to the existing 24-inch in McBean Drive, as a primary water supply from which the requirements of a looped water system for phasing, may be satisfied. The size and location of the new water transmission main shall be to the satisfaction of the City Engineer and Community Development Department.	Prior to approval of Improvement Plans & Acceptance of Improvements	Development Engineering & City Engineer	
42. The Applicant shall comply with all provisions of the City's Cross Control and Backflow Prevention Ordinance.	Prior to approval of Improvement Plans & Acceptance of Improvements	Development Engineering & City Engineer	
STORM WATER QUALITY/GRADING/DRAINAGE			
43. For projects or development applications less than 1 acre, the Applicant shall submit an erosion control program with Improvement Plans to the City for review and approval and shall implement the approved Plan. The Plan shall identify protective measures to be taken during excavation, temporary stockpiling, any reuse of disposal and re-vegetation. Specific techniques may be based on geotechnical reports, and shall comply with the then current City standards. During construction of any portion of phase of the project, no disturbed areas shall be left exposed for extended periods of time. The City Engineer will determine the timing and extent of re-vegetation required during approval of Subdivision Improvement Plans.	Prior to approval of Improvement Plans	Development Engineering & City Engineer	

Condition	Timing	Responsible Party	Status
44. The project, with each phase, shall include adequately sized and properly aligned culverts at all drainage-way crossings. Culvert sizes must meet the design requirements and be approved by the City Engineer. Culvert alignment shall match the directional trend of the natural channel as closely as possible at both the upstream and downstream sides of the roadway. At the Applicant's option a bridge may be substituted for any culvert crossing.	Prior to approval of Improvement Plans	Development Engineering & City Engineer	
45. Design and construct temporary culverts over natural channels for any stream crossings used during the construction phase. Construction equipment and vehicles must not cross streams without a proper temporary culvert crossing. Any temporary crossing of a stream or channel shall be restored to its natural condition and in compliance with all permits, including environmental permits.	Prior to approval of Improvement Plans and Acceptance of Improvements	Development Engineering & City Engineer	
46. In accordance with the City's then current standards, no disturbed surface or soil shall be left standing through a winter season without erosion control measures, such as re-vegetation of exposed slopes. Temporary erosion control measures (such as silt fences, staked straw bales, etc.) shall be employed at the base of disturbed slopes until re-vegetation is established.	Prior to approval of Improvement Plans	Development Engineering & City Engineer	
47. Design and construct energy dissipaters where drainage outlets discharge on erodible soil or into natural drainage ways. Temporary dissipaters may be used for temporary storm runoff outlets during construction phase; permanent dissipaters shall be included for permanent outlets, unless the Erosion Control Plan indicates the conditions that render it unnecessary (subject to the approval of the Community Development Department). Outfall and intake structures shall have a concrete base that will reduce the growth of vegetation into the structure.	Prior to approval of Improvement Plans and Acceptance of Improvements	Development Engineering & City Engineer	
48. **The ponds, swales, and drainage pipes on the east and west sides of Oak Tree Lane shall be designed as separated systems between the NID infrastructure and the City drainage facilities, to the satisfaction of the City Engineer. This may result in modifications to the piping shown on the tentative map to provide preferred separation.	Prior to approval of Improvement Plans and Acceptance of Improvements	Development Engineering & City Engineer	

Condition	Timing	Responsible Party	Status
49. **The drainage system shall be designed to ensure that the on-site system and the system downstream have adequate capacity, and the drainage study shall analyze the downstream systems to ensure adequate capacity. Upsizing of downstream pipe systems may be required, such as on McBean Park Drive. Identification of ownership of the downstream pipes and outfall locations may be necessary.	Prior to approval of Improvement Plans	Development Engineering & City Engineer	
50. **Design and construct ramps and landings at the top of all outfall and intake structures such that a backhoe can remove debris from the top of the structure during a wet event to the satisfaction of the City Engineer/Public Works Director. Fencing/fall protection/gates may be required. Applies for everything above 12" or to the satisfaction of the City Engineer.	Prior to approval of Improvement Plans and Acceptance of Improvements	Development Engineering & City Engineer	
51. **Design and construct ramps into the Basin that comply with City Standards, such that all areas at the bottom of the Basin are accessible to maintenance vehicles and equipment. More than one ramp may be needed at ponds to provide such access. If the pond is used for detention/retention or hydromodification that include infrastructure and materials that require maintenance repair and replacement by the City, this is required.	Prior to approval of Improvement Plans and Acceptance of Improvements	Development Engineering & City Engineer	
52. The Applicant shall submit a post construction Storm Water Quality Plan with the project drainage study. The project shall comply with the City Ordinance, California MS4 permit requirements or any other State mandated requirements.	Prior to approval of Improvement Plans	Development Engineering & City Engineer	
53. Locate and properly abandon under permit to the Placer County Environmental Health Department all septic systems and wells, prior to map recordation. Prior to abandoning any existing agricultural wells, the Applicant shall use water from the agricultural wells for grading and construction of the project or its phases.	Prior to Acceptance of Improvements or as determined on Improvement Plans for those not in active use	Development Engineering & City Engineer	
FLOODPLAIN/WETLANDS			

Condition	Timing	Responsible Party	Status
54. The Applicant shall prepare prior to each phase of Improvement Plan submittal a detailed analysis of the designated 100-year floodplain in the project area to determine the flood-prone areas and base flood elevations, if not already available. Floodplain elevations must be determined prior to the approval of a Final Subdivision Map. The Applicant shall be responsible for any costs associated with the need to file requests to FEMA for map changes, i.e. CLOMR or LOMR, subject to any third party reimbursement as may exist. The Applicants to provide all data and mapping necessary to amend the City's FEMA mapping and fund all requests for amendments.	CLOMR; submitted prior to Construction of any improvements within the existing 100-year floodplain LOMR; submitted prior to Acceptance of improvements within the existing 100-year floodplain	Development Engineering & City Engineer	
55. Any proposed facilities to be located in flood-prone areas must be constructed in conformance with City standards, Village 1 Specific Plan and/or FEMA criteria for floodplain development, including requirements that urban development not alter the base flood elevation as shown in the Auburn Ravine and South Lincoln Master Drainage Plan and the CLOMR submittal for the Auburn Ravine.	Prior to approval of Improvement Plans	Development Engineering & City Engineer	
FIRE			
56. The final design, layout and line capacity of water and hydrant systems will be subject to approval of the City Engineer in consultation with the Fire Chief prior to start of any phase of underground utility construction.	Prior to approval of Improvement Plans	Development Engineering & City Engineer	
57. The final placement of fire hydrants shall be subject to the approval of the Fire Chief during the review of Improvement Plans and consistent with the then applicable improvement standards for the City.	Prior to approval of Improvement Plans	Development Engineering & City Engineer	
58. Consistent with the locations provided in the approved Tentative Map, emergency access ways, gated entries, and pedestrian connections will be reviewed with Improvement Plans and be approved by the Fire Department, Community Development Department, and City Engineer.	Prior to approval of Improvement Plans	Development Engineering & City Engineer	
TRAILS			

Condition	Timing	Responsible Party	Status
59. In conjunction with the construction of each phase of development, the Applicant shall design and construct all on-street and off-street pedestrian/bike trails and NEV lanes associated with that portion of the project. Plans for such trails shall be submitted to the City for approval in conjunction with Subdivision Improvement Plans for that phase. The City retains the right to request the completion of on-site trails that extend outside any one phase of development, or adjust its location, if the City determines that it is reasonably necessary in the interest of safety, public recreational needs or to reach a logical termination point to complete a trail or to connect it to another trail system. Trail requirements shall be consistent with Infrastructure Master Plan for Village 1.	Prior to approval of Improvement Plans and Acceptance of Improvements	Development Engineering & City Engineer	
60. The Applicant shall prepare Improvement Plans and construct improvements for the dedicated landscape corridors, trails, walls and fencing, and other open space facilities, according to the approved Tentative Map, and to the satisfaction of the City Engineer. Landscape and Trail plans shall be approved with the Public Improvement Plans. The following specifications shall be applied to trails in the project: • Trails must be located to the satisfaction of the City Engineer, consistent with the Specific Plan and 404 and 401 permits as applicable. • Provide a striped pedestrian crossing for the trail system when it crosses a public right-of-way. • Applicant shall install all required signage for the trail.	Prior to approval of Improvement Plans and Acceptance of Improvements.	Planning & Development Engineering & City Engineer	
61. The Applicant shall design and construct open fencing along all open space, drainage corridors, and parkways consistently with the General Development Plan, constructed in accordance with Plans and specifications approved by the City Engineer or designed and constructed as identified in the Army Corps of Engineers approved Open Space Management Plan.	Prior to approval of Improvement Plans and Acceptance of Improvements	Community Development, Engineering	
LANDSCAPING			

Condition	Timing	Responsible Party	Status
62. The Landscaping Plans shall include drought tolerant, low maintenance re-vegetation and landscaping plans and specifications for landscaped corridors/landscaped medians, common parking lots, prepared by a registered landscape architect. The Plans shall to be the satisfaction of the Community Development Department, City Engineer/Public Works Director. The Plans shall be consistent with the General Development Plan and should blend the project into its natural environment and reflect a design which is sensitive to water use, fire hazards, wildlife and view sheds. The Plans shall be consistent with the City Standards and shall include but not be limited to: planting plans, species lists suited to Lincoln's climate and soil conditions, Irrigation Plans and water usage calculations consistent with AB 1881 regarding water conservation, backflow devices for potable water uses, stabilization measures for cut and fill slopes, soil preparation methods. The project may be required to incorporate the use of non-potable water into the Irrigation Plans, if available. In instances where non-potable water is used, the piping and design specifications shall be standards approved by the Community Development Director and City Engineer.	Prior to approval of Improvement Plans and Prior to Acceptance of Improvements	Planning, Development Engineering, & City Engineer	
63. Where non-potable water is to be used, all provisions for its use are to be in accordance with the California requirements and subject to the City Engineer's approval. The Community Development Director shall be notified 72 hours in advance of any new construction being undertaken for landscaped areas using non-potable water.	Prior to approval of Improvement Plans and during Construction	Development Engineering	
LIGHTING/DESIGN			

Condition	Timing	Responsible Party	Status
64. A Street Lighting Plan shall be submitted to the City with Improvement Plans prior to construction of each project phase. All street lights shall be LED and Smart Metered to the satisfaction of the City Engineer. Street light poles where located in public right-of-way and maintained by City, shall be concrete and/or to the satisfaction of the City Engineer. All street lights shall be in accordance with the Village 1 General Development Plan and to the satisfaction of the City Engineer. The selection of the lights and design of the lighting system shall be reviewed and approved by the Community Development Department and City Engineer. Streetlights and similar fixtures shall be directed away from residences. With private streets on site that will be maintained by the HOA, the illumination levels must comply with City Standards, however the street light poles and luminaires can be non-standard, subject to approval by the City Engineer and Community Development Director. Street lights along Ferrari Ranch Road, McBean Park Drive and Oak Tree Lane must comply with City Standards.	Prior to approval of Improvement Plans	Development Engineering & City Engineer	
65. The Applicant shall review options with the Community Development staff to minimize visual impacts and reduce monotonous sound walls and design and construct landscape corridor walls of masonry construction using graffiti resistant materials. Wall design and materials shall be subject City's approval and according to the design standards in the General Development Plan and noise mitigation.	Prior to Improvement Plans and Acceptance of Improvements.	Engineering & Planning	
66. **The Applicant shall pay all Nevada Irrigation District (NID) cost of coordination for replacement and relocation of NID facilities affected by the project as agreed to by Applicant and NID, subject to reimbursement per the Village 1 Financing Plan.	Prior to approval of Improvement Plans and Acceptance of Improvements	Development Engineering & Community Development Director	
IMPROVEMENT PLAN NOTES			

Condition	Timing	Responsible Party	Status
67. Dust control measures shall be established prior to construction of any phase of development pursuant to the requirements of the Mitigation Monitoring Plan. Additional dust control measures may be required by the City based upon site conditions. The following note shall be added to the Grading and/or Improvement Plans: "To minimize dust/grading impacts during construction the Applicant shall: a. Spray water on all exposed earth surfaces during clearing, grading, earth moving and other site preparation activities throughout the day. b. Use tarpaulins or other affective covers on all stockpiled earth material and on all haul trucks. c. Sweep the adjacent streets frontages at least once a day or as needed to remove silt and other dirt which is evident from construction activities. d. Ensure that construction vehicles are cleaned prior to leaving the construction site to prevent dust and dirt from being tracked off-site. e. The City shall have the authority to stop all grading operations, if in opinion of City staff, inadequate dust control measures are being practiced or excessive wind conditions contribute to fugitive dust emissions. f. The grading shall comply with the Mitigation Monitoring Program."	Prior to approval of Improvement Plans	Development Engineering	
68. A note shall be added to the Grading Plans that states: "Prior to the commencement of grading operations, the contractor shall identify the site where the deficit earthen material shall be borrowed. A report issued by a geotechnical engineer shall be submitted to verify that the imported materials are suitable for project fill. If the borrow site is within the City of Lincoln, the contractor shall show proof of all approved Grading Plans. Haul routes to be used shall be approved by the City Engineer."	Prior to approval of Improvement Plans	Development Engineering	

Condition	Timing	Responsible Party	Status
69. A note shall be added to the Improvement Plans: "Construction in the project shall take place between the hours of 7:00 A.M. to 5:00 P.M., Monday through Friday, unless written approval is granted by the Community Development Department allowing work for different days or hours." "Radios and other musical equipment noise shall be played at levels consistent with the City of Lincoln standards so as to be contained on-site."	Prior to approval of Improvement Plans	Development Engineering	
70. A note shall be added to the Improvement Plans: "All contractors are required to deliver all construction related refuse collected in debris boxes to the Western Placer Waste Management Authority Material Recovery Facility. The City reserves the right to require that a franchise agreement be approved with any refuse handler at any time during the construction process."	Prior to approval of Improvement Plans	Development Engineering	
71. A note shall be added to the Improvement Plans: "Seventy-two (72) hour notification must be given to the City of Lincoln prior to disinfection of any water mains. The contractor shall call the Public Services Department at 434-2450 to schedule disinfection and testing."	Prior to approval of Improvement Plans	Development Engineering	
72. A note shall be added to the Improvement Plans: "The Applicant shall submit Environmental surveys in compliance with the mitigation measures. The Applicant shall secure Community Development Department (Planning) approval that surveys are adequate and mitigation measures are incorporated into the Plan prior to start of any on-site construction."	Prior to approval of Improvement Plans	Development Engineering & Planning	

Condition	Timing	Responsible Party	Status
73. A note shall be added to the Improvement Plans: "The Applicant shall require their contractors to work with the Police Department in the development of security measures during construction to increase security of stored equipment and materials on-site and to minimize demands on police protection services during project construction."	Prior to approval of Improvement Plans	Development Engineering	
74. A note shall be added to the Improvement Plans: "All construction contractors shall provide a Spill Prevention and Counter Measure Plan describing measures to insure proper collection and disposal of all pollutants handled or produced on the project site during construction, including sanitary wastes, cement, and petroleum products. The Plan shall be submitted to the City's Fire Department and Community Development Department prior to each phase of construction."	Prior to approval of Improvement Plans and during construction	Development Engineering	
GRADING			
75. The Applicant shall submit Blasting Plans (if required) for review and approval by the City Engineer prior to commencing any on-site blasting activities. At a minimum, the Plan is to include a description of the work to be accomplished, a statement of the necessity to accomplish the work, a description of alternatives to blasting considered but rejected, a description of steps taken to avoid hard rock areas, safety measures to be implemented. The Plan is to coordinate blasting activities with the Police, Community Development Department, and Fire Departments and specify the time and duration proposed for the activity. The Applicant shall provide 72 hours notification to the above Departments of any scheduled blasting.	Prior to any blasting activities	Development Engineering & City Engineer	
76. The Applicant shall provide a grading and erosion control security in accordance with the City of Lincoln Design Criteria and Procedures Manual.	Prior to the issuance of the Grading Permit.	Development Engineering	

Condition	Timing	Responsible Party	Status
77. Flagging, fencing, signage, and other devices shall be installed prior to grading on-site. Fence locations shall be to the approval of the Community Development Department and shall require inspection prior to start of grading. Fencing should not be removed unless written approval is obtained from the Community Development Department.	Prior to Grading on-site	Development Engineering	
78. Trees removed during site grading and construction shall be disposed of by means other than landfill or onsite burning.	Prior to Grading on-site	Development Engineering	
79. Trees not scheduled for removal adjacent to construction areas shall be temporarily fenced around their drip lines to prevent inadvertent damage during construction activity.	Prior to Grading	Development Engineering	
FINAL MAP			
80. The Applicant shall submit Joint Trench Plans for review by City Engineering	Prior to Acceptance of Improvements or Final Map whichever comes first	Development Engineering	
81. Prior to the approval of each Final Map, the Applicant shall enter into a standard City Subdivision Agreement with the City identifying the public improvements, if any, to be constructed with each phase. The Applicant shall provide security, in one of the standard forms acceptable to the City Attorney and consistent with the Subdivision Map Act guaranteeing construction of the improvements. The City may accept proceeds from any bond sale for security in the manner authorized by Government Code Sections 66462(a)(2)(b) and 66499.5.	Prior to Final Map approval	Development Engineering	

Condition	Timing	Responsible Party	Status
82. The Applicant shall provide to the Community Development Department copies of the Final Maps for each phase after the City Engineer's approval but prior to City Council approval: • Two digital disk copies of the Final Map in DWG format compatible with the City's mapping and PDF • One plot or print of the submittal	Prior to Final Map approval	Development Engineering	
83. Prior to recordation, the Applicant shall file with the Placer County Clerk, a certificate from the Placer County Tax Collector's Office indicating that no liens against the subdivision or any part thereof exist for unpaid State, County, Municipal or local taxes or special assessments collected with taxes, except those not yet due and payable.	Prior to Final Map Recordation	Development Engineering	
84. Arrangements shall be made by the Applicant during the review of Final Maps by the City for the abandonment of any existing easements and/or right-of-way no longer required as well as arrangements for the dedication of new easements and/or rights-or-way required to carry out project conditions of approval. Separate document easements required by the City shall be prepared by a licensed land surveyor and submitted for review by the Community Development Department.	Prior to Final Map approval	Development Engineering	
85. The Landowner shall convey all groundwater rights to the City of Lincoln with the recordation of any Final Maps or Large Lot Map.	Prior to recordation of Final Map	Development Engineering	
86. The Owner shall dedicate public utility easements for underground facilities of a size established by City Standards and Specifications and consistent with the City's franchise agreements as part of each Final Map. Easements for construction and maintenance of public water and sewer systems shall be granted to the City across all private streets.	Prior to Final Map approval	Development Engineering	

Condition	Timing	Responsible Party	Status
87. Dedicate rights of ways and easements for public improvements required to serve the lots shown on the small lot final map/s and construct those improvements, including landscaping, or enter into a subdivision agreement with bonds, pursuant to Lincoln Design Criteria and Procedures Manual, to the satisfaction of the City Engineer.	Concurrent with filing the Small Lot Final Map/s with the City Council.	Development Engineering & City Engineer	
88. The words "traffic control appurtenances" shall be included in the list of utilities allowed in public easements (PUE's) located along public roads.	Prior to Final Map approval	Development Engineering	
89. The Applicant shall form or annex to a Drainage Maintenance Assessment District if deemed necessary by the City Engineer to provide for the project's proportionate share of annual maintenance and operation costs of the City's retention facilities. The projects share of the annual maintenance and operation costs shall be defined in the Development Agreement.	Prior to Final Map approval	Development Engineering	
90. Prior to the recordation of a final map on any portion of this Property, the landowners shall provide in a written format, acceptable to the City Attorney, the landowner's waiver of their rights to protest the formation of an assessment district, fee district or community facilities district designed to fund the services and infrastructure required for the development of the site. The landowners shall retain their rights to protest the amount of the levy of assessments against all or any portion of this property based upon the level of benefit, or the rate and method of assessment, or the method, manner or procedure for calculating the assessment, or any other changes in the manner of determining the assessment applicable to all or any portion of the project property.	Prior to Final Map approval	Engineering & City Attorney	

Condition	Timing	Responsible Party	Status
91. Subject to Village 1 Financing Plan the Applicant shall provide a funding mechanism for the annual maintenance and operation of public street lights, parks, landscaping, open space, water quality features, storm drain facilities, detention and retention facilities, and traffic signals except those facilities maintained by the HOA. This funding mechanism may consist of a Special Tax, Assessment District, or endowment, at the discretion of the City. If the project is within a current finance mechanism such as the City's Landscaping & Lighting Assessment District No. 1, Benefit Assessment District No. 1, or CFD an expenditure/revenue analysis should be completed if the number of units or amount of public improvements to be maintained have changed since preliminary approval to ensure the project will cover the costs of the annual maintenance and operation of the public improvements. Compliance with this condition shall be to the satisfaction of the City Engineer. Annually the costs will be allocated proportionately against the individual lots in accordance with the benefits received. Annual adjustments shall be applied in accordance with the Consumer Price Index as determined by the City to adjust the assessment for inflation as needed to meet any actual increased costs. The Applicant shall annex into a public safety CFD as selected by the City at their sole discretion.	Prior to Acceptance of Improvements, at the discretion of the City Engineer	Development Engineering	
92. The Development Agreement shall address the obligation of the Applicant to reimburse for facilities constructed by third parties which benefit the Applicant, if any.	Prior to Recordation of Final Map	Development Engineering	
93. As established in the Infrastructure Master Plan, Financing Plan or Project Development Agreement, the Applicant will participate in the planning, design, permitting, right-of-way and construction of public capital facilities of city-wide benefit, including, but not limited to, roadway, wastewater, water, drainage, and park capital facilities which are either currently included or will be included in City's PFE Master Improvement List. Applicant shall receive credits applicable towards its PFE Fee obligations in amounts equal to the value established in the City's PFE Master Improvement List.	Prior to Final Map approval.	Engineering	

Condition	Timing	Responsible Party	Status
94. Except as otherwise established in the Infrastructure Master Plan, Financing Plan or Project Development Agreement, Applicant shall continue to receive the earned PFE Credits until such time as the amount of the credits reaches a zero balance. If the amount of Applicant PFE Credits does not reach a zero balance prior to the issuance of the last Building Permit within the project, the City shall transfer the then existing credit balance to an alternative project in the City that is being built by the Applicant within the City. If a credit balance still remains, City will make reimbursement payments to the Applicant on an annual basis to the extent that City's PFE fee account shows a positive balance at the end of each fiscal year until such time that the Applicant's credit balance is retired. A positive balance will occur when PFE Fees collected are not otherwise committed to finance the construction of other PFE Facilities or used to reimburse other landowners for previously installed PFE Facilities on a first-installed, first-reimbursed basis.	Prior to Final Map approval	Engineering	
95. Except as otherwise established in the Infrastructure Master Plan, Financing Plan or Project Development Agreement, The Applicant Fee Credits may be applied only to the Non-Critical Component of the PFE Fees, unless the constructed facility is designated as a PFE Critical Facility. For purposes of calculating and applying Applicant PFE Credits, the City shall maintain a single pooled PFE account for roadway, water, wastewater and drainage facilities against which all Applicant PFE Credits for contributing to these facilities may be applied, with the exception of the PFE Critical Facilities. The City shall maintain a separate account for the PFE Community Services Fees.	Prior to Final Map approval	Engineering	

Condition	Timing	Responsible Party	Status
96. Except as otherwise established in the Infrastructure Master Plan, Financing Plan or Project Development Agreement, the City has identified certain public improvements ("PFE Critical Facilities"), which are also PFE Improvements, for which it is essential that their respective components of the PFE Fee be collected from all development at the time of Building Permit, except as may be deferred to Occupancy Permit consistent with City policy. The Applicant shall pay the City that portion of the PFE Fee that corresponds to the PFE Critical Facilities. If the Applicant constructs a PFE Critical Facility, the fee credits specific to the facility may be applied to the critical component.	Prior to Final Map approval.	Engineering	
97. Except as otherwise established in the Infrastructure Master Plan, Financing Plan or Project Development Agreement, the Applicant PFE Credits shall be personal to Applicant, or successor thereto, who pays for the design and/or construction of the applicable PFE Facilities or services, or advances funds with respect thereto. Such Applicant PFE Credits may be assigned to any successor in interest to the property or builder thereon, provided an assignment (Transfer Agreement) shall be delivered to the City for acknowledgement prior to the time such Applicant PFE Credits are used. If no such written assignment is made to a successor in interest to the property, then the City shall charge such successor the full PFE Fee.	Prior to Final Map approval.	Engineering	
98. Except as otherwise established in the Infrastructure Master Plan, Financing Plan or Project Development Agreement, consistent with the PFE Policies, the project may be subject to paying a third-party reimbursement for public improvements constructed by other project proponents or other development projects. The amounts of the third-party reimbursements shall be calculated by the City if not agreed to by the parties. The Development Agreement will provide for the timing of any reimbursements due to third parties and the amounts if known, or best estimates available.	Prior to Final Map approval	Engineering	

Condition	Timing	Responsible Party	Status
99. The Esplanade at Turkey Creek Development Agreement shall establish the Applicant's obligation for payment of park improvement impacts fees. For the Village 1 Regional Park, the Development Agreement shall establish financial assurances for fair share funding, funding of acquisition and any required remediation necessary to allow park construction. The City will require park lands to be suitable for construction of active recreational parks, generally free from conditions or resources that would limit such development.	Prior to Final Map approval	Community Development Department	
100. For parks shown on the Tentative Map, the Development Agreement shall establish the general character of park improvements, the mechanism by which the parks will be constructed (City constructed or Applicant turn-key construction), the Applicant's obligation for payment of park improvement impact fees, the timing for park construction and the ultimate owner of project park sites. For the Village 1 Regional Park, the Development Agreement shall establish financial assurances for fair share funding, funding of acquisition and any required remediation necessary to allow park construction.	Prior to Final Map approval	Planning	
101. The Applicant with the assistance of the Fire Department and Community Development Department, shall develop a Wildland Fire Management Program. The Plan shall provide for the maintenance of undisturbed vegetation in open space areas located on the project site on an annual basis and be submitted to the City Police/Fire Department for approval prior to the recordation of any Small Lot Final Maps.	Prior to Final Map approval	Fire and Planning	
102. This project will utilize private Covenants, Conditions & Restrictions (CC&R's) due to the private streets, therefore, a copy of the CC&R's shall be provided by the applicant to the City Attorney and Community Development Department for review and approval prior to recordation of any small lot Final Map.	Prior to Small-Lot Final Map approval	Planning & Development Engineering	

Condition	Timing	Responsible Party	Status
103. A Homeowner Association (HOA's) shall be established for the project, and the Applicant shall be responsible for all cost of establishing the HOA and initial funding for its operation. The HOA responsibilities for ownership, operation, repair, maintenance, inspection and reporting shall be delineated in the formation documents. Facilities to be owned and maintained by the HOA shall be identified on each Final Map and set of Improvement Plans. Applicant shall grant an easement to the City on the Final Maps for access and inspection of all facilities to be owned by the HOA. The HOA shall indemnify the City and define its liabilities and responsibilities. Once approved by the City as to form and content, the HOA shall be recorded and may not be amended or rescinded without first obtaining approval from the Community Development Department and City Attorney.	Prior to Small-Lot Final Map approval	Engineering	
104. The project is subject to the Village 1 Specific Plan Infrastructure Master and Finance Plan, or the Interim Fee Agreement for the Village 1 Specific Plan Infrastructure Financing Plan, whichever is in affect at the time of Final Map approval.	Prior to Small-Lot Final Map approval	Planning & Development Engineering	
105. **Construct full improvements to Ferrari Ranch Road/McBean Park Drive intersection with transition to one lane each way north of intersection. Construct the multi-use trail and fencing along the west side of Ferrari Ranch Rd. Construct drainage improvements to the satisfaction of the City Engineer. Provide right of way for Ferrari Ranch Road from Oak Tree Lane to McBean Park Dr, including for expanded intersection improvements, with phasing approved by the City.	Timing to be determined prior to approval of Final Map	Development Engineering & City Engineer	
106. All small lot subdivisions shall be required to submit a Master Tree List Planting Plan for the residential development setting forth front yard trees in accordance with the adopted General Development Plan for Village 1. The Plan shall be subject to review and approval of the Community Development Department.	Prior to Small Lot Final Map approval	Planning	

Condition	Timing	Responsible Party	Status
107. After recordation of the Final Map, the Applicant shall provide to the City one copy of the recorded Final Map on Mylar.	Immediately after recordation of Final Map	Development Engineering	
PRIOR TO CONSTRUCTION			
108. The Applicant shall apply for and obtain an Encroachment Permit from the Engineering Department prior to any work conducted within the City right-of-way.	Prior to beginning construction	City Engineering	
109. The Applicant, before performing construction activities within the project area and prior to each phase of development, shall submit a construction schedule to the Fire Department to allow coordination of fire protection services during construction.	Prior to any construction activity	Development Engineering and Fire	
110. The Applicant shall consult/notify with the service provider of Gas, telephone, CATV, and Electrical System Design Departments at the earliest available opportunity concerning all applicable Development Plans, site improvements, and construction schedules. The project sponsors shall maintain contact with the service provider so that required facilities and easements will be developed in a coordinated manner.	Prior to construction	Development Engineering	
111. An on-site meeting with the Applicant, contractor, superintendent, engineers, and City representatives to review special procedures, limits of work, lines of authority and special conditions or procedures shall take place prior to any significant grading activity. The Applicant shall provide an organization chart displaying lines of authority and phone numbers for each individual shown in a supervisory capacity. The Applicant shall designate in writing before the start of work an authorized representative who will have authority to act on behalf of the project. Said representative should be available on the job site during all construction or accessible by phone. The representative shall also make any necessary arrangements with the City Engineer concerning extended or emergency work periods.	Prior to any construction	City Engineering	

Condition	Timing	Responsible Party	Status
112. All construction haul routes shall be approved by the Engineering Department prior to commencement of any construction activity.	Prior to any construction	Engineering Department	
DURING CONSTRUCTION			
113. Consistent with the recommendations of a soils engineer and as approved by the City Engineer, grading should be scheduled to avoid seasonally high groundwater conditions in swale areas.	During Construction	Engineering Department	
114. For each phase of development, the Applicant shall provide a specific geotechnical analysis to determine the suitability of excavated material (if proposed for use) as engineered fill, and trench backfilling, topsoil, or other types of reuse on-site such as landscaping fill in parks. If during construction the Applicant identifies any unique unforeseen soils conditions, the Applicant shall within 24-hours notify its geotechnical consultant to provide an analysis to the City Engineer for approval concerning any remediation action.	During Construction	Engineering Department	
115. If during the course of development, it is determined by the Community Development Director that in order to maintain the construction schedule that a contract mitigation monitoring coordinator is needed, the Applicant will fund the full cost of mitigation monitoring related to the project.	During construction	Planning	
116. The Applicant shall be responsible for the cleaning of all public streets affected by construction. The manner and frequency of street cleaning shall be determined by the Public Services Department based upon field conditions.	During construction	Engineering Department	

Condition	Timing	Responsible Party	Status
117. For potable construction water, flows shall not exceed 500 gpm and 500,000 gallons per day subject to approval by the City. All flows shall be metered and monitored by the Applicant. The cost of potable construction water shall be at a rate established by the City. Any use of potable water for construction shall be subject to availability as determined by the City.	During construction	Engineering Department	
118. The Applicant shall provide for a system to inform all contractors and subcontractors and other affiliated parties conducting business within the City that a Business License must be obtained from the City. Prior to the preconstruction meeting, the Applicant shall submit to the City of Lincoln a list containing all parties doing business within the City as a result of the project. The City will check the list to ensure that each party has obtained the necessary Business License.	Prior to issuance of Building Permits and during construction	Building	
119. The Applicant may place a temporary sales building on the project site during project construction, subject to approval of the Community Development Department. The Applicant shall submit information to the Community Development Department regarding the location and services available to the structure as well as elevations of the temporary facility. Use of the facility will be subject to the approval of the Community Development Department.	During construction	Building	
PRIOR TO ACCEPTANCE			

Condition	Timing	Responsible Party	Status
120. For each phase of development, the Applicant shall prepare a Water Quality Maintenance and Operation Plan for all water quality features. The Maintenance and Operation Plan shall contain as a minimum a description of the constructed facilities, the design criteria, a description of the way the facility is expected to operate, a description of maintenance activities required along with a schedule for each activity. The Maintenance and Operation Plan shall also contain a description of sampling, testing, and reporting requirements. The Maintenance and Operation Plan shall be subject to approval of the Public Works Department. The Applicant shall submit a post construction Storm Water Quality Plan with the project drainage study. The project shall comply with the City Ordinance, California MS4 permit requirements or any other State mandated requirements.	Prior to Acceptance of Improvements	Engineering	
121. The Applicant shall submit a post construction Erosion Control Plan for each phase of construction for City approval. The Plan shall include Best Management Practices (BMP's) to minimize and control the level of pollutants in stormwater runoff released to off-site receiving waters. Specific techniques may be based upon geotechnical reports and shall comply with the adopted City standards.	Prior to Acceptance of Improvements	Development Engineering	
122. The Applicant shall be responsible for repairing street damage caused by construction equipment on the street system to the satisfaction of the Community Development Department.	Prior to Acceptance of Improvements	Engineering Department	
123. The Applicant, through his/her engineer or surveyor, shall set sufficient durable monuments to conform to the standards prescribed in Section 8771 of the Business and Professional Code of California.	Prior to Acceptance of Improvements	Engineering Department	

Condition	Timing	Responsible Party	Status
124. The Applicant shall be required to underground all existing public utilities fronting or within the project site, except that electric transmission lines of 60 KV and higher may be excluded in the Development Agreement.	Prior to Acceptance of Improvements	Engineering Department	
125. Subject to the Applicant's 404 Permit, sewer and water easements located in open space areas shall have an access road to valves and manholes approved by the Community Development Department and City Engineer, constructed with a minimum easement width of 15-feet and providing an 8-foot wide paved section, with 2' wide aggregate base shoulders. (Any crossing of US Army Corps of Engineers jurisdictional wetlands shall be in a steel casing.)	Prior to Acceptance of Improvements	Development Engineering & City Engineer	
126. Prior to the acceptance of each phase of improvements, the Applicant shall provide the City with "As-Built Plans" in a mylar hard copy and PDF the another on a computer disc in an AutoCAD format compatible with the City's mapping acceptable to the Public Services Department.	Prior to Acceptance of Improvements	Engineering Department	
127. Existing and proposed public facilities and improvements damaged during the course of construction shall be repaired by the Applicant, at his expense, to the satisfaction of the Community Development Director.	Prior to Notice of Completion	Engineering Department	
128. When improvements to landscape corridors and trails are completed to the satisfaction of the City Engineer and Community Development Department, the improved property shall be conveyed by a grant deed to the City, or HOA as applicable, for on-going maintenance, operation, repair and replacement. The Applicant shall be responsible to pay the direct cost associated with the performance of this work until such time as the City begins collecting funds for this work or the cost of doing this work is incorporated into a financing mechanism to fund the costs of this work. (If dedication to City required.)	Prior to the Acceptance of Improvements	Engineering, Community Development, & Public Services	

Condition	Timing	Responsible Party	Status
129. The contractor shall be responsible for the televising of all sewer collection and transport facilities. A 72-hour notification, both written and verbal, shall be given to the Community Development Department prior to the televising of the sewer system. If not properly notified the City may elect to require a retesting of the subject system.	Prior to Notice of Completion	Engineering Department	
PRIOR TO BUILDING PERMIT			
130. Finished exterior grades shall be sloped away from foundations to provide removal of surface water runoff away from structures. All building pads shall be provided with drainage away from foundations and to a properly controlled discharge system. No surface runoff should be allowed to flow from the pad over an unprotected slope. Terraced lots should avoid uncontrolled discharge of surface water runoff onto adjoining lots.	Prior to approval of Plot Plans	Building & Engineering	
131. Fire hydrants or other acceptable alternative approved by the City, providing service for construction sites shall be operational prior to combustible vertical building construction beginning.	Prior to issuance of Building Permits	Building	
132. Typical Landscape Plans, prepared by a registered landscape architect, shall be submitted for private front yard landscaping prior to issuance of Building Permits for homes. Such plans shall utilize drought tolerant landscaping, irrigation systems and plant materials that comply with then applicable City of Lincoln standards for water standards.	Prior to Building Permit Issuance	Community Development	

Condition	Timing	Responsible Party	Status
133. All private exterior lighting is to be uniform or complimentary throughout the project. Private exterior lighting to be provided for all access driveways, parking areas and walkways so as to facilitate protection of private property and safe pedestrian movement within the project site. Such lighting shall be accomplished in such a manner as not to illuminate adjacent properties or street which may be objectionable or hazardous. Detailed Construction Plans depicting the location and type of all lighting fixtures to be submitted and approved by the Building, Planning, and Police Department as part of the Construction Plans.	Prior to issuance of Building Permit	Building, Planning, & Police Department	
134. The project shall be subject to the Western Placer Unified School District's Financing Plan.	Prior to issuance of Building Permits	Building	
135. The Applicant shall pay all applicable fees at time of issuance of the Building Permit.	Prior to issuance of Building Permits	Building	
136. The project shall be subject to the Placer County Capital Facilities Impact Fee.	Prior to issuance of Building Permits	Building	
137. The Applicant shall comply with Municipal Code section 17.32 regarding Park Dedication and Fees. The Applicant shall be required to dedicate park land, or pay an in-lieu fee at the Building Permit stage based upon the project's per acre value of land established at the time the Tentative Subdivision Map's approval becomes effective.	Prior to issuance of Building Permits	Building	
138. Unless otherwise addressed in the Development Agreement, the development of any residential dwelling units shall be subject to the review and approval process of Design Review as set forth in the City's Municipal Code.	Prior to the issuance of the Building Permits	Planning	
PRIOR TO OCCUPANCY			

Condition	Timing	Responsible Party	Status
139. The Applicant shall install all fire protection measures required pursuant to the then applicable City Standards. All residential units shall be fire sprinkled in accordance with the 2010 California Fire Code, or the Fire Code in effect at the time of Building Permit application.	Prior to Final Inspection/Occupancy of each home	Building	
140. All water meters shall be installed by the Public Services Department as per standards and specifications adopted by the City of Lincoln in June 2004 and as thereafter amended. A fee (applied city-wide) will be required for the cost and installation of each meter and may be adjusted annually based upon costs.	Prior to Final Inspection/Occupancy	Building	

♦ END ♦

EXHIBIT B

The Small Lot Tentative Subdivision Map for the Esplanade at Turkey Creek project is approved subject to the attached exhibits:

STAFF REPORT

Item Number 14.E

SUBJECT: Adopt a Resolution to (1) Create CIP 722, Beermann Plaza Trash Enclosure, and (2) Authorize a Budget Augmentation of $500,000 from the Unencumbered Balance of Fund 7310, Solid Waste Capital. (Jacob Groeser)

SUBMITTED BY: Jacob Groeser

DEPARTMENT: Engineering

DATE: November 18, 2025

STAFF RECOMMENDATION:
Staff recommends that City Council adopt a resolution that (1) creates CIP 722 – Beermann Plaza Trash Enclosure, and (2) authorizes a budget augmentation of $500,000 from the unencumbered balance of Fund 7310 – Solid Waste Capital.

BACKGROUND/INTRODUCTION:

The Beermann Plaza serves as a hub for local events and supports a vibrant, business-friendly environment. However, when the Plaza was originally designed, the long-term thought process of garbage collection and future regulatory requirements were not primary considerations. Today, waste is collected from more than 25 nearby businesses at this location.

For many years, this specific area relied on a 6-yard compactor with an additional 5-yard bin for overflow. Over time, operational issues with the compactor highlighted the need for a comprehensive review of trash and organics collection services in the Plaza.

With the implementation of new regulations, such as mandatory food waste separation, identifying adequate space for organics containers has been an ongoing concern for downtown businesses. Waste volumes have also increased alongside business growth, creating additional demand for service.

FINDINGS/ANALYSIS:

Staff proposes the construction of a new **trash and organics enclosure** within the Plaza.

The proposed enclosure is designed to:

- Accommodate several solid waste bins and multiple organics toters;

- Feature brick walls and surrounding shrubbery to complement the architecture of the former City Hall building (now the City Museum);
- Occupy a section of the existing plaza footprint in an area determined to be least impactful to event operations and pedestrian access (see Attachment A).

Staff conducted multiple site visits and met with affected business owners to review the concept design (Attachment A), and gather input on operational considerations and aesthetics.

ENVIRONMENTAL REVIEW:

The proposed project qualifies for a categorical/statutory exemption under section 15311 – Accessory Structures, and thereby is exempt from further environmental review under the California Environmental Quality Act Guidelines. The Plaza is already used to store waste collection bins, and the creation of this enclosure will not expand the existing use.

FISCAL IMPACT:

Requested Budget

With the creation of CIP 722, the fiscal year 2025-26 budget requires an augmentation in the amount of $500,000 from the unencumbered Fund balance of Fund 7310 - Solid Waste Capital. This fund has sufficient fund balance to accommodate this augmentation.

CIP 722 Beermann Plaza Trash Enclosure

Fund 7310	$500,000

Fund Balances

	Projected Fund balance FYE 2027	Updated Fund Balance
Fund 7310	$3,235,159	$2,735,159

ATTACHMENTS:
REVISED -
3.Beerman_Plaza_Trash_Enclosure_CIP_722.DOC3.Resolution.2025November18.jgroeser.R

2.Beermann Plaza Trash Enclosure CIP 722.DOC2.Attachment A.2025November18.jgroeser.pdf

RESOLUTION 2025-

A RESOLUTION THAT (1) CREATES CIP 722 – BEERMANN PLAZA TRASH ENCLOSURE, AND (2) AUTHORIZES A BUDGET AUGMENTATION OF $500,000 FROM UNENCUMBERED FUND BALANCE OF FUND 7310 – SOLID WASTE CAPITAL.

WHEREAS, a portion of the Beerman Plaza is currently used to store waste from nearby businesses; and

WHEREAS, new legislation requiring the separation of food waste, as well as the increase in demand from nearby businesses, have prompted the City to create a dedicated waste enclosure; and

WHEREAS, staff have created a conceptual plan with input from impacted business owners; and

WHEREAS, the proposed enclosure would provide the space needed to properly manage the waste generated by nearby businesses and serve as an aesthetic addition to the plaza.

NOW THEREFORE BE IT RESOLVED:

The City Council of the City of Lincoln authorizes:

1. The creation of CIP 722 – Beerman Plaza Trash Enclosure
2. A budget augmentation of $500,000 from unencumbered Fund 7310 – Solid Waste Capital to CIP 722 – Beerman Plaza Trash Enclosure.

PASSED AND ADOPTED this 18th day of November, 2025 by the following vote:

AYES: Councilmembers:
NOES: Councilmembers:
ABSENT: Councilmembers:
ABSTAIN: Councilmembers:

_____
Holly Andreatta, Mayor

ATTEST:

_____
Hope Ithurburn, City Clerk



BEERMANN PLAZA TRASH ENCLOSURE - CONCEPTUAL SITE PLAN

0 5' 1"

N

NO.	REVISION DESCRIPTION	APPROVED BY	DATE
	DRAFT - NOT FOR CONSTRUCTION		

DEPARTMENT OF ENGINEERING
600 6TH STREET
LINCOLN, CA 95648
City of Lincoln

BEERMANN PLAZA TRASH ENCLOSURE

CONCEPTUAL DRAWING

DRAWN BY: JRG
DESIGNED BY: XX
REVIEWED BY: XX

DATE OF PLANS
11/18/2025

DWG NO.
C1.0

SHEET NO.
1 OF 1

E:\ENGINEERING\CIP\CIP XXX Beermann Plaza Trash Enclosure\4 Engineering and Design\01 Preliminary Design\01b Beermann Plaza Trash Enclosure.dwg

STAFF REPORT

Item Number 14.F

SUBJECT: Adopt a Resolution Authorizing the City Manger to Execute the Public Facilities Element Fee Credit Agreement with Century Communities of California, LLC for Transportation and Water PFE Facilities associated with the Hidden Hills project. (Nita Wracker)

SUBMITTED BY: Nita Wracker

DEPARTMENT: Community Development

DATE: November 18, 2025

STAFF RECOMMENDATION:

Staff recommends City Council adopt a resolution authorizing the City Manager to execute a Public Facilities Element Fee Credit Agreement with Century Communities of California, LLC for Transportation and Water PFE Facilities associated with the Hidden Hills project with the approval and concurrence by City Attorney.

BACKGROUND/INTRODUCTION:

The Hidden Hills project located south of McBean Park Drive and Oak Tree Lane (the "Project") includes Public Facilities Element ("PFE") facilities that will serve the Project and other areas of the City. As a condition of development for the Project, Century Communities of California, LLC (the "Developer") is required to construct the PFE facilities identified in Exhibit A of the Draft PFE Fee Credit Agreement (the "Agreement") that is included as Attachment B to this report and will earn PFE fee credits accordingly. These PFE fee credits may be used to offset the Project's PFE fee obligation pursuant to the City of Lincoln's current PFE Nexus Study.

FINDINGS/ANALYSIS:

City staff has coordinated with the Developer to prepare the initial PFE credit values for the PFE facilities included in the Agreement based on best available data at this time. A final "true-up" of actual costs will be performed following City acceptance of the PFE facilities pursuant to the Agreement to determine the final credit values. However, the final credit values awarded to the Developer upon the final true-up shall not exceed the cost estimate assumed for the facilities in the preparation of the PFE Nexus Study, including the annual inflationary adjustments applied as part of the PFE Fee Program.

FISCAL IMPACT:

The Developer will be granted an initial PFE credit value of $2,028,297 for the Project, subject

to final true-up in accordance with the terms of the Agreement. These earned PFE fee credits may be applied toward PFE fees for the Project that would otherwise be required to be paid at the time of building permit issuance, and may be transferred to another landowner or reimbursed to the Developer by the City at a future date subject to availability of PFE funds pursuant to the Agreement.

ATTACHMENTS:
REVISED_-_RESOLUTION_Hidden_Hills_Credit_Agreement.docx

Hidden Hills PFE Credit Agreement_v2 (clean).docx

RESOLUTION 2025-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LINCOLN AUTHORIZING THE CITY MANAGER TO EXECUTE A PUBLIC FACILITIES ELEMENT FEE CREDIT AGREEMENT WITH CENTURY COMMUNITIES OF CALIFORNIA, LLC FOR TRANSPORTATION AND WATER PFE FACILITIES ASSOCIATED WITH THE HIDDEN HILLS PROJECT

WHEREAS, Century Communities of California, LLC (the "Developer") is developing the Hidden Hills project (the "Project") that includes Public Facilities Element ("PFE") Facilities that will serve the Project and other areas of the City; and

WHEREAS, the Developer is required as a condition of development of the Project to construct, or cause to be constructed, certain transportation and water PFE facilities; and

WHEREAS, the Project will be required to pay PFE fees as a part of the building permit process; and

WHEREAS, the Developer will receive PFE fee credits for construction of PFE facilities that may offset the Project's PFE fee obligation that would otherwise be collected upon issuance of building permits; and

WHEREAS, the initial PFE credit value awarded to the Developer for the construction of the transportation and water PFE facilities is $2,028,297; and

WHEREAS, a final "true-up" of all actual costs associated with construction of the transportation and water PFE facilities will be performed following City acceptance of the PFE facilities to determine the final PFE credit value.

NOW THEREFORE BE IT RESOLVED:

Section 1. The City Council of the City of Lincoln authorizes the City Manager to execute a Public Facilities Element Fee Credit Agreement with Century Communities of California, LLC for Transportation and Water Facilities associated with the Hidden Hills Project with approval and concurrence by the City Attorney.

PASSED AND ADOPTED this 18th day of November, 2025 by the following vote:

AYES: Councilmembers:
NOES: Councilmembers:
ABSENT: Councilmembers:
ABSTAIN: Councilmembers:

_____
Holly Andreatta, Mayor

ATTEST:

_____
Hope Ithurburn, City Clerk

CITY OF LINCOLN

PUBLIC FACILITIES ELEMENT
FEE CREDIT AGREEMENT

HIDDEN HILLS PROJECT WITHIN
THE VILLAGE 1 SPECIFIC PLAN AREA

CENTURY COMMUNITIES OF CALIFORNIA, LLC
TRANSPORTATION AND WATER IMPROVEMENTS

This Public Facilities Element ("PFE") Fee Credit Agreement (the "Agreement") is entered into by and between the City of Lincoln (hereinafter the "City") and Century Communities of California, LLC, a Delaware limited liability company, and/or its successors in interest, (hereinafter the "Constructing Owner") as of the ____ day of November, 2025 (the "**Effective Date**").

RECITALS

WHEREAS, the City previously created a comprehensive program to generate funding from new development to construct necessary backbone infrastructure and community services facilities (the "PFE Fee Program") pursuant to Chapter 18.99 of the Municipal Code and California Government Code Sections 66000 et seq. ("Mitigation Fee Act"); and

WHEREAS, on November 27, 2012, the City Council of City of Lincoln adopted the Village 1 Specific Plan. Certain projects within the Village 1 Specific Plan Area (the "Plan Area") are required to construct PFE facilities and provisions for these projects to earn PFE Fee Credits exist per the City's PFE Implementation Plan and Policies adopted on October 28, 2025 (the "PFE Policy"); and

WHEREAS, on September 26, 2023, the City Council of City of Lincoln adopted Resolution 2023-180, approving the Village 1 Specific Plan Amendment which included infrastructure realignment and land use changes; and

WHEREAS, Constructing Owner is developing the Hidden Hills project located south of McBean Park Drive and Oak Tree Lane within the Plan Area (the "Project"), including PFE facilities and improvements that will serve the Project and other areas of the City; and

WHEREAS, the overall list of PFE facilities and improvements are identified in the most recently adopted version of the nexus analysis, including the authorized annual adjustments, approved by the City Council to support the administration of the PFE Fee Program (hereafter the "PFE Nexus Study"); and

WHEREAS, Constructing Owner is required, as a condition of development of the Project, or has otherwise agreed (with City's approval), to construct or cause to be constructed the PFE facilities and improvements described in **Exhibit A** hereto, which are included within the improvement plan sets titled Improvement Plans for Oak Tree Lane, dated December 10, 2020 and approved on December 22, 2020, and McBean Park Drive Phases 2A, 2B & 2C, dated April 17, 2024 and approved on April 26, 2024 (hereinafter the "PFE Facilities"); and

WHEREAS, Municipal Code Section 18.99.040 and the PFE Policy allow for credits and reimbursements to the Constructing Owner that constructs specified PFE facilities and improvements as defined in the PFE Fee Program and as established in the PFE Nexus Study; and

WHEREAS, City and Constructing Owner are the current parties to a Development Agreement dated September 12, 2017 (and, as may be amended, herein referred to as the "DA"), which contains provisions governing the terms for PFE Fee Credits pursuant to the PFE Policy, and which are not intended to be amended in any way by this Agreement; and

WHEREAS, administration of the City's PFE Fee Program will be the responsibility of the City Engineer or their designee (the "Administrator"); and

WHEREAS, City has agreed to allow Constructing Owner to execute a contract to design and construct the PFE Facilities; and

WHEREAS, Constructing Owner has entered into a contract with A. Teichert & Sons, Inc. for construction of the PFE Facilities (the "Construction Contract"); and

WHEREAS, the PFE Fee Program includes a Critical component and Non-Critical component as defined in the PFE Nexus Study; and

WHEREAS, City and Constructing Owner now desire to enter into an Agreement to provide for allowable credits and future reimbursements from the Transportation and Water PFE accounts, as defined and described in the PFE Policy and the DA, by the City to Constructing Owner for certain costs of design and construction of the PFE Facilities (the "PFE Fee Credits"), which PFE Fee Credits may, at Constructing Owner's discretion, be applied as credits at building permit against the PFE Fees on the terms set forth in this Agreement, reimbursed from the amount available for reimbursements from the PFE Fee Program, or transferred to a new owner with a written document approved in form and acknowledged by the City; and

WHEREAS, this Agreement will not apportion any PFE Fee Credits that Constructing Owner may elect to apply as PFE Fee Credits to any particular real property. Such apportionment shall be accomplished at Constructing Owner's discretion to any portion or portions of the Constructing Owner's Property as described herein.

NOW, THEREFORE, in consideration of the mutual promises contained herein, City and Constructing Owner agree as follows:

SECTION 1. DEFINITIONS

All terms not otherwise described herein shall have the meaning(s) described thereto in the PFE Policy and DA.

SECTION 2. PURPOSE OF THE AGREEMENT

This Agreement is not intended to modify or amend in any way the rights and obligations defined in the PFE Policy related to the construction of PFE projects and earned PFE Fee Credits. The purpose of the Agreement is to specify the PFE Facilities, the related earned PFE Fee Credits, and the options available to the Constructing Owner regarding application of earned PFE Fee Credits.

SECTION 3. CONSTRUCTION OF PFE FACILITIES

Constructing Owner shall complete construction of the PFE Facilities in accordance with the plans and specifications approved by the City Engineer, and in accordance with City improvement standards and this Agreement. Constructing Owner understands and acknowledges that the terms and conditions contained in any contract that Constructing Owner has or may execute with any contractors or material suppliers regarding the construction of the PFE Facilities shall have no force or effect upon this Agreement. Constructing Owner is solely responsible for all contract payment obligations and may not rely upon reimbursement from the City PFE accounts for the purpose of payment to contractors.

SECTION 4. BONDS

A. Constructing Owner has posted the following securities for the PFE Facilities in favor of the City in the amounts and forms acceptable to the City Attorney:

   1. To secure faithful performance in the construction of the PFE Facilities, security in an amount not less than one hundred (100%) percent of the estimated cost of the work in the Engineer's Preliminary Estimate (see **Exhibit A**) and as approved by the City Engineer as being a reasonable estimate of the fair market cost of the work, including but not limited to cost of the PFE Facilities, engineering, inspection, fees, and incidental expenses, as determined by the City Engineer.

   2. To secure payment to the contractor, subcontractors, and to persons furnishing labor, materials, or equipment to them, security in an amount not less than one hundred (100%) percent of the estimated cost of the work in the Engineer's Preliminary Estimate (see **Exhibit A**) and as approved by the City Engineer as being a reasonable estimate of the fair market cost of the work, including but not limited to cost of the PFE Facilities, engineering, inspection, fee, and incidental expenses, as determined by the City Engineer.

   3. If applicable, to secure payment of the cost of setting of monuments, security in an amount equal to one hundred (100%) percent of the estimated costs of setting such monuments as determined by the City Engineer.

B. To secure the guarantee and warranty of the work for a period of one (1) year following the completion and acceptance of the PFE Facilities, security in an amount not less than fifteen (15%) percent of the actual cost of the work performed, including but not limited to the cost of the PFE Facilities, engineering, inspection, fees, and incidental expenses, as determined by the City Engineer, shall be filed with the City prior to the final acceptance of the PFE Facilities by the City.

C. If security is furnished in the form of a bond or bonds, such bonds shall be executed by a corporate surety company authorized to transact surety business in the State of California.

D. If Constructing Owner shall fail or neglect to comply with the provisions of this Agreement, the City shall have the right at any time to cause said provisions to be met by any lawful means and thereupon recover from the Constructing Owner and/or his/her surety the full cost and expense incurred.

SECTION 5. EARNED PFE FEE CREDITS

City and Constructing Owner agree that the amount of PFE Fee Credits earned by the Constructing Owner hereunder shall be as set forth on **Exhibit B** hereto and made a part hereof, which

shall indicate if the PFE Facilities are subject to a final “true up" as described in Section 10 of this Agreement. A “true up" would include the reconciliation of actual costs, for both “hard costs" and “soft costs", through the documents as required in Section 10.

“Hard Costs” could include the costs of (i) construction of the PFE Facilities, based on the price included in the Construction Contract and actually paid to the contractor for the construction of the PFE Facilities, (ii) traffic control, staging, and storm water pollution prevention implementation measures (i.e., structural BMPs) related to such construction, and (iii) habitat mitigation required as a mitigation measure in connection with the construction of such PFE Facilities. Hard Costs shall include the costs of any changes in scope or standards required by the City during the course of construction thereof that are added to the Construction Contract. “Eligible Hard Costs” means all of the Hard Costs incurred by the Constructing Owner to construct the PFE Facilities and approved by the City Engineer based on best available cost data and supporting documentation submitted by the Developer. In no event shall the PFE Fee Credits exceed the amounts actually paid for Eligible Hard Costs. Constructing Owner shall provide documentation as required by the Administrator, which may include but is not limited to proof of payment and lien releases from all contractors, subcontractors, and suppliers for all costs for which it seeks credit or reimbursement under this Agreement.

“Soft Costs" could include the costs of planning, design, and financing of the PFE Facilities, storm water pollution prevention monitoring & management (i.e., non-structural BMPs), engineering, inspection, geotechnical oversight and monitoring, testing, surveying, outside agency review fees, and bonding related to the construction of the PFE Facilities. “Eligible Soft Costs" means all of the Soft Costs incurred by the Constructing Owner to construct the PFE Facilities and approved by the City Engineer based on best available cost data and supporting documentation submitted by the Developer. In no event shall the PFE Fee Credits exceed the amounts actually paid for Eligible Soft Costs. Constructing Owner shall provide documentation as required by the Administrator, which may include but is not limited to proof of payment and lien releases from all contractors, subcontractors, and suppliers for all costs for which it seeks credit or reimbursement under this Agreement.

PFE Fee Credits related to the construction of PFE Facilities subject to a final “true up" shall be equal to the Eligible Hard Costs and Eligible Soft Costs (collectively, the “Total Eligible Costs") and shall be initially set forth on **Exhibit B** upon execution of this Agreement.

In the event of any disagreement between the Constructing Owner and the Administrator on the initial calculation of the Total Eligible Costs, if all other conditions to the entry of this Agreement have been satisfied, the Constructing Owner may elect to enter into this Agreement without having the amount of the Total Eligible Costs resolved and listed on **Exhibit B**. In such case, Constructing Owner’s right hereunder to apply any portion of the Total Eligible Costs (or the disputed amount thereof) will be deferred until such disagreement is resolved by the Constructing Owner and the City. If the Constructing Owner and the Administrator are unable to resolve any disputed amounts after the parties have engaged in good faith meetings and exchange of documents in support of their positions, the appeal provisions in Section 31 of this Agreement shall apply. The parties shall use their best efforts to resolve any such dispute within sixty (60) days of the cost document submission by the Constructing Owner.

Pending the resolution of any such dispute, the Constructing Owner shall pay any and all required PFE Fees and City shall retain any PFE Fees paid by the Constructing Owner after the Effective Date of this Agreement for potential refund upon resolution of such Total Eligible Cost dispute. The amount of PFE Fee Credits retained pending resolution of any Total Eligible Cost dispute shall not exceed the disputed amount. Upon resolution of any Total Eligible Cost dispute, and within twenty (20) business days of resolution of the Total Eligible Cost dispute, the Administrator shall amend **Exhibit B** to provide the final amount of the PFE Fee Credits allowed hereunder. Constructing Owner shall then

have thirty (30) calendar days after receipt of the amended **Exhibit B** to retroactively apply any portion of such PFE Fee Credit to the Project and obtain an equivalent refund of PFE Fees collected and retained from the Constructing Owner after the Effective Date of this Agreement pending the resolution of the Total Eligible Cost dispute. If Constructing Owner does not elect within such time to have any of the PFE Fee Credits applied to the Project, then any PFE Fees previously collected and retained from the Constructing Owner during such period shall remain eligible for future credit or reimbursement.

SECTION 6. PFE FEE CREDITS - APPLICATION, REIMBURSEMENT, OR TRANSFER

PFE Fee Credits earned by the Constructing Owner; (1) may be applied towards PFE Fees related to the Project in accordance with the PFE Policy, or (2) may be requested for reimbursement from the applicable PFE account in accordance with the PFE Policy, or (3) may be transferred to another landowner within the Plan Area.

Pursuant to the DA, PFE Fee Credits earned by Constructing Owner may be applied against the Non-Critical Component of the transportation, wastewater, water, or drainage PFE Fees, or requested for reimbursement from any of the transportation, wastewater, water, or drainage PFE accounts.

SECTION 7. PRIORITY FOR REIMBURSEMENT FOR PFE FEE CREDITS

If the updated credit value determined by the "true-up" process described in Section 10 and the PFE Policy (the "Final Credit Value") exceeds the PFE Fee obligation for the Project, the Constructing Owner may request reimbursement from the PFE Fee account corresponding to the PFE Fee Category in which the applicable credits were earned, subject to availability of funds as determined by the City. Reimbursements shall be made on a "first-in, first-out" basis, with highest priority given to the PFE facilities and improvements with the earliest City acceptance date and with an approved PFE Credit Agreement. The Constructing Owner may also request to transfer the rights to PFE Fee Credits to another landowner within the Plan Area subject to approval from the City Manager, which approval shall not be unreasonably withheld. To transfer the rights to PFE Fee Credits to another landowner within the Plan Area, the Constructing Owner must coordinate with the City to complete, approve, and execute the Certification and Assignment of Fee Credits included hereto as **Exhibit C**.

Requested reimbursements for excess PFE Fee Credits shall be paid out first for the PFE facilities and improvements with the earliest priorities as described above, until paid in full (i.e., the constructing owner of a PFE facility or improvement with an earlier priority shall receive all available funds in the applicable PFE account until paid in full prior to any reimbursements being paid for a PFE facility or improvement with a later priority. If two or more constructing owners have the same priority ("Equal-Priority Constructing Owners"), after payment in full on any reimbursement for an earlier priority, the reimbursements to such Equal-Priority Constructing Owners shall be paid out pro rata based on the relative amount of the requested reimbursements due thereunder at the time of such payment. For example, if at the time of payment of any reimbursement hereunder, another constructing owner has requested reimbursements for a PFE facility or improvement with the same priority as the PFE Facilities under this Agreement, then such payment would be divided between the Constructing Owner and the other constructing owner in proportion to the relative amounts of the reimbursements then requested under the respective agreements.

In accordance with the applicable established priorities, the reimbursement hereunder shall be paid to Constructing Owner when the PFE Facilities are completed as determined by the City Engineer ("Completion") and accepted by the City in writing, or such earlier date after Completion that the City Engineer deems appropriate. The reimbursement shall be paid by the City as fee revenues from the

applicable PFE account are collected. After Completion of the PFE Facilities, such payments shall be made by the City at least quarterly throughout the year as funds become available.

The obligation arising from this Agreement is not a debt of the City, nor a legal or equitable pledge, charge, lien, or encumbrance, upon any of its property, or upon any of its income, receipts, or revenues, and is payable only and solely from the applicable PFE account.

SECTION 8. TRANSFER OF PFE FEE CREDITS

PFE Fee Credits are personal to the Constructing Owner and do not run with the Project that is generating such credits. Provided the Constructing Owner has no outstanding monetary obligation to the City within the Project, Constructing Owner may, at its sole option and discretion, assign the rights to the PFE Fee Credits, including the right to request reimbursements against the applicable PFE account, to any other landowner within the Plan Area, subject to the conditions and limitations herein regarding the application of such PFE Fee Credits.

If Constructing Owner has an outstanding monetary obligation to the City as noted above, then the City may require monetary obligation to be met before transfer of the PFE Fee Credits owned by Constructing Owner. Any assignment of the rights to PFE Fee Credits shall be made in writing and delivered to the Administrator in the form attached hereto as **Exhibit C**. Assigned PFE Fee Credits carry the same priority the assignor had in the PFE Fee Credits.

SECTION 9. ANNUAL ADJUSTMENTS TO PFE FEE CREDITS OR REIMBURSEMENTS;

The PFE Fee Credits shall be adjusted on an annual basis and the estimated cost of the PFE Facilities shall be adjusted annually pursuant to the PFE Policy. The adjusted amount shall be used to determine the Total Eligible Costs for any credits or reimbursements applied or received until the next annual adjustment.

SECTION 10. "TRUE UP" OF PFE FEE CREDITS

Upon completion of the PFE Facilities by the Constructing Owner and acceptance thereof by the City, the final determination of actual Eligible Hard Costs upon which the PFE Fee Credits amount is based shall be determined by the City Engineer based on documentation thereof provided by Constructing Owner to the City Engineer's reasonable satisfaction. For construction change orders to be given consideration for reimbursement, the Constructing Owner must:

- Present the change order request and estimated cost along with supporting information to the City Engineer; and

- Fully document any work performed under a change order to verify all associated costs.

Failure to comply with any of these procedures may result in the ineligibility of the requested change order for such PFE Fee Credits.

To secure final PFE Fee Credits, Constructing Owner shall provide the following items to the City Engineer in order for each to determine the actual Eligible Hard Costs and Eligible Soft Costs incurred by Constructing Owner for the PFE Facilities that qualify for PFE Fee Credits:

(1) Copies of the original Construction Contract and any change orders that have been agreed to by the Constructing Owner, contractor, and the City. The portion of each change order associated with the PFE Facilities must be itemized separately;

(2) Copies of all invoices, with unconditional lien releases, submitted by the contractor and suppliers;

(3) Copies of all checks issued by the Constructing Owner with related invoices indicated;

(4) A summary tabulation of all contractor and supplier invoices and Constructing Owner payments; and

(5) Prevailing Wage Certification, or documentation acceptable to the City Attorney of an exception to the applicability of prevailing wage.

If, when the final reconciliation of Total Eligible Costs for the PFE Facilities is conducted by the Administrator, the actual Total Eligible Costs for the PFE Facilities exceeds the amount of PFE Fee Credits initially provided hereunder, the Administrator shall review items (1) through (4) above and determine if the actual Total Eligible Costs will serve as the basis for determination of the amount of the PFE Fee Credits earned by the Constructing Owner should be increased above the amount described in **Exhibit B** of this Agreement. The City Engineer shall determine how much of the actual construction costs should be included in any increase to the Total Eligible Costs and **Exhibit B** shall be adjusted accordingly. However, in no event shall the Final Credit Value awarded to the Constructing Owner upon final reconciliation exceed the cost estimate assumed for the PFE Facilities in the preparation of the PFE Nexus Study, including the annual inflationary adjustments applied as part of the PFE Fee Program.

If the final reconciliation determines that Total Eligible Costs are less than the amount of PFE Fee Credits initially provided hereunder, the Administrator shall notify the Constructing Owner of such reduction of the PFE Fee Credits and **Exhibit B** shall be revised accordingly. If the amount of PFE Fee Credits applied towards PFE Fees exceeds the final amount of Total Eligible Costs that supported such PFE Fee Credits, then the Constructing Owner shall pay the amount of the PFE Fee Credits that were applied in excess of the confirmed Total Eligible Costs within sixty (60) calendar days of receipt of notice from the Administrator of the amount to be paid.

In no event shall PFE Fee Credits exceed the amounts actually paid by the Constructing Owner for Total Eligible Costs. Any determination by the City Engineer under this Section shall be subject to the appeal rights set forth in Section 31 of this Agreement.

SECTION 11. FAILURE TO COMPLETE CONSTRUCTION

Failure to complete work within the scope of this Agreement may affect the priority status for the credit or reimbursement granted hereunder, may result in termination of the PFE Fee Credits and termination of the right to apply PFE Fee Credits, and may require payment of any PFE Fee Credits applied, as deemed appropriate by the Administrator. In connection therewith, the Administrator may determine that the Constructing Owner shall not be entitled to further PFE Fee Credits until City acceptance of the PFE Facilities as determined by the City Engineer, which shall not be unreasonably withheld. A change in the priority for any reimbursement will be evaluated from the previously determined priority to the date of acceptance, which may affect priority for the reimbursement. Any determination by the Administrator to invoke the provisions of this Section shall be subject to the appeal rights set forth in Section 31 of this Agreement.

SECTION 12. INSPECTION

City and its authorized representatives shall, at all times, have access to the construction site during construction of the PFE Facilities and Constructing Owner shall furnish City with all reasonable information necessary for ascertaining full knowledge of the PFE Facilities with respect to the progress, workmanship, and character of materials and equipment used and employed in the work.

Whenever the contractors retained by Constructing Owner vary from the normal period during which work or any portion of it is carried out on each day, Constructing Owner shall give timely notice to the City Engineer so that if he or she wishes, be present to observe the work in progress. If Constructing Owner fails to give such timely notice, any work done in the absence of a City representative will be subject to rejection. Constructing Owner shall give timely notice to the City Engineer in advance of backfilling or otherwise covering any part of the work so that the City's representative may, if he or she wishes, observe the work before it is concealed.

Notwithstanding any provision to the contrary, all PFE Facilities shall be subject to City inspection for compliance with City requirements prior to issuance of a Letter of Acceptance from the City Engineer. Observation of the work or inspection by the City shall not relieve the Constructing Owner or its sureties of full responsibility for defective materials or workmanship or any of its obligations to complete construction in accordance with the plans and specifications approved by the City Engineer.

SECTION 13. COMPLIANCE WITH PREVAILING WAGE LAWS

Unless otherwise authorized by City Charter, City ordinance, or applicable State statutory or common law, pursuant to the provisions of Articles 1 and 2 of Chapter 1, Part 7, Division II of the Labor Code of the State of California (Labor Code Sections 1720 *et seq*. ("Prevailing Wage Laws")), all work shall be performed in compliance with the Prevailing Wage Laws and not less than the general prevailing rate of per diem wages, and not less than the general prevailing rate of per diem wages for holidays and overtime work, for each craft, classification, or type of worker needed to execute the work contemplated under this Agreement shall be paid to all workers, laborers, and mechanics employed in the execution of said work by the Constructing Owner or the Constructing Owner's contractor, or by any subcontractor doing or contracting to do any part of said work. The appropriate determination of the Director of the California Department of Industrial Relations shall be filed by the Constructing Owner with, and made available for inspection at, the office of the City Clerk.

Constructing Owner shall require all contractors to register with the Department of Industrial Relations in accordance with Labor Code section 1725.5. Constructing Owner shall require its contractor to post, at each jobsite, a copy of such prevailing rate of per diem wages as determined by the Director of the California Department of Industrial Relations. No PFE Fee Credits shall be permissible without full compliance with the Prevailing Wage Laws.

SECTION 14. INSURANCE

Constructing Owner shall require its contractor to carry and maintain for three (3) years after City Acceptance of the PFE Facilities, such public liability, property damage and contractual liability, auto, Workers' Compensation, Builders' Risk Insurance and other insurance coverage as required by the City in accordance with the improvement plan specifications for the PFE Facilities. The contractor shall name the City as an additional insured. For any claims related to the PFE Facilities, the contractor's general liability and automobile insurance coverage shall be primary insurance in their coverage of the City and its officers, officials, employees, agents, or volunteers, and any insurance or self-insurance

maintained by the City, its officers, officials, employees, agents, or volunteers shall be excess of the contractor's insurance and shall not contribute with it.

SECTION 15. ACCEPTANCE AND CONVEYANCE OF FACILITIES

Once Constructing Owner has completed construction of the PFE Facilities and the PFE Facilities are deemed satisfactory by the City Engineer following City inspection, the City Engineer may recommend that City Council accept the PFE Facilities, including all associated easements and offers of dedication, provided that all liens, claims, and encumbrances in connection with the PFE Facilities have been released and the required warranty bond has been provided to the City. No acceptance shall be valid without the Constructing Owner conveying and vesting full, complete, and clear title in said PFE Facilities to the City at the time of acceptance.

SECTION 16. LIENS, CLAIMS, AND ENCUMBRANCES

Prior to the City's acceptance of any PFE Facilities, Constructing Owner shall clear any and all liens, claims, and encumbrances from said PFE Facilities as a condition of acceptance by the City.

SECTION 17. DELIVERY OF AS-BUILT PLANS AND SPECIFICATIONS

Prior to acceptance of the PFE Facilities by City, Constructing Owner shall deliver to City copies of all as-built plans (if any), specifications, operating manuals, service manuals, warranties, and other documents relating to the design, construction, and operation of the PFE Facilities described in this Agreement. Upon acceptance of the PFE Facilities, City shall file Notice of Completion with Placer County.

SECTION 18. INDEMNIFICATION

The Constructing Owner, by execution of this Agreement, specifically agrees to protect and assume the defense of, indemnify, and hold harmless the City and its elected representatives, officers, employees, agents, and consultants (the "Indemnitees"), from and against all liabilities, actions, lawsuits, damages, claims, losses, or expenses of every type and description, including attorneys' and consultants' fees and expenses, (collectively, "Liabilities"), to which they may be subjected or put, by reason of or resulting from the design, construction, or installation of the PFE Facilities, except to the extent the Liabilities arise from the sole negligence, or willful misconduct of the City and/or the Indemnitees. This indemnification shall extend to Liabilities occurring after this Agreement is terminated as well as while it is in force. Notwithstanding the foregoing, following the acceptance of the improvements by the City, or if there is an applicable warranty, following the end of any applicable warranty period, the Constructing Owner shall not be obligated to indemnify the Indemnitees for Liabilities to the extent that such Liabilities arise from Indemnitees' active or passive negligence following acceptance of the PFE Facilities.

SECTION 19. THIRD PARTY LIABILITY

City does not assume any liability, duty, or obligation to Constructing Owner's contractors, subcontractors, agents, or any person or entity not a party to this Agreement by execution or performance of this Agreement, and no contractors, subcontractors, agents, or any parties are third party beneficiaries of this Agreement.

SECTION 20. WARRANTY

Constructing Owner hereby warrants the PFE Facilities as to materials, design, and workmanship and should any defect or failure of the PFE Facilities, or any parts thereof, occur within a period of one (1) year after final acceptance by City, Constructing Owner shall promptly cause the needed repairs to be made without any expense or cost to the City. Final acceptance shall be deemed to have occurred under this Agreement when the PFE Facilities have been accepted by the City pursuant to a written acceptance from the City Engineer and is placed into actual service. City shall provide written notification to Constructing Owner of final acceptance by the City.

City is hereby authorized to make repairs if Constructing Owner fails to make, or undertake with due diligence, the aforesaid repairs within twenty (20) calendar days after it is given written notice of such defect or failure. In case of emergency, where in the opinion of the City Engineer delay may cause serious hazard to the public, the necessary repairs may be made by the City without prior notice to Constructing Owner. All costs of the repair, if not paid by the Constructing Owner within twenty (20) calendar days of notice from the Administrator to the Constructing Owner, shall be paid out of the Warranty Bond. In no event shall the City be responsible for the cost of the repair within the warranty period. In all cases of defect or failure within the warranty period where the City has taken action in accordance with this paragraph, Constructing Owner shall promptly reimburse City and, if applicable, the Warranty Bond shall fund the repair for any and all costs or expenses, direct or indirect, incurred by the City. The foregoing is in addition to, and shall not in any way limit or affect, the rights of the City to enforce the warranty obligations of Constructing Owner hereunder and to recover any and all costs thereof from the warranty bond posted thereby.

SECTION 21. BINDING ON SUCCESSORS AND ASSIGNS

Each and every provision of this Agreement shall be binding upon and shall inure to the benefit of the respective successors and assigns of the parties hereto, in the same manner as if such parties had been expressly named herein.

SECTION 22. ATTORNEY'S FEES

If any suit, action or proceeding in law or equity (except for the dispute resolution process set forth herein) is brought to enforce the provisions of this Agreement, the prevailing party shall be entitled to reasonable costs and attorneys' fees.

SECTION 23. AUTHORITY TO ENTER INTO AGREEMENT

Constructing Owner and City certify that they have the authority and are legally empowered to enter into this Agreement on behalf of their entity and to bind their party to the performance of its obligations hereunder.

SECTION 24. NOTICES

Any notices, requests, demands, or other communications required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been duly given on the date of service if served personally (FedEx and similar services, each of which is hereinafter called an "Express Courier," shall be considered to be personal service) or by telephone facsimile or other electronic transmission (provided that the sender of a telephone facsimile or other electronic transmission has received confirmation of successful transmission by the sending fax machine), and upon receipt, if

mailed to the party to whom notice is to be given, by first-class mail, registered or certified, postage prepaid, return receipt requested, and properly addressed as follows:

(a) If to City:

City of Lincoln
Attn: City Engineer
600 Sixth Street
Lincoln, CA 95648
Telephone: (916) 434-2400
Facsimile: (916) _____

With a copy to:

City of Lincoln
Attn: City Attorney
600 Sixth Street
Lincoln, CA 95648
Telephone: (916) 434-2400
Facsimile: (916) _____

(b) If to Constructing Owner:

Century Communities
Attn: Dean Mills
6700 Koll Center Parkway, Suite 210
Pleasanton, CA 94566
Tel: 925-234-9018

Either party may change its mailing address at any time by giving written notice of such changes to the other party in the manner provided herein.

SECTION 25. NOTICE OF CONTRACTORS

Constructing Owner shall provide a copy of this Agreement to any contractors, subcontractors, or other parties performing work on the PFE Facilities, prior to commencement of construction by said party.

SECTION 26. TERM

The term of this Agreement shall start on the day and year duly executed by all parties and shall remain in effect until all the terms and conditions contained in this Agreement have been satisfied.

SECTION 27. SEVERABILITY

If any provision of this Agreement shall be held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining portions hereof shall not in any way be affected or impaired thereby.

SECTION 28. CONFLICTS

This agreement is intended to implement and be consistent with the requirements of the PFE Policy. Therefore, in the event of any conflicts between the PFE Policy and this Agreement, the requirements of the PFE Policy shall prevail and control.

SECTION 29. EXHIBITS

The Exhibits attached hereto are hereby incorporated herein by this reference.

SECTION 30. ENTIRE AGREEMENT

This Agreement constitutes the entire understanding of the parties regarding the subject matter hereof. The Agreement may be amended only by writing executed by both parties.

SECTION 31. RIGHT OF APPEAL

The Constructing Owner may appeal any final determination by the Administrator to the City Manager and thereafter to the City Council. Prior to submitting the matter to the City Council, the City Manager may, in his/her discretion, elect to engage the services of a mediator to attempt to mediate the dispute in a non-binding fashion, not to exceed a total of thirty (30) calendar days. Any decision of the City Council shall be final with no right of further appeal or action thereafter.

SECTION 32. EFFECTIVE DATE

The City's execution of this Agreement shall be contingent upon confirmation by the City Engineer that (i) a Construction Contract has been properly bid and entered into for construction of the PFE Facilities, (ii) performance and payment bonds have been posted in form and amount required by the City, and (iii) a Notice to Proceed has been given to the contractor for the PFE Facilities. The date of such execution by the City, based in part on the City's confirmation of the satisfaction of the foregoing conditions, shall be deemed to be the **"Effective Date"** of this Agreement. Upon execution of this Agreement by the City, the City shall insert the Effective Date in the Preamble to this Agreement and provide a copy of this fully executed and dated Agreement to the Constructing Owner.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first above-written.

CITY:

CITY OF LINCOLN,
a municipal corporation

_____

By: _____

Its: City Manager

THE CONSTRUCTING OWNER:

Century Communities of California, LLC,
a Delaware limited liability company

By: _____

Name: _____

Title: _____

ATTEST:

_____

By: _____

Its: City Clerk

APPROVED AS TO CONTENT:

_____

By: _____

Its: City Engineer

APPROVED AS TO CONTENT:

_____

By: _____

Its: Finance Director

APPROVED AS TO FORM:

_____

By: _____

Its: City Attorney

EXHIBIT A

PFE FACILITIES
ENGINEER'S PRELIMINARY ESTIMATE

PFE Item	PFE Facility Description	PFE Estimate of Cost[1]
R-254	Oak Tree Lane frontage of existing development - west side (1 Lane -1,800 LF)	$284,142
R-38B	McBean Park Drive/Oak Tree Lane intersection	$1,169,004
W-31D	Oak Tree Lane from connection at 24" pipeline to McBean Park Drive (Oversizing to 18" - 2,600 LF)	$45,511
W-13G	Connection to 24" pipeline at Oak Tree Lane (30" - 200 LF)	$92,526
W-13E	Oak Tree Lane from Refinery Point Tank to connection at 24" pipeline (Oversizing to 30" - 6,800 LF)	$812,593
W-13F	Connection to 24" pipeline at Oak Tree Lane (30" - 200 LF)	$92,526
	Total:	**$2,496,302**

[1] Based on the amounts estimated in the PFE Nexus Study for each PFE Item, prorated by the percentage of the PFE Facility constructed or caused to be constructed by the Constructing Owner.

EXHIBIT B

IDENTIFICATION OF PFE FEE CREDITS

HIDDEN HILLS PROJECT WITHIN THE VILLAGE 1 SPECIFIC PLAN AREA

Century Communities of California, LLC

Transportation and Water PFE Facilities

Date of Agreement: _____, 2025

PFE Item	PFE Facility Description	PFE Estimate of Cost[1]	Initial PFE Credit Value[2]	Reconciled "True Up" PFE Credit Value[3]
R-254	Oak Tree Lane, frontage of existing development west side (1 Lane -1,800 LF)	$284,142	$284,142	$_____
R-38B	McBean Park Drive/Oak Tree Lane intersection	$1,169,004	$857,431	$_____
W-31D[4]	Oak Tree Lane, from connection to 24" pipeline to McBean Park Drive (Oversizing to 18" - 2,600 LF)	$45,511	$45,511	$_____
W-13G	Connection to 24" pipeline at Oak Tree Lane (30" - 200 LF)	$92,526	$9,720	$_____
W-13E	Oak Tree Lane, from Refinery Point Tank to connection to 24" pipeline (Oversizing to 30" - 6,800 LF)	$812,593	$812,593	$_____
W-13F	Connection to 24" pipeline at Oak Tree Lane (30" - 200 LF)	$92,526	$18,900	$_____
	Totals:	**$2,496,302**	**$2,028,297**	**$_____**
	Transportation PFE Fee Credits:		$1,141,573	$_____
	Water PFE Fee Credits:		$886,724	$_____
	Total PFE Credit Values:		**$2,028,297**	**$_____**

[1] The PFE Estimate of Cost includes 50% of construction costs for soft costs. However, for PFE Item R-38B, the allowable amount for soft costs is 7.5% of the construction cost per the cost sharing agreement between the Constructing Owner and Taylor Morrison.

[2] The Initial PFE Credit Value is calculated as the lesser of the PFE Estimate of Cost and the best available actual cost data as of the Effective Date of this Agreement.

[3] To be determined following City acceptance of the PFE Facilities for the Project, pursuant to Section 10 of this Agreement.

[4] For PFE Item R-38B, the cost sharing agreement between Taylor Morrison and Constructing Owner states Constructing Owner will reimburse Taylor Morrison for 50% of construction costs, plus an additional 7.5% for soft costs. Therefore, Constructing Owner is eligible for 57.5% of hard construction costs corresponding to PFE Item R-38B.

EXHIBIT C

FORM OF CERTIFICATE OF ASSIGNMENT AND TRANSFER OF PFE FEE CREDITS

Hidden Hills, Village 1 Specific Plan Area, Transfer Letter #___

Certification and Assignment of Fee Credits

The undersigned Constructing Owner, as the holder of certain PFE Fee Credits related to the PFE Fee Credit Agreement between the Constructing Owner and the City of Lincoln, dated November ____, 2025 (the "Agreement"), hereby assigns, transfers, and conveys to the undersigned Assignee the PFE Fee Credits as indicated in the table below. Assignee acknowledges that the following PFE Fee Credits do not represent all fees payable by Assignee, which may change based upon the size of Assignee's project and other factors. Constructing Owner and the City wish to certify the availability of the PFE Fee Credits and hereby consent to the assignment of the below PFE Fee Credits to Assignee.

1. The City hereby acknowledges and certifies that Constructing Owner is the current holder of the following PFE Fee Credits pursuant to the Agreement.

2. For good and valuable consideration, receipt of which is hereby acknowledged, Constructing Owner does hereby assign and transfer to Assignee; and Assignee does hereby accept from Constructing Owner the assignment and transfer of the PFE Fee Credits as shown in the table below. By signing below the City does hereby consent and agree to the above assignment.

Prior to receiving credit against otherwise due and payable PFE Fees, excluding the payment of the Critical Component and Administration Fees, Assignee should submit this fully executed form to the City for its records.

PFE Fee Category	PFE Fee Credit Value
Transportation	$
Water	$

(Signatures are on the following page.)

Hidden Hills, Village 1 Specific Plan Area, Transfer Letter #__

Certification and Assignment of Fee Credits

Constructing Owner:
Century Communities of California, LLC,

a Delaware limited liability company

By:_____

Name:_____

Title:_____

Assignee:
_____,

a _____

By:_____

Name: _____

Title:_____

City of Lincoln:

By: _____

_____, City Manager

Date: _____

Approved as to form

_____

_____, City Attorney

STAFF REPORT

Item Number 14.G

SUBJECT: Urban Water Management Plan Update 2025. (Chris Nelson)

SUBMITTED BY: Chris Nelson

DEPARTMENT: Public Works

DATE: November 18, 2025

STAFF RECOMMENDATION:

Staff recommends that the City Council authorize the City Manager to execute a Task Order through the On-Call Contract with West Yost for professional services associated with preparation of the 2025 Urban Water Management Plan Update for a total amount not to exceed $112,512.

The Urban Water Management Plan is budgeted by the Public Works operating division in the amount of $130,000 for fiscal year 2025/26 from Fund 7100.

BACKGROUND/INTRODUCTION:

The Urban Water Management Planning Act requires every urban water supplier in California that either provides over 3,000 acre-feet of water annually, or serves more than 3,000 urban connections, to prepare and adopt an Urban Water Management Plan (UWMP) that includes specified content, including an urban water shortage contingency analysis, for submission to the Department of Water Resources. Urban water suppliers are required to submit a UWMP every five years. The 2025 UWMP is due on July 1, 2026.

FINDINGS/ANALYSIS:

Engineering staff released the request for proposals (RFP) to consultants on the Engineering On-Call list on September 24, 2025. One proposal was received by the due date of 3:00 p.m. on October 23, 2025 from West Yost & Associates, Inc. (West Yost).

The proposal was reviewed by a three-person panel comprised of Public Works Director, Environmental Services Manager and the Engineering Manager. The section criterion outlined

in the RFP consisted of the following:

- Project Understanding & Approach (50 pts)
- Experience of firm(s) and specific staff (20 pts)
- References from former clients (20 pts)
- Completeness and compliance with RFP format (10 pts)

West Yost was found to be a qualified consultant based on their experience and understanding of the draft 2025 Urban Water Management Guidelines.

FISCAL IMPACT:

Budgeted

Urban Water Management Plan Update

Fund 7100	$130,000

Actual project costs

Fund 7100

Professional Services – West Yost	$112,512

Budgeted Remaining

Fund 7100	$17,488

ATTACHMENTS:
REVISED - UWMP_2025_Consultant_Task_Order.DOC1.Reso.20251118.jespartero.docx

Attachment A, Task Order - West Yost UWMP 2025 Update.pdf

UWMP_2025_Consultant_Task Order.DOC3.Attachment B_RFP.20251118.jespartero.pdf

UWMP_2025_Consultant_Task Order.DOC4.Attachment C_West_Yost_Proposal.20251118.jespartero.pdf

RESOLUTION 2025-

A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A TASK ORDER THROUGH THE ON-CALL CONTRACT WITH WEST YOST & ASSOCIATES FOR PROFESSIONAL SERVICES ASSOCIATED WITH PREPARATION OF THE 2025 URBAN WATER MANAGEMENT PLAN UPDATE FOR A TOTAL AMOUNT NOT TO EXCEED $112,512.

WHEREAS, the City of Lincoln as a water purveyor is required by the State to adopt prior to July 1, 2026 a 2025 Urban Water Management Plan update; and

WHEREAS, proposals were requested from consultants from the City's on-call list on September 24, 2025; and

WHEREAS, one proposal was received prior to 3:00 p.m. on October 23, 2025; and

WHEREAS, staff reviewed the proposal submitted by West Yost & Associates and found that they are a qualified consultant based on their experience and understanding of the draft 2025 Urban Water Management Guidelines.

NOW THEREFORE BE IT RESOLVED, that the City Council of the City of Lincoln authorizes the City Manager to execute a Task Order through the On-Call Contract with West Yost & Associates for professional services associated with preparation of the 2025 Urban Water Management Plan Update for a total amount not to exceed $112,512.

PASSED AND ADOPTED this 18th day of November, 2025 by the following vote:

AYES: Councilmembers:
NOES: Councilmembers:
ABSENT: Councilmembers:
ABSTAIN: Councilmembers:

_____
Holly Andreatta, Mayor

ATTEST:

_____
Hope Ithurburn, City Clerk

Engineering Department
On-Call Contract for Professional Services
Consultant: West Yost
Project Name: 2025 Urban Water Management Plan
Task Order

Date Requested: November 12, 2025
Contract#: _____

This Task Order, authorized through the On-Call Contract by and between the City of Lincoln ("CITY"), and West Yost. ("CONSULTANT"), was approved on June 28, 2022, per Resolution No. 2022-158. This Task Order is being requested for the following services (see attachment for the full detailed scope of work).

1. 2025 Urban Water Management Plan (UWMP) project. This task order will provide funding to support the required project management, data collection, water supply and demand analysis to prepare and deliver the final 2025 UWMP.

Consultant shall perform services on the project described above. This Task Order shall not be binding until it has been properly signed by both parties. Upon execution, this Task Order shall supplement the Contract as it pertains to the project described above.

Paragraph 15 of the contract shall be revised as follows by adding the following sentence:
Without limiting the foregoing, this obligation to indemnify and defend the City shall also specifically extend to any fees or penalties incurred by the City due to Consultant's failure to submit the Urban Water Management Plan (UWMP) by the deadline of July 1, 2026. Consultant is obligated to meet the July 1, 2026 only if following conditions apply:

- ***Guidance information is made available by the California Department of Water Resources and City provides requested data in a time frame that allows reasonable time to produce the UWMP, and***
- ***The City returns City comments on the UWMP back to Consultant in the time frame that has been agreed to between City and Consultant.***

Project Budget –

Project Budget: $ 112,512.00

Account Code(s): 71008010-50400

The work described above and herein attached as the Scope of Work is hereby authorized by the following agency representatives.

Approved by:
City of Lincoln

Signature: _____
Name: Chris Nelson
Title: Project Manager
Date: _____

Signature: _____
Name: Matthew Medill
Title: Public Works Director
Date: _____

Approved by:
West Yost

Signature: _____
Name: _____
Title: _____
Date: _____

Signature: _____
Name: Sean Scully
Title: City Manager
Date: _____

This Task Order Amendment is executed this ____ day of _____, 2025.

REQUEST FOR PROPOSALS

TO PROVIDE

ENGINEERING SERVICES FOR THE

CITY OF LINCOLN 2025 URBAN WATER

MANAGEMENT PLAN

FOR THE
CITY OF LINCOLN
PUBLIC WORKS
DEPARTMENT

Release Date: September 24, 2025
Questions Due: October 13, 2025
Submittal Deadline: 3:00 P.M. October 23, 2025

REQUEST FOR PROPOSALS TO PROVIDE:

ENGINEERING SERVICES FOR THE

CITY OF LINCOLN

2025 URBAN WATER MANAGEMENT PLAN

I. DESCRIPTION OF THE PROJECT

The City of Lincoln, California, invites qualified consulting firms to submit proposals for professional services to prepare the 2025 Urban Water Management Plan (UWMP) in accordance with the California Urban Water Management Planning Act (California Water Code, Division 6, Part 2.6, Sections 10610–10657) and all applicable requirements of the California State Water Board. The selected consultant will provide technical expertise, data analysis, stakeholder coordination, and documentation to produce a comprehensive UWMP that meets state mandates and supports the City's water resource planning goals.

As required by the Urban Water Management Planning Act (the Act), UWMPs must be updated every five years with the submittal deadline for the 2025 UWMP as July 1, 2026. The 2025 UWMP will need to address any recent amendments to the Urban Water Management Planning Act and requirements outlined in yet-to-be-released Department of Water Resources' (DWR) 2025 UWMP Guidebook. The Consultant shall submit the adopted UWMP electronically using the reporting system established by the DWR and shall meet the submittal deadline.

Also, an UWMP must be consistent with various studies and plans, including; the Water Master Plan, Groundwater Management Plans, City growth projections, and any additional related water and planning studies. A copy of the City's 2020 UWMP is attached (Attachment A).

II. SCOPE OF SERVICES:

A UWMP that presents an accurate assessment of the City's water supplies and demands, is consistent with the City's other key water planning documents, and meets DWR's 2025 UWMP requirements and schedule. The Scope of Services is comprised of the following tasks:

Task 1 – Kick-Off Meeting

The consultant shall attend a project kick-off meeting with City staff to discuss project parameters, scheduling constraints, and other relevant information regarding services required by this RFP to create the 2025 UWMP. An overall project schedule shall be reviewed, revised and updated by the consultant.

The consultant shall prepare a detailed schedule of the project for a completion date. It shall be the responsibility of the consultant to review and become familiar with all pertinent data for completion of the UWMP for adoption no later than the June 9, 2026 City Council Regular Meeting and submittal to DWR by the July 1, 2026 deadline.

Task 2 – Data Analysis and Evaluation

The consultant will provide data review and analysis, development of demand projections and analysis of demand management measures. Consultant shall develop the UWMP according to the 2025 Urban Water Management Plan Guidebook for Water Suppliers and shall meet the July 1, 2026 submittal deadline. The Consultant shall submit the adopted UWMP electronically using the reporting system established by the DWR. The UWMP should also comply with and address all relevant updated statutes and mandates.

As key sections of the UWMP are developed, namely the demand projection and water shortage contingency planning components, the consultant shall be required to make presentations to the City Council and the public at scheduled Council meetings in conjunction with City staff. The purpose of these presentations will be to solicit City Council and public input well in advance of developing a final draft UWMP. The consultant shall also assist the City with making the required notifications to other local agencies and public hearing notifications as specified by the Act.

Task 3- Information and Data Collection

The consultant shall collect information and data in order to update Water Demand Projections for a 20-year period through 2045. As water demand projections are a core element of an UWMP, collecting data for this task will be the initial priority. Necessary data for this task includes:

- Demographic data (e.g. population, housing unit and employment projections, etc.) from General Plans for the adjacent cities and the most recent U.S. Census, etc.;
- Historical and current water production data and consumption data by user class (single- family residential, multifamily residential, commercial, institutional, dedicated irrigation, fire and other). Trends in water use reduction at the City since 2000 should be analyzed and factored into the demand projection update;
- Data to estimate impacts of the current and future CALGreen Codes and the City's Water Use Efficiency Standards, as well as the impact of on-going behavioral modification/social forming programs;
- Historical and current water savings estimates from on-going City conservation programs;
- Regulatory limits associated with the Making Water Conservation a California Way of Life legislation and Non-Functional Turf ban;
- Data on customer response to weather and climate and effects of climate change on expected future demand;
- Economic information including historical, current and projected rates in regards to elasticity impacts; and
- Any other information the Consultant feels is necessary or beneficial for this

task.

Task 4- Water Demand Projection

Using the above information, the consultant shall develop water demand projections in five- year increments from 2020 through 2045.

Task 5- Water Shortage Contingency Plan (WSCP)

Update the City's WSCP to comply with state requirements, including water supply reliability, water shortage contingency planning, demand reduction actions, enforcement mechanisms, and communication protocols. Incorporate lessons learned from recent drought periods and stakeholder feedback.

Task 6- City Council Presentations

In conjunction with City staff, the consultant shall present the draft water demand projections to the City Council and the public at up to two (2) City Council meetings. Based on the input received, the consultant shall make any necessary adjustments to the demand projections and finalize the corresponding chapters of the UWMP. The Consultant shall provide technical expertise and answer questions posed at the City Council meetings, prepare and review draft and final agenda reports, and assist with creation of City Council presentations.

Task 7- First Draft Report

In conjunction with staff, the consultant shall present the first draft report to the City Council and the public. Subsequent to the presentation, consultant shall make any necessary adjustments/revisions and finalize the draft report.

Task 8- Second Draft Report

The consultant shall identify any remaining data needs and draft any remaining required chapters of the UWMP, any supporting sections (e.g., Table of Contents, List of Tables and Figures, Acronyms and Abbreviations, References, Appendices, etc.), as well as the optional section on climate change impacts to supply, and the checklist developed by DWR to assist DWR with its review.

The consultant shall send electronic copies of the draft UWMP (or notify of the UWMPs availability on-line) to select local water agencies and other public agencies designated by City staff, and provide advance notification prior to the public hearing. Consultant must inform City staff of all requirements, time frames, and costs for obtaining permits from the required regulatory agencies (if any).

The consultant shall present a final draft of the second draft to the City Council and the public for review and make revisions to the UWMP.

Task 9 – Final Plan

In conjunction with City staff, the consultant shall present the final draft to the Council and the public at a public hearing. After the close of the public hearing, the City Council will consider final adoption of the UWMP.

Task 10 – Submittals

Following adoption of the UWMP, the consultant shall submit the plan electronically as required/requested by the DWR. ***Please note submissions are due by July 1, 2026, and the City would like to make a good faith effort to submit the Plan to the DWR as soon as possible.***

Task 11 – Corrections

Make any corrections identified as necessary by DWR after adoption.

Task 12- Deliverables

The Consultant shall provide to the City the following deliverables and services as part of this project and any others the consultant deems necessary to provide a complete UWMP.

A. Draft UWMP
   a. One (1) hard copy sent (or notification of plan's availability on-line) to stakeholders (approximately 5 local water agencies and 7 other public agencies) as designated by City staff;
   b. Three (3) printed copies submitted to the City; and
   c. One (1) electronic version of the complete document in Microsoft Word.

B. Final UWMP
   a. Three (3) printed copies and one (1) electronic version of the complete document in both PDF and Microsoft Word.
   b. The consultant shall provide expertise, prepare the draft and final City Council staff reports, assist with creation of City Council presentations, and to be available to support staff and answer questions, for up to two (2) City Council meetings.
   c. The consultant shall coordinate UWMP adoption, assuring notification requirements for public hearing; and submittal of draft UWMP to all appropriate State, local agencies and stakeholders,
   d. The consultant shall coordinate with City and County agencies to receive the Final UWMP within 30 days of adoption.
   e. The consultant shall coordinate the posting notice and submittal of the Final UWMP to the DWR.

III. TASK ORDER TIME OF COMPLETION

The duration of services required is anticipated to be generally from December 2025 to August 2026.

IV. TASK ORDER

The selected Consultant will be issued a task order through the on-call professional services agreement. No work is authorized and no payments will be made prior to execution of a Task Order.

V. REQUIRED CONTENTS OF PROPOSAL

Submit three copies of the proposal. Proposals should be concise and specific to this RFP and limited to 8 single sided pages, excluding 1) the cover letter, 2) the cost proposal (in separate sealed envelope) and 3) full resumes and sample documents (specifically described below) included in appendices. Proposals must be in the following format:

1. **Consultant Identification:**
   Provide the legal name of the firm, the firm's mailing and physical address, the names and contact information of the legally responsible principal and the primary contact person (Project Manager) for this project.

2. **Project Understanding and Work Plan:**
   Explain in detail your understanding proposed work plan, including all anticipated tasks along with any supplemental tasks (those not specifically identified in this RFP) you deem necessary for successful completion of this project. A table shall be provided that identifies the number of labor hours for each phase of the project, by staff level.

3. **Quality Assurance/Quality Control (QA/QC):**
   Describe the team's established QA/QC program to be used throughout the Project. Provide the name, licenses and a brief bio of the person responsible for QA/QC.

4. **Related Project/Client Information:**
   Briefly describe three (3) comparable projects that best exhibit the firm's experience in each of the required services. Include the specific project name and location, overall project size and cost, consultant's contract value, client contact person, including title, organization, address, current telephone number and E-mail address.

5. **Individual Staff Experience and Project Organization:**
   i. Provide an organization chart showing the project manager and key staff members for the project.
   ii. Provide a brief bio of each key staff.
   iii. Provide a summary of each sub-consultant, their area of responsibility and percentage of the project cost.
   iv. Provide a realistic statement of current staffing workload commitments, additional resources of the firm, and ability of the firm(s) to respond to any request for additional or contingency services in a timely manner.
   v. Provide a statement that the departure, reassignment or substitution for any named member of the designated project team including sub consultant(s) will not be made without prior written approval of the City.

6. **Cost Proposal:**
   Include a cost estimate of all required services and associated fees in a separate document and sealed in an envelope entitled **"ENGINEERING**

SERVICES COST PROPOSAL for the CITY OF LINCOLN 2025 URBAN WATER MANAGEMENT PLAN UPDATE". The cost proposal must:

i. Be broken down by task and personnel category to indicate the level of effort and duration for each task,
ii. Show one hourly rate for each personnel category necessary for each task.
iii. Show all sub-consultants and costs.
iv. Show all other charges.
v. Show a "not to exceed" total for each task.

7. **Levine Act Disclosure Form (Attachment B)**

Contractor shall provide a completed Levine Act Disclosure Form (Attachment B). A party to a proceeding before an agency involving a license, permit, or other entitlement for use, including contracts not competitively bid and awarded to the lowest responsible bidder with a responsive bid shall disclose on the record of the proceeding any contribution in an amount of more than two hundred fifty dollars ($250) made within the preceding 12 months by the party or the party's agent to a City official/campaign. (Gov. Code, § 84308.) For additional information: https://www.lincolnca.gov/our-government/government-transparency/levine-act/.

8. **Exceptions**

List any exceptions to any portion of this RFP. The City will consider the exception(s) and may or may not reject the RFP as non-responsive.

9. **Appendices:**

Appendices are not required, will not count against the stated page limit, and may include:

i. Full resumes of key staff
ii. Full project descriptions.

VI. SUBMISSION OF THE PROPOSAL

Submit three (3) bound copies, along with a USB containing an electronic copy of the proposal in Adobe .pdf format in a sealed envelope, complete with the project name noted on this RFP cover sheet delivered to the following address not later than 3:00 p.m. on October 23, 2025 to:

City of Lincoln
City Clerk's Office
Subject: 2025 Urban Water Management Plan Proposal
Attention: Chris Nelson, Environmental Services Manager
600 Sixth Street
Lincoln, CA 95648

PROPOSALS MUST BE RECEIVED no later than the time and date stated on the cover sheet of this proposal and at the aforementioned location. Proposals received after this time or at any other location will be deemed

unresponsive and rejected.

VII. CONSULTANT SELECTION PROCESS

The City will evaluate and rank the proposals using the following scoring:

Project Understanding & Approach	50 Points
Experience of firm(s) and specific staff	20 Points
References from former clients	20 Points
Completeness and compliance with RFP format	10 Points
Total Points Possible	**100 Points**

Although not anticipated, at the discretion of the City, one or more of the top ranked teams may be interviewed based upon the relative ranking by total score. Interviews will be for the purpose of meeting the project team, discussion of the scope of work, and review of the factors considered in the preparation of the proposal. The teams may also be requested to provide further clarification of submitted materials and/or submit additional materials for consideration.

After the interviews and review of any additional requested materials, the City will begin negotiations with the prime consultant of the top ranked team.

All proposals may become public information subsequent to the On-Call Professional Services Agreement. The Proposer may describe any sensitive or potentially proprietary information in general terms.

The Proposal should reflect the most favorable terms available to the City, as the City may make award on the Proposal alone without interviews or any further contact with the Proposer.

VIII. RFP SCHEDULE

The City of Lincoln has designated the following activities and dates as key to the project schedule:

RFP Schedule		
1.	RFP Issued	September 24, 2025
2.	Questions Due	October 13, 2025
3.	Proposal Due	October 23, 2025
4.	Interviews (if needed)	Week of November 17th
5.	City Council Award of Contract	December 9, 2025

The City of Lincoln reserves the right to change the RFP schedule.

IX. DOCUMENTS AND QUESTIONS

Direct any questions regarding this RFP to Chris Nelson by Email at chris.nelson@lincolnca.gov All questions and requests for clarification must be received no later than 5 pm on the date noted in the schedule above. **No meetings will be held**

with prospective consultants to discuss the RFP. Revisions may be provided via an Addendum. Do not contact any other City staff or consultants to the City.

X. SUBMITTAL INSTRUCTIONS

1. All proposals become the property of the City and will not be returned.
2. All costs for proposal preparation shall be borne by the Proposer.
3. The Proposer may withdraw the Proposal or correct a mistake in the Proposal prior to the Proposal deadline by submitting a withdrawal request or correction/addendum in writing. Oral communication will not be accepted.

XI. ATTACHMENTS

A. 2020 Urban Water Management Plan: https://www.lincolnca.gov/business-and-development/planning-and-development/public-infrastructure-master-plans/#UrbanWaterManagementPlan(UWMP)
B. Levine Act Disclosure Form

WEST YOST

CITY OF LINCOLN | TECHNICAL PROPOSAL

2025 URBAN WATER MANAGEMENT PLAN

OCTOBER 23, 2025



Introductory Letter

WEST YOST
2020 Research Park Drive, Suite 100
Davis, CA 95618
530.756.5905 phone
530.756.5991 fax
westyost.com

October 23, 2025

Chris Nelson
Environmental Services Manager
City of Lincoln
600 Sixth Street
Lincoln, CA 95648

RE: 2025 Urban Water Management Plan

Dear Chris:

West Yost is pleased to submit this proposal to the City of Lincoln (City) to prepare the 2025 Urban Water Management Plan (UWMP). We appreciate the opportunity to continue partnering with the City on water planning efforts that ensure reliable, sustainable, and resilient water service to the Lincoln community. Our team brings the depth of experience, technical expertise, and proven methods necessary to deliver a comprehensive, fully compliant, and actionable UWMP that meets all California Water Code requirements and Department of Water Resources (DWR) guidelines and supports the City's long-term planning goals.

Our firm has successfully supported numerous Northern California agencies with recent UWMPs, Water Shortage Contingency Plans (WSCPs), and Risk and Resilience Assessments. Through this experience, we have developed a deep understanding of the regulatory requirements, data needs, and planning nuances critical to developing a DWR-accepted plan. For Lincoln, we will build upon the City's 2020 UWMP, integrate current supply and demand data, conservation programs, and climate resiliency planning, and ensure the plan aligns with the City's ongoing Water Master Plan Update and regional coordination efforts.

We recognize that Lincoln's 2025 UWMP is not simply a compliance update—it is an opportunity to establish a strategic and cohesive framework for future water supply and infrastructure investments. Our team will focus on creating a document that is technically robust, transparent, and defensible, while ensuring consistency across all City planning documents and regulatory requirements.

The Right Team

Success on this project requires an experienced, responsive, and collaborative team that understands both the technical requirements and the City's expectations. West Yost has assembled a proven team with strong water planning expertise and leadership tailored to Lincoln's needs:

- Project Manager: Brenda Estrada, PE – Brenda will lead the overall effort, coordinate with City staff, and ensure that all deliverables meet schedule and quality expectations. She brings extensive UWMP and WSCP experience across California and has led multiple municipal water planning projects to successful DWR approval.
- Deputy Project Manager: Angie Yan, EIT – Angie will provide project coordination, data management, and technical support across all tasks, ensuring efficient delivery and clear communication throughout the project.
- Principal-in-Charge: Kelye McKinney, PE – Kelye will provide executive oversight and ensure alignment of West Yost's resources with the project's objectives. Her leadership guarantees that the City receives our full commitment and highest quality of work.
- Quality Assurance/Quality Control: Elizabeth Drayer, PE – Elizabeth will provide QA/QC oversight, drawing upon her decades of statewide UWMP and water resource planning experience to ensure technical accuracy, regulatory compliance, and consistency across all sections.

The Right Approach

West Yost's approach is based on our streamlined and collaborative process for preparing UWMPs. We will:

- Leverage existing data and City knowledge to efficiently prepare a plan that accurately reflects current and future water supply and demand conditions;
    - **West Yost is currently working on the City's 2025 WMPU, and the work is nearing completion.**
- Coordinate early and often with City staff to ensure project milestones and review periods align with the City Council's adoption and DWR submittal schedule;
- Ensure full compliance with the 2025 DWR Guidebook, the Urban Water Management Planning Act, and all related state requirements; and
- Develop a clear, defensible, and actionable plan that integrates climate resilience, water use efficiency, and drought response strategies.

Our goal is to deliver an on-time, technically sound and timely UWMP that reflects Lincoln's unique system characteristics, planning goals, and regulatory commitments—without unnecessary burden on City staff.

West Yost has previously entered into professional services agreements with the City for prior projects and we are very confident that we will be able to enter into an agreement with the City for this project. West Yost does not list any exceptions.

As Principal-in-Charge, I am authorized to commit West Yost to this project and ensure our full support from start to finish. Please contact either Brenda Estrada or me if you have any questions or would like additional information. We look forward to the opportunity to partner with the City of Lincoln on this important planning effort.

Sincerely,

WEST YOST



Brenda Estrada, PE | Project Manager
530.792.3250 | bestrada@westyost.com



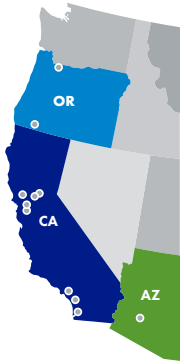
Kelye McKinney, PE | Principal-in-Charge
916.846.4687| kmckinney@westyost.com

SECTION 1 Consultant Identification

Firm Information

West Yost is a consulting engineering firm founded in 1990. Our focus is exclusively water, wastewater, recycled water, groundwater, and stormwater. We have broad experience in providing planning, design, construction management, and program management services.

West Yost is headquartered in Davis, California, and has over 250 staff members in 11 offices.



Required Information

Legal Name	**West Yost & Associates, Inc.**
Local Address	2020 Research Park Drive, Suite 100 Davis, CA 95618
Legally Responsible Principal	**Kelye McKinney,PE** Principal-in-Charge 2020 Research Park Drive, Suite 100 Davis, CA 95618 916.846.4687 I kmckinney@westyost.com
Primary Contact	**Brenda Estrada, PE** Project Manager 2020 Research Park Drive, Suite 100, Davis, CA 95618 530.792.3250 I bestrada@westyost.com

SECTION 2 Project Understanding

Under the Urban Water Management Planning Act, every urban water supplier in California that delivers more than 3,000 acre-feet of water annually or serves over 3,000 urban connections is required to prepare and adopt an Urban Water Management Plan (UWMP) every five years. These plans must include specific content as outlined by the California Department of Water Resources (DWR). The 2025 UWMP is due on July 1, 2026.

West Yost understands the City's need for a 2025 UWMP that provides an accurate description of the City's existing and projected future water demands and supplies, is consistent with the City's other planning efforts, and meets the 2025 UWMP requirements and schedule so that it is accepted by DWR. In developing our approach, we have identified four critical elements to successfully prepare the City's 2025 UWMP to comply with DWR regulatory and schedule requirements:

1. We will use our knowledge and understanding of the City's water supply and demands to efficiently prepare the City's 2025 UWMP. We will coordinate demands with the City's General Plan and Specific Plans; with the City's other water system planning efforts, including the 2025 Water Master Plan Update (WMPU); and with Placer County Water Agency (PCWA)'s 2025 UWMP and drought year supply assumptions.
2. We will use a coordinated approach to prepare the City's 2025 UWMP that complies with California Water Code requirements, DWR guidelines, and the anticipated release of the DWR Guidebook for Preparation of the 2025 UWMPs. No substantive changes to the requirements have been adopted since the completion of the City's 2020 UWMP. However, a few key updates will need to be provided in the City's 2025 UWMP and our understanding of the needed updates will allow our team to quickly begin work that will comply with requirements.
3. We will provide an opportunity for early review and input from the City Council and the general public regarding water demands and supply.
4. We will maximize City staff's limited time by leveraging the considerable data already collected for the WMPU to minimize required data needs and by identifying City support requirements early in the project. We will develop a comprehensive milestone-driven workplan and a clear path for document organization. We have included a data request list in Appendix C to assist the City in initiating this project.

We will use our knowledge and understanding of the City's water supply and demands to efficiently prepare the City's 2025 UWMP.

We are uniquely familiar with the City's existing and future water demands and its water supply portfolio, which includes treated surface water from PCWA, supplemental water from local groundwater supplies, recycled water supplies from the regional wastewater treatment facility operated by the joint powers authority between the City and Placer County (LiSWA), and raw water from PCWA and Nevada Irrigation District (NID). The treated surface water supplies from PCWA facilities include wholesale water supplies from both PCWA and NID.
West Yost's history supporting the City on the 2025 WMPU, hydraulic model updates, and on-going hydraulic modeling support has provided us an unmatched understanding of the City's water demands, supply sources, and system reliability. As part of the 2025 WMPU, West Yost has reviewed and projected system demands in coordination with the City's Planning Department, calibrated the model, and evaluated the existing and future supply portfolio to meet demands. This experience equips us with the insight needed to accurately document current and projected water demand and supply conditions, align the 2025 UWMP with evolving water use efficiency legislation, and support the City's eligibility for DWR grants and loans.

We understand the City's plans for growth and its need to clearly and succinctly report its water supply and demands in the City's 2025 UWMP.

SECTION 2 Project Understanding & Work Plan

We will use a coordinated approach to prepare the City's 2025 UWMP that complies with California Water Code requirements and DWR guidelines.

The primary goal of the City's 2025 UWMP is to prepare a useful planning document that meets the applicable requirements of the California Water Code and follows the guidelines for 2025 UWMPs that are being prepared by DWR. West Yost staff are members of DWR's Guidebook Working Group and have been closely following DWR's progress in the development of the Guidebook for the Preparation of 2025 UWMPs. West Yost understands DWR's pending 2025 UWMP requirements and has excellent relationships with DWR staff to obtain clarifications as needed. Based on our extensive experience preparing UWMPs and our review of water code changes, West Yost can quickly and efficiently start work on the City's 2025 UWMP.

UWMP requirements have changed dramatically since the Urban Water Management Planning Act was first passed in 1983. Recent drought events and climate change concerns have influenced the development and adoption of legislation that have made UWMPs the primary document for reporting on water conservation efforts, compliance requirements, and water shortage contingency planning.

No substantive changes to the requirements have been adopted since the completion of the City's 2020 UWMP, and DWR has not yet released its guidance for the preparation of the 2025 UWMP. Although the requirements are largely unchanged, the City's 2025 UWMP will include the following key updates:

2025 UWMP Key Updates

Water Supply Reliability Assessment: Include an updated water supply and demand assessment which compares the total water supply sources available to the City with the long-term total projected water use over the next 20 years (to 2045, preferably to 2050) in five-year increments, for a normal water year, a single dry water year, and a drought lasting five consecutive water years (California Water Code [CWC] §10635(a)).

Drought Risk Assessment: Assess the City's water supply reliability assuming that the Years 2026 to 2030 will be the five dry consecutive years (CWC §10635(b)).

Water Use Target Compliance: Provide a report on the City's compliance with adopted 2020 per capita water use targets in accordance with: Senate Bill X7-7 (Water Conservation Act of 2009, SB X7-7; CWC §10608.20).

Water Loss Quantification: Summarize the City's system water loss (2020 to 2024), and report on compliance with the City's distribution loss standards: (SB 555; CWC §10631(d)(3)(c)).

We will provide an opportunity for early review and input from the City Council and the general public regarding water demands and supply.

We understand the City's mission of public transparency and the desire for early input from its elected officials and the public pertaining to water supply and demands. **Task 3** of our workplan includes working with City staff to prepare the staff report and a presentation for a City Council meeting regarding City water supply and water demand projections. This early public engagement effort will help identify any potential concerns or questions that should be addressed within the 2025 UWMP prior to release of the public draft. We applaud the City for requesting this early public input to minimize the need for document revisions late in the project.

We will maximize City staff's limited time by leveraging the considerable data already collected for the WMPU to minimize required data needs and by identifying support requirements early in the project. We will develop a comprehensive milestone-driven workplan and a clear path for document organization.

To jump-start the UWMP process, we will provide a comprehensive data request list to the City early in the project. The data we have already collected for the WMPU will be identified in the data request list. **We have provided a preliminary data request table in Appendix C of this proposal to help you collect the necessary data to move this project forward quickly.** Our strategy for efficient plan development is to craft each chapter of the 2025 UWMP based on DWR guidelines and required DWR tables. While the DWR 2025 UWMP Guidebook has yet to be released, we thoroughly understand the required UWMP components, and we anticipate the required organization of the 2025 UWMP will be similar to the 2020 UWMP (if not the same).

As such, we will not let a potential delay in the release of the DWR 2025 UWMP Guidebook prevent us from starting the preparation of your 2025 UWMP. West Yost has prepared dozens of UWMPs, and we are familiar with your water system, your water demands, and your water supplies, which will allow us to quickly begin the required updates for the 2025 UWMP.

Our standard practice for preparing UWMPs is to begin with development of a project schedule that plans for the public hearing and adoption of the UWMP to correspond with the City Council's meeting schedule. The City has established a deadline for completion of the UWMP for adoption no later than the June 9, 2026 City Council Regular Meeting. West Yost will plan for the UWMP adoption in late May to allow West Yost and the City sufficient time to respond to and address any comments received, either from the City Council or the public, in addition to the flexibility to return to the June 9, 2026 City Council meeting, if needed. From the planned City Council meeting date, we work backwards to identify required dates for release of the Draft 2025 UWMP and all public and stakeholder notifications, as well as interim deadlines to allow for sufficient City review time of each chapter.

The 2025 UWMPs are required to include water demand and supply data through December 31, 2025; however, this data will not be available until early 2026. In the interim, we will focus on compiling available data and developing plan components that are not dependent on final 2025 data. This initial work includes drafting the plan and system description sections and preparing data files in alignment with DWR table requirements. These files will be structured and ready for input once the 2025 data is available. This phased approach enables timely completion of the DWR-required tables and facilitates the preparation of the Administrative Draft UWMP shortly after the 2025 data is available.

Table 1 outlines the anticipated 2025 UWMP chapters and describes the contents and updates that are anticipated for each chapter.

TABLE 1. ANTICIPATED UWMP CHAPTER CONTENT AND UPDATES

EXECUTIVE SUMMARY
■ Summary of UWMP findings and conclusions in simple, concise language to serve as the Lay Description required by CWC §10630.5.
CHAPTER 1. INTRODUCTION AND OVERVIEW
■ Introduction and overview of the 2025 UWMP.
CHAPTER 2. PLAN PREPARATION
■ Documentation of the City's process for plan preparation, along with its coordination efforts with PCWA, NID, the public, and other agencies.
CHAPTER 3. SYSTEM DESCRIPTION
■ Updates to the written description of the City's physical service area, climate, and demographics. ■ Inclusion of updated required maps including a jurisdictional area map, service area map, distribution area map, and system schematic. ■ Description of the City's seismic risk assessment of water facilities conducted in accordance with CWC §10632.5.
CHAPTER 4. WATER USE CHARACTERIZATION
■ Updates to the historical demand data for the last five years (2021-2025) and a written description of any updates to the City's water use reduction plan. ■ Water and recycled water demand projections through 2045 (preferably 2050). ■ Coordinate demand projections with the City's 2025 WMPU. West Yost will develop demands considering normal, single dry year and five consecutive dry years. We will share this information, with approval from the City, the PCWA for use in their 2025 UWMP. ■ Climate change impacts on water demands, to the extent information is available.
CHAPTER 5. CONSERVATION TARGET COMPLIANCE
■ Report on the City's compliance with its 2020 per capita water use target.

TABLE 1. ANTICIPATED UWMP CHAPTER CONTENT AND UPDATES
CHAPTER 6. WATER SUPPLY CHARACTERIZATION
■ Updates to the written descriptions of existing water sources, including purchased wholesale treated and raw water from PCWA, groundwater, recycled water, and NID raw water supply. ■ Updates the description of water transfer opportunities, imported (purchased) supplies, recycled water opportunities, and future water projects. ■ Documentation of the City's compliance with SGMA, including formation of the West Placer Groundwater Sustainability Agency and GSP preparation and implementation. ■ West Yost will coordinate supply projections with the City's 2025 WMPU, as appropriate. West Yost will incorporate information on climate change impacts to the City's water supply sources to the extent information is available. ■ Updates to the City's energy intensity calculations for 2025.
CHAPTER 7. WATER SUPPLY RELIABILITY ASSESSMENT
■ Evaluation of availability and reliability of water supplies in single dry and multiple dry years. ■ Preparation of a Drought Risk Assessment for the City for the period from 2026 through 2030. ■ Updates to the descriptions of water supply reliability, including any changes to regulatory conditions or supply constraints.
CHAPTER 8. WATER SHORTAGE CONTINGENCY PLANNING
■ Inclusion of the City's 2025 Water Shortage Contingency Plan (WSCP). ■ Report on the City's seismic risk assessment of water facilities conducted in accordance with SB 664 based on information from the regional Hazard Mitigation Plan and its America's Water Infrastructure Act (AWIA) compliance documents.
CHAPTER 9. DEMAND MANAGEMENT MEASURES
■ Updates the City may have on current and planned implementation of its Demand Management Measures (DMMs).
CHAPTER 10. PLAN ADOPTION, SUBMITTAL, AND IMPLEMENTATION
■ Documentation of the City's adoption of the 2025 UWMP
SUPPORTING DOCUMENTS: APPENDICES WILL INCLUDE, BUT NOT BE LIMITED TO, THE FOLLOWING
■ SB X7-7 tables required by DWR ■ Notification letters of UWMP update ■ Public notice of UWMP hearing ■ UWMP adoption resolution ■ DWR UWMP checklist ■ Water loss audits ■ Energy Intensity Documentation – Inclusion of water energy data is limited to information that the City can readily obtain. The calculation or estimation of energy intensity remains voluntary (CWC §10631.2)

Proposed Scope of Work and Level of Effort

The 2025 UWMP is due to DWR by July 1, 2026. Our proven workplan and proposed approach and project tasks will enable us to meet the deadline and DWR's requirements. West Yost will work with City staff to adjust the schedule as needed to coordinate with other City planning efforts. We will review our progress during monthly project check-in meetings.

TABLE 2: CITY OF LINCOLN 2025 UWMP WORK PLAN	
KEY TASK ACTIVITIES	**ANTICIPATED SCHEDULE**
TASK 1: Kick-Off Meeting, Project Management, and Quality Assurance/Quality Control (City Task 1)	
■ Conduct a project kick-off meeting with City staff to review the project work scope, data needs, and project schedule. ■ Coordinate and communicate with City staff regarding project progress and status of the scope, schedule, and budget. ■ Prepare a project checklist that follows DWR 2025 UWMP checklist. ■ Perform QA/QC reviews. West Yost requires all work products to be reviewed at the principal level prior to submittal.	Kick-off meeting anticipated to occur in early Dec 2025 depending on City staff availability Monthly progress meetings

TABLE 2: CITY OF LINCOLN 2025 UWMP WORK PLAN	
KEY TASK ACTIVITIES	**ANTICIPATED SCHEDULE**
TASK 2: Collect and Review Data (City Tasks 2 and 3)	
■ Collect and review data immediately after notice to proceed (e.g., supply updates, demand by supply type and user class, water loss data, and demand management measures). ■ Coordinate with the City's Community Development Department to obtain demographic data from the City's General Plans and Village Specific Plans. Discuss strategy for developing growth projections that remain consistent with the City's 2025 WMPU. Additional data sources may include Placer County, Sacramento Area Council of Governments, Department of Finance, and the 2020 US Census. ■ Obtain information from the Placer County Hazard Mitigation Plan (Annex C City of Lincoln) to address 2025 UWMP seismic requirements. ■ Communicate early with PCWA and NID to coordinate the supply and demand information to maintain consistency with PCWA and NID UWMPs, as appropriate.	Start upon notice to proceed Duration Dec through mid-Jan 2026
TASK 3: Water Supply and Demand Analysis (City Task 4)	
■ Develop growth projections, based on Task 2 data, and apply projections to develop future water demand estimates in five-year increments from 2025 to 2045 (preferably 2050) while remaining consistent with the City's WMPU. ■ Confirm assumptions for single-dry year and multiple-dry year (five-year) conditions for the basis of supply reliability analysis. ■ Analyze and evaluate the City's water supply portfolio as compared to future water demand under the required hydrologic conditions. ■ Evaluate the City's compliance with the City's previously adopted 2020 per capita water use targets in accordance with SB X7-7. ■ Prepare staff report and presentation materials regarding City supplies and water demands. ■ **Attend and present at a City Council meeting in advance of releasing the Draft 2025 UWMP.**	Start upon completion of Task 2 and continue through Jan 2026 to obtain and analyze 2025 water use data Target Council meeting on Feb 24, 2026
TASK 4: Water Shortage and Contingency Plan (City Task 5)	
■ Update the City's WSCP to incorporate lessons learned from the 2021 to 2022 drought period and stakeholder feedback. ■ Coordinate with City staff to identify opportunities to improve ease and effectiveness of water conservation program implementation to incorporate into the City's WSCP.	Start Dec 2025 continue through Feb 2025 prior to submittal of Administrative Draft.
TASK 5: Prepare Administrative Draft 2025 UWMP (City Task 7 – First Draft Report)	
■ Prepare draft chapters and tables in accordance with the DWR 2025 UWMP Guidebook for City staff review and comment. ■ Submit key chapters of the 2025 UWMP to City staff for review and comment as soon as they are completed to provide for early review and input.	Start Dec 2025 continue through Feb 2026 City staff review time scheduled for March 2026.
TASK 6: Prepare Draft 2025 UWMP (City Tasks 8 and 12 – Second Draft Report)	
■ Prepare draft chapters and tables in accordance with the DWR 2025 UWMP Guidebook for City staff review and comment. ■ Submit key chapters of the 2025 UWMP to City staff for review and comment as soon as they are completed to provide for early review and input.	Start upon receipt of staff comments with completion by mid-Apr 2026

TABLE 2: CITY OF LINCOLN 2025 UWMP WORK PLAN	
KEY TASK ACTIVITIES	**ANTICIPATED SCHEDULE**
TASK 7: City Council Presentations (City Task 6)	
■ Present Draft 2025 UWMP to City Council and the public. ■ Develop staff report text and a PowerPoint presentation for the Draft 2025 UWMP. ■ Present Final 2025 UWMP to City Council and the public at the required public hearing. ■ Develop staff report text and a PowerPoint presentation for the required public hearing.	Start April 2026 and complete by the end of May 2026 (includes minimum 14-day public review period before the required public hearing). Draft Report: Target Council Meeting on May 12, 2026. Final Report: Target Council meeting on June 9, 2026 (we will work to accelerate, if possible, to 2nd Council meeting in May).
TASK 8: Prepare Final 2025 UWMP (City Task 9, 10, and 12 – Final Plan)	
■ Incorporate comments from the draft into the Final 2020 UWMP. ■ Produce and submit up to three hard copies and one electronic version of the Final UWMP in both PDF and Microsoft Word to the City. ■ Coordinate with the City and public agencies to receive the Final UWMP within 30 days of adoption. ■ Upload the Final 2025 UWMP to the DWR WUEdata Portal, including noticing of submittal of the Final UWMP to DWR.	Two weeks for production/delivery to the City and submission to DWR of the Final UWMP (ahead of the July 1, 2026, deadline)
TASK 9: Respond to Questions/Comments from DWR (City Task 11)	
■ Support the City in responding to any questions and/corrections from DWR on the submitted 2025 UWMP.	West Yost has reserved labor hours to answer questions or comments from DWR

TABLE 3	ESTIMATED LABOR HOURS BY STAFF CLASSIFICATION						
	VICE PRESIDENT	ENGINEERING MANAGER I	PRINCIPAL ENGINEER II	ENGINEER III	ENGINEER II	TECHNICAL SPECIALIST II	TOTAL
TASK 1: Kick-Off Meeting, Project Management, and QA/QC	28	25	0	30	2	0	85
TASK 2: Collect and Review Data	0	6	0	9	10	0	25
TASK 3: Water Supply and Demand Analysis	0	5	0	16	53	2	76
TASK 4: Water Shortage and Contingency Plan	0	0	4	0	12	2	18
TASK 5: Prepare Administrative Draft 2025 UWMP	0	12	0	20	76	33	141
TASK 6: Prepare Draft 2025 UWMP	0	2	0	4	8	4	18
TASK 7: City Council Presentations	0	10	0	14	10	4	38
TASK 8: Prepare Final 2025 UWMP	0	1	0	3	8	8	20
TASK 9: Respond to Questions/Comments from DWR	0	2	0	8	0	0	10
TOTAL LABOR HOURS	**28**	**63**	**4**	**104**	**179**	**53**	**431**

Proposed Level of Effort

West Yost has prepared the following table to document the anticipated level of effort required to complete the scope of work. Additional detail regarding level of effort is provided in our cost proposal included as a separate document.

SECTION 3 Quality Assurance/Quality Control

The West Yost quality assurance and quality control (QA/QC) policy outlines the procedures used by West Yost staff to verify the accuracy of technical work products. The procedures are reviewed and updated annually. Business sector managers and practice area leads implement the procedures and train staff in these methods.

West Yost's QA/QC process for UWMPs is designed to maintain a high standard of accuracy and completeness. Each chapter of the 2025 UWMP will undergo technical review by senior engineering staff, with the full plan undergoing a comprehensive QC review focused on technical accuracy, clarity, and completeness.

PROJECT-LEVEL QUALITY ASSURANCE AND QUALITY CONTROL

West Yost's project managers drive quality assurance. They properly scope and schedule work so the right resources are available to create high-quality work products. They also assign senior staff in a dedicated quality assurance and quality control role. This reviewer checks all figures for accuracy and conformance to standards, reviews spreadsheets and calculations, and checks formulas. Technical staff and word processing staff review documents, including letters, technical memoranda, and reports to confirm technical content and compliance with our standards. The project manager works with project staff to implement processes to incorporate the company's expectations for work products.

A dedicated technical reviewer provides quality control at the project level. This reviewer is an experienced project manager who has led similar projects. **For the City's 2025 UWMP, Elizabeth Drayer, PE, will be our QA/QC reviewer.** Elizabeth will review all documents and deliverables prior to delivery to the City. She will use both the DWR UWMP checklist and West Yost's proven internal QA/QC guidelines. Elizabeth has been preparing UWMPs since 1990 and has provided QA/ QC for many UWMPs and other related work. Her additional qualifications are included on Page 8 of this proposal, along with a full resume detailing further relevant work experience in **Appendix A**. In addition, our Deliverables Team will conduct a final document review to uphold West Yost's high standards for document quality.

West Yost has significant experience preparing UWMPs that are accepted by DWR the first time they are submitted. Our success is based on meeting all UWMP requirements in the plan document. We will align the City's 2025 UWMP with the plan outline recommended in the DWR 2025 UWMP Guidebook and use the DWR UWMP checklist throughout the entire plan preparation process to confirm all plan elements are addressed. We will review progress on checklist items during monthly progress meetings. We will demonstrate to DWR that we have met requirements by including a copy of the completed checklist in an appendix and identifying these elements in the City's 2025 UWMP.

Related Project/Client Information

SECTION 4

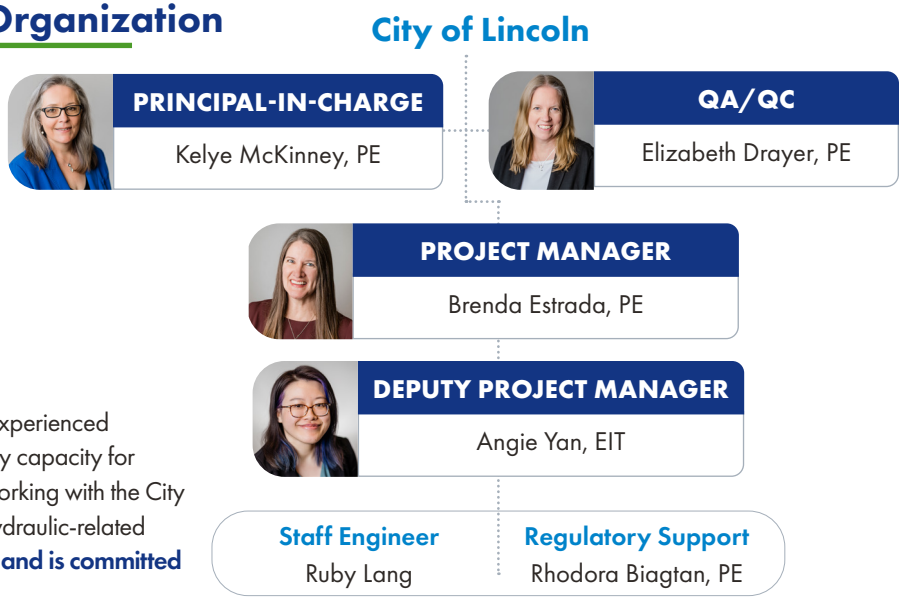
Comparable reference projects are listed below. Full descriptions for these projects and others are included in **Appendix B.**

Project Name & Location	**2015 and 2020 UWMPs** City of Sacramento, CA	**2020 UWMP** City of Dixon, CA	**2020 UWMP** City of Lincoln, CA
Size & Cost	The size and cost for the projects listed is equivalent to the contract value noted below.		
Contract Value	$96,000 (2015), $106,000 (2020)	$82,000	$94,000
Client Contact	**Brett Ewart, PE** Senior Engineer 1395 35th Ave, Sacramento, CA 95822 I 916.808.1725 bewart@cityofsacramento.org	**Josh Hudson** Water Operations Supervisor 171 S. Fifth St, Dixon CA 95620 I 530.682.3265 jhudson@cityofdixonca.gov	**Araceli Cazarez, PE** Engineering Manager 600 Sixth Street, Lincoln, CA 95648 I 916.434.2486 araceli.cazarez@lincolnca.gov
West Yost Team	▪ Elizabeth Drayer (P.IC) ▪ Brenda Estrada (QA/QC)	▪ Rhodora Biagtan (Project Manager} ▪ Brenda Estrada (QA/QC) ▪ Angie Yan (Project Engineer)	▪ Brenda Estrada (Project Manager) ▪ Elizabeth Drayer (Principal-in-Charge, QA/QC)

SECTION 3 Individual Staff Experience and Project Organization

West Yost has the expertise to successfully complete the City's 2025 UWMP. All team members are committed to the duration of this project. Detailed staff resumes can be found in **Appendix A.**

Our team has a proven track record of preparing UWMPs that meet DWR requirements including extensive knowledge of the City's water supplies gained from work on City water planning projects. Our team recently participated in DWR's 2025 UWMP Submittal Table User Testing Program to assist in troubleshooting the required tables that are being developed for 2025 UWMPs. As such, our team has advanced knowledge of the DWR guidelines set to be published and can plan accordingly.



Brenda Estrada, PE PROJECT MANAGER

Brenda Estrada will be the City's point of contact and will lead efforts to complete the UWMP. She is an experienced hydraulic engineer who has prepared many water master plans, including demand projections and supply capacity for large and small agencies. She has worked on Urban Water Management Plans since 2000. Brenda is working with the City on hydraulic modeling-related projects, including the City's recent hydraulic model update and several hydraulic-related evaluations. **Brenda will serve as the Project Manager and primary point of contact for this project and is committed for the duration of this project.**

Angie Yan, EIT DEPUTY PROJECT MANAGER

Angie Yan is a civil engineer-in-training specializing in water resources planning. She has experience preparing multiple UWMPs and water master plans. Angie plays a key role in preparing the City's Water Master Plan Update and in providing the City with ongoing hydraulic modeling support. She is proficient in GIS (ArcGIS Pro and ArcMap) and hydraulic modeling software (InfoWater, InfoWater Pro, and AquaTwin Water).

Kelye McKinney, PE PRINCIPAL-IN-CHARGE

Kelye is a civil engineer with a focus in the environmental engineering and utilities industry. She is an experienced manager who specializes in leading strategic multi-stakeholder initiatives, master planning, asset management and operation and resource planning. As Principal-in-Charge, Kelye will oversee that West Yost's resources are available for the duration of the work and provide another avenue for project communication.

Elizabeth Drayer, PE QA/QC

Elizabeth will serve as QA/QC for this project. Elizabeth has more than 37 years of experience leading complex water resource and master planning projects. She has contributed to more than 50 UWMPs since 1990 and has led West Yost's UWMP development teams since 2015. Elizabeth will offer expertise in compliance and technical documentation. She has reviewed and interpreted UWMP requirements and tools from DWR for over 30 years. She uses her expertise to develop and share practical approaches for complying with the requirements of the California Water Code and DWR's Guidebook for Urban Water Suppliers.

Ruby Lang STAFF ENGINEER

Ruby is a water resources engineer specializing in water system planning, drought resilience, and regulatory compliance. Ruby's experience includes water demand forecasting, risk and resilience analysis, and capital improvement planning, as well as using ArcGIS and InfoWater. Ruby brings a strong technical background and a collaborative approach to help clients develop actionable, data-driven strategies that enhance system reliability and long-term sustainability. As staff engineer, Ruby will assist in developing Draft Chapters of the UWMP.

Rhodora Biagtan, PE REGULATORY SUPPORT

Rhodora brings 30 years of experience in the water and wastewater industry, with deep expertise in master planning, recycled water programs, water conservation, and utility permitting. Rhodora is leading West Yost's 2025 UWMP team to confirm that all plans being prepared by West Yost meet the requirements of the California Water Code and the guidelines set by DWR. Rhodora will be available to support the update of Demand Management Measures and the Water Shortage Contingency Plan. Her focus will be to ensure alignment with current regulatory requirements and recommended best practices.

APPENDIX A Resumes

- Brenda Estrada, PE
- Angie Yan, EIT
- Kelye McKinney, PE
- Elizabeth Drayer, PE
- Rhodora Biagtan, PE
- Ruby Lang



Brenda Estrada, PE
PROJECT MANAGER

Brenda Estrada is an experienced water resource planning engineer with a focus on facilities planning and hydraulic modeling of distribution systems. She has prepared numerous water master plans for small and large water agencies, including demand projections, supply capacity analyses, and water quality evaluations.

Staff Title: Engineer Manager I

Office Location: Davis, CA

Years of Experience: 27

Years with West Yost: 17

Professional Registrations
- Professional Civil Engineer California No. 67062

Education
- BS, Civil Engineering, University of California, Davis

Professional Affiliations
- American Water Works Association

Publications
- Unidirectional Flushing Headlines Water Quality Programs," Brenda Estrada & Charles Duncan, AWWA Opflow, June2016

EXPERIENCE

URBAN WATER MANAGEMENT PLANS

2020 Urban Water Management Plan, City of Lincoln, CA: Project Manager for the preparation of a 2020 Urban Water Management Plan (UWMP) for the City of Lincoln. Tasks included review of water demand projections, water supply availability and reliability from Placer County Water Agency and City groundwater wells, SB X7-7 compliance, demand management measures, and the City's water shortage contingency plan. The UWMP was prepared in compliance with the requirements of the California Water Code and the Department of Water Resources Guidebook.

2020 Urban Water Management Plan, City of Sacramento, CA: QA/QC reviewer for the preparation of a 2020 Urban Water Management Plan (UWMP) for the City of Sacramento. Tasks included coordination with the internal project team to prepare the Administrative Draft, Public Draft, and Final 2020 UWMP for submittal to the Department of Water Resources.

2020 Urban Water Management Plan, City of Dixon, CA: QA/QC reviewer for the preparation of a 2020 Urban Water Management Plan (UWMP) for the City of Sacramento. Tasks included coordination with the internal project team to prepare the Administrative Draft, Public Draft, and Final 2020 UWMP for submittal to the Department of Water Resources.

2015 Urban Water Management Plan, City of Sacramento, CA: Project Manager for the preparation of a 2015 Urban Water Management Plan (UWMP) for the City of Sacramento. The UWMP was prepared on a fast-track schedule to meet submittal deadline requirements. The City is both a retail and wholesale agency and the UWMP reflects information for both. Tasks include review of water demand projections, water supply availability and reliability from the City's American River surface water, Sacramento River surface water, and groundwater sources, SB x7-7 compliance, demand management measures, and the City's water shortage contingency plan. 2015 UWMP to be prepared in compliance with the requirements of the California Water Code and Department of Water Resources' Guidebook for the Preparation of 2015 UWMPs.

2015 Urban Water Management Plan, City of Woodland, CA: Project Manager for the preparation of a 2015 Urban Water Management Plan (UWMP) for the City of Woodland. Tasks included review of water demand projections, water supply availability and reliability from the City's new surface water supply source and existing groundwater supplies, SB X7-7 compliance, demand management measures, and

the City's water shortage contingency plan. 2015 UWMP was prepared in compliance with the requirements of the California Water Code and Department of Water Resources' Guidebook for the Preparation of 2015 UWMPs.

2010 Urban Water Management Plan, City of Woodland, CA: Project Manager for the preparation of a 2010 Urban Water Management Plan for the City of Woodland. Responsible for evaluating baseline per capita water use based on historical water use and population data and recommending interim (2015) and final (2020) per capita water use targets for the City in accordance with the requirements of the Water conservation Act of 2009 (SB x7-7); making a presentation to City Council on proposed compliance with SB x7-7; preparing the 2010 UWMP; and completing the UWMP checklist developed by DWR to ensure that the completed plan met the requirements of the Urban Water Management Planning Act.

2000 Urban Water Management Plan Update, Nevada Irrigation District, Grass Valley, CA: Prepared an update to the District's Urban Water Management Plan by evaluating DWR requirements, reviewing existing plans, and requesting needed information from the District. Prepared and presented a review of the draft plan to the public and District's Board of Directors.

WATER SYSTEM PLANNING AND MODELING

Water Master Plan Update, City of Lincoln, CA: Project Manager for the update to the City of Lincoln's Water Master Plan. West Yost is working with the City of Lincoln to update its Water Master Plan. The Water Master Plan will provide the City with a comprehensive evaluation and long-term strategy to ensure the City's water system can meet current and future demands. The Water Master Plan evaluates the existing water supply, distribution, and storage infrastructure, using the calibrated hydraulic model to assess system performance. It identifies near-term and long-range improvements needed to maintain reliable water service and support to planned growth within the City's service area and Sphere of Influence.

Water Master Plan Update, City of Vacaville, CA: Project Manager for the update to the City of Vacaville's Water Master Plan. Brenda is responsible for coordinating with City staff and internal staff for the update to the City of Vacaville's Water Master Plan. The Water Master Plan is a continuation from the Water System Hydraulic Model Engineering Service project that updated and calibrated the City's existing hydraulic model. The Master Plan includes updating demand factors, estimating future demands using current General Plan land use projections, summarizing the City's future water supply plan, and evaluating capital improvements needed under existing and future demand projections.

Water Master Plan and Hydraulic Model Support, City of Petaluma, CA: Project Manager for the Water System Master Plan. West Yost is working with City staff to prepare a Water System Master Plan which will update demand factors based on recent historical demand patterns, update projected demands using updated General Plan land use, summarize existing and projected supply availability, review and update operational and performance criteria, and prepare a CIP. As part of the project. West Yost prepared a table of other agencies' operational and performance criteria to see how the City's fire flow requirements, storage calculation, and system pressures compare to the other agencies. This project is ongoing.

Hydraulic Model Support, City of Lincoln, CA: Project Manager for annual hydraulic model support. Hydraulic model support provided to the City includes, fire flow evaluations for new developments, CIP improvement review, and updated water unit use factors. West Yost provides on-going hydraulic model support to the City to verify adequacy of new developments to meet required fire flow. West Yost also updates the City's hydraulic model to include new facilities added to the system including a new storage tank and new pipelines as well as replacement pipelines.



Angie Yan, EIT

DEPUTY PROJECT MANAGER

Angie Yan is a civil engineer-in-training specializing in water resources planning. She has experience in preparing urban water management plans and water master plans and performing hydraulic model evaluations for small and large water systems. Angie is proficient in GIS including ArcGIS Pro and ArcMap as well as hydraulic modeling software including InfoWater, InfoWater Pro, and AquaTwin Water.

Staff Title: Engineer III

Office Location: Pleasanton, CA

Years of Experience: 6

Years with West Yost: 6

Professional Registrations

- Engineer-In-Training, California No. 172428

Education

- BS, Civil Engineering, University of California, Irvine

EXPERIENCE

URBAN WATER MANAGEMENT PLANS

2020 Urban Water Management Plan, City of Dixon, CA: Project Engineer for the preparation of the City of Dixon's first Urban Water Management Plan (UWMP). As the plan was a first for the City, it required coordination with the City's new General Plan and pending Solano County Multi-Jurisdiction Hazard Mitigation Plan. It also required the preparation of the City's first Water Shortage Contingency Plan and Annual Water Supply and Demand Assessment. Evaluated DWR requirements, reviewed and compiled data sent by the City, calculated the City's water demands and supplies for the last five years, projected future water demands and supplies through 2045, compiled the City's water demand management measures, and drafted report chapters. Contributed to the creation of the City's water shortage contingency plan. The UWMP was prepared in compliance with the requirements of the California Water Code and the Department of Water Resources Guidebook.

2020 Urban Water Management Plan, City of Manteca, CA: Staff Engineer for the preparation of a 2020 Urban Water Management Plan (UWMP) for the City of Manteca. Evaluated DWR requirements, reviewed and compiled data sent by the City, calculated the City's water demands and supplies for the last five years, projected future water demands and supplies through 2045, compiled the City's water demand management measures, and drafted report chapters. Contributed to the creation of the City's water shortage contingency plan. The UWMP was prepared in compliance with the requirements of the California Water Code and the Department of Water Resources Guidebook.

2020 Urban Water Management Plan, City of Turlock, CA: Staff Engineer for the preparation of a 2020 Urban Water Management Plan (UWMP) for the City of Turlock. Evaluated DWR requirements, reviewed and compiled data sent by the City, calculated the City's water demands and supplies for the last five years, projected future water demands and supplies through 2045, compiled the City's water demand management measures, and drafted report chapters. Contributed to the update of the City's water shortage contingency plan. The UWMP was prepared in compliance with the requirements of the California Water Code and the Department of Water Resources Guidebook.

2020 Urban Water Management Plan, City of Woodland, CA: Staff Engineer for the preparation of a 2020 Urban Water Management Plan (UWMP) for the City of Woodland. Evaluated DWR requirements, reviewed and compiled data sent by the City, calculated the City's water demands and supplies for the last five years, projected future water demands and supplies through 2045, compiled the

City's water demand management measures, and drafted report chapters. Contributed to the update of the water shortage contingency plan. The UWMP was prepared in compliance with the requirements of the California Water Code and the Department of Water Resources Guidebook.

2020 Urban Water Management Plan, Woodland-Davis Clean Water Agency, CA: Staff Engineer for the preparation of a 2020 Urban Water Management Plan (UWMP) for the Woodland-Davis Clean Water Agency. Evaluated DWR requirements, reviewed and compiled data sent by the City, calculated the City's water demands and supplies for the last five years, projected future water demands and supplies through 2045, compiled the City's water demand management measures, and drafted report chapters. Contributed to the update of the City's water shortage contingency plan. The UWMP was prepared in compliance with the requirements of the California Water Code and the Department of Water Resources Guidebook.

WATER SYSTEM PLANNING AND MODELING

Water Master Plan Update, City of Lincoln, CA: Project Engineer for the update to the City of Lincoln's Water Master Plan. West Yost is working with the City of Lincoln to update its Water Master Plan. The Water Master Plan will provide the City with a comprehensive evaluation and long-term strategy to ensure the City's water system can meet current and future demands. The Water Master Plan evaluates the existing water supply, distribution, and storage infrastructure, using the calibrated hydraulic model to assess system performance. It identifies near-term and long-range improvements needed to maintain reliable water service and support to planned growth within the City's service area and Sphere of Influence.

Hydraulic Model Support, City of Lincoln, CA: Project Engineer for on-going technical support for the City's water system hydraulic model. West Yost provides hydraulic model support to the City to verify adequacy of new developments to meet required fire flow and to provide as-needed guidance and model training to City staff on performing hydraulic model evaluations. Tasks include updating the City's hydraulic model with proposed pipelines for new developments, estimating and allocating water demands, and determining the available fire flow during the maximum day demand condition while meeting the City's water system performance criteria.

Water System Hydraulic Model Update (FY 21/22), City of Lincoln, CA: Project Engineer for the hydraulic model update and hydraulic evaluations of the City's water system hydraulic model for Fiscal Year (FY) 2021/2022. Allocated water demands to individual pressure zones after spatially linking the City's 2021 consumption data to GIS meter locations. Updated pipeline alignments and diameters in the hydraulic model using the City's GIS data. Completed a SCADA verification of the City's hydraulic model. Performed hydraulic evaluations on the City's near-term and build-out system to confirm and recommend alterations to the water system infrastructure proposed in the City's 2017 Water Master Plan.

Water Master Plan, Suisun-Solano Water Authority, CA: Staff Engineer for the development of Suisun-Solano Water Authority (SSWA)'s Water Master Plan. Developed SSWA's hydraulic model in AquaTwin Water, allocated water demands after spatially linking SSWA's 2022 consumption data to GIS meter locations, and calibrated and validated the hydraulic model. Performed hydraulic evaluations on the existing water system under maximum day demand and maximum day demand plus fire flow conditions to evaluate existing system deficiencies, and under a winter demand condition to evaluate water age.

Water Supply and Facility Master Plan Updates, California Water Service, Bear Gulch and Selma Districts, CA: Staff Engineer for the update of Cal Water's Water Supply and Facilities Master Plans (WSFMPs). These projects are a collaborative effort with Cal Water staff to develop updated WSFMPs through summary and analyses of the planning data obtained from and developed by Cal Water (demand projections, supply plans, asset management plans, hydraulic model, etc.). The goal of the WSFMP is to provide an updated Capital Improvement Plan to support the next two General Rate Cases. Tasks included documenting changes to each District's existing water system and water supply sources, updating current and future demand projections, completing a water system evaluation to identify system deficiencies, recommending asset replacements based on Cal Water asset management program objectives, reviewing planned capital projects, and recommending capital improvement projects.



Kelye McKinney, PE

PRINCIPAL-IN-CHARGE

Staff Title: Engineering Manager I

Office Location: Davis, CA

Years of Experience: 35

Years with West Yost: 7

Professional Registrations

- Professional Civil Engineer, California No. 49414

Education

- BS, Civil Engineering, University of Nevada, Reno

Professional Affiliations

- Groundwater Resources Association

Kelye McKinney is a civil engineer with a focus in the environmental engineering and utilities industry. She is an experienced manager who specializes in program and project management, leading strategic multi-stakeholder initiatives, master planning, asset management and operation and resource planning. She serves as Principal-in Charge on numerous projects with various West Yost clients. She previously worked for the City of Roseville in the Environmental Utilities Department, where she was most recently the Assistant Director of Technical Services. In her capacity, she led the technical services team for the water, wastewater, recycled water, and solid waste utilities including master planning, capital plan implementation, asset management, utility safety, and land development activities from entitlement through acceptance.

Experience

2025 Water Master Plan Update, City of Lincoln, CA: Principal-in-Charge for the West Yost's current work with the City on updating the City of Lincoln's Water Master Plan. The Water Master Plan will provide the City with a comprehensive evaluation and long-term strategy to ensure the City's water system can meet current and future demands. The Water Master Plan evaluates the existing water supply, distribution, and storage infrastructure, using the calibrated hydraulic model to assess system performance. It identifies near-term and long-range improvements needed to maintain reliable water service and support to planned growth within the City's service area and Sphere of Influence.

2020 Urban Water Management Plan, City of Lincoln CA: Kelye provided strategic support to and document review for the project team preparing the update to the City of Lincoln's 2020 Urban Water Management Plan.

Support Services, City of Lincoln, CA: Principal-in-Charge for technical and advisory support for groundwater projects including the regional water bank, groundwater supply planning, evaluation of groundwater recharge opportunities, and assistance with stakeholder communications.

Phase 1 and 2 - Developer Standards Updates, Citrus Heights Water District, CA: Principal-in-Charge for update to the Citrus Heights Water District's improvement standards, submittal requirements, drafting standards, procedures, and policies as they pertain to proposed developments and improvements within its service area.

Third Party Review & Modeling Services, Sacramento County Water Agency, CA: Principal-in-Charge for on-call services to perform review of drainage studies for compliance with the Sacramento County Drainage Study Requirements, the Sacramento County Hydrology Manual, Volume 2, FEMA floodplain standards, Sacramento Region Stormwater Quality Design Manual, and the County of Sacramento Improvement Standards. West Yost is also reviewing hydrologic and hydraulic models prepared by others for support of drainage studies and preparation of improvement plans.

Natomas Area Water Supply Study, Sacramento County Water Agency, CA: Principal-in-Charge for the Natomas Basin Water Supply Study. This project included the review of surface water supplies, and surface water rights/contracts and associated places of use for three urbanization areas of interest. West Yost also is investigating existing and future water supply facilities that might be available to serve the three urbanization areas including water diversion, treatment and distribution infrastructure owned or operated by the Sacramento County Water Agency and by other water agencies.

2018 America's Water Infrastructure Act Risk and Resilience Assessment (RRA) and Emergency Response Plan (ERP) Compliance Project, City of Lincoln, CA: Principal-in-Charge. West Yost is assisting the City with their all-hazards America's Water Infrastructure Act (AWIA) 2018-compliant RRA and ERP. A thorough gap analysis follows reviewing and organization of previously completed related resources. RRAs/ERPs are conducted according to the American Water Works Association (AWWA) standards and represent cross-sector best practices. Each RRA considers natural, built, cyber, and personnel assets and any relevant threats and hazards. Risk and resilience management strategies are developed to address the highest risks and reduce vulnerabilities. Next, an ERP is developed. This is built on existing emergency preparedness plans and refined to align with AWIA and state requirements and industry best practices. Finally, self-certification documentation is prepared for submittal to the Environmental Protection Agency.

Septic to Sewer Evaluation Program, Sacramento Area Sewer District, Sacramento, CA: Principal-In-Charge for the SacSewer District's Septic to Sewer Evaluation Program. Program included a Feasibility Report that addressed technical feasibility along with public outreach, public acceptance, and potential for funding for five small, disadvantaged communities to convert from septic to sewer systems. Work also included multiple public outreach meetings, preparation of outreach materials, funding opportunities research and coordination, grant applications, technical reports for use in the Small Community Wastewater Grant applications, and coordination of four income surveys to establish eligibility for grants.

Water System Rehabilitation Project #2, City of Folsom, CA: Principal-In-Charge. This $1.4 million project covered the construction of numerous valves and connections to help improve the reliability and redundancy of the water system in the City and performing related required work. There are 12 different locations in the public right of way and/ or on private property. Key elements of the project included coordination with the City for pressure testing, disinfection, and tie in of new pipe to the existing water system, public outreach, advanced notification to residents and commercial locations about water outages, and coordination with local hospital to ensure minimal water outages while the piping was being installed.

24th Street and K Street Combined Sewer System Storage Project, City of Sacramento, CA: Principal-in-Charge for the design of approximately 2,900 feet of 120-inch-diameter pipe in midtown Sacramento on 24th Street between N Street and H Street. The project is part of the City's Long Term Control Plan for reducing flooding of its combined sewer system (CSS). The project included the development of a preliminary design report, constructability reviews, CEQA services, utility locating/potholing, and public outreach.

Owner's Representative Services, Well 80, Wells 81 A, B, C, and Well 82, Sacramento Suburban Water District, CA: Project Manager. Kelye serves as the Project Manager for the Sacramento Suburban Water District (SSWD) for the construction of three new monitoring wells and four new groundwater wells and associated pumping and treatment facilities. The projects are being constructed under a progressive design-build project delivery process. Kelye serves as the West Yost Project Manager for Owner Representative Services. As the Owner's Representative West Yost is representing SSWD in the contracting and management of the progressive design-build team including preparation of the preliminary site plan for one of the three facilities, is assisting with contracting and contract management, and is also providing construction management and inspection services as part of the Owners Representative's role.

Sustainable Agricultural Groundwater Recharge Program Framework Report, Placer County, CA: Project Manager. Kelye led the development of the Sustainable Agricultural Groundwater Recharge Program Framework Report. The report outlines a methodology for identifying and supporting groundwater recharge projects to meet the County's sustainable groundwater management objectives including a fee program aligned with Development Agreement obligations. The program seeks to enhance groundwater supplies by identifying and implementing feasible recharge projects that directly benefit agricultural users.



Elizabeth Drayer, PE

QA/QC REVIEWER

Staff Title: Vice President

Office Location: Pleasanton, CA

Years of Experience: 37

Years with West Yost: 25

Professional Registrations

- Professional Civil Engineer, California No. 46872

Education

- MS, Structural Engineering, University of California, Berkeley
- BS, Civil Engineering, University of California, Berkeley

Certifications

- Underground Storage Tank Installation
- UC Davis Extension, 32-hour Course, Groundwater Hydrology
- UC Davis Extension, 32-hour Course, Principles of Toxicology

Professional Affiliations

- American Society of Civil Engineers
- American Water Works Association
- Association of California Water Agencies
- WateReuse Association

Elizabeth's expertise is in water resources engineering and multi-disciplinary project teams. She has experience leading water resources planning studies and design projects and specializes in water supply and infrastructure master planning. She has prepared more than 24 water and utility master plans, more than 20 water supply assessments, and more than 50 urban water management plans. She has also prepared many other studies and plans for clients including groundwater studies, drought response and water shortage contingency plans, facility operations plans, and emergency operations plans involving the evaluation of existing facilities, evaluation of existing and future water demands, identification of system deficiencies and needs, evaluation of water supply alternatives, and development of recommendations for capital improvements. Elizabeth is a West Yost Vice President and currently serves as West Yost's Chief Engineer-Scientist, overseeing the firm's Technical Resources Program.

EXPERIENCE

2020 Urban Water Management Plan, City of Stockton, CA: Project Manager for the preparation of the 2020 Urban Water Management Plan (UWMP). Project tasks include review of the City's water demands and water supplies for the last five years, projection of future water demands and water supplies through 2045, a report on the City's compliance with its SB X7-7 per capita water use target for 2020, consideration of the impacts of Senate Bill 606 and Assembly Bill 1668 on the City's future water demands, an update of the City's on-going and planned water demand measures, and an update of the City's water shortage contingency plan. West Yost assisted City staff during the public hearing and City Council adoption of the 2020 UWMP and uploaded the final plan to the Department of Water Resources Water Use Efficiency data portal.

Water Master Plan, City of Stockton, CA: Project Manager for an update to the Water Master Plan that evaluated water system infrastructure needs and recommended an updated capital improvement plan that supports buildout of the recently updated Envision Stockton 2040 General Plan. Project tasks included confirmation of goals, strategies, and priorities for the City's water system; update and calibration of the City's water system hydraulic model; evaluation of recent water use trends and development of future water use projections based on planned development; hydraulic analysis of the City's water system to identify needed water system improvements; and development of a prioritized capital improvement program to implement recommendations. West Yost will provide training for City staff on the update and use of the hydraulic model, and West Yost will provide multi-year technical support for model updates and hydraulic analysis of proposed development projects.

2015 and 2020 Urban Water Management Plans, Various Clients: Served as the leader and coordinator of West Yost's 2015 and 2020 Urban Water Management Plan (UWMP) development team, responsible for review and interpretation of Department of Water Resources (DWR) UWMP requirements and tools (including UWMP standard tables, population tool and AWWA water audit software), development of practical approaches for UWMP preparation, understanding of information and data requirements, development of

standardized document outlines and templates, liaison with DWR's UWMP staff, team coordination and communications, and quality assurance/quality control. Under Elizabeth's leadership, the West Yost team prepared sixteen 2015 UWMPs, all of which were determined by DWR to address the requirements of the California Water Code. As summarized below, 2015 UWMPs were prepared for the cities of Antioch, Modesto, Pleasanton, Roseville, Sacramento, San Bruno, Santa Rosa, Turlock, Ukiah, and Woodland, as well as the Coastside County Water District, Dublin San Ramon Services District, Fontana Water Company, Mountain House Community Services District, Olivehurst Public Utility District, and Woodland-Davis Clean Water Agency. 2020 UWMPs were prepared for the cities of Lincoln, Modesto, Napa, Petaluma, Pleasanton, Sacramento, San Bruno, Santa Rosa, Stockton, Turlock, and Woodland, as well as the Coastside County Water District, Dublin San Ramon Services District, Fontana Water Company, Mountain House Community Services District, Rincon Del Diablo Municipal Water District, Woodland-Davis Clean Water Agency, and Zone 7 Water Agency.

2010, 2015, and 2020 Urban Water Management Plans, City of Modesto and Modesto Irrigation District, CA: QC Reviewer for the preparation of a 2020 Joint Urban Water Management Plan (UWMP) for the City of Modesto and Modesto Irrigation District, Project Manager for the 2015 UWMP for the City of Modesto, and Project Engineer for the preparation of a Joint 2010 UWMP for the City of Modesto and Modesto Irrigation District. Tasks include review of water demand projections, water supply availability and reliability from surface water and groundwater, SB X7-7 compliance, demand management measures, and the City's water shortage contingency plan. The UWMPs were prepared in compliance with the retail and wholesale water supplier requirements of the California Water Code and the Department of Water Resources Guidebook.

Water Master Plan Update, City of Sacramento, CA: Project Manager for the preparation of an update to the City's Water Master Plan. Tasks include evaluation of existing and future demands, including the impacts of the passages of SB 606 and AB 1668, which will establish urban water use efficiency standards for residential indoor water use, residential outdoor water use, commercial, industrial and institutional outdoor irrigation use, and water losses. The City's existing water supplies will be reviewed, and future potential supply alternatives will be evaluated. A prioritized capital improvement program will be developed to meet the City's needs through buildout of the City's General Plan.

Water System Master Plan and Capacity Reserve Fee Study, Dublin San Ramon Services District, Dublin, CA: Project Manager for the preparation of a Water System Master Plan and Capacity Reserve Fee Study for the District. Tasks included a review and update of the District's system performance criteria; development of potable and recycled water demand projections; update of hydraulic water system models for the potable and recycled water systems; hydraulic analysis of existing and future conditions including 2020, buildout (based on adopted general plans), and ultimate planning horizons; development of a prioritized capital improvement plan; and performance of a water system capacity reserve fee study.

Water Master Plan Update, City of Ceres, CA: QC Reviewer for the preparation of a Water Master Plan Update for the City of Ceres. The Water Master Plan Update projected future water demands and evaluated the ability of the City's water supplies (including groundwater and treated water supplies from the recently completed Stanislaus Regional Water Authority water treatment plant) and water system infrastructure to meet those demands. Tasks included review of draft chapters, tables and figures and the overall water master plan report to ensure accuracy, clarity, consistency and conciseness throughout the report.

Water Master Plan, City of Roseville, CA: QC reviewer for the preparation of a Water Master Plan for the City of Roseville, including review of draft chapters, tables and figures and the overall water master plan report to ensure accuracy, clarity, consistency and conciseness throughout the report. Task lead for evaluation of existing and future water supply options, including review and evaluation of existing water supply availability and reliability and options for additional water supplies. Coordinated with City staff to evaluate, compare and document potential water supply options.



Rhodora N. Biagtan, PE

REGULATORY SUPPORT

Staff Title: Principal Engineer II

Office Location: Sacramento, CA

Years of Experience: 29

Years with West Yost: 5

Professional Registrations

- Professional Civil Engineer, California No. 59371

Education

- MS, Civil & Environmental Engineering, University of California, Davis
- MBA, Natural Resource Management, Graduate School of Management, University of California, Davis
- BS, Civil Engineering and Materials Science & Engineering, University of California, Davis

Professional Affiliations

- WateReuse California – NorCal
  - California Conference Technical Committee Co-chair (2022)
  - Board of Trustee Representative (2019 and 2020)
  - President (2017 and 2018)
- California Water Environment Association
- Bay Area Water Works Association

Rhodora specializes in master planning, recycled water program planning and implementation, water conservation, development permitting, and project management. She has 29 years of experience in the water and wastewater industry, including almost 24 years working in a public utilities district that provided potable water, recycled water, and wastewater services. Almost three of those years were as the interim engineering services manager and district engineer, where she managed the agency's capital improvement program, utility planning, development services, permitting, asset management, GIS/mapping, environmental compliance, and water conservation. She has experience working in collaborative relationships with other agencies and organizations and has served in leadership roles in water-focused organizations.

EXPERIENCE

2020 URBAN WATER MANAGEMENT PLAN, VARIOUS CLIENTS: Quality Assurance/Quality Control (QA/QC) Reviewer. The Urban Water Management Planning Act was updated in 2018 to include significant legislative requirements associated with drought planning in response to the 2012 to 2016 statewide drought. Rhodora served as a technical resource for West Yost's 2020 Urban Water Management Plan (UWMP) development team, responsible for interpreting and addressing updated legislative requirements associated with Water Shortage Contingency Plan, compliance with Delta Plan Policy WR P1 on demonstration of reduced Delta Reliance, and drought resiliency planning. Rhodora developed a framework to address new requirements associated with Water Shortage Contingency Planning and drought risk assessment. She also provided guidance on demand management measures. As requested by agencies, Rhodora reviewed municipal and district codes associated with water conservation and water shortage emergency and suggested revisions so that they are consistent with new legislative requirements and their updated Water Shortage Contingency Plans. Rhodora provided QA/QC review of several UWMPs for conformance with the Department of Water Resources' UWMP Guidebook 2020. Rhodora supported the preparation of thirteen of the nineteen 2020 UWMPs prepared by the team for the Cities of Lincoln, Modesto, Napa, Pleasanton, Sacramento, San Bruno, Stockton, and Turlock; Dublin San Ramon Services District; Fontana Water Company; Rincon Del Diablo Municipal Water District; Woodland-Davis Clean Water Agency; and Zone 7 Water Agency.

2020 Urban Water Management Plan, Dublin San Ramon Services District, Dublin, CA: Project Manager for the preparation of the District's 2020 Urban Water Management Plan (UWMP). Plan preparation included integration of the results of the Zone 7 Water Agency (wholesale supplier) Tri-Valley Municipal and Industrial Water Demand Study, District's update to its Alternative Water Supply Study, and the Association of Bay Area Governments' Regional Housing Needs Allocation, which were all in progress at the time. The plan required coordination with its wholesaler's UWMP and compliance with Delta Plan Policy WR P1 on demonstration of reduced Delta Reliance. The development of District's updated WSCP was coordinated with the region's wholesale agency and the other water retailers. Rhodora worked with District staff to update ordinances and municipal code to be consistent with the revised WSCP.

2015, 2010, and 2005 Urban Water Management Plans, Dublin San Ramon Services District, Dublin, CA: Project Manager. Rhodora coordinated with internal staff to provide water demand and projections to the selected consultant. Rhodora reviewed and commented on the plan throughout its progress. She collaborated with the regional water agencies to develop a regionally consistent water shortage contingency plan for incorporation their respective Urban Water Management Plans. As the District's project manager, Rhodora was responsible for including the project in the agency's operating budget, monitoring and updating the project budget and schedule, procuring a consultant through a Request for Proposal Process, and negotiating and administering consultant contracts.

Water Conservation Program Management, Dublin San Ramon Services District, Dublin, CA: As a Principal Engineer and Division Manager, Rhodora was responsible for the administration of the District's water conservation program. She managed the implementation of demand management measures and worked with the District's public outreach team to promote water use efficiency. She revised the District's Code as necessary for consistency with the District's water conservation program and water shortage contingency plan. She managed the tracking of water use per capita and water losses for monitoring and reporting, and ensured that AWWA Loss Water audit was conducted annually. During the 2012 to 2016 statewide drought, Rhodora's team effectively used the District's newly installed advanced metering infrastructure data to identify and focus on the highest water users to encourage reduction of water demands.

2020 Urban Water Management Plan, City of Pleasanton, CA: Rhodora was the Project Lead for the preparation of the City's 2020 Urban Water Management Plan (UWMP). Plan preparation included integration of the results of the Zone 7 Water Agency (wholesale supplier) Tri-Valley Municipal and Industrial Water Demand Study, the City's General Plan, and the Association of Bay Area Governments' Regional Housing Needs Allocation, which were all in progress at the time. The plan required coordination with its wholesaler's UWMP and compliance with Delta Plan Policy WR P1 on demonstration of reduced Delta Reliance. The development of the updated Water Shortage Contingency Plan was coordinated with the region's wholesale agency and the other water retailers. Rhodora worked with City staff in updating its municipal code so that it is consistent with the revised Water Shortage Contingency Plan. The UWMP was adopted by the City Council and submitted to DWR on schedule.

2020 Urban Water Management Plan and Water Conservation Plan, City of Modesto and Modesto Irrigation District, Modesto, CA: Rhodora was the Project Engineer for the preparation of the City's 2020 Urban Water Management Plan (UWMP) and the Project Lead for the preparation of its Water Conservation Plan. Rhodora was responsible for updating the City's Water Shortage Contingency Plan for conformance with new legislative requirements and Water Conservation Plan. The UWMP was adopted by the District Board and submitted to DWR on schedule.

2020 Urban Water Management Plan, Mountain House Community Services District, Mountain House, CA: Rhodora was the Project Manager for the preparation of the District's 2020 Urban Water Management Plan (UWMP). Plan preparation included integration of the Byron Bethany Irrigation District Agricultural Water Management Plan, District's updates to its Water Master Plan and Emergency Water Supply Reliability Plan, and the Regional Housing Needs Allocation, which were all in progress at the time. The plan required compliance with Delta Plan Policy WR P1 on demonstration of reduced Delta Reliance and update to the District's Water Shortage Contingency Plan. The UWMP was adopted by the District Board and submitted to DWR on schedule. As part of this effort, Rhodora also prepared the District's first Annual Water Supply and Demand Assessment.



Ruby Lang

STAFF ENGINEER

Ruby Lang is a water resources engineer specializing in water system planning, drought resilience, and regulatory compliance. Ruby's experience includes water demand forecasting, risk and resilience analysis, and capital improvement planning. She also has experience using ArcGIS and InfoWater. Ruby brings a strong technical background and a collaborative approach to help clients develop actionable, data driven strategies that enhance system reliability and long-term sustainability.

Staff Title: Engineer II

Office Location: Medford, OR

Years of Experience: 5

Years with West Yost: 5

Education

- MS, Civil and Environmental Engineering, California Polytechnic State University, CA
- BS, Environmental Engineering, California Polytechnic State University, CA

Professional Affiliations

- American Water Works Association
- American Society of Civil Engineers Engineers Without Borders USA

EXPERIENCE

2025 Urban Water Management Plan, City of Manteca, CA: Project Engineer for the preparation of a 2025 Urban Water Management Plan (UWMP) for the City of Manteca. Tasks include coordination with City staff and internal project team to review available data and coordinate the development of UWMP sections. Developing water demand projections for the City, reviewing water supply availability and reliability, and updating the City's Water Shortage Contingency Plan. The UWMP will be prepared in compliance with the requirements of the California Water Code and the Department of Water Resources Guidebook.

County of Marin Drought Resiliency Plan, County of Marin, CA: Project Engineer for the preparation of County of Marin's Drought Resiliency Plan in conformance with the requirements of State Senate Bill 552 (Drought Planning for Small Water Suppliers and Rural Communities). The Plan assesses the varied impacts of historic droughts primarily in areas unserved by water agencies and their contractors (Study Area). The Plan will evaluate the Study Area's drought vulnerability and develop short-term and long-term strategies to mitigate drought impacts. Preparation of the plan involves public and stakeholder outreach through the County Drought Task Force. As the County's initial Drought Resilience Plan, it will be prepared as a stand-alone plan and policy document to identify information gaps and outline future actions.

Modoc Drought Resilience Plan, Modoc County, CA: Project Engineer for the preparation of Modoc County's Drought Resiliency Plan in conformance with the requirements of State Senate Bill 552 (Drought Planning for Small Water Suppliers and Rural Communities). Responsible for analysis of water system risks, drought vulnerability, and the development of County's initial Drought Resilience Plan.

Vancouver Comprehensive Water System Plan, City of Vancouver, WA: Project Engineer contributing to system evaluations, model calibration, and capital improvement recommendations. Tasks have included assisting with a full hydraulic model update build and calibration, the development of demand projections, supply analyses, pumping and storage analyses, and development of recommendations for capital improvements. Coordinated stakeholder plan reviews and complied with the Department of Health requirements. Supported project management tasks including deliverable tracking and client communication, lead workshops, client meetings, and subconsultant meetings.

Capital Improvement Planning Tool, City of Mountain House, CA: Technical Lead for the development and refinement of the City of Mountain House's Capital Improvement Planning (CIP) tool. Built a complex workbook and the calculation framework, ensured QA/QC accuracy, and provided client training on tool use. Enhanced usability and consistency for infrastructure investment planning.

2018 America's Water Infrastructure Act (AWIA) Risk and Resilience Assessment (RRA) and Emergency Response Plan (ERP) Compliance Projects: Project Engineer for numerous all-hazards RRAs and ERPs in 2020 AWIA Plans and 2025 AWIA Plans. For each project, West Yost completed a thorough gap analysis after reviewing and organizing previously completed RRA and ERP-related resources. RRAs and ERPs were completed in accordance with American Water Works Association (AWWA) standards and best management practices. Each RRA considers natural, built, cyber and personal assets and all threats and hazards. Ruby conducted multiple seismic vulnerability studies to identify design earthquake and threat likelihood, soil shaking and displacement—liquefaction and landslide—impacts of the design earthquake relative to local geology and implemented those characteristics to linear and non-linear assets utilizing American Lifeline Alliance (ALA) and HAZUS methodologies to determine damage estimates and consequences to water facilities, as well as helped develop climate analysis approaches for new requirements in 2025 projects and assessments.

Water Master Plan, City of Albany, OR: Project Engineer for the Albany Water Master Plan (WMP) and assisted with the Resilience Plan and Pipeline Renewal and Replacement Plan of the WMP. This work has included a detailed condition assessment of Albany's water facilities, which provided valuable information for strategic replacements and CIP work.

Jennings WWTP Water System, and Wellhead Treatment Planning and Design, Modesto, CA: Project Engineer assisting with distribution system planning and wellhead treatment planning for the City's existing potable well. The City has an existing 25 gpm well that currently exceeds total dissolved solids standards. In addition, a nearby composting facility is requesting a connection to the City's existing distribution system. The Study involved planning for a wellhead treatment system (water softening and Reverse Osmosis) as well as evaluating hydraulics for extending the water main to the composting facility. The project expanded from a study to design, currently at 90 percent design, which Ruby assisted in the development of plans, specifications, and cost estimating of the proposed project.

Water System Impact of General Plan Update, Atwater, CA: Project Engineer assisting with evaluating the impact that proposed land use changes to the City's General Plan will have on the City's existing water system. Study includes characterizing the City's existing water system facilities, existing water demands, future projected water demands, and the associated supply, pump and storage facilities needed to support future demands while meeting all City-established criteria.

Over 35 Years of Water System Planning Experience

West Yost brings the City of Lincoln a veteran team of water planners. In addition to direct experience preparing the City of Lincoln's 2023 Water Master Plan Update (WMPU) West Yost team's expertise ranges from large regional integrated water resources planning, distribution system modeling, master planning, supply reliability evaluations, water transfers, and specialized expertise in UWMPs. The table below details our recent relevant work:

Summary of West Yost's Recent UWMP and Water System Planning Experience

All of the 2010, 2015, and 2020 UWMPs prepared by West Yost were deemed "Complete" by the Department of Water Resources (DWR), with no significant revisions or questions from DWR staff.	UWMP	WATER MASTER PLANNING	SUPPLY ANALYSIS	DEMAND ANALYSIS	CONSERVATION/ CLIMATE	GROUND WATER	SURFACE WATER	CONJUNCTIVE USE
City of Lincoln 2020 UWMP and Water Master Plan	■	■	■	■				■
City of Modesto 2010, 2015, and 2020 UWMP, Engineer's Report, and Water Master Plan	■	■	■	■	■	■	■	■
City of Sacramento 2005, 2015, and 2020 UWMP and Water Supply Master Plan	■	■	■	■	■	■	■	■
City of Manteca 2020 UWMP	■	■	■	■	■	■	■	
City of Dixon 2020 UWMP and Water Master Plan	■	■	■	■		■		
City of Stockton 2020 UWMP and 2008 and 2021 Water Master Plans	■	■	■	■	■	■	■	■
City of Ceres 2010 UWMP and 2025 Water Master Plan	■	■	■	■		■	■	■
City of Woodland 2010, 2015, and 2020 UWMP and Water Focus Study	■	■	■	■	■	■	■	■
City of Santa Rosa 2010, 2015, and 2020 UWMP and Water Master Planning	■	■	■	■	■	■	■	■
City of Napa 2020 UWMP and 2025 Water Master Plan	■	■	■	■		■	■	
City of San Bruno 2020, 2015 UWMP and 2022-2025 Annual Water Supply and Demand Assessments	■	■	■	■	■	■	■	■
Coastside County Water District 2010, 2015, and 2020 UWMP	■		■	■		■	■	■

THE VALUE OF THE WEST YOST TEAM

- Our work on the City's 2025 WMPU, as well as on-going water system evaluations, provides us with an understanding of the City's water system, its existing and future needs and the needed insight to address water supply concerns.
- We have proven experience in water resources engineering with more than 55 completed UWMPs over the past 20 years for a number of suppliers throughout California.
- We know and understand DWR's current and pending UWMP requirements, have excellent relationships with DWR staff, and can quickly get appointments made and questions answered.
- We are closely tracking the potential changes expected in the 2025 UWMP requirements.
- Our team recently participated in DWR's 2025 UWMP Submittal Table User Testing Program to assist in troubleshooting the required tables that are being developed for the 2025 UWMPs.

The following projects highlight our team's recent experience and demonstrate our ability to perform the work required for the City's 2025 UWMP.

Project Objectives: For all of these projects, the objective was to prepare an Urban Water Management Plan to comply with CWC requirements and DWR guidelines, including documentation of demand and supply projections, compliance with SB X7-7 and SB 606/AB 1668, updates to demand management measures, and preparation of a Water Shortage Contingency Plan.

Project Outcomes: The outcome for all listed projects was that the UWMP met all State requirements and supported eligibility for future grant funding applications. In many cases, UWMPs were prepared concurrently with Water Master Plan updates, allowing updated demand information to be leveraged for consistency between planning documents. West Yost also supported the public hearing and City Council/Board of Directors adoption processes and submitted the final plans to DWR's Water Use Efficiency data portal.

Direct Project Experience with the City of Lincoln

2020 URBAN WATER MANAGEMENT PLAN
CITY OF LINCOLN, CA

West Yost prepared the 2020 UWMP for the City of Lincoln. The UWMP provided information about the City's water service area and population; water supply availability and reliability from the City's water wholesaler and City groundwater wells; past, present, and projected water demands; the City's water demand management measures; a City water shortage contingency plan; and documented compliance with SB X7-7. The UWMP was prepared in compliance with the requirements of the California Water Code and the DWR UWMP Guidebook and was submitted to DWR on schedule.

TEAM: Brenda Estrada (Project Manager), Rhodora Biagtan (Water Shortage Contingency Plan), Elizabeth Drayer (QA/QC Reviewer /Principal-in-Charge)

REFERENCE: Araceli Cazarez, Engineering Manager
☎ 916.434.2486 araceli.cazarez@lincolnca.gov

2025 WATER MASTER PLAN UPDATE
CITY OF LINCOLN, CA

West Yost is working with the City of Lincoln to update its Water Master Plan. The Water Master Plan will provide the City with a comprehensive evaluation and long-term strategy to ensure the City's water system can meet current and future demands. The Water Master Plan evaluates the existing water supply, distribution, and storage infrastructure, using the calibrated hydraulic model to assess system performance. It identifies near-term and long-range improvements needed to maintain reliable water service and support to planned growth within the City's service area and Sphere of Influence.

TEAM: Brenda Estrada (Project Manager), Angie Yan, EIT (Project Engineer), Kelye McKinney (Principal-in-Charge), Elizabeth Drayer (QA/QC Reviewer)

REFERENCE: *(Same as 2020 UWMP)* Araceli Cazarez, Engineering Manager
☎ 916.434.2486 araceli.cazarez@lincolnca.gov

Additional Project Experience

URBAN WATER MANAGEMENT PLAN (2020)
CITY OF DIXON, CA



West Yost prepared the City of Dixon (City's) 2020 Urban Water Management Plan when the City reached classification as an urban water supplier. This plan was the City's first UWMP and required coordination with the City's new General Plan and pending Solano County Multi-Jurisdiction Hazard Mitigation Plan. It also required the preparation of the City's first Water Shortage Contingency Plan and Annual Water Supply and Demand Assessment.

The 2020 UWMP was prepared while overlapping with West Yost's completion of the City's 2021 Water System Master Plan Update. West Yost incorporated updated water demand projections and groundwater supply capacity from the Water System Master Plan into the 2020 UWMP to maintain consistency across documents.

West Yost worked collaboratively with City Staff to orient them to new reporting requirements as they became recognized as an urban water supplier. The UWMP was adopted by the City Council and submitted to DWR on schedule.

REFERENCE: Josh Hudson, Water Operations Supervisor, Public Works Department
☎ 707.678.7000 ✉ jhudson@cityofdixon.us

TEAM: Rhodora Biagtan (Project Manager), Elizabeth Drayer (Principal-in-Charge)
Angie Yan, EIT (Staff Engineer)

URBAN WATER MANAGEMENT PLANS (2005, 2015, AND 2020) AND WATER SUPPLY MASTER PLAN
CITY OF SACRAMENTO, CA



West Yost prepared the 2005, 2015, and 2020 updates to the City of Sacramento's UWMP. The UWMPs provided information about the City's water service area and population; available water supply sources and associated reliability; past, present, and projected water demands; the City's water demand management measures; a City water shortage contingency plan; and potential for use of recycled water within the City's water service area.

West Yost team members also prepared the City of Sacramento's 2013 Water Supply Master Plan. This project included determining demand allocations by land use and identifying demand offsets with a focus on conservation. Supply management planning focused on reliability and sustainability, including water supply portfolio planning that optimizes surface water, groundwater, and recycled water. The project included close coordination with stakeholders, including a 20-member Advisory Board that represented a variety of interests in the region - from other water purveyors and suppliers to environmental groups. West Yost is currently preparing an update to the City's 2013 Water Master Plan.

REFERENCE: Brett Ewart, PE Senior Engineer
☎ 916.808.1725 ✉ bewart@cityofsacramento.org

TEAM: Elizabeth Drayer (Principal-in-Charge), Brenda Estrada, PE (QA/QC)

Additional Experience

URBAN WATER MANAGEMENT PLANS (2010, 2015, AND 2020)
CITY OF MODESTO, CA

West Yost prepared the City of Modesto's (City's) 2010 and 2015 UWMPs. West Yost's approach to preparing the City's UWMPs included addressing the critical issues regarding future service area population, complying with the requirements of SB X7-7, and identifying water supply needs.

West Yost carefully assessed the service area population relative to both the contiguous and outlying service areas, projected population at buildout of the General Plan, and potential expansion of the northern Sphere of Influence boundary. These issues were incorporated into the engineering analysis to identify impacts on the quantity and timing of potable and non-potable water supplies that will ultimately be required to meet these new customer demands, and impact infrastructure sizing and placement.

This project also included analysis and planning for water conservation and other demand management measures, as well as the potential for additional supply options, such as groundwater pumping, a seasonal and/or long-term local groundwater ASR banking program, groundwater and/or recycled water offset of existing potable demands, and/or new treated surface water supplies.

To coordinate efforts and address common components for the City's overall water system, the City's 2010 UWMP was prepared as a joint plan with the Modesto Irrigation District (MID), the wholesale water agency from which the City purchases treated surface water supplies. Thus, the plan was developed to meet all wholesale and retail requirements. Although the City's 2015 UWMP was not prepared jointly, the 2020 UWMP is proposed to be a jointly prepared plan by the City and MID. West Yost was also selected to prepare the City/MID Joint 2020 UWMP.

URBAN WATER MANAGEMENT PLANS (2005, 2010, 2015, AND 2020)
CITY OF SANTA ROSA, CA

West Yost helped the City of Santa Rosa prepare 2005, 2010, 2015, and 2020 UWMPs. West Yost identified the City's existing water supply sources, including an evaluation of reliability and vulnerability to drought conditions, and evaluated current and projected water demands. West Yost also assessed water supply reliability in normal years, single dry years, and multiple dry years for 25 years. West Yost reviewed previously prepared documents that authenticate the City's implementation of Demand Management Measures and documents that describe the City's Water Shortage Contingency Plan.

URBAN WATER MANAGEMENT PLANS (2005, 2010, 2015, AND 2020) (CONTINUED)
CITY OF SANTA ROSA, CA

West Yost described the City's water recycling facilities and programs. West Yost developed technical data to establish the City's "baseline" gallons per capita per day in compliance with SBx7-7 methodologies and a Water Shortage Allocation Methodology, which considered both demand hardening and other conservation investments.

West Yost is also prepared the City's 2020 UWMP and worked with the City to address legislation for additional water use efficiency as well as other updates to the UWMP requirements.

URBAN WATER MANAGEMENT PLAN (2015, 2025)
CITY OF SAN BRUNO, CA

West Yost prepared the City of San Bruno's 2015 UWMP. Tasks included the review of water demand projections, water supply availability and reliability from the San Francisco Public Utilities Commission and the City's local groundwater supplies, SB X7-7 compliance, demand management measures, and the City's water shortage contingency plan. West Yost prepared and presented an overview of the UWMP to City Council and the public at a public hearing. West Yost also prepared the City of San Bruno's 2012 Water System Master Plan and is currently preparing a 2025 update.

URBAN WATER MANAGEMENT PLANS (2005, 2010, AND 2015) WATER AND SEWER MASTER PLANS
DUBLIN SAN RAMON SERVICES DISTRICT, DUBLIN, CA

West Yost has been providing water planning and design services to the DSRSD for over 20 years. This includes preparation of the District's 2005, 2010 and 2015 UWMPs and recent Water and Sewer Master Plan updates. The Water Master Plan included a comprehensive hydraulic model update that was used to size transmission and distribution pipelines, pump stations and reservoirs. It provided analysis of the system's ability to meet minimum pressure and flows during a maximum day plus fire flow and peak hour demand periods. West Yost also developed an interactive spreadsheet tool to allow the District to track and update new development projects within their water service area and their projected water demands and link that directly to the demand allocation used in the hydraulic model. West Yost trained District staff on the use of the tool, which will allow the District staff to efficiently update its hydraulic model as proposed development projects evolve.

APPENDIX C Preliminary Data Request Table

Below is a sample of a preliminary data request. As a result of our ongoing work with the City, West Yost has a number of these items already on file, and as such we can save the City time. The items West Yost already have on-file are outlined in light blue.

We can leverage data that has been submitted on current projects with the City to maximize efficiency and help save time for City staff.

City of Lincoln 2025 Urban Water Management Plan
Data Request Status Table - Last Updated: October 13, 2025

Chapter		Description	Source	Date Requested	Date Received	Confirm Use of WMPU Data	Comments
1		**Introduction**					
	a	General discussion of water management planning efforts--plan preparation, coordination and adoption	West Yost	-	-	-	
2		**Plan Preparation**					
	a	Number of Services and Volume of Water Supplied in 2025	City			-	To be provided after January 1, 2026. Should be consistent with what will be included in the City's 2025 Electronic Annual Report due April 1, 2026.
	b	Is City participating in Regional Planning or Compliance?	City			-	2020 - Individual. Any changes?
	c	Fiscal Year or Calendar Year?	City			-	2020 - Calendar Year. Any changes?
	d	List of Agencies for coordination and outreach	City			-	Any changes from 2020? (California American Water District, City of Roseville, NID, PCWA, Place County Public Works, SACG, South Sutter Water District)
	e	Retailer/Supplier Information Exchange	City			-	Any changes from 2020? (PCWA and NID)
	f	Notification to Cities and Counties	City			-	West Yost to provide sample for City to complete.
3		**System Description**					
	a	Service Area Climate	West Yost	-	-	-	
	b	Electronic copy (GIS or AutoCAD) of Service Area Boundary and Planning Area Boundary	City/West Yost	-	-		West Yost has recent City Limits and sphere of influence used in the Water Master Plan Update (WMPU). If there have been changes, please provide an updated boundary.
	c	Existing Service Area Population and Demographics (Single Family/Multi-Family, People per connection SF/MF)	City/West Yost			-	2020 UWMP used population from the California Department of Finance and demographics from the United States Census Bureau. West Yost can use the same sources unless the City has alternate information to include.
	d	Projected Service Area Population through 2050 (5-year increments)	City			-	2020 UWMP used population projections from the City's Community Development Department and assume an average household size of 2.67 people. Please provide direction on projected populations to be used in the 2025 UWMP.
	e	Water System Facilities Map--Electronic copy (GIS or AutoCAD)	West Yost	-	-		Included in 2020 UWMP, but optional. If City would like to include in 2025 UWMP, West Yost has updated figure from WMPU.
	f	Seismic risk assessment of water facilities	City			-	2020 UWMP referenced the Placer County 2016 Local Hazard Mitigation Plan Update. The plan is currently being updated for 2026. Are there any additional seismic evaluations that should be considered? Was seismic risk assessed as part of the City's AWIA Risk and Resilience Assessment?
	g	Local Hazard Mitigation Plan	City			-	Placer County's LHMP is currently being updated for 2026. Planned adoption in August 2026. West Yost will reference the 2016 LMHP for 2025 UWMP.
	h	Climate Change Vulnerability Assessment or other statement of climate change impacts	City			-	2020 UWMP referenced the 207 North American Basin Regional Drought Contingency Plan. Is there any other information that should be referenced?
	i	Projected Land Uses	City/West Yost	-	-		West Yost will use projected land use developed for the WMPU; please provide updated information if there have been changes since then.
	j	General System Description - Miles of pipeline	City			-	Please provide approximate miles of pipelines within the City's water system, if any changes from what was reported in the most recent Water Loss Audit.
4		**System Water Use**					
	a	Historical water use/demand and number of connections by water use sector (2024)	City/West Yost			-	West Yost has data for 2021 to 2023 from the WMPU. City to provide 2024 data.
	b	2025 actual retail demands and number of connections for potable and raw water by water use sector	City			-	To be provided after January 1, 2026.
	c	Projected water use/demand by water use sector (2030 through 2050)	City/West Yost				Updated projections are included in the WMPU through 2045 using updated water demand factors developed using 2023 metered consumption data; are these the projections that should be used in the 2025 UWMP? Please also provide direction on how you would like to project demands for 2050. WMPU projected up to buildout.
	d	Estimate of water savings from water conservation program	City			-	2020 UWMP did not include conservation as part of projections. Does the City want to estimate these separately? This is not required. West Yost recommends not including to be conservative.
	f	AWWA Water Loss Audits for 2020 through 2024	City			-	West Yost has received Water Loss Audits for 2020 to 2023 for the WMPU; however, City's 2024 water audit has not yet been submitted. Please provide when complete.

APPENDIX C Preliminary Data Request Table

City of Lincoln 2025 Urban Water Management Plan Data Request Status Table - Last Updated: October 13, 2025							
Chapter		**Description**	**Source**	**Date Requested**	**Date Received**	**Confirm Use of WMPU Data**	**Comments**
	g	Report on compliance with distribution water loss standards	West Yost	-	-	-	West Yost will reference the Water Loss Standards as posted by DWR in July 2025.
	h	Disadvantaged Communities Map	West Yost	-	-	-	West Yost to reference statewide mapping.
	i	Dwelling units and water use estimates 2020 and projections to 2045 for lower income households	West Yost	-	-	-	West Yost will reference the most recently adopted Housing Element for demographics.
	j	Discussion regarding impacts of climate change on demands	City	-	-	-	See data request in Section 3
5		**Baselines and Targets**					
	a	System annexations	City	-	-	-	No recent annexations during development of WMPU.
6		**System Supplies**					
	a	Annual water supply production by source (2021-2025)	City			-	West Yost has production for 2021 to 2023. 2025 information to be provided after January 1, 2026.
	b	Any groundwater recharge?	City/West Yost	-	-		Will include discussion from WMPU. Are there any updates?
	c	Status update on Sustainable Groundwater Management Act (SGMA) compliance activities	City/West Yost	-	-		Will include discussion from WMPU. Are there any updates?
	d	Changes to projected water supply sources through 2045 from 2020 UWMP, new projection for 2050	City/West Yost	-	-		West Yost projected groundwater and surface water supplies in the WMPU (2030, 2035, 2040, 2045, 2050). Will use WMPU supply projections unless otherwise directed.
	e	Are there any existing or planned beneficial uses of stormwater detention and use? (e.g., for irrigation)	City			-	Any changes from 2020 UWMP?
	f	Wastewater flows, treatment, disposal, and recycled water use (inside services area and outside service area) in 2025	City			-	To be provided after January 1, 2026.
	g	Recycled water use by type, place, and quantity for 2025	City			-	To be provided after January 1, 2026.
	h	Projected beneficial use of recycled water through 2050 by type	City			-	Review 2020 UWMP Table 6-6 and provide any changes in projected uses.
	i	Changes to proposed actions to encourage recycled water use	City/West Yost	-	-		Will include discussion from WMPU. Are there any updates?
	j	Changes to transfers/exchanges/interties since 2020 UWMP	City/West Yost	-	-		Will include discussion from WMPU. Are there any updates?
	k	Changes to expected future water supply projects or programs	City/West Yost	-	-		Will include discussion from WMPU. Are there any updates?
	l	Long term water alternative water supplies considered by City?	City/West Yost	-	-		Will include discussion from WMPU. Are there any updates?
	m	Energy Intensity (2025) - Total energy (kWh) consumed for water storage, conveyance, treatment, and/or distribution - Total energy (KWh) consumed for wastewater collection, treatment, and discharge	City			-	To be provided after January 1, 2026.
	n	Climate change impacts to water supply.	City			-	Refer to Section 3
7		**Water Supply Reliability Assessment**					
	a	Water Year Type (Average Year, Single Dry Year, Consecutive 5 dry years)	City			-	Are there any changes to the assumed base years in the 2020 UWMP?
	b	Volume available for each water year type	City			-	
	c	Changes to water supply reliability or factors affecting supply reliability since 2020 UWMP	City	-	-		Will include discussion from WMPU. Are there any updates?
8		**Water Shortage Contingency Plan**					
	a	Changes to the WSCP since 2020 UWMP	City			-	Is there anything to adjust based on the most recent drought? Are identified decision makers still correct?
	b	Restrictions and Prohibitions on End Uses; Penalties Charges and Enforcement Prohibitions	City			-	Changes since 2020 UWMP?
	c	Consumption Reduction Methods by Stage	City			-	Changes since 2020 UWMP?
	d	Water shortage reductions; budget impacts; resolution/ordinance	City			-	Changes since 2020 UWMP?
	e	Catastrophic Supply Interruption	City			-	Changes since 2020 UWMP?

APPENDIX C Preliminary Data Request Table

City of Lincoln 2025 Urban Water Management Plan Data Request Status Table - Last Updated: October 13, 2025							
Chapter		Description	Source	Date Requested	Date Received	Confirm Use of WMPU Data	Comments
9		**Demand Management Measures**					
	a	Narrative of six DMMs (water waste prevention ordinance, metering, conservation pricing, public education and outreach, programs to assess and manage distribution system real loss, water conservation program coordination and staffing support, other DMMS that significantly impact water demand)	City/West Yost			-	West Yost to prepare Draft Chapter 9 and provide to City to incorporate updated numbers and practices.
	b	Residential Conservation Programs	City/West Yost			-	
	c	Large landscape irrigation conservation programs	City/West Yost			-	
	d	Commercial, Industrial, Institutional Customers Conservation Program	City/West Yost			-	
10		**Plan Adoption, Submittal, and Implementation**					
	a	Notification to Cities and Counties	See Appendices				
A		**Appendices (based on 2020 UWMP)**					
	a	Legislative Requirements	West Yost	-	-	-	
	b	DWR Tables	West Yost	-	-	-	
	c	DWR UWMP Checklist	West Yost	-	-	-	
	d	Agency and Public Notices	City			-	West Yost to provide samples as timing nears.
	e	General Plan Land Use	West Yost	-	-		From WMPU.
	f	Land Use Projection	West Yost	-	-		From WMPU.
	g	Distribution System Water Loss Audits, 2020 to 2024	City/West Yost			-	West Yost has received Water Loss Audits for 2020 to 2023 for the WMPU; however, City's 2024 water audit has not yet been submitted. Please provide when complete.
	h	SB x7-7 Verification and Compliance forms	West Yost	-	-	-	From 2020 UWMP.
	i	Water Supply Agreements	West Yost	-	-	-	From WMPU.
	j	Water Shortage Contingency Plan	West Yost	-	-	-	From 2020 UWMP.
	k	Municipal Code Sections	West Yost	-	-	-	
	l	Water Rate Structure	West Yost	-	-	-	
	m	Water Conservation Outreach	City			-	Optional not included in 2020 UWMP. Provide any updated outreach materials and documentation of demand management measures.
	n	UWMP Adoption Resolutions	City			-	City to provide upon adoption of 2025 UWMP in 2026.

Levine Act Disclosure Statement

(The completed form submitted to the City of Lincoln is a public record.)

California Government Code Section 84308 (the "Levine Act") prohibits any officer of the City of Lincoln (defined as an elected or appointed officer, alternate, and any candidate for elected office) from participating in any consideration or action related to a proceeding if they receive political contribution(s) from a party or its agent(s) totaling more than $500 within the previous 12 months, while a proceeding is pending, and for 12 months following the date of a final decision in a proceeding concerning a license, permit, other entitlement for use, franchise, or contract (collectively, "proposal or application").

City officers are listed here:

- Members of the City Council: https://www.lincolnca.gov/en/our-government/council.aspx
- Boards and Commission Members: https://www.lincolnca.gov/en/our-government/boards-commissions-and-committees.aspx

Parties and their agent(s) are responsible for reviewing and disclosing their applicable contributions to City officers on the record of a proceeding.

1. Have you or your entity, or any agent on behalf of you or your entity, made any political contributions totaling more than $500 to any City officer in the 12 months preceding the date of the submission of your proposal or application, or the anticipated date of any action of any City Council, Board or Commission consideration or action related to this proposal or application?

☐ YES If yes, please identify the City officer(s):

☑ NO

2. Do you or your entity, or any agent on behalf of you or your company, anticipate or plan to make any political contribution(s) of more than $500 to any City officer in the 12 months following any City Council, Board or Commission consideration or action related to this proposal or application?

☐ YES If yes, please identify the City officer(s):

☑ NO

Answering 'yes' to either of the two questions above does not preclude the City of Lincoln from considering or taking action on a proposal or application. It does, however, potentially preclude the identified officer(s) from participating in consideration of and taking any action related to the proposal or application.

I declare under penalty of perjury of the laws of the State of California the foregoing information is true and correct.

Dated: 10/22/2025

Name of entity: West Yost Associates

By: 

(signature)

Kelye McKinney, PE, Principal-in-Charge

(print name and title)

You must submit a supplemental form if you make any new reportable contribution(s) while the proposal or application is being considered and is pending. If this form has not been previously submitted in connection with a contracting, licensing, entitlement or permitting process, please provide the completed form to the Office of the City Clerk for appropriate departmental routing at: City Clerk, City Hall, 600 6th Street, Lincoln, CA 95648, CityClerk@lincolnca.gov.

WE SUPPORT OUR COMMUNITIES

WE ARE WATER FOCUSED

WE TAKE PRIDE IN WHAT WE DO

WE STRIVE TO BECOME OUR BEST

WE DO WHAT'S RIGHT

WE BELIEVE IN QUALITY

WE LISTEN

WE SOLVE CHALLENGING PROBLEMS

WE SEE THE BIGGER PICTURE

WE TAKE OWNERSHIP

WE COLLABORATE

WE HAVE FUN

WE ARE WEST YOST

WEST YOST
Water. Engineered.

STAFF REPORT

Item Number 16.A

SUBJECT: Workshop to Discuss Potential Regulation of Tobacco and Vape Products in Lincoln. (Kristine Mollenkopf)

SUBMITTED BY: Kristi McKenney

DEPARTMENT: City Attorney's Office

DATE: November 18, 2025

STAFF RECOMMENDATION:
Staff seeks direction from the City Council regarding whether or how they wish to regulate tobacco retailers, including vape shops.

BACKGROUND/INTRODUCTION:

In 2019, a new vape shop opened in a very prominent location in downtown Lincoln, approximately ½ mile from Lincoln High School. Council members at that time raised concerns regarding its location so close to a school. The City's current Municipal Code does not generally regulate establishments that sell tobacco products. The Municipal Code only requires the retailer to be located in a proper zone, obtain a conditional use permit that requires state licensing, and a general Lincoln business license.

In 2019, the City of Lincoln had 22 retailers selling tobacco and/or vape products. Currently, in 2025, the City of Lincoln has 24 retailers selling tobacco and/or vape products. A few of the retailers are specialty shops, meaning that they only sell tobacco or vape related products. However, several of the retailers, such as gas stations or convenience stores, sell multiple types of products in addition to tobacco and vape products. The allocation of retailers is shown on the table below:

Type of Retailer	Number of These Retailers w/in Lincoln
Grocery stores/Markets	6
Pharmacies	1
Gas Stations/Mini-Marts	8
Liquor Stores	1
Country Club/Golf Club	2

Recently, Councilmembers have raised concerns again about the number of tobacco and vape locations within Lincoln as well as their proximity to schools or to one another and requested suggest options for how to regulate these uses.

FINDINGS/ANALYSIS:

Health Impacts from Vaping

Vaping is the act of inhaling and exhaling an aerosol, often referred to as vapor, which is produced by an e-cigarette or similar device[1]. The term is used because e-cigarettes do not produce tobacco smoke, but rather an aerosol, often mistaken for water vapor, that consists of fine particles. Many of these particles contain varying amounts of toxic chemicals, which have been linked to cancer, as well as respiratory and heart disease.

Vaping has grown in popularity with the rise of e-cigarettes, which were introduced to the mass market in the U.S. in 2007. Vaping devices include not just e-cigarettes, but also vape pens and advanced personal vaporizers, also known as MODS. E-cigarettes, which resemble smoked cigarettes, and vape pens, which resemble large fountain pens, are typically simpler in design and less expensive than devices that have been customized by the user.

Generally, a vaping device consists of a mouthpiece, a battery, a cartridge for containing the e-liquid or e-juice, and a heating element. When the device is used, the battery heats up the heating element, turning the e-liquid into an aerosol that is inhaled into the lungs and then exhaled.

The e-liquid in vaporizer products usually contains a propylene glycol or vegetable glycerin-based liquid with nicotine, flavoring and other chemicals and metals, but not tobacco. Some these devices to vape THC, the chemical responsible for most of marijuana's mind-altering effects, or even synthetic drugs like flakka (essentially bath salts), instead of nicotine.

The most popular vaping product is the JUUL, which is a small, sleek device that resembles a computer USB flash drive. Its design makes it easy to hide, which helps explain why it has become so popular among middle and high school students. In 2018, it accounted for

approximately 72% of the market share of vaping products in the United States. It comes in many flavors like crème Brulé, mango and fruit medley. Every JUUL product contains a high dose of nicotine: one pod or flavor cartridge contains about the same amount of nicotine as a whole pack of cigarettes.

A growing body of evidence indicates that vaping products may be a health hazard. Despite early optimism when these products first came on the market in the late 2000's, health advocates now recommend caution in using them considering growing evidence suggesting that their risks, especially to young people, outweigh their benefits.

In August of 2020, Senate Bill 793 was passed which aimed to halt the sale of most flavored tobacco products, including e-liquids, menthol cigarettes, and flavored smokeless tobacco. The bill was a response to growing concerns over the rising rates of nicotine addiction among young people. The implementation was delayed by a referendum funded by the tobacco industry which placed the fate of the flavored tobacco ban in the hands of California voters as Proposition 31 in November 2022. A majority of voters voted in favor of the ban making it no longer legally permitted for tobacco retailers to sell these items.

Since 2022, Assembly Bill 935, Senate Bill 1230, and Assembly Bill 3218 have expanded the initial law and closed a few loopholes. These bans include a wide range of products with a "characterizing flavor" other than tobacco which encompasses fruit, candy, mint, and menthol flavors, and applies to all vaping cartridges, pods, and e-liquids containing nicotine or not. These new laws went into effect on January 1, 2025.

The City of Lincoln presently has 6 self-designated vape shops, and a total of 24 licensed California cigarette and tobacco products retailers. Without performing a complete audit of all the retailers, it is not known whether the other 18 shops sell vape products in addition to more traditional tobacco products.

The City of Lincoln may regulate the sale of tobacco products as part of its broad police power, to protect the health, safety and general welfare of its residents. (Cal. Const. article XI, § 7; *Carlin v. City of Palm Springs* (1971) 14 Cal.App.3d 706, 711.) If the City Council elects to regulate tobacco retailers, there are several options available.

Example Regulatory Models:

The Rocklin regulatory model:

Rocklin prohibits tobacco retailers within one thousand feet of any developed or designated public, private or charter school providing primary or secondary education, or within one thousand feet of any preexisting tobacco retailer. (The Rocklin ordinance is Attachment A.) The ordinance further sunsets pre-existing grandfathered tobacco retailers if the use is abandoned for a period of ninety continuous days, whether or not there was the intent to abandon the use. The ordinance also prohibits pre-existing uses from being enlarged, expanded, or extended.

This model of ordinance would be relatively simple for staff to implement. It would require analysis at the point of the business license application, and more routine monitoring to ensure uses were not expanded.

The Sacramento regulatory model:

The City of Sacramento enacted a complete ban on the sale of flavored e-cigarette cartridges, menthol cigarettes and other flavored tobacco products, effective October 1, 2019. The Sacramento staff report and ordinance are Attachment B.

The ordinance does not require any of Sacramento's roughly 383 tobacco retailers to close. The City will, however, close shops that increase their inventory of flavored tobacco products, stop selling tobacco products for more than 60 days, or fail to renew their licenses. If the City closes shops for those reasons, those licenses will not be issued to new shops. No new tobacco retailers are allowed to open within 1,000 feet of another one.

Retailers complained that their inability to sell these products would be financially devastating to their businesses, and several have closed in the face of the ordinance change.

This model too would be relatively simple for staff to implement. It would require analysis at the point of the business license application, and more routine monitoring to ensure uses were not expanded.

The San Francisco regulatory model

The County of San Francisco's ordinance, a copy of which is Attachment C, bans all new

tobacco products until and unless the product obtains a premarket review order by the federal Food and Drug Administration. If a retailer sells unapproved tobacco products in violation of the ordinance, the retailer's tobacco sales permit may be revoked. The ordinance also prohibits the sale of flavored tobacco products.

Administering this type of ordinance in Lincoln would present some obstacles. City staff are not trained and educated to monitor federal FDA compliance. Monitoring the products sold by Lincoln's 25 retailers would require periodic inspections. Violations resulting in revocation of a retail tobacco sales permit would require an administrative process in which the State would need to be a willing partner.

Other Regulatory Considerations:

Possession of tobacco products by persons under the age of 21

At the State level, Business & Professions Code § 22950, et seq., the Stop Tobacco Access to Kids Enforcement (STAKE) Act, prohibits a person from selling or otherwise furnishing tobacco products to a person under 21 years of age. Existing law authorizes specified enforcing agencies to assess civil penalties for violations of the STAKE Act. While selling tobacco to a person who is under-age is illegal activity by the seller, it is not illegal for someone under the age of 21 to possess tobacco products. Based upon information provided by the Lincoln Police Department, a Municipal Code ordinance making possession of tobacco products by persons under the age of 21 an infraction or misdemeanor, subject to a fine, would give the Police Department and School Resource Officers another tool for enforcement. Possession under the age of 18 could result in juvenile court involvement.

Enactment of an ordinance banning possession of tobacco products by persons under the age of 21 will necessarily involve coordination between law enforcement issuing citations, and the City Attorney's Office in the prosecution and/or resolution of the citations, which could include financial penalties, education courses, or community service requirements in exchange for a dismissal.

Sale of non-Tobacco or Vape Items

Nitrous Oxide

The Lincoln Police department has suggested the City Attorney's office include the prohibition of tobacco and vape shops selling items that are not specifically related to tobacco or vaping but rather, are generally known to law enforcement to be used for other types of illegal drug activities. Items such as disposable glass pipes or nitrous oxide, commonly referred to as whippets, are sometimes sold in tobacco or vape shops. Nitrous oxide is used as a sedative and anesthetic for dental or surgical procedures, or as a charger for whipped cream dispensers. Nitrous oxide can also be inhaled and used as an illegal drug.

Kratom and 7-OH

Other items to consider prohibiting are kratom and its active alkaloid 7-hydroxymitragynine (7-OH). Although kratom is derived from a tropical tree native to Southeast Asia and has traditionally been used for its stimulant and pain-relieving effects, U.S. regulators emphasize that neither kratom nor any of its alkaloids are approved for medical or dietary use.

The FDA reports growing evidence that kratom can produce opioid-like effects, including euphoria, respiratory depression, physical dependence, and withdrawal symptoms. The agency notes that the alkaloid 7-OH, though present only in small quantities in natural leaf material, is far more potent at the mu-opioid receptor than mitragynine, kratom's primary compound. This potency raises particular concern when 7-OH is either concentrated during processing or added synthetically to commercial products. The FDA has issued multiple warnings and enforcement actions against companies marketing kratom- or 7-OH-containing drinks, powders, and gummies, stating that these products may cause sedation, respiratory failure, seizures, and death.

Several case reports and toxicological reviews submitted to the FDA and the Centers for Disease Control and Prevention (CDC) describe hospitalizations and fatalities in which kratom or 7-OH was detected. In these cases, users presented with symptoms consistent with opioid toxicity, such as slowed breathing, loss of consciousness, and cardiac arrest. Although some deaths involved co-use with other substances, the FDA maintains that kratom itself poses sufficient toxicological risk to warrant regulatory restriction. Animal and in vitro studies confirm that mitragynine is converted in the body to 7-OH, which has significantly higher opioid receptor activity, suggesting that even natural kratom can lead to opioid-type adverse effects in certain doses or formulations.

At the state level, the CDPH released an advisory in October 2025 declaring foods, dietary supplements, and medical products containing kratom or 7-OH to be "dangerous and illegal to sell or manufacture" in California. This action followed six fatal overdoses in Los Angeles County linked specifically to products containing 7-OH. The CDPH emphasized that ingestion of kratom or 7-OH can cause addiction, psychosis, seizures, and potentially fatal respiratory depression. California authorities have begun removing these items from retail shelves and

caution that even so-called herbal kratom drinks and gummies may contain undisclosed or unsafe concentrations of 7-OH.

Both the FDA and CDPH have underscored the particular risk to minors. Kratom products are frequently sold in convenience stores and gas stations in packaging that resembles energy drinks or candy, often without age restrictions. Health officials warn that adolescents who experiment with kratom may develop physical dependence or experience overdose, especially if they consume products adulterated with 7-OH or combine kratom with alcohol or other drugs. Because 7-OH acts on the same receptors as opioids, repeated exposure can alter adolescent brain development and increase vulnerability to substance use disorders later in life. Law enforcement agencies in several California counties have also reported seizures of kratom products from minors and unlicensed retailers, prompting calls for stronger age-related controls and public education campaigns.

From a public health standpoint, both federal and state agencies view kratom and 7-OH as unregulated psychoactive substances with unpredictable pharmacology and significant potential for harm, particularly among youth and unknowing consumers. The absence of manufacturing standards and the variability in alkaloid concentrations among products mean that users cannot reliably gauge potency or toxicity. For these reasons, the FDA continues to recommend that consumers avoid all kratom-containing products, and the CDPH has moved to classify such products as illegal within California.

Children's Toys and Stuffed Animals, etc

Children's toys and stuffed animals should be prohibited from sale, display, or distribution within smoke and vape shops because their presence undermines youth protection policies and creates an implicit appeal to minors. These establishments sell products containing nicotine, cannabis, or other psychoactive substances that are legally restricted to adults. Displaying toys or child-themed items in these environments blurs the boundary between adult-only businesses and spaces meant for children, normalizing or glamorizing the use of restricted substances.

During a recent local inspection conducted by regional law enforcement and LPD officers, multiple smoke and vape shop locations were observed displaying both large and small stuffed animals throughout the premises. Some were sealed in original retail packaging, while others were unpackaged and openly displayed near counters or product shelves, positioned as items for sale or decorative features. These findings indicated that the stores were marketing or presenting child-associated merchandise within environments dedicated to adult-only products, in direct conflict with the intent of youth access prevention regulations. The presence of these items within such establishments demonstrates a tangible example of how youth-oriented goods can appear in inappropriate retail contexts and highlights the need for an

explicit prohibition in local code to prevent recurrence.

The U.S. Food and Drug Administration (FDA) has warned that certain e-cigarette products and accessories have been designed or marketed to resemble toys, action figures, or school supplies, intentionally appealing to youth and increasing underage interest in nicotine products. Similarly, a 2025 public health assessment in Transylvania County, North Carolina, documented smoke and vape shops displaying youth-targeted marketing elements such as cartoons, candy imagery, and toy-like merchandise within adult retail spaces. These patterns illustrate that the incorporation of toy-related imagery and products in tobacco or vape retail settings is not incidental but reflects broader marketing and aesthetic practices that can influence minors.

From a public health standpoint, prohibiting children's toys or stuffed animals in smoke and vape shops is consistent with federal and state strategies to reduce youth exposure to nicotine and tobacco marketing. Studies from the Centers for Disease Control and Prevention (CDC) and the Surgeon General show that adolescents are highly responsive to environmental cues and branding that associate adult behaviors with youthful or playful imagery. Removing such visual triggers from adult-only businesses helps prevent inadvertent youth targeting, aligns with advertising and zoning restrictions, and reinforces community norms that protect minors from early exposure to addictive substances.

Adding this prohibition to a municipal code would establish a clear and enforceable standard. It would ensure that retailers of adult products maintain an environment consistent with youth protection goals, provide a legal mechanism for enforcement during inspections, and support broader community and public health objectives to reduce underage nicotine initiation and exposure.

Concealed Compartments

Hidden compartments or secret rooms in retail establishments that sell tobacco, vaping, or adult products create serious public safety and regulatory risks. These structural modifications allow restricted products, such as illicit tobacco, unlicensed cannabis items, flavored nicotine or vape cartridges, and gambling devices, to be stored or sold out of sight of inspectors and the public. This undermines transparency, weakens age-verification safeguards, increases youth access, and hampers enforcement efforts. Including a prohibition against hidden compartments in a municipal code ensures that retail spaces are fully visible, supports inspections, reduces illicit activity, protects minors, and reinforces public health and safety standards.

Requirement for Glass Displays and Shelving

To enhance regulatory oversight, public safety, and accountability, smoke and vape shops should be required to use transparent glass displays and open shelving for all products. This ensures that all merchandise is fully visible to inspectors and the public, preventing the concealment of restricted or illegal items behind other products, a practice observed during multiple recent inspections.

Requiring glass displays and open shelving improves inspection efficiency by allowing regulators to quickly verify inventory and ensures that no products can be surreptitiously hidden. It also increases accountability for store owners, reduces opportunities for illicit sales, and reinforces youth protection measures by making age-restricted products clearly visible and easily monitored.

City-Specific Tobacco License

Of the many city ordinances reviewed in preparation for this workshop, the majority of cities regulating tobacco required a city-specific tobacco license. Regardless of whether the City of Lincoln requires a city-specific tobacco license, the City would still be able to do an early implementation of the tobacco and vape regulations to ensure compliance when a new retailer applies for a general business license by flagging the application and checking it for compliance before issuing the business license.

Location of Tobacco and Vape Shops

One regulatory tool implemented in many jurisdictions is restricting the distance between a tobacco or vape shop and sensitive uses. For example, Rocklin currently has a requirement that no tobacco or vape shops are permitted within 1000 feet of a school.

Prohibition of Tobacco or Vape Sales within Specific Types of Businesses

Of the cities who have ordinances regulating tobacco or vape shops, many of them have prohibitions for certain types of retailers selling tobacco products. The most common prohibition is in pharmacies. In Lincoln, only one pharmacy is currently selling tobacco

products, so this regulation would not have a significant impact.

A method for how to wind up the tobacco sales from businesses that are currently selling tobacco products which would no longer be allowed if an ordinance is passed is a Compliance Date with a sell-down period. For this option, the ordinance would state a final date by which the businesses must stop selling tobacco products. This date would generally be 90-180 days after the ordinance goes into effect. This allows the business to sell its remaining tobacco inventory so there is no financial loss. Once the compliance date passes, the City can inspect the businesses and issue fines until compliance is obtained. Again, this poses some administrative challenges.

Regulation Roll-Out Options:

If Council gives this direction, there are several options for "sunsetting" nonconforming businesses if they are found to be currently doing business within an area deemed a "sensitive use". A "sensitive use" area generally includes K-12 schools, but could also include parks or playgrounds depending on Council's direction. Some options to consider are as follows.

Amortization Period

This method would allow businesses operating within a sensitive use zone to continue to operate for a specific period, after which it must cease operations or relocate. The core legal requirement for this approach is that the amortization period be reasonable. "Reasonableness" is determined by several factors including each business's capital investment, remaining lease term, investment in improvements, the nature of the business, and any offered public benefit. Amortization could be done on a fixed schedule or a variable schedule. A variable schedule is determined on a case-by-case basis and is likely more legally sound, but may be challenging to implement.

Grandfather Clause

This method would "grandfather in" existing businesses, allowing them to operate indefinitely, but with strict limitations designed to phase them out over time. The business would be a "legal nonconforming use" but could continue as long as the use remains unchanged. Some items which could be included in the clause could include; no expansion or alteration (prohibiting expansion or alteration of business), discontinuation (status is lost if business ceases operation for a continuous period), destruction (if the business property is destroyed there is no right to re-establish), or change of ownership (nonconforming use terminates upon the sale or transfer of business to a new owner).

Voluntary or Incentivized Program

This method inspires voluntary compliance by using incentives to encourage compliance. Some options for this would be; voluntary buyouts, relocation assistance such as grants or low interest loans to help businesses cover the cost of moving to a new location, or fee waivers on items such as planning, permits, or other administrative fees.

[1] All information regarding vaping was derived from research presented by Linda Richter, Ph.D., Director of Policy Research and Analysis, Center on Addiction, 2018. Other resources include:

1. U.S. Food and Drug Administration. FDA and Kratom – Public Health Focus. 2025.
2. U.S. Food and Drug Administration. Consumer Update: Products Containing 7-Hydroxymitragynine Can Cause Serious Harm. 2025.
3. U.S. Food and Drug Administration. Press Release: FDA Takes Steps to Restrict 7-OH Opioid Products Threatening American Consumers. July 2025.
4. Kruegel, A.C. et al. “Preclinical Characterization of Mitragynine and 7-Hydroxymitragynine.” Neuropharmacology. 2019.
5. Yohannan, J. et al. “Human Pharmacokinetics of Mitragynine and 7-Hydroxymitragynine.” Molecules. 2024.
6. California Department of Public Health. Public Health Advisory: Foods, Dietary Supplements, and Medical Drugs Containing Kratom and 7-OH Are Dangerous and Illegal. October 24, 2025.
7. Los Angeles County Department of Public Health. Report on Kratom-Related Fatal Overdoses. 2025.
8. Ventura County Public Health. Advisory on Kratom and 7-OH Products. October 2025.
9. Centers for Disease Control and Prevention. Toxicology and Overdose Surveillance Data on Kratom. 2024.
10. U.S. Food and Drug Administration. “FDA Moves Against Vape Products That Mimic Toys, Slushies, and Appeal to Kids.” HealthDay, November 2023.
11. Transylvania County CARE Coalition. “Smoke Shop Report 2025: Assessment of Youth-Targeted Marketing in Tobacco and Vape Retail Environments.” June 2025.
12. Centers for Disease Control and Prevention. “Youth and Tobacco Use.” 2024.
13. U.S. Surgeon General. “Preventing Tobacco Use Among Youth and Young Adults.” 2024 Report.
14. California Department of Public Health. “Flavors Hook Kids: Youth Tobacco and Vaping Prevention Campaign.” 2024.

FISCAL IMPACT:

The designated vape shops in Lincoln collectively produce approximately $21,600 in sales tax per year for the general fund. The City does not have specific statistics relative to sales taxes

generation for the other retailers because they all sell general retail goods as well and the taxes are commingled.

ATTACHMENTS:
Rocklin Municipal Code re tobacco retailers.doc

Sacramento staff report and ordinance.pdf

San Francisco Ordinance.pdf

Tobacco Retail.png

Schools.png

SchoolsPerimeterTobaccoRetail.png

SchoolsTobacco Retail.png

Parks.png

ParksTobaccoRetail.png

ParksPerimeterTobaccoRetail.png

SensitiveLocations.png

SensitiveLocation&TobaccoRetail.png

Attachment A

Chapter 17.69 - RESTRICTIONS ON TOBACCO RETAILERS

17.69.010 - Purpose and findings.

A. The purpose of this chapter is to discourage the use of tobacco products by children by limiting the potential adverse direct and secondary effects of a tobacco retailer operating in close proximity to schools. The adverse health effects of smoking and secondhand smoke are well documented by numerous public health agencies, including the United States Food and Drug Administration, the World Health Organization, and the Tobacco Related Disease Research Program. These same organizations have published studies on smoking by youth under the age of eighteen including these statistics:

• Eighty-eight percent of adult daily smokers smoked their first cigarette before the age of eighteen.

• Each day in the United States three thousand two hundred youth under eighteen smoke their first cigarette.

• Each day in the United States seven hundred youth under eighteen become daily cigarette users.

B. Electronic/vapor inhalation of substances ("vaping"), with or without nicotine, is a rapidly growing trend, especially among youth pursuant to recent studies by public health agencies. Most local, state and federal laws only address traditional tobacco smoking. Although state law prohibits the sale of electronic cigarettes to minors (California Health and Safety Code Section 119405), it does not prohibit minors from possessing or using e-cigarettes. Public health research is ongoing and there is growing concern and some evidence that this type of behavior is unhealthy. Additionally, the effects of secondhand vapor are not fully understood and are dependent on the chemical makeup of the substance being inhaled.

(Ord. No. 1044, § 2, 9-8-2015)

17.69.020 - Definitions.

As used in this chapter, the following terms shall be ascribed the following meanings:

A. "Electronic smoking device" means an electronic and/or battery-operated device, the use of which may resemble smoking, which can be used to deliver an inhaled dose of nicotine or other substances. "Electronic smoking device" includes any such electronic smoking device, whether manufactured, distributed, marketed, or sold as an electronic cigarette, an electronic cigar, an electronic cigarillo, an electronic pipe, an electronic hookah, or any other product name or descriptor. "Electronic smoking device" includes any component, part, or paraphernalia of such a product, including but not limited to cartridges, cartomizers, e-liquid, smoke juice, tips, atomizers, ESD batteries, and ESD chargers, whether or not it is sold separately.

B. "Smoking room" or "smoking lounge" means a room which is specifically provided and furnished for smoking, generally in buildings where smoking is otherwise prohibited.

C. "Tobacco product" means any product containing, made or derived from tobacco or contains nicotine from any source that is intended for human consumption, whether smoked, chewed, absorbed, dissolved, inhaled, snorted, sniffed, or ingested by any other means. "Tobacco product" includes, but is not limited to cigarettes, cigars, little cigars, chewing tobacco, pipe tobacco, snuff, snus, creamy snuff, dipping/chewing tobacco, flavored tobacco, tobacco water, tobacco paste, gutka, kretek, shisha, roll-your-own cigarettes, cigarette or cigar rolling papers,

pipes, or electronic smoking devices. "Tobacco product" does not include any product that has been approved by the United States Food and Drug Administration for sale as a tobacco cessation product and is being marketed and sold solely for that approved purpose.

D. "Tobacco retailer" means any person, retail establishment, or any other legal entity who sells, distributes, or delivers to any person(s), for any form of consideration, tobacco products, including electronic smoking devices as defined in this section, and 1) tobacco products sales, distribution or delivery accounts for more than fifty percent of the business income, or 2) the business is advertised as a tobacco shop, smoke shop, or has a similar business identification relating to a tobacco retailer.

(Ord. No. 1044, § 2, 9-8-2015)

17.69.030 - Location of tobacco retailer.

A tobacco retailer is allowed as otherwise permitted in this title provided that the tobacco retailer complies with all other locational regulations of this section. No tobacco retailer shall be located, established nor operated within one thousand feet of any developed or designated public, private or charter school providing primary or secondary education, or within one thousand feet of any preexisting tobacco retailer. For purposes of this subsection, "designated" means a parcel that is general plan designated, zoned, or that has been conditionally permitted to conduct such use. The separation distances required by this chapter shall be measured from parcel line to parcel line.

(Ord. No. 1044, § 2, 9-8-2015)

17.69.040 - Preexisting nonconforming use.

Existing tobacco retailers that were lawfully operating at the time of the effective date of this chapter which do not meet the locational requirements of Section 17.69.030 may continue as a legal nonconforming use until such time as the use is abandoned for a period of ninety continuous days, whether or not there was the intent to abandon such use. Such nonconforming uses shall not be enlarged, expanded, or extended.

(Ord. No. 1044, § 2, 9-8-2015)

17.69.050 - Ventilation.

Any smoking room or smoking lounge shall provide ventilation and filtration in accordance with all requirements imposed by the Rocklin Building and Fire Safety Regulations, or as otherwise required by state or federal law, or as required to ensure the ventilated secondhand smoke is sufficiently neutralized at the property line of adjacent parcels so that a person of normal sensitivity would not detect the secondhand smoke.

(Ord. No. 1044, § 2, 9-8-2015)

City of SACRAMENTO

City Council Report

915 I Street, 1st Floor
Sacramento, CA 95814
www.cityofsacramento.org

File ID: 2019-00385 | April 16, 2019 | **Discussion Item 05**

Title: Ordinance Revisions to Chapter 5.138 of Sacramento City Code Relating to Tobacco Retailers (Passed for Publication 03/12/2019; Published 03/15/2019) [Continued from 03/26/2019]

Location: Citywide

Recommendation: Adopt an ordinance revising Chapter 5.138 of the Sacramento City Code relating to Tobacco Retailers.

Contact: Jose Mendez, Code Enforcement Manager, (916) 808-5947, Community Development Department

Presenter: Jose Mendez, Code Enforcement Manager, (916) 808-5947, Community Development Department

Attachments:
1-Description/Analysis
2-Ordinance (Redline)
3-Ordinance (Clean)

Description/Analysis

Issue Detail: At the July 24, 2018 Law and Legislation Committee session, the Committee instructed staff to prepare an ordinance that will: 1) update Chapter 5.138; 2) adopt a distance requirement between new tobacco retailers; and 3) adopt a prohibition of flavored tobacco products.

The use of tobacco has been a health and safety issue addressed by the City over the past several years. In 2003, the Sacramento County Department of Health and Human Services Tobacco Education Program found that 24.4 percent of tobacco retailers sampled in the City of Sacramento unlawfully sold tobacco products to minors. In 2004, the City adopted Sacramento City Code Chapter 5.138 to regulate tobacco retailers by requiring yearly non-transferrable licenses and conducting regular business compliance inspections, under-age sales sting operations, and license suspension and revocation proceedings. The program is designed to promote compliance with federal, state and local laws regulating tobacco sales and discourage the illegal sale and distribution of tobacco to minors. In 2009, the Family Smoking Prevention and Tobacco Control Act was enacted which prohibits candy and fruit flavored cigarettes, however, a recent study by the California Department of Public Health estimates that 82 percent of tobacco retailers in California sold flavored non-cigarette tobacco products. Over 90 percent of tobacco retailers sell menthol cigarettes, and 8 out of 10 tobacco retailers near schools sold flavored non-cigarette tobacco products.

There are more than 15,000 tobacco flavors on the market, many of which have names that are enticing to youth including “Gummy Bear”, “Bubblegum” and “Unicorn Pop!”. Mentholated and flavored products have been shown to be “starter” products for youth who begin using tobacco. These products are proven to help establish tobacco habits that can lead to long-term addiction. Flavored tobacco has significant public health implications for youth and people of color because of targeted industry marketing strategies and product manipulation.

In 2016, state law was changed to raise the legal age to buy tobacco products from 18 to 21, tightening restrictions on e-cigarettes and expanding the definition of smoke-free workplaces. Unlike cigarette use that has steadily declined among youth, the prevalence of the use of non-cigarette tobacco products has remained statistically unchanged and, in some cases, increased among youth. From 2013 to 2015, an estimated 15 percent of ninth and eleventh grade students in California reported using electronic smoking devices. Nine and three-tenths percent of high school students in California reported buying their own electronic cigarettes from a store.

The density and proximity of tobacco retailers influence smoking behaviors, including the number of cigarettes smoked per day. Adults who smoke have a harder time quitting when

density is higher. There are currently 386 tobacco retailers operating within the City of Sacramento. Currently, 79 percent of tobacco retailers are located within 1,000 feet of other retailers. 26 percent of retailers are located within 1,000 feet from a public or private school (K – 12). Policies to reduce tobacco retailer density have been shown to be effective and may reduce or eliminate inequities in the location and distribution of tobacco retailers.

Staff met with representatives of the Sacramento County Tobacco Control Coalition and representatives with the Saving Our Legacy Project. Both organizations shared concerns with:

- Flavored tobacco products and the apparent advertisement to persons under 21 years of age;
- The absence of a distance requirement between tobacco retailers; and
- E-cigarettes and the availability of these products to youth.

At the request of the Law and Legislation Committee, staff met with stakeholders representing the tobacco industry on February 8, 2019. The intent of the meeting was to gather solutions that would help reduce access of tobacco to persons under the age of 21 in lieu of the proposed amendments. Staff met with representatives from JUUL (the electronic cigarette manufacturer), the American Petroleum and Convenience Store Association, and the California Fuels and Convenience Alliance. In summary, the group proposed that the City adopt five alternatives in lieu of the proposed amendment including:

1. Require tobacco retailers to utilize Age Verification Technology (AVT) that can scan identification
2. Regulate packaging of flavored tobacco products that is “knowingly attractive to minors” prohibiting the use of cartoon-like characters, symbols and celebrity images
3. Require child-resistant caps and tamper evident packaging on all electronic cigarettes
4. Regulate density of tobacco retailers by requiring a Conditional Use Permit from the Planning Department for new tobacco retailers
5. Impose penalties in lieu of suspension periods after a tobacco retailer is caught selling tobacco to minors

The following findings support the proposed amendments:

- From 2013 to 2015, an estimated 15% of ninth and eleventh grade students in California reported using electronic smoking devices. (California Department of Public Health California Tobacco Control Program. California Tobacco Facts and Figures 2016. Sacramento, CA: California Department of Public Health. 2016.)

- Nine and three-tenths percent of high school students in California reported buying their own electronic cigarette from a store. (Kann L, McManus T, Harris WA, et al. Youth Risk Behavior Surveillance - United States, 2017; Centers for Disease Control and Prevention. Youth Risk Behavior Surveillance — United States, 2017. Supplementary Tables 52-93.)

- In 2016, an estimated 82 percent of tobacco retailers in California sold flavored non-cigarette tobacco products, over 90 percent of tobacco retailers sold menthol cigarettes, and eight out of 10 tobacco retailers near schools sold flavored non-cigarette tobacco products. (California Department of Public Health California Tobacco Control Program. *2016 Healthy Stores for a Healthy Community Survey Results-all counties.* 2016.)

- Mentholated and flavored products have been shown to be “starter” products for youth who begin using tobacco and these products help establish tobacco habits that can lead to long-term addiction. (U.S. Department of Health and Human Services. *Preventing Tobacco Use Among Youth and Young Adults: A Report of the Surgeon General.* Atlanta, GA: U.S. Department of Health and Human Services, Centers for Disease Control and Prevention, National Center for Chronic Disease Prevention and Health Promotion, Office on Smoking and Health. 2012; Hersey JC, Ng SW, Nonnemaker JM, et al. Are menthol cigarettes a starter product for youth? *Nicotine Tob Res.* 2006; Wackowski O, Delnevo CD. Menthol cigarettes and indicators of tobacco dependence among adolescents. *Addict Behav.* 2007; Oliver AJ, Jensen JA, Vogel RI, Anderson AJ, Hatsukami DK. Flavored and nonflavored smokeless tobacco products: rate, pattern of use, and effects. *Nicotine Tob Res.* 2013.)

- Between 2004 and 2014, use of non-menthol cigarettes decreased among all populations, but overall use of menthol cigarettes increased among young adults (18 to 25 years of age) and adults (over 26 years of age). (Villanti AC, Mowery PD, Delnevo CD, Niaura RS, Abrams DB, Giovino GA. Changes in the prevalence and correlates of menthol cigarette use in the USA, 2004-2014. *Tob Control.* 2016.)

- Unlike cigarette use that has steadily declined among youth, the prevalence of the use of non-cigarette tobacco products has remained statistically unchanged and, in some cases, increased among youth. (U.S. Department of Health and Human Services. *Preventing Tobacco Use Among Youth and Young Adults: A Report of the Surgeon General.* Atlanta, GA: U.S. Department of Health and Human Services, Centers for Disease Control and Prevention, National Center for Chronic Disease Prevention and Health Promotion, Office on Smoking and Health. 2012; Johnston LD, O’Malley PM, Bachman JG, Schulenberg JE, Miech RA. *Monitoring the Future national survey results on drug use, 1975–2013: Volume I, Secondary school students.* Ann Arbor, MI: Institute

for Social Research, The University of Michigan. 2014; Harrell PT, Naqvi SMH, Plunk AD, Ji M, Martins SS. Patterns of youth tobacco and polytobacco usage: The shift to alternative tobacco products. *Am J Drug Alcohol Abuse.* 2017; Substance Abuse and Mental Health Services Administration. *Results from the 2010 National Survey on Drug Use and Health: Summary of National Findings.* Rockville, MD: Substance Abuse and Mental Health Services Administration. 2011; Wang TW, Gentzke A, Sharapova S, Cullen KA, Ambrose BK, Jamal A. Tobacco Product Use Among Middle and High School Students - United States, 2011-2017; Cobb C, Ward KD, Maziak W, Shihadeh AL, Eissenberg T. Waterpipe Tobacco Smoking: An Emerging Health Crisis in the United States. *American Journal of Health Behavior.* 2010.)

- Flavored tobacco has significant public health implications for youth and people of color as a result of targeted industry marketing strategies and product manipulation. (United States v. Philip Morris USA, Inc., 449 F. Supp. 2d 1 (D.D.C. 2006); U.S. Department of Health and Human Services. *Preventing Tobacco Use Among Youth and Young Adults: A Report of the Surgeon General.* Atlanta, GA: U.S. Department of Health and Human Services, Centers for Disease Control and Prevention, National Center for Chronic Disease Prevention and Health Promotion, Office on Smoking and Health. 2012; Yerger VB, Przewoznik J, Malone RE. Racialized geography, corporate activity, and health disparities: tobacco industry targeting of inner cities. *J Health Care Poor Underserved.* 2007; Kreslake JM, Wayne GF, Alpert HR, Koh HK, Connolly GN. Tobacco industry control of menthol in cigarettes and targeting of adolescents and young adults. *Am J Public Health.* 2008.)

- The density and proximity of tobacco retailers influence smoking behaviors, including the number of cigarettes smoked per day. (Chuang YC, Cubbin C, Ahn D, Winkleby MA. Effects of neighbourhood socioeconomic status and convenience store concentration on individual level smoking. *J Epidemiol Community Health.* 2005.)

- Adults who smoke have a harder time quitting when density is higher. (Reitzel LR, Cromley EK, Li Y, et al. The effect of tobacco outlet density and proximity on smoking cessation. *Am J Public Health.* 2011; Cantrell J, Anesetti-Rothermel A, Pearson JL, Xiao H, Vallone D, Kirchner TR. The impact of the tobacco retail outlet environment on adult cessation and differences by neighborhood poverty. *Addiction.* 2015.)

- Policies to reduce tobacco retailer density have been shown to be effective and may reduce or eliminate inequities in the location and distribution of tobacco retailers. (Ribisl KM, Luke DA, Bohannon DL, Sorg AA, Moreland-Russell S. Reducing Disparities in Tobacco Retailer Density by Banning Tobacco Product Sales Near Schools. *Nicotine Tob Res.* 2017; Myers AE, Hall MG, Isgett LF, Ribisl KM. A comparison of three policy

approaches for tobacco retailer reduction. *Prev Med.* 2015; Luke DA, Hammond RA, Combs T, et al. Tobacco Town: Computational Modeling of Policy Options to Reduce Tobacco Retailer Density. *Am J Public Health.* 2017.)

Policy Considerations: The City of Sacramento's 2035 General Plan encourages a healthy lifestyle for Sacramento residents to improve overall public health. The Public Health and Safety Goal 5.1 states that a goal of the General Plan is to: "Improve the provision of human services and promote public health and safety."

Economic Impacts: None

Environmental Considerations: None

Sustainability: None

Commission/Committee Action: On October 23, 2018, staff presented recommendations to the Law and Legislation Committee adopting revisions to amending section 5.138 of the City Code relating to Tobacco Retailers. The Law and Legislation Committee forwarded a recommendation to the City Council to adopt the revisions. On March 19, 2019, the Law and Legislation Committee heard alternate ordinance language with amendments provided by the tobacco coalition. The Committee directed staff to move forward with the original revisions approved on October 23, 2018.

Rationale for Recommendation: The proposed ordinance is consistent with General Plan policies to promote a safe and healthy lifestyle for residents of the City of Sacramento.

Financial Considerations: The Tobacco Retailers Licensing program recovers costs through the collection of program fees. For FY 2018/19, the revenue budget for the program is approximately $148,869.

Local Business Enterprise (LBE): Not applicable.

ORDINANCE NO. 2019-xxx

Adopted by the Sacramento City Council

xxxxx, 2019

AN ORDINANCE AMENDING VARIOUS SECTIONS OF CHAPTER 5.138 OF THE SACRAMENTO CITY CODE, RELATING TO TOBACCO RETAILERS

BE IT ENACTED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

SECTION 1.

Section 5.138.010 of the Sacramento City Code is amended to read as follows:

5.138.010 Legislative findings.

A. State law prohibits the sale or furnishing of cigarettes, tobacco products and smoking paraphernalia to ~~minors, as well as the purchase, receipt, or possession of tobacco products by minors (Penal Code~~ persons under 21 years of age except active duty military personnel who are 18 years of age or older (California Penal Code § 308).

B. State law requires that tobacco retailers check the identification of tobacco purchasers who reasonably appear to be under ~~eighteen (18)~~21 years of age (California Business & Professions Code § 22956) and provides procedures for using persons under ~~eighteen (18)~~21 years of age to conduct onsite compliance checks of tobacco retailers (California Business & Professions Code § 22952).

C. State law requires that tobacco retailers post a conspicuous notice at each point of sale stating that selling tobacco products to anyone under ~~eighteen (18)~~21 years of age is illegal (California Business & Professions Code § 22952, California Penal Code § 308).

D. State law prohibits the sale or display of cigarettes through a self-service display and prohibits public access to cigarettes without the assistance of a clerk (California Business & Professions Code § 22962).

E. State law prohibits the sale of "bidis" (a type of hand-rolled filterless ~~cigarettes imported primarily from India and Southeast Asian countries~~cigarette) except at those businesses that prohibit the presence of minors~~.~~ ((California Penal Code § 308.1).

F. State law prohibits the manufacture, distribution, or sale of cigarettes in packages of less than ~~twenty (~~20~~)~~ and prohibits the manufacture, distribution, or sale of "roll-your-own" tobacco in packages containing less than six~~-~~-tenths of an ounce of tobacco (California Penal Code § 308.3).

G. State law prohibits public school students from smoking or using tobacco products while on campus, while attending school-sponsored activities, or while under

the supervision or control of school district employees (California Education Code § 48901(a)).

H. Sacramento City Code ~~Section~~ section 5.140.040 prohibits the sale or distribution of tobacco products from vending machines.

I. ~~In 2003, the Sacramento County Department~~From 2013 to 2015, an estimated 15% of ~~Health~~ninth and ~~Human Services Tobacco Education Program found that twenty-seven and four-tenths (27.4) percent~~eleventh grade students in California reported using electronic smoking devices.

J. Over 9% of high school students in California reported buying their own electronic cigarette from a store.

K. In 2016, an estimated 82% of tobacco retailers ~~sampled in the city of Sacramento unlawfully~~in California sold flavored non-cigarette tobacco products ~~to minors~~, over 90% of tobacco retailers sold menthol cigarettes, and 80% tobacco retailers near schools sold flavored non-cigarette tobacco products.

~~J. Eighty-eight (88) percent~~

L. Mentholated and flavored products have been shown to be "starter" products for youth who begin using tobacco and these products help establish tobacco habits that can lead to long-term addiction.

M. Between 2004 and 2014, use of non-menthol cigarettes decreased among all populations, but overall use of menthol cigarettes increased among young adults ~~who have ever smoked tried their first~~(18 to 25 years of age) and adults (over 26 years of age).

N. Unlike cigarette ~~by~~use that has steadily declined among youth, the ~~age~~prevalence of ~~eighteen (18), and~~ the ~~average age at which smokers try their first~~ use of non-cigarette tobacco products has remained statistically unchanged and, in some cases, increased among youth.

O. Flavored tobacco has significant public health implications for youth and people of color as a result of targeted industry marketing strategies and product manipulation.

P. The density and proximity of tobacco retailers influence smoking behaviors, including the number of cigarettes smoked per day.

Q. Adults who smoke have a harder time quitting when density of tobacco retailers is ~~fourteen and a half (14½).~~high.

~~K.~~ R. Policies to reduce tobacco retailer density have been shown to be effective and may reduce or eliminate inequities in the location and distribution of tobacco retailers.

S. Neither federal nor California state laws restrict the sale of menthol cigarettes or flavored non-cigarette tobacco products, electronic smoking devices, or the solutions used in these devices.

T. The city ~~of Sacramento~~ has a substantial interest in promoting compliance with federal, state, and local laws intended to regulate tobacco sales and use; in discouraging

the illegal purchase of tobacco products by ~~minors~~persons under 21 years of age; in promoting compliance with laws prohibiting sales of cigarettes and tobacco products to ~~minors~~persons under 21 years of age; and in protecting ~~children~~youth and underserved populations from ~~being lured into illegal activity through~~ the ~~misconduct~~harms of ~~adults~~tobacco use.

~~L.~~ U. California courts in Cohen v. Board of Supervisors~~,~~ (1985) 40 Cal.~~-~~3d 277 ~~(1985), and~~, Bravo Vending v. City of Rancho Mirage~~,~~ (1993) 16 Cal.~~-~~App.~~-~~4th 383 ~~(1993),~~, and Prime Gas v. City of Sacramento (2010) 184 Cal.App.4th 697, have affirmed the power of local jurisdictions to regulate business activity in order to discourage violations of law.

~~M.~~ V. State law authorizes local tobacco retailer licensing laws to provide for the suspension or revocation of the local tobacco retailer license for any violation of a state tobacco control law (California Business & Professions Code § 22971.3).

~~N.~~ W. A requirement for a tobacco retailer license will not unduly burden legitimate business activities of retailers who sell or distribute cigarettes or other tobacco products to adults. It will, however, allow the city to regulate the operation of lawful businesses to discourage violations of federal, state, and local tobacco-related laws.

SECTION 2.

Section 5.138.030 of the Sacramento City Code is amended to read as follows:

5.138.030 Definitions.

As used in this chapter, the following words and phrases shall have the meaning given them in this ~~Section~~section, unless the context clearly requires otherwise:

~~"City" means the city of Sacramento.~~

"Arm's length transaction" means a sale in good faith and for valuable consideration that reflects the fair market value in the open market between two informed and willing parties, neither under any compulsion to participate in the transaction. A sale between relatives, related companies or partners, or a sale for the primary purpose of avoiding the effect of the violations of this chapter that occurred at the location, is presumed not to be an "arm's length transaction."

"Characterizing flavor" means a taste or aroma, other than the taste or aroma of tobacco, imparted either prior to or during consumption of a tobacco product or any byproduct produced by the tobacco product, including, but not limited to, tastes or aromas relating to menthol, mint, wintergreen, fruit, chocolate, vanilla, honey, candy, cocoa, dessert, alcohol beverage, herb, or spice.

"City manager" means the city manager of the city ~~of Sacramento~~ or his or her designee.

"Flavored tobacco product" means any tobacco product that imparts a characterizing flavor.

"Itinerant tobacco retailing" means engaging in tobacco retailing at other than a fixed location.

"License" means a tobacco retailer license issued by the city pursuant to this chapter.

"Licensee" means any proprietor holding a license issued by the city pursuant to this chapter.

~~"Person" means any individual, firm, partnership, joint venture, limited liability company, association, social club, fraternal organization, corporation, estate, trust, business trust, receiver, trustee, syndicate, or any other group or combination acting as a unit.~~

"Proprietor" means a person with an ownership or managerial interest in a business. An ownership interest shall be deemed to exist when a person has a ~~ten (~~10~~) percent~~% or greater interest in the stock, assets, or income of a business other than the sole interest of security for debt. A managerial interest shall be deemed to exist when a person has, or can have, sole or shared control over the day-to-day operations of a business.

"Tobacco product" means~~ any substance~~:

1. A product containing, made, or derived from tobacco ~~leaf~~or nicotine that is intended for human consumption, whether smoked, heated, chewed, absorbed, dissolved, inhaled, snorted, sniffed, or ingested by any other means, including, but not limited to, cigarettes, cigars, ~~pipe tobacco, snuff~~little cigars, chewing tobacco, ~~dipping~~pipe tobacco, or snuff;
2. An electronic device that delivers nicotine or other vaporized liquids to the person inhaling from the device, including, but not limited to, an electronic cigarette, cigar, pipe, or hookah; and
3. Any component, part, or accessory of a tobacco~~, bidis or any other preparation of~~ product, whether or not sold separately.

~~1.~~4. "Tobacco product" does not include a product that has been approved by the United States Food and Drug Administration for sale as a tobacco cessation product or for other therapeutic purposes where the product is marketed and sold solely for such an approved purpose.

"Tobacco paraphernalia" means ~~cigarette papers or wrappers, pipes, holders of smoking materials of all types, cigarette rolling machines and any other~~ any item designed or ~~used~~marketed for the ~~smoking~~consumption, use, or ~~ingestion~~preparation of a tobacco ~~products~~product.

"Tobacco retailer" means any person who sells, offers for sale, exchanges, or offers to exchange for any form of consideration, tobacco, tobacco products, or tobacco paraphernalia without regard to the quantity sold, offered for sale, exchanged, or offered for exchange.

"Tobacco retailing" means selling, offering for sale, exchanging, or offering to exchange for any form of consideration, tobacco, tobacco products, or tobacco paraphernalia without regard to the quantity sold, offered for sale, exchanged, or offered for exchange.

SECTION 3.

Section 5.138.040 of the Sacramento City Code is amended to read as follows:

5.138.040 Requirement for tobacco retailer license.

A. It shall be unlawful for any person to act as a tobacco retailer without ~~first obtaining a~~a valid license for each location at which tobacco retailing is to occur. No license will be issued to authorize tobacco retailing at other than a fixed location. No license will be issued for itinerant tobacco retailing or tobacco retailing from vehicles.

~~B.~~ B. No license shall issue, and no existing license shall be renewed, to authorize tobacco retailing within 1,000 feet of a tobacco retailer already licensed pursuant to this chapter as measured by a straight line from the nearest point of the property line of the parcel on which the applicant's business is located to the nearest point of the property line of the parcel on which an existing licensee's business is located.

C. Nothing in this chapter shall be construed to grant any person obtaining a license any status or right other than the right to act as a tobacco retailer at the location in the city identified on the face of the license, subject to compliance with all other applicable laws, regulations, and ordinances. Nothing in this chapter shall be construed to render inapplicable, ~~supercede~~supersede, or apply in lieu of any other provision of applicable law, including, without limitation, any condition or limitation on indoor smoking made applicable to business establishments by~~-~~ California Labor Code ~~Section~~section 6404.5.

SECTION 4.

Section 5.138.060 of the Sacramento City Code is amended to read as follows:

5.138.060 Issuance and renewal of license.

A. Upon the receipt of an application for a license and the applicable license fee, the city manager shall issue a license unless:

1. The application is incomplete or inaccurate;

2. The application seeks authorization for tobacco retailing at an address that appears on a license that is suspended, has been revoked, or is subject to suspension or revocation proceedings for violation of any of the provisions of this chapter; provided, however, this subparagraph shall not constitute a basis for denial of a license if either or both of the following apply:

a. The applicant provides the city with documentation demonstrating that the applicant has acquired or is acquiring the premises or business in an arm's length transaction~~. For the purposes of this subparagraph, an "arm's length transaction" is defined as a sale in good faith and for valuable consideration that reflects the fair market value in the open market between two informed and willing parties, neither under any compulsion to participate in the transaction. A sale between relatives, related companies or partners, or a sale for the primary purpose of avoiding the effect of the~~

~~violations of this chapter that occurred at the location, is presumed not to be an "arm's length transaction";~~;

b. It has been more than five years since the most recent license for that location was revoked;

3. The application seeks authorization for tobacco retailing that is unlawful pursuant to this code, or that is unlawful pursuant to any other local, state, or federal law; or~~,~~

4. The city manager has information that the applicant or his or her agents or employees has violated any local, state or federal tobacco control law at the location for which the license or renewal of the license is sought within the preceding ~~thirty (~~30~~)~~ day period.

B. A license ~~shall be~~is valid for one year and must be renewed not later than ~~thirty (~~30~~)~~ days prior to the expiration of the license, but no earlier than ~~sixty (~~60~~)~~ days prior to the expiration of the license. Unless revoked on an earlier date, all licenses ~~shall~~ expire one year after the date of issuance. A license may be renewed for additional one-year periods ~~of one year~~ by submitting an application to the city manager and payment of the applicable license fee; provided, however, a license that is suspended, has been revoked, or is subject to suspension or revocation proceedings shall not be renewed. The application and license fee shall be submitted at least ~~thirty (~~30~~)~~ days, but not more than ~~sixty (~~60~~)~~ days, prior to the expiration of the current valid license. The applicant shall follow all of the procedures and provide all of the information required by ~~Section~~section 5.138.050. The city manager shall process the application according to the provisions of this section.

~~C. Where~~C. Notwithstanding section 5.138.040B, a tobacco retailer operating lawfully on the date this subsection C is effective that would otherwise be eligible for a tobacco retailer license for the location for which a license is sought may receive or renew a license for that location so long as all of the following conditions are met:

1. The license is timely obtained and is renewed without lapse or permanent revocation (as opposed to temporary suspension);

2. The tobacco retailer is not closed for business or has not ceased tobacco retailing for more than 60 consecutive days;

3. The tobacco retailer does not substantially change the business premises or business operation for the purpose of increasing the sale or display of tobacco products; and

4. The tobacco retailer retains the right to operate under all other applicable laws.

D. When the city manager does not approve a license or renewal of a license, the city manager shall notify the applicant of the specific grounds for the denial in writing. The notice of denial shall be served personally or by mail not later than five calendar days after the date of the denial. If by mail, the notice shall be placed in a sealed envelope, with postage paid, addressed to the applicant at the address as it appears on the application. The giving of notice shall be deemed complete at the time of deposit of

the notice in the United States mail without extension of time for any reason. In lieu of mailing, the notice may be served personally by delivering to the person to be served and service shall be deemed complete at the time of such delivery. Personal service to a corporation may be made by delivery of the notice to any person designated in the California Code of Civil Procedure to be served for the corporation with summons and complaint in a civil action.

SECTION 5.

Section 5.138.100 of the Sacramento City Code is amended to read as follows:

5.138.100 License violation.

~~It shall be~~A. It is a violation of a license for a licensee or his or her agents or employees to sell or offer for sale any flavored tobacco product. There is a rebuttable presumption that a tobacco product is a flavored tobacco product if a manufacturer or its agents or employees has made a public statement or claim that the tobacco product has or produces a characterizing flavor, including, but not limited to, text, color, or images on the product's labeling or packaging that are used to expressly or impliedly communicate that a tobacco product has a characterizing flavor.

B. It is a violation of a license for a licensee or his or her agents or employees to violate any local, state, or federal tobacco-related law.

SECTION 6.

Section 5.138.110 of the Sacramento City Code is amended to read as follows:

5.138.110 Suspension or revocation of license.

A. In addition to any other remedy authorized by law, a license shall be suspended or revoked as provided in this section, if the city manager finds that the licensee or his or her agents or employees has or have violated any of the provisions of this chapter; provided, however, violations by a licensee at one location may not be accumulated against other locations of that same licensee, nor may violations accumulated against a prior licensee at a licensed location be accumulated against a new licensee at the same licensed location.

1. Upon a finding by the city manager of a first license violation within any five-year period, the license shall be suspended for ~~thirty (~~30~~)~~ days.

2. Upon a finding by the city manager of a second license violation within any five-year period, the license shall be suspended for ~~ninety (~~90~~)~~ days.

3. Upon a finding by the city manager of a third license violation within any five-year period, the license shall be ~~suspended for one year~~revoked.

~~4. Upon a finding by the city manager of a fourth license violation within any five-year period, the license shall be revoked.~~

B. Notwithstanding ~~Section~~section 5.138.~~110(A),~~110A, a license shall be revoked if the city manager finds that either one or both of the following conditions exist:

1. One or more of the bases for denial of a license under ~~Section~~section 5.138.~~060(A)~~060A existed at the time application was made or at ~~anytime~~any time before the license issued.

2. The information contained in the license application, including supplemental information, if any, is found to be false in any material respect.

C. In the event the city manager suspends or revokes a license, written notice of the suspension or revocation shall be served upon the licensee within five days of the suspension or revocation in the manner prescribed in ~~Section~~section 5.138.~~060(C).~~060D. The notice shall contain:

1. A brief statement of the specific grounds for such suspension or revocation;

2. A statement that the licensee may appeal the suspension or revocation by submitting an appeal, in writing, in accordance with the provisions of ~~Section~~section 5.138.120, to the city manager, within ~~ten (~~10~~)~~ calendar days of the date of service of the notice; and

3. A statement that the failure to appeal the notice of suspension or revocation will constitute a waiver of all right to an administrative appeal hearing, and the suspension or revocation will be final.

D. A licensee for whom a license suspension is in effect, or whose license has been revoked, must cease all tobacco retailing and remove all tobacco products and tobacco paraphernalia from public view at the address that appears on the suspended or revoked license.

SECTION 7.

Section 5.138.120 of the Sacramento City Code is amended to read as follows:

5.138.120 Denial, suspension and revocation—Appeals.

A. Any applicant or licensee aggrieved by the decision of the city manager in denying, suspending, or revoking a license, may appeal the decision by submitting a written appeal to the city manager within ~~ten (~~10~~)~~ calendar days from the date of service of the notice of denial, suspension, or revocation. The appeal must be accompanied by an appeal fee set by resolution of the city council. The written appeal shall contain:

1. A brief statement in ordinary and concise language of the specific action protested, together with any material facts claimed to support the contentions of the appellant;

2. A brief statement in ordinary and concise language of the relief sought, and the reasons why it is claimed the protested action should be reversed or otherwise set aside;

3. The signatures of all parties named as appellants and their official mailing addresses; and

4. The verification (by declaration under penalty of perjury) of at least one appellant as to the truth of the matters stated in the appeal.

B. The appeal hearing shall be conducted by a hearing examiner appointed pursuant to ~~Section~~section 8.04.070 ~~of this code~~.

C. Upon receipt of any appeal filed pursuant to this ~~Section~~section, the city manager shall transmit ~~said~~the appeal to the secretary of the hearing examiner who shall calendar it for hearing as follows:

1. If the appeal is received by the city manager not later than ~~fifteen (~~15~~)~~ days prior to the next regular appeal hearing, it shall be calendared for hearing at said meeting.

2. If the appeal is received by the city manager on a date less than ~~fifteen (~~15~~)~~ days prior to the next appeal hearing, it shall be calendared for the next subsequent appeal hearing.

D. Written notice of the time and place of the hearing shall be given at least ~~ten (~~10~~)~~ calendar days prior to the date of the hearing to each appellant by the secretary of the hearing examiner either by causing a copy of such notice to be delivered to the appellant personally or by mailing a copy thereof, postage prepaid, addressed to the appellant at the address shown on the appeal.

E. Failure of any person to file a timely appeal in accordance with the provisions of this section shall constitute an irrevocable waiver of the right to an~~administrative hearing and a final adjudication of the notice and order, or any portion thereof.~~administrative hearing and a final adjudication of the notice and order, or any portion of the notice and order.

F. Only those matters or issues specifically raised by the appellant in the appeal notice shall be considered in the hearing of the appeal.

G. Any suspension or revocation of a license shall be stayed during the pendency of an appeal which is properly and timely filed pursuant to this section.

SECTION 8.

Section 5.138.140 of the Sacramento City Code is amended to read as follows:

5.138.140 Conduct of hearing.

A. Hearings need not be conducted according to the technical rules relating to evidence and witnesses. California Government Code ~~Section~~section 11513, ~~subsections~~subdivisions (a), (b) and (c~~) as presently written or hereinafter amended~~), shall apply to hearings under this chapter.

B. Oral evidence shall be taken only upon oath or affirmation.

C. Irrelevant and unduly repetitious evidence shall be excluded.

D. Each party shall have these rights, among others:

1. To call and examine witnesses on any matter relevant to the issues of the hearing;

2. To introduce documentary and physical evidence;

3. To cross-examine opposing witnesses on any matter relevant to the issues of the hearing;

4. To impeach any witness regardless of which party first called the witness to testify;

5. To rebut the evidence presented against the party; and

6. To represent himself, herself, or itself or to be represented by anyone of his, her, or its choice who is lawfully permitted to do so.

E. In reaching a decision, official notice may be taken, either before or after submission of the case for decision, of any fact that may be judicially noticed by the courts of this state or that may appear in any of the official records of the city or any of its departments.

SECTION 9.

Section 5.138.150 of the Sacramento City Code is amended to read as follows:

5.138.150 Form and contents of decision—Finality of decision.

A. If it is shown, by a preponderance of the evidence, that one or more bases exist to deny, suspend, or revoke the license, the hearing examiner shall affirm the city manager's decision to deny, suspend, or revoke the license. The decision of the hearing examiner shall be in writing and shall contain findings of fact and a determination of the issues presented.

B. The decision shall inform the appellant that the decision is a final decision and that the time for judicial review is governed by California Code of Civil Procedure ~~Section~~section 1094.6. Copies of the decision shall be delivered to the parties personally or sent by certified mail to the address shown on the appeal. The decision shall be final when signed by the hearing examiner and served as provided in this section.

SECTION 10.

Section 5.138.160 of the Sacramento City Code is amended to read as follows:

5.138.160 Enforcement.

A. In addition to any other remedy, any person violating any provision of this chapter shall be guilty of a misdemeanor for each day such violation continues.

B. Any violation of this chapter may be remedied by a civil action brought by the city attorney. The city may recover reasonable ~~attorneys~~attorneys' fees and costs of suit in any civil action brought by the city attorney to remedy any violation of this chapter.

C. Any person violating the provisions of this chapter shall also be liable for civil penalties of not less ~~than two hundred fifty dollars ($$~~250~~.00)~~ or more than ~~twenty-five thousand dollars ($$~~25,000~~.00)~~ for each day the violation continues.

D. Violations of this chapter are hereby declared to be public nuisances subject to abatement by the city.

E. In addition to criminal sanctions, civil penalties as provided in this section, and other remedies set forth in this chapter, administrative penalties may be imposed pursuant to ~~Chapter~~chapter 1.28 against any person violating any provision of this chapter. Imposition, enforcement, collection and administrative review of administrative penalties imposed shall be conducted pursuant to ~~Chapter~~chapter 1.28.

SECTION 11.

The effective date of this ordinance is October 1, 2019.

ORDINANCE NO. 2019-xxx

Adopted by the Sacramento City Council

xxxxx, 2019

AN ORDINANCE AMENDING VARIOUS SECTIONS OF CHAPTER 5.138 OF THE SACRAMENTO CITY CODE, RELATING TO TOBACCO RETAILERS

BE IT ENACTED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

SECTION 1.

Section 5.138.010 of the Sacramento City Code is amended to read as follows:

5.138.010 Legislative findings.

A. State law prohibits the sale or furnishing of cigarettes, tobacco products and smoking paraphernalia to persons under 21 years of age except active duty military personnel who are 18 years of age or older (California Penal Code § 308).

B. State law requires that tobacco retailers check the identification of tobacco purchasers who reasonably appear to be under 21 years of age (California Business & Professions Code § 22956) and provides procedures for using persons under 21 years of age to conduct onsite compliance checks of tobacco retailers (California Business & Professions Code § 22952).

C. State law requires that tobacco retailers post a conspicuous notice at each point of sale stating that selling tobacco products to anyone under 21 years of age is illegal (California Business & Professions Code § 22952, California Penal Code § 308).

D. State law prohibits the sale or display of cigarettes through a self-service display and prohibits public access to cigarettes without the assistance of a clerk (California Business & Professions Code § 22962).

E. State law prohibits the sale of "bidis" (a type of hand-rolled filterless cigarette) except at those businesses that prohibit the presence of minors (California Penal Code § 308.1).

F. State law prohibits the manufacture, distribution, or sale of cigarettes in packages of less than 20 and prohibits the manufacture, distribution, or sale of "roll-your-own" tobacco in packages containing less than six-tenths of an ounce of tobacco (California Penal Code § 308.3).

G. State law prohibits public school students from smoking or using tobacco products while on campus, while attending school-sponsored activities, or while under the supervision or control of school district employees (California Education Code § 48901(a)).

H. Sacramento City Code section 5.140.040 prohibits the sale or distribution of tobacco products from vending machines.

I. From 2013 to 2015, an estimated 15% of ninth and eleventh grade students in California reported using electronic smoking devices.

J. Over 9% of high school students in California reported buying their own electronic cigarette from a store.

K. In 2016, an estimated 82% of tobacco retailers in California sold flavored non-cigarette tobacco products, over 90% of tobacco retailers sold menthol cigarettes, and 80% tobacco retailers near schools sold flavored non-cigarette tobacco products.

L. Mentholated and flavored products have been shown to be "starter" products for youth who begin using tobacco and these products help establish tobacco habits that can lead to long-term addiction.

M. Between 2004 and 2014, use of non-menthol cigarettes decreased among all populations, but overall use of menthol cigarettes increased among young adults (18 to 25 years of age) and adults (over 26 years of age).

N. Unlike cigarette use that has steadily declined among youth, the prevalence of the use of non-cigarette tobacco products has remained statistically unchanged and, in some cases, increased among youth.

O. Flavored tobacco has significant public health implications for youth and people of color as a result of targeted industry marketing strategies and product manipulation.

P. The density and proximity of tobacco retailers influence smoking behaviors, including the number of cigarettes smoked per day.

Q. Adults who smoke have a harder time quitting when density of tobacco retailers is high.

R. Policies to reduce tobacco retailer density have been shown to be effective and may reduce or eliminate inequities in the location and distribution of tobacco retailers.

S. Neither federal nor California state laws restrict the sale of menthol cigarettes or flavored non-cigarette tobacco products, electronic smoking devices, or the solutions used in these devices.

T. The city has a substantial interest in promoting compliance with federal, state, and local laws intended to regulate tobacco sales and use; in discouraging the illegal purchase of tobacco products by persons under 21 years of age; in promoting compliance with laws prohibiting sales of cigarettes and tobacco products to persons under 21 years of age; and in protecting youth and underserved populations from the harms of tobacco use.

U. California courts in Cohen v. Board of Supervisors (1985) 40 Cal.3d 277, Bravo Vending v. City of Rancho Mirage (1993) 16 Cal.App.4th 383, and Prime Gas v. City of Sacramento (2010) 184 Cal.App.4th 697, have affirmed the power of local jurisdictions to regulate business activity in order to discourage violations of law.

V. State law authorizes local tobacco retailer licensing laws to provide for the suspension or revocation of the local tobacco retailer license for any violation of a state tobacco control law (California Business & Professions Code § 22971.3).

W. A requirement for a tobacco retailer license will not unduly burden legitimate business activities of retailers who sell or distribute cigarettes or other tobacco products to adults. It will, however, allow the city to regulate the operation of lawful businesses to discourage violations of federal, state, and local tobacco-related laws.

SECTION 2.

Section 5.138.030 of the Sacramento City Code is amended to read as follows:

5.138.030 Definitions.

As used in this chapter, the following words and phrases shall have the meaning given them in this section, unless the context clearly requires otherwise:

"Arm's length transaction" means a sale in good faith and for valuable consideration that reflects the fair market value in the open market between two informed and willing parties, neither under any compulsion to participate in the transaction. A sale between relatives, related companies or partners, or a sale for the primary purpose of avoiding the effect of the violations of this chapter that occurred at the location, is presumed not to be an "arm's length transaction."

"Characterizing flavor" means a taste or aroma, other than the taste or aroma of tobacco, imparted either prior to or during consumption of a tobacco product or any byproduct produced by the tobacco product, including, but not limited to, tastes or aromas relating to menthol, mint, wintergreen, fruit, chocolate, vanilla, honey, candy, cocoa, dessert, alcohol beverage, herb, or spice.

"City manager" means the city manager of the city or his or her designee.

"Flavored tobacco product" means any tobacco product that imparts a characterizing flavor.

"Itinerant tobacco retailing" means engaging in tobacco retailing at other than a fixed location.

"License" means a tobacco retailer license issued by the city pursuant to this chapter.

"Licensee" means any proprietor holding a license issued by the city pursuant to this chapter.

"Proprietor" means a person with an ownership or managerial interest in a business. An ownership interest shall be deemed to exist when a person has a 10% or greater interest in the stock, assets, or income of a business other than the sole interest of security for debt. A managerial interest shall be deemed to exist when a person has, or can have, sole or shared control over the day-to-day operations of a business.

"Tobacco product" means:

1. A product containing, made, or derived from tobacco or nicotine that is intended for human consumption, whether smoked, heated, chewed, absorbed, dissolved, inhaled, snorted, sniffed, or ingested by any other means, including, but not limited to, cigarettes, cigars, little cigars, chewing tobacco, pipe tobacco, or snuff;
2. An electronic device that delivers nicotine or other vaporized liquids to the person inhaling from the device, including, but not limited to, an electronic cigarette, cigar, pipe, or hookah; and
3. Any component, part, or accessory of a tobacco product, whether or not sold separately.
4. "Tobacco product" does not include a product that has been approved by the United States Food and Drug Administration for sale as a tobacco cessation product or for other therapeutic purposes where the product is marketed and sold solely for such an approved purpose.

"Tobacco paraphernalia" means any item designed or marketed for the consumption, use, or preparation of a tobacco product.

"Tobacco retailer" means any person who sells, offers for sale, exchanges, or offers to exchange for any form of consideration, tobacco, tobacco products, or tobacco paraphernalia without regard to the quantity sold, offered for sale, exchanged, or offered for exchange.

"Tobacco retailing" means selling, offering for sale, exchanging, or offering to exchange for any form of consideration, tobacco, tobacco products, or tobacco paraphernalia without regard to the quantity sold, offered for sale, exchanged, or offered for exchange.

SECTION 3.

Section 5.138.040 of the Sacramento City Code is amended to read as follows:

5.138.040 Requirement for tobacco retailer license.

A. It shall be unlawful for any person to act as a tobacco retailer without a valid license for each location at which tobacco retailing is to occur. No license will be issued to authorize tobacco retailing at other than a fixed location. No license will be issued for itinerant tobacco retailing or tobacco retailing from vehicles.

B. No license shall issue, and no existing license shall be renewed, to authorize tobacco retailing within 1,000 feet of a tobacco retailer already licensed pursuant to this chapter as measured by a straight line from the nearest point of the property line of the parcel on which the applicant's business is located to the nearest point of the property line of the parcel on which an existing licensee's business is located.

C. Nothing in this chapter shall be construed to grant any person obtaining a license any status or right other than the right to act as a tobacco retailer at the location in the city identified on the face of the license, subject to compliance with all other applicable laws, regulations, and ordinances. Nothing in this chapter shall be construed to render

inapplicable, supersede, or apply in lieu of any other provision of applicable law, including, without limitation, any condition or limitation on indoor smoking made applicable to business establishments by California Labor Code section 6404.5.

SECTION 4.

Section 5.138.060 of the Sacramento City Code is amended to read as follows:

5.138.060 Issuance and renewal of license.

A. Upon the receipt of an application for a license and the applicable license fee, the city manager shall issue a license unless:

1. The application is incomplete or inaccurate;

2. The application seeks authorization for tobacco retailing at an address that appears on a license that is suspended, has been revoked, or is subject to suspension or revocation proceedings for violation of any of the provisions of this chapter; provided, however, this subparagraph shall not constitute a basis for denial of a license if either or both of the following apply:

a. The applicant provides the city with documentation demonstrating that the applicant has acquired or is acquiring the premises or business in an arm's length transaction;

b. It has been more than five years since the most recent license for that location was revoked;

3. The application seeks authorization for tobacco retailing that is unlawful pursuant to this code, or that is unlawful pursuant to any other local, state, or federal law; or

4. The city manager has information that the applicant or his or her agents or employees has violated any local, state or federal tobacco control law at the location for which the license or renewal of the license is sought within the preceding 30-day period.

B. A license is valid for one year and must be renewed not later than 30 days prior to the expiration of the license, but no earlier than 60 days prior to the expiration of the license. Unless revoked on an earlier date, all licenses expire one year after the date of issuance. A license may be renewed for additional one-year periods by submitting an application to the city manager and payment of the applicable license fee; provided, however, a license that is suspended, has been revoked, or is subject to suspension or revocation proceedings shall not be renewed. The application and license fee shall be submitted at least 30 days, but not more than 60 days, prior to the expiration of the current valid license. The applicant shall follow all of the procedures and provide all of the information required by section 5.138.050. The city manager shall process the application according to the provisions of this section.

C. Notwithstanding section 5.138.040B, a tobacco retailer operating lawfully on the date this subsection C is effective that would otherwise be eligible for a tobacco retailer

license for the location for which a license is sought may receive or renew a license for that location so long as all of the following conditions are met:

1. The license is timely obtained and is renewed without lapse or permanent revocation (as opposed to temporary suspension);

2. The tobacco retailer is not closed for business or has not ceased tobacco retailing for more than 60 consecutive days;

3. The tobacco retailer does not substantially change the business premises or business operation for the purpose of increasing the sale or display of tobacco products; and

4. The tobacco retailer retains the right to operate under all other applicable laws.

D. When the city manager does not approve a license or renewal of a license, the city manager shall notify the applicant of the specific grounds for the denial in writing. The notice of denial shall be served personally or by mail not later than five calendar days after the date of the denial. If by mail, the notice shall be placed in a sealed envelope, with postage paid, addressed to the applicant at the address as it appears on the application. The giving of notice shall be deemed complete at the time of deposit of the notice in the United States mail without extension of time for any reason. In lieu of mailing, the notice may be served personally by delivering to the person to be served and service shall be deemed complete at the time of such delivery. Personal service to a corporation may be made by delivery of the notice to any person designated in the California Code of Civil Procedure to be served for the corporation with summons and complaint in a civil action.

SECTION 5.

Section 5.138.100 of the Sacramento City Code is amended to read as follows:

5.138.100 License violation.

A. It is a violation of a license for a licensee or his or her agents or employees to sell or offer for sale any flavored tobacco product. There is a rebuttable presumption that a tobacco product is a flavored tobacco product if a manufacturer or its agents or employees has made a public statement or claim that the tobacco product has or produces a characterizing flavor, including, but not limited to, text, color, or images on the product's labeling or packaging that are used to expressly or impliedly communicate that a tobacco product has a characterizing flavor.

B. It is a violation of a license for a licensee or his or her agents or employees to violate any local, state, or federal tobacco-related law.

SECTION 6.

Section 5.138.110 of the Sacramento City Code is amended to read as follows:

5.138.110 Suspension or revocation of license.

A. In addition to any other remedy authorized by law, a license shall be suspended or revoked as provided in this section, if the city manager finds that the licensee or his or her agents or employees has or have violated any of the provisions of this chapter; provided, however, violations by a licensee at one location may not be accumulated against other locations of that same licensee, nor may violations accumulated against a prior licensee at a licensed location be accumulated against a new licensee at the same licensed location.

1. Upon a finding by the city manager of a first license violation within any five-year period, the license shall be suspended for 30 days.

2. Upon a finding by the city manager of a second license violation within any five-year period, the license shall be suspended for 90 days.

3. Upon a finding by the city manager of a third license violation within any five-year period, the license shall be revoked.

B. Notwithstanding section 5.138.110A, a license shall be revoked if the city manager finds that either one or both of the following conditions exist:

1. One or more of the bases for denial of a license under section 5.138.060A existed at the time application was made or at any time before the license issued.

2. The information contained in the license application, including supplemental information, if any, is found to be false in any material respect.

C. In the event the city manager suspends or revokes a license, written notice of the suspension or revocation shall be served upon the licensee within five days of the suspension or revocation in the manner prescribed in section 5.138.060D. The notice shall contain:

1. A brief statement of the specific grounds for such suspension or revocation;

2. A statement that the licensee may appeal the suspension or revocation by submitting an appeal, in writing, in accordance with the provisions of section 5.138.120, to the city manager, within 10 calendar days of the date of service of the notice; and

3. A statement that the failure to appeal the notice of suspension or revocation will constitute a waiver of all right to an administrative appeal hearing, and the suspension or revocation will be final.

D. A licensee for whom a license suspension is in effect, or whose license has been revoked, must cease all tobacco retailing and remove all tobacco products and tobacco paraphernalia from public view at the address that appears on the suspended or revoked license.

SECTION 7.

Section 5.138.120 of the Sacramento City Code is amended to read as follows:

5.138.120 Denial, suspension and revocation—Appeals.

A. Any applicant or licensee aggrieved by the decision of the city manager in denying, suspending, or revoking a license, may appeal the decision by submitting a written appeal to the city manager within 10 calendar days from the date of service of the notice of denial, suspension, or revocation. The appeal must be accompanied by an appeal fee set by resolution of the city council. The written appeal shall contain:

1. A brief statement in ordinary and concise language of the specific action protested, together with any material facts claimed to support the contentions of the appellant;

2. A brief statement in ordinary and concise language of the relief sought, and the reasons why it is claimed the protested action should be reversed or otherwise set aside;

3. The signatures of all parties named as appellants and their official mailing addresses; and

4. The verification (by declaration under penalty of perjury) of at least one appellant as to the truth of the matters stated in the appeal.

B. The appeal hearing shall be conducted by a hearing examiner appointed pursuant to section 8.04.070.

C. Upon receipt of any appeal filed pursuant to this section, the city manager shall transmit the appeal to the secretary of the hearing examiner who shall calendar it for hearing as follows:

1. If the appeal is received by the city manager not later than 15 days prior to the next regular appeal hearing, it shall be calendared for hearing at said meeting.

2. If the appeal is received by the city manager on a date less than 15 days prior to the next appeal hearing, it shall be calendared for the next subsequent appeal hearing.

D. Written notice of the time and place of the hearing shall be given at least 10 calendar days prior to the date of the hearing to each appellant by the secretary of the hearing examiner either by causing a copy of such notice to be delivered to the appellant personally or by mailing a copy thereof, postage prepaid, addressed to the appellant at the address shown on the appeal.

E. Failure of any person to file a timely appeal in accordance with the provisions of this section shall constitute an irrevocable waiver of the right to an administrative hearing and a final adjudication of the notice and order, or any portion of the notice and order.

F. Only those matters or issues specifically raised by the appellant in the appeal notice shall be considered in the hearing of the appeal.

G. Any suspension or revocation of a license shall be stayed during the pendency of an appeal which is properly and timely filed pursuant to this section.

SECTION 8.

Section 5.138.140 of the Sacramento City Code is amended to read as follows:

5.138.140 Conduct of hearing.

A. Hearings need not be conducted according to the technical rules relating to evidence and witnesses. California Government Code section 11513, subdivisions (a), (b) and (c), shall apply to hearings under this chapter.

B. Oral evidence shall be taken only upon oath or affirmation.

C. Irrelevant and unduly repetitious evidence shall be excluded.

D. Each party shall have these rights, among others:

1. To call and examine witnesses on any matter relevant to the issues of the hearing;

2. To introduce documentary and physical evidence;

3. To cross-examine opposing witnesses on any matter relevant to the issues of the hearing;

4. To impeach any witness regardless of which party first called the witness to testify;

5. To rebut the evidence presented against the party; and

6. To represent himself, herself, or itself or to be represented by anyone of his, her, or its choice who is lawfully permitted to do so.

E. In reaching a decision, official notice may be taken, either before or after submission of the case for decision, of any fact that may be judicially noticed by the courts of this state or that may appear in any of the official records of the city or any of its departments.

SECTION 9.

Section 5.138.150 of the Sacramento City Code is amended to read as follows:

5.138.150 Form and contents of decision—Finality of decision.

A. If it is shown, by a preponderance of the evidence, that one or more bases exist to deny, suspend, or revoke the license, the hearing examiner shall affirm the city manager's decision to deny, suspend, or revoke the license. The decision of the hearing examiner shall be in writing and shall contain findings of fact and a determination of the issues presented.

B. The decision shall inform the appellant that the decision is a final decision and that the time for judicial review is governed by California Code of Civil Procedure section 1094.6. Copies of the decision shall be delivered to the parties personally or sent by certified mail to the address shown on the appeal. The decision shall be final when signed by the hearing examiner and served as provided in this section.

SECTION 10.

Section 5.138.160 of the Sacramento City Code is amended to read as follows:

5.138.160 Enforcement.

A. In addition to any other remedy, any person violating any provision of this chapter shall be guilty of a misdemeanor for each day such violation continues.

B. Any violation of this chapter may be remedied by a civil action brought by the city attorney. The city may recover reasonable attorneys' fees and costs of suit in any civil action brought by the city attorney to remedy any violation of this chapter.

C. Any person violating the provisions of this chapter shall also be liable for civil penalties of not less $250 or more than $25,000 for each day the violation continues.

D. Violations of this chapter are hereby declared to be public nuisances subject to abatement by the city.

E. In addition to criminal sanctions, civil penalties as provided in this section, and other remedies set forth in this chapter, administrative penalties may be imposed pursuant to chapter 1.28 against any person violating any provision of this chapter. Imposition, enforcement, collection and administrative review of administrative penalties imposed shall be conducted pursuant to chapter 1.28.

SECTION 11.

The effective date of this ordinance is October 1, 2019.

[Health Code - Restricting the Sale, Manufacture, and Distribution of Tobacco Products, Including Electronic Cigarettes]

Ordinance amending the Health Code to prohibit the sale by tobacco retail establishments of electronic cigarettes that require, but have not received, an order from the Food and Drug Administration (FDA) approving their marketing; and prohibiting the sale and distribution to any person in San Francisco of flavored tobacco products and electronic cigarettes that require, but have not received, an FDA order approving their marketing.

NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.
Additions to Codes are in *single-underline italics Times New Roman font*.
Deletions to Codes are in *~~strikethrough italics Times New Roman font~~*.
Board amendment additions are in double-underlined Arial font.
Board amendment deletions are in ~~strikethrough Arial font~~.
Asterisks (* * * *) indicate the omission of unchanged Code subsections or parts of tables.

Be it ordained by the People of the City and County of San Francisco:

Section 1. Findings.

(a) Despite progress in reducing smoking, tobacco use is still the leading cause of preventable death in the United States. Tobacco kills more than 480,000 people in this country annually – more than AIDS, alcohol, car accidents, illegal drugs, murders, and suicides combined. And beyond this large, impersonal statistic, are countless human beings, whose lives are forever devastated by the irreparable loss of a loved one caused by tobacco use, and the inevitable rupture of family that follows such a loss. And that is to say nothing of the huge financial costs tobacco use places on our health care system, and the constraints on productivity it imposes on our economic system.

(b) Electronic cigarettes (or "e-cigarettes") entered the marketplace around 2007, and since 2014, they have been the most commonly used tobacco product among youth in the United States. The dramatic surge in youth e-cigarette use ("vaping") is no accident. E-cigarettes are frequently marketed in a variety of flavors with obvious appeal to youth, such as gummy bear, cotton candy, and fruit punch. As of 2017, researchers had identified more than 15,500 unique e-cigarette flavors available online. In addition, e-cigarette companies have effectively used marketing strategies, including celebrity endorsements, slick magazine advertisements, social media campaigns, paid influencers, and music sponsorships, to reach youth and young adults. A 2016 study found that 78.2% of middle and high school students—20.5 million youth—had been exposed to e-cigarette advertisements from at least one source, an increase from 68.9% only two years before, in 2014.

(c) According to the Centers for Disease Control and Prevention ("CDC"), the number of middle and high school students who reported being current users of tobacco products increased 36%—from 3.6 million to 4.9 million students—between 2017 and 2018. This dramatic increase, which has erased past progress in reducing youth tobacco use, is directly attributable to a nationwide surge in e-cigarette use by adolescents. There were 1.5 million more youth e-cigarette users in 2018 than 2017, and those who were using e-cigarettes were using them more often. Frequent use of e-cigarettes increased from 20 percent in 2017 to 28 percent in 2018 among current high school e-cigarette users.

(d) The widespread use of e-cigarettes by youth has significant public health consequences. As stated by the Surgeon General, "Most e-cigarettes contain nicotine – the addictive drug in regular cigarettes, cigars, and other tobacco products. Nicotine exposure during adolescence can harm the developing brain – which continues to develop until about age 25. Nicotine exposure during adolescence can impact learning, memory, and attention. Using nicotine in adolescence can also increase risk for future addiction to other drugs. In

addition to nicotine, the aerosol that users inhale and exhale from e-cigarettes can potentially expose both themselves and bystanders to other harmful substances, including heavy metals, volatile organic compounds, and ultrafine particles that can be inhaled deeply into the lungs."

(e) And while there is some evidence that the use of e-cigarettes by adults may support smoking cessation under certain circumstances, a 2018 National Academy of Sciences, Engineering, and Medicine report concluded that there was moderate evidence that e-cigarette use in fact *increases* the frequency and intensity of cigarette smoking in the future.

(f) In addition, there is a growing body of research concluding that there are significant health risks associated with electronic cigarette use. For example, daily e-cigarette use is associated with increased odds of a heart attack. And the American Lung Association has warned that the inhalation of harmful chemicals through vaping may cause irreversible lung damage and lung disease.

(g) To reduce the burden of tobacco use, the City and County of San Francisco (the "City") licenses tobacco retail establishments. (Health Code Article 19H). In 2017, to address the appeal of flavored tobacco products to youth, the City enacted Ordinance No. 140-17, prohibiting tobacco retail establishments from selling flavored tobacco products. As a result of the referendum process, the ordinance was placed before the voters, who approved the ordinance in June 2018 (Proposition E) by a majority of 68.39%.

(h) Notwithstanding these efforts, San Francisco's youth still access and use tobacco products. According to the most recent Youth Risk Behavior Survey for which local data are available, in 2017, 16.7% of San Francisco's high school students had tried smoking, 25% had used an electronic cigarette (or "vaped"), and 7.1% reported current e-cigarette use, which is defined as use on at least one day in the past 30 days.

(i) Among San Francisco high school students who reported currently using electronic cigarettes, 13.6% reported that they usually purchased their electronic cigarette products in a

store. The remaining 86.4% reported that they obtained them from places other than the City's licensed tobacco retail establishments, including friends, other social sources, and internet e-cigarette vendors.

(j) To protect the public, especially youth, against the health risks created by tobacco products, Congress enacted the Family Smoking Prevention and Tobacco Control Act ("Tobacco Control Act") in 2009. Among other things, the Tobacco Control Act authorized the U.S. Food and Drug Administration ("FDA") to set national standards governing the manufacture of tobacco products, to limit levels of harmful components in tobacco products and to require manufacturers to disclose information and research relating to the products' health effects.

(k) A central requirement of the Tobacco Control Act is premarket review of all new tobacco products. Specifically, every "new tobacco product"—defined to include any tobacco product not on the market in the United States as of February 15, 2007—must be authorized by the FDA for sale in the United States before it may enter the marketplace. A new tobacco product may not be marketed until the FDA has found that the product is: (1) appropriate for the protection of the public health upon review of a premarket tobacco application; (2) substantially equivalent to a grandfathered product; or (3) exempt from substantial equivalence requirements.

(l) In determining whether the marketing of a tobacco product is appropriate for the protection of the public health, the FDA must consider the risks and benefits of the product to the population as a whole, including users and nonusers of the product, and taking into account the increased or decreased likelihood that existing users of tobacco products will stop using tobacco products and the increased or decreased likelihood that those who do not use tobacco products will start using them. Where there is a lack of showing that permitting the

sale of a tobacco product would be appropriate for the protection of the public health, the Tobacco Control Act requires that the FDA deny an application for premarket review.

(m) Virtually all electronic cigarettes that are sold today entered the market after 2007, but have not been reviewed by the FDA to determine if they are appropriate for the public health. In 2017, the FDA issued Guidance that purports to give electronic cigarette manufacturers until August 8, 2022 to submit their application for premarket review. The Guidance further purports to allow unapproved products to stay on the market indefinitely, until such time as the FDA complies with its statutory duty to conduct a premarket review to determine whether a new tobacco product poses a risk to public health. In March 2019, the FDA issued draft guidance in which it considered moving the premarket application deadline up by one year for certain flavored e-cigarette products. It is not known when, if ever, this narrow adjustment will become final or will take effect.

(n) By the time e-cigarette manufacturers will be required to submit their premarket review applications, e-cigarettes will have been on the market for fifteen years without any FDA analysis of their safety and alleged benefit. If current trends continue, six million more youth in the United States will begin using e-cigarettes between now and then. Until such time as the FDA fulfills its statutory duty to conduct premarket reviews of new tobacco products, a generation of young people will become addicted to tobacco, resulting in an entirely preventable increase in the burdens and tragedies associated with tobacco use. San Francisco is not content to wait until then before addressing, for its residents, what appears from the evidence to be a major public health crisis that is going unattended.

Section 2. The Health Code is amended by adding new Article 19R, consisting of Sections 19R.1 through 19R.5, to read as follows:

ARTICLE 19R: PROHIBITING THE SALE OF ELECTRONIC CIGARETTES LACKING FOOD AND DRUG ADMINISTRATION PREMARKET APPROVAL

SEC. 19R.1. DEFINITIONS.

For purposes of this Article 19R, the following terms have the following meanings:

"Director" has the meaning set forth in Health Code Section 19H.2.

"Electronic Cigarette" has the meaning set forth in Section 30121 of the California Revenue and Taxation Code, as may be amended from time to time.

"Establishment" has the meaning set forth in Health Code Section 19H.2.

"New Tobacco Product" has the meaning set forth in 21 U.S.C. § 387j(a)(1), as may be amended from time to time.

SEC. 19R.2. SALE OR DISTRIBUTION OF ELECTRONIC CIGARETTES LACKING FOOD AND DRUG ADMINISTRATION PREMARKET ORDER OF APPROVAL PROHIBITED.

The sale or distribution by an Establishment of an Electronic Cigarette is prohibited where the Electronic Cigarette:

(a) Is a New Tobacco Product;

(b) Requires premarket review under 21 U.S.C. § 387j, as may be amended from time to time; and

(c) Does not have a premarket review order under 21 U.S.C. § 387j(c)(1)(A)(i), as may be amended from time to time.

SEC. 19R.3. ADMINISTRATIVE REGULATIONS.

The Director may adopt rules, regulations, or guidelines for the implementation and enforcement of this Article 19R.

SEC. 19R.4. ENFORCEMENT.

The Director may enforce Section 19R.2 under Articles 19 et seq. of the Health Code, including but not limited to Article 19H.

SEC. 19R.5. NO CONFLICT WITH FEDERAL OR STATE LAW.

Nothing in this Article 19R shall be interpreted or applied so as to create any requirement, power, or duty that is preempted by federal or state law.

Section 3. Article 19H of the Health Code is amended by adding new Section 19H.14-3, to read as follows:

SEC. 19H.14-3. CONDUCT VIOLATING HEALTH CODE ARTICLE 19R (PROHIBITING THE SALE OR DISTRIBUTION OF ELECTRONIC CIGARETTES LACKING FOOD AND DRUG ADMINISTRATION PREMARKET ORDER OF APPROVAL).

(a) Upon a decision by the Director that the Permittee or the Permittee's agent or employee has engaged in any conduct that violates Health Code Section 19R.2 (Sale or Distribution of Electronic Cigarettes Lacking Food and Drug Administration Premarket Order of Approval Prohibited), the Director may suspend a Tobacco Sales permit as set forth in Section 19H.19.

(b) The Director shall commence enforcement under this Section 19H.14-3 by serving either a notice of correction under Section 19H.21 or a notice of initial determination under Section 19H.22.

Section 4. The Health Code is hereby amended by adding new Article 19S, consisting of Sections 19S.1 through 19S.6, to read as follows:

ARTICLE 19S. PROHIBITING THE SALE AND DISTRIBUTION OF TOBACCO PRODUCTS IN SAN FRANCISCO

SEC. 19S.1. DEFINITIONS.

For purposes of this Article 19S, the following terms have the following meanings:

"Characterizing Flavor" has the meaning set forth in Health Code Section 19Q.2.

"Cigarette" has the meaning set forth in Health Code Section 19Q.2.

"City" means the City and County of San Francisco.

"Constituent" has the meaning set forth in Health Code Section 19Q.2.

"Director" means the Director of Health, or the Director's designee.

"Distinguishable" has the meaning set forth in Health Code Section 19Q.2.

"Distribute" or "Distribution" means the transfer, by any Person other than a common carrier, of a Tobacco Product at any point from the place of Manufacture or thereafter to the Person who sells the Tobacco Product to an individual for personal consumption.

"Electronic Cigarette" has the meaning set forth in Section 30121 of the California Revenue and Taxation Code, as may be amended from time to time.

"Flavored Tobacco Product" has the meaning set forth in Health Code Section 19Q.2.

"Labeling" has the meaning set forth in Health Code Section 19Q.2.

"New Tobacco Product" has the meaning set forth in 21 U.S.C. § 387j(a)(1), as may be amended from time to time.

"Packaging" has the meaning set forth in Health Code Section 19Q.2.

"Person" has the meaning set forth in Health Code Section 19H.2.

"Sell," "Sale," and "to Sell" mean any transaction where, for any consideration, ownership of a Tobacco Product is transferred from one Person to another, including but not limited to any transfer of title or possession for consideration, exchange, or barter, in any manner or by any means.

"Tobacco Product" has the meaning set forth in Health Code Section 19H.2.

SEC. 19S.2. PROHIBITION ON SALE OR DISTRIBUTION OF TOBACCO PRODUCTS.

(a) No Person shall Sell or Distribute any Flavored Tobacco Product to a Person in San Francisco. There shall be a rebuttable presumption that a Tobacco Product, other than a Cigarette, is a Flavored Tobacco Product if a manufacturer or any of the manufacturer's agents or employees, in the course of their agency or employment, has made a statement or claim directed to consumers or to the public that the Tobacco Product has or produces a Characterizing Flavor, including, but not limited to, text, color, and/or images on the product's Labeling or Packaging that are used to explicitly or implicitly communicate that the Tobacco Product has a Characterizing Flavor.

(b) No Person shall Sell or Distribute an Electronic Cigarette to a Person in San Francisco where the Electronic Cigarette:

(1) Is a New Tobacco Product;

(2) Requires premarket review under 21 U.S.C. § 387j, as may be amended from time to time; and

(3) Does not have a premarket review order under 21 U.S.C. § 387j(c)(1)(A)(i), as may be amended from time to time.

SEC. 19S.3. ADMINISTRATIVE REGULATIONS.

The Director may adopt rules, regulations, or guidelines for the implementation of this Article 19S.

SEC. 19S.4. ENFORCEMENT.

(a) Violations of this Article 19S or of any rule or regulation issued under this Article shall be punishable by administrative fines imposed pursuant to administrative citations. Administrative Code Chapter 100 "Procedures Governing the Imposition of Administrative Fines," as amended from time to

time, shall govern the issuance and enforcement of administrative citations, and collection and review of administrative fines, to enforce this Article and any rule or regulation adopted pursuant to this Article.

(b) The City Attorney may at any time institute civil proceedings for injunctive and monetary relief including civil penalties, against any Person for violations of this Article 19S, without regard to whether the Director has assessed or collected administrative penalties.

(c) At any time, the Director may refer a case to the City Attorney's Office for civil enforcement, but a referral is not required for the City Attorney to bring a civil action under subsection (b).

(d) Any Person that violates any provision of this Article 19S shall be subject to injunctive relief and a civil penalty in an amount not to exceed $1,000 for each violation, which penalty shall be assessed and recovered in a civil action brought in the name of the people of the City and County of San Francisco by the City Attorney in any court of competent jurisdiction. In assessing the amount of the civil penalty, the court shall consider any one or more of the relevant circumstances presented by any of the parties to the case, including but not limited to, the following: the nature and seriousness of the misconduct giving rise to the violation, the number of violations, the persistence of the misconduct, the length of time over which the misconduct occurred, the willfulness of the misconduct, and the defendant's assets, liabilities, and net worth.

(e) The City may recover reasonable attorneys' fees and costs for civil actions brought pursuant to this Section 19S.4.

(f) Remedies under this Section 19S.4 are non-exclusive and cumulative to all other remedies available at law or equity.

SEC. 19S.5. NO CONFLICT WITH FEDERAL OR STATE LAW.

Nothing in this Article 19S shall be interpreted or applied so as to create any requirement, power, or duty that is preempted by federal or state law.

SEC. 19S.6. SEVERABILITY.

If any section, subsection, sentence, clause, phrase, or word of this Article 19S, or any application thereof to any person or circumstance, is held to be invalid or unconstitutional by a decision of a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions or applications of the Article. The Board of Supervisors hereby declares that it would have passed this ordinance and each and every section, subsection, sentence, clause, phrase, and word not declared invalid or unconstitutional without regard to whether any other portion of this Article or application thereof would be subsequently declared invalid or unconstitutional.

Section 5. Effective and Operative Dates.

(a) This ordinance shall become effective 30 days after enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board of Supervisors overrides the Mayor's veto of the ordinance.

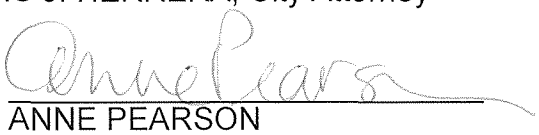
(b) This ordinance shall become operative six months after the effective date.

Section 6. Severability. If any section, subsection, sentence, clause, phrase, or word of this ordinance, or any application thereof to any person or circumstance, is held to be invalid or unconstitutional by a decision of a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions or applications of the ordinance. The Board of Supervisors declares that it would have passed this ordinance and each and every section, subsection, sentence, clause, phrase, and word not declared invalid or unconstitutional

without regard to whether any other portion of this ordinance or application thereof would be subsequently declared invalid or unconstitutional.

Section 7. Undertaking for the General Welfare. In enacting and implementing this ordinance, the City is assuming an undertaking only to promote the general welfare. It is not assuming, nor is it imposing on its officers and employees, an obligation for breach of which it is liable in money damages to any person who claims that such breach proximately caused injury.

APPROVED AS TO FORM:
DENNIS J. HERRERA, City Attorney

By: 
ANNE PEARSON
Deputy City Attorney

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City and County of San Francisco
Tails
Ordinance

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

File Number: 190312 **Date Passed:** June 25, 2019

Ordinance amending the Health Code to prohibit the sale by tobacco retail establishments of electronic cigarettes that require, but have not received, an order from the Food and Drug Administration (FDA) approving their marketing; and prohibiting the sale and distribution to any person in San Francisco of flavored tobacco products and electronic cigarettes that require, but have not received, an FDA order approving their marketing.

June 07, 2019 Public Safety and Neighborhood Services Committee - RECOMMENDED

June 18, 2019 Board of Supervisors - PASSED ON FIRST READING

Ayes: 11 - Brown, Fewer, Haney, Mandelman, Mar, Peskin, Ronen, Safai, Stefani, Walton and Yee

June 25, 2019 Board of Supervisors - FINALLY PASSED

Ayes: 10 - Brown, Haney, Mandelman, Mar, Peskin, Ronen, Safai, Stefani, Walton and Yee
Absent: 1 - Fewer

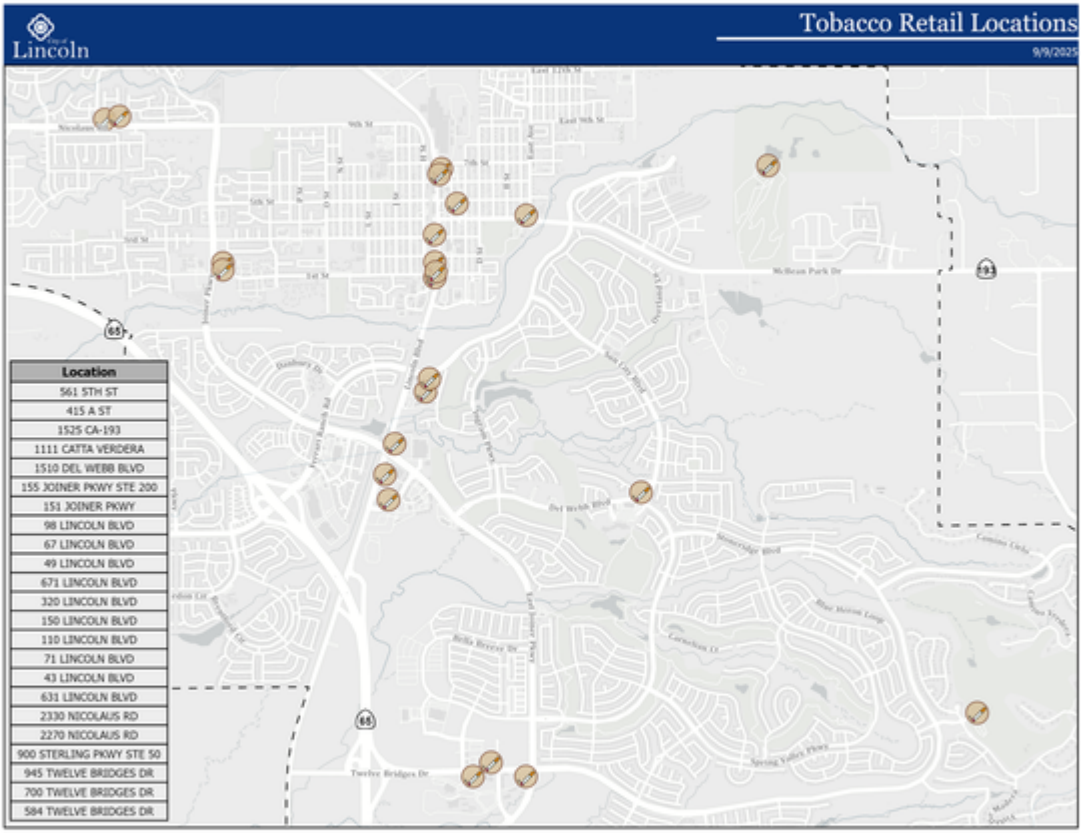
File No. 190312

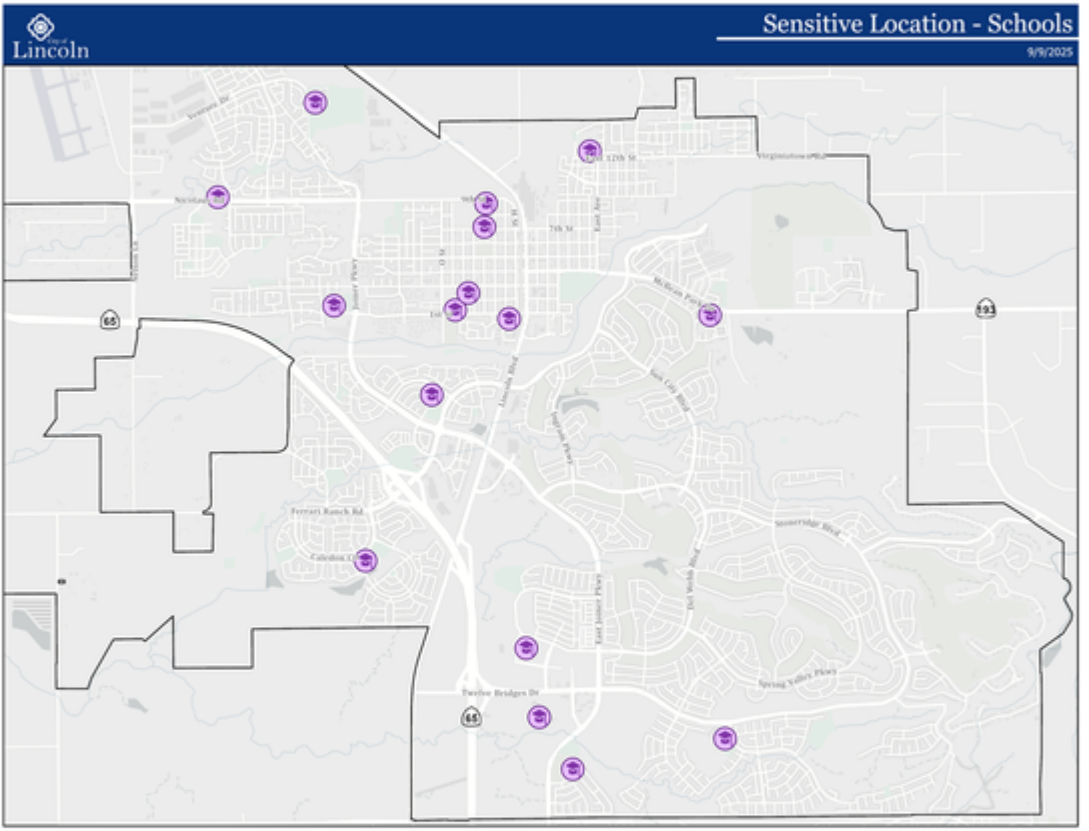
I hereby certify that the foregoing Ordinance was FINALLY PASSED on 6/25/2019 by the Board of Supervisors of the City and County of San Francisco.

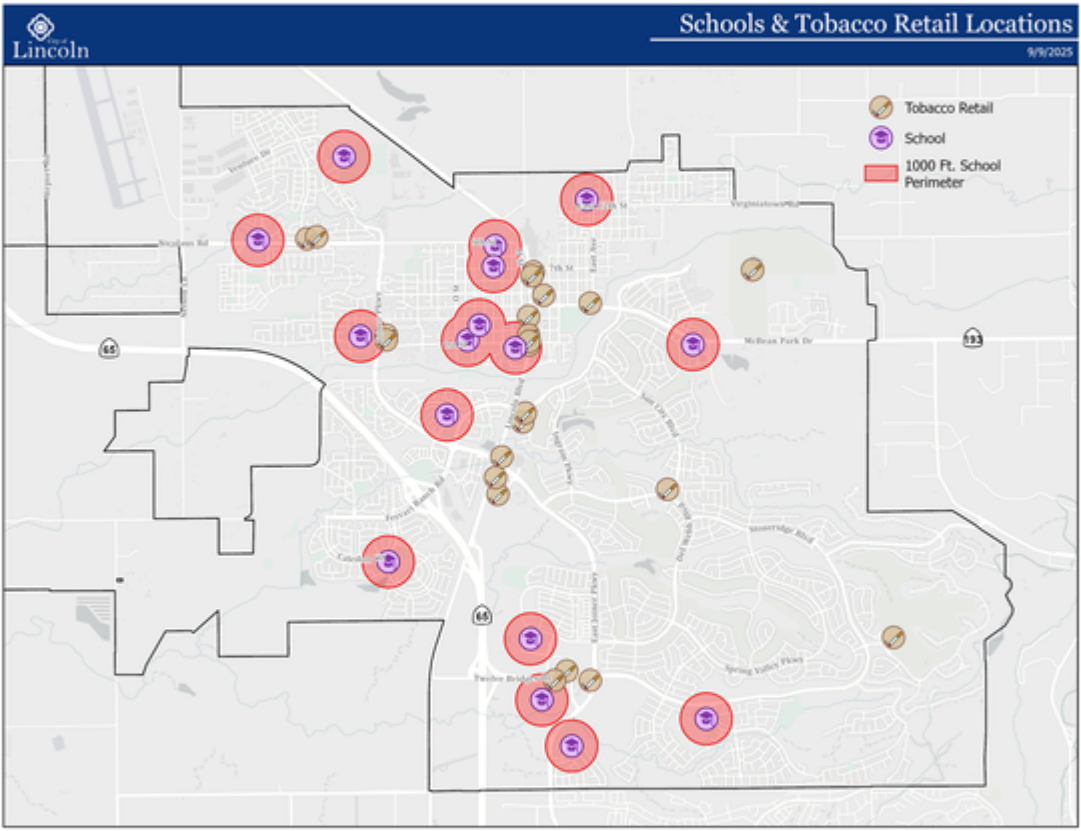
for **Angela Calvillo**
Clerk of the Board

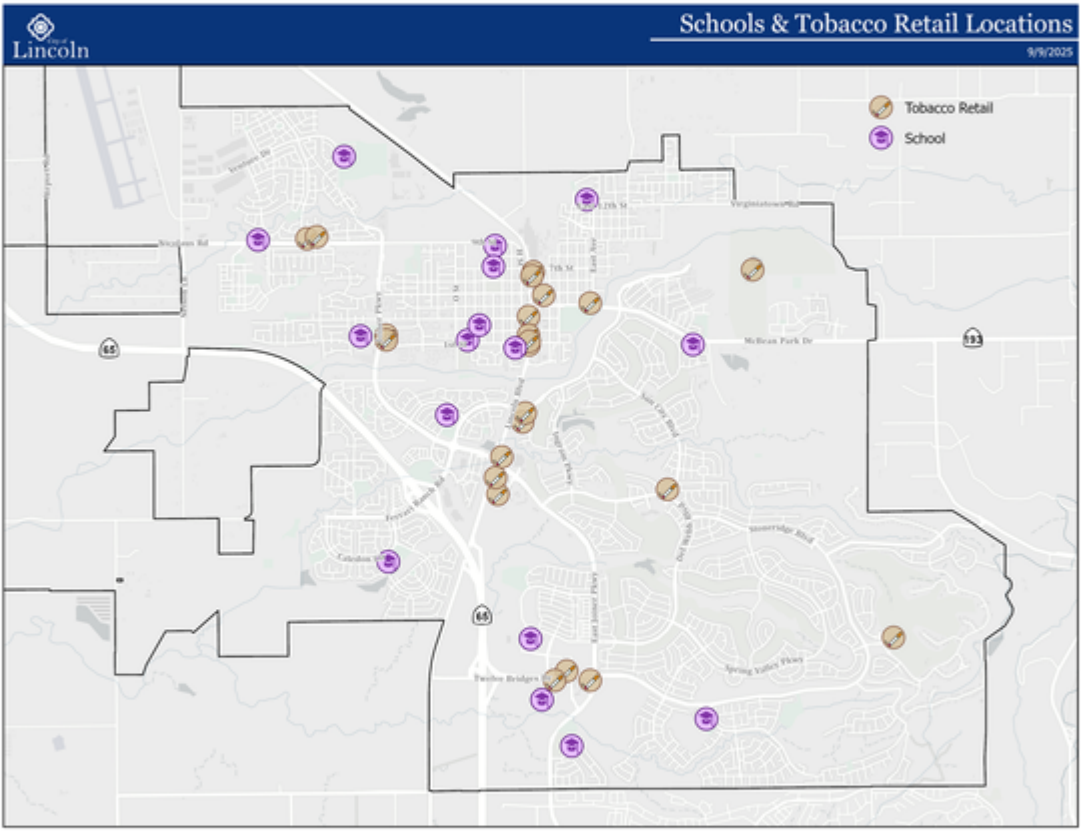
London N. Breed
Mayor

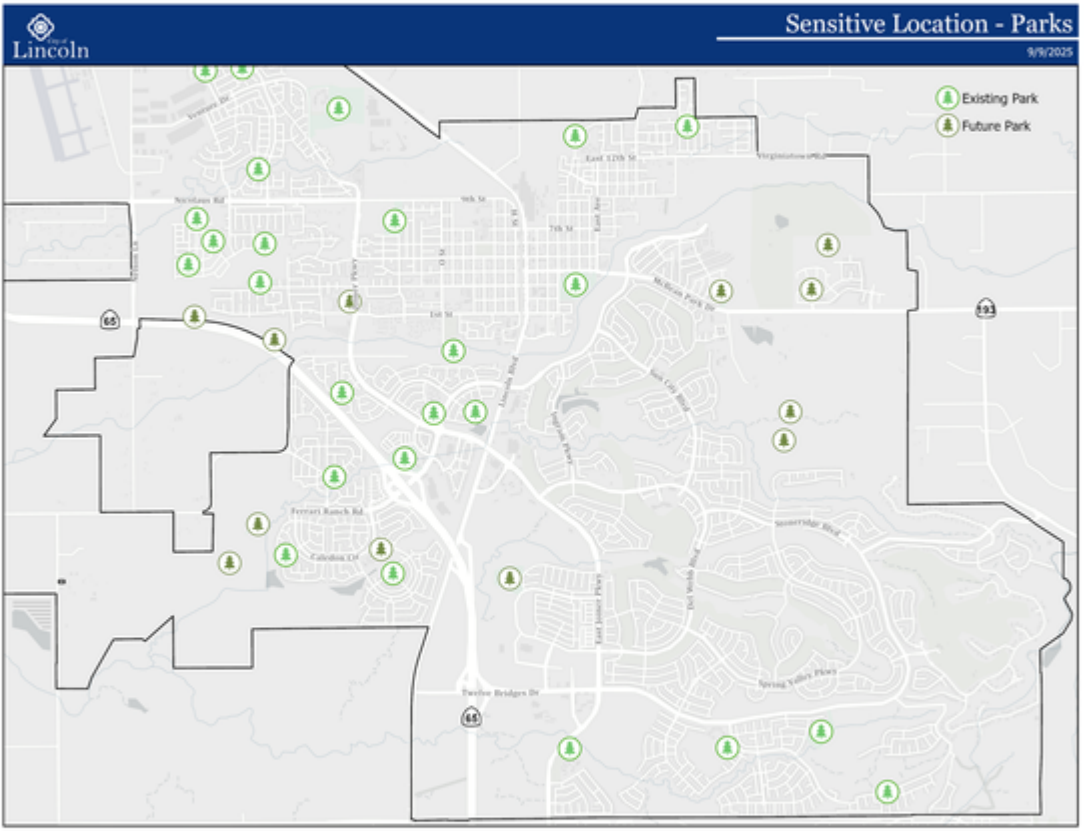
6/20/19
Date Approved

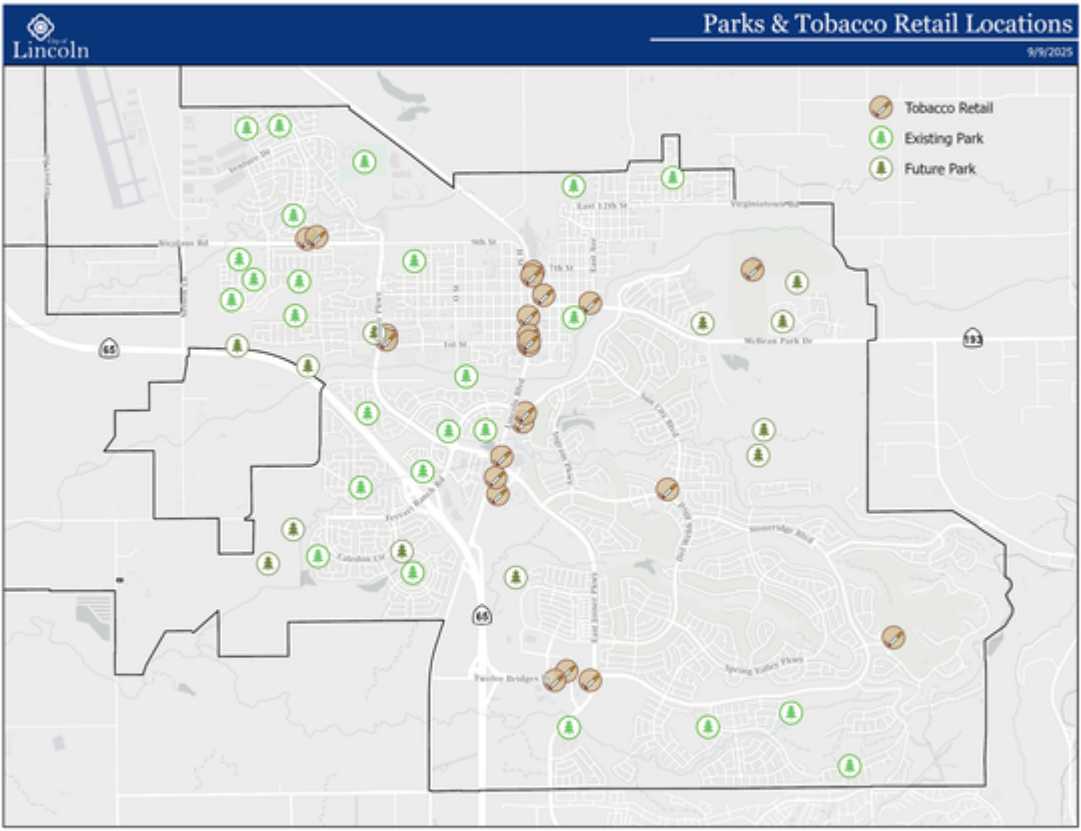

Lincoln
Tobacco Retail Locations
9/9/2025
Location
561 5TH ST
415 A ST
1525 CA-193
1111 CATTA VERDERA
1510 DEL WEBB BLVD
155 JOINER PKWY STE 200
151 JOINER PKWY
98 LINCOLN BLVD
67 LINCOLN BLVD
49 LINCOLN BLVD
671 LINCOLN BLVD
320 LINCOLN BLVD
150 LINCOLN BLVD
110 LINCOLN BLVD
71 LINCOLN BLVD
43 LINCOLN BLVD
631 LINCOLN BLVD
2330 NICOLAUS RD
2270 NICOLAUS RD
900 STERLING PKWY STE 50
945 TWELVE BRIDGES DR
700 TWELVE BRIDGES DR
584 TWELVE BRIDGES DR

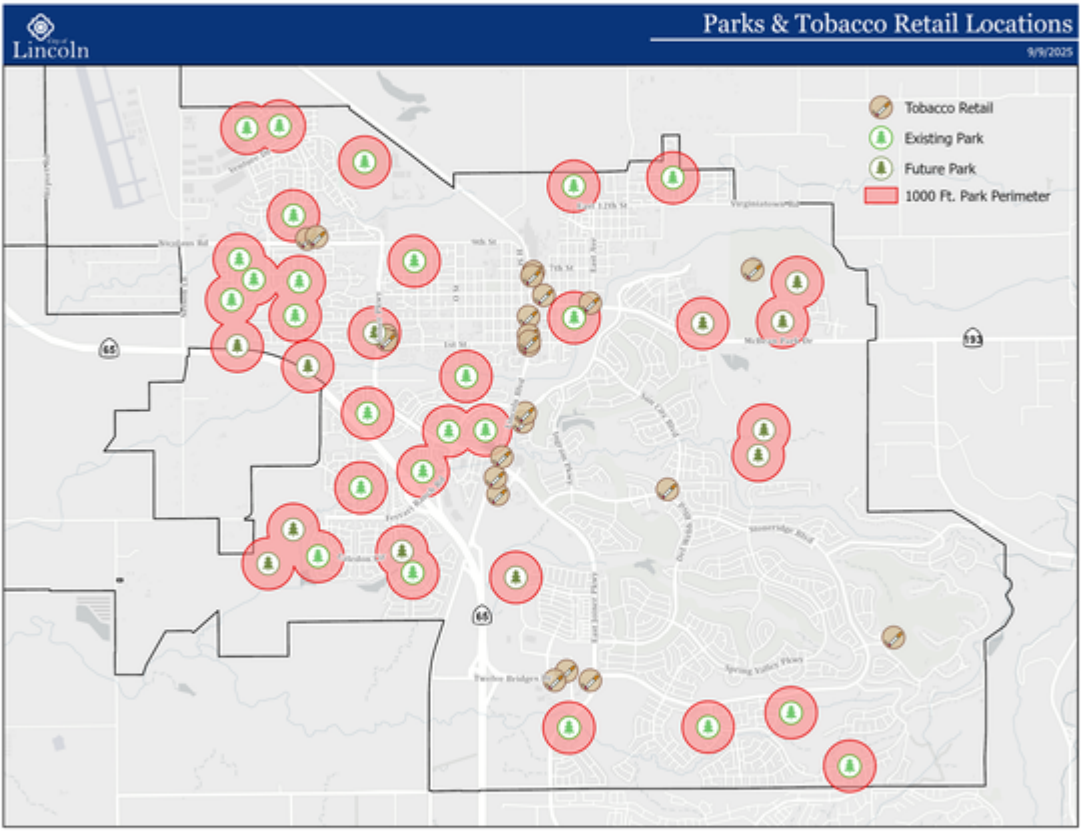

Lincoln
Sensitive Location - Schools
9/9/2025
65
93
Ferrari Ranch Rd
Twelve Bridges Dr
Lincoln Blvd
Sun City Blvd
Del Webb Blvd
East Joiner Pkwy
Spring Valley Pkwy
Somerridge Blvd

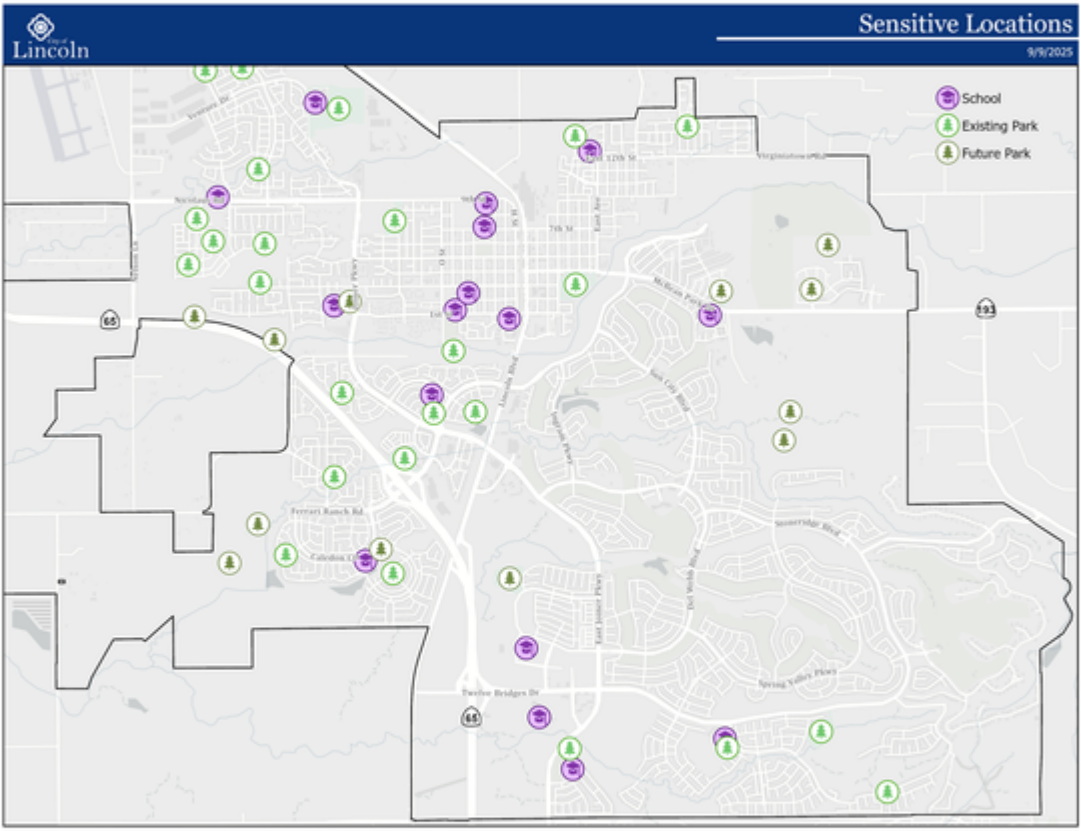

Lincoln
Schools & Tobacco Retail Locations
9/9/2025
Tobacco Retail
School
1000 Ft. School Perimeter
65
93
McBean Park Dr
Fremont Rowing Rd
Twelve Bridges Dr
Spring Valley Pkwy

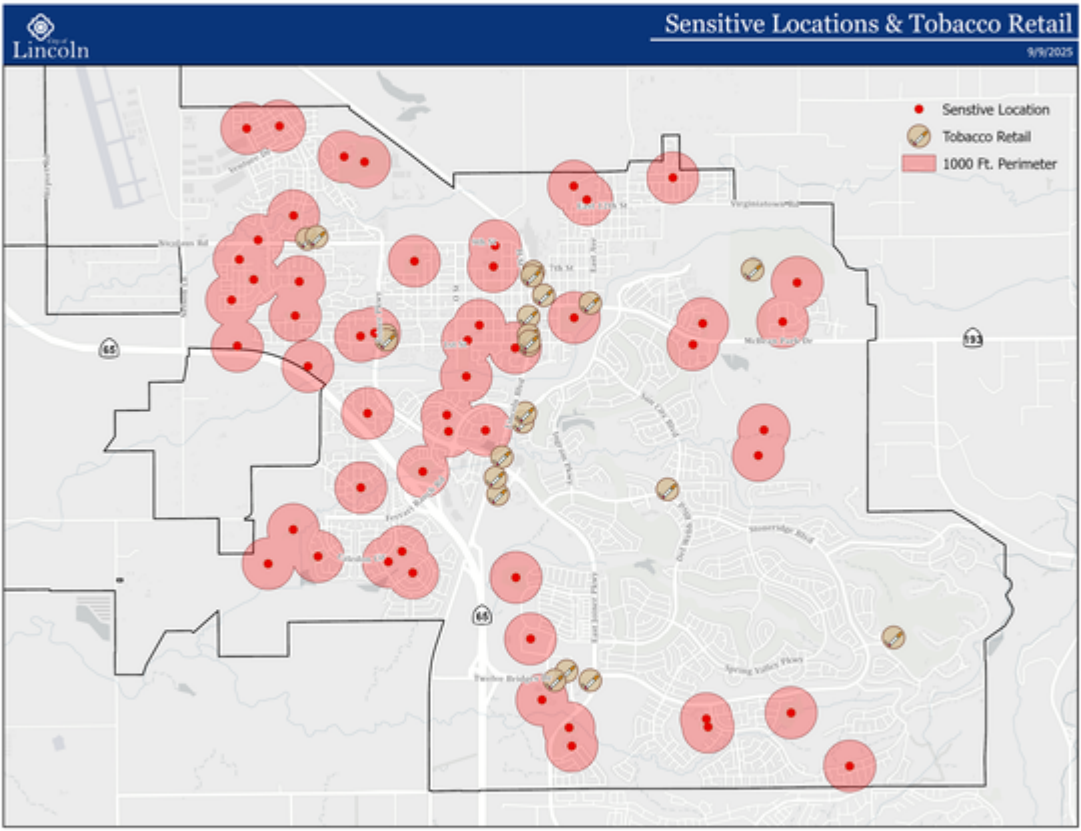

Lincoln
Schools & Tobacco Retail Locations
9/9/2025
Tobacco Retail
School
65
93
McBean Park Dr
Pioneers Blvd
Van Dorn St
Spring Valley Pkwy


Lincoln
Sensitive Location - Parks
9/9/2025
Existing Park
Future Park
65
193
East 12th St
9th St
7th St
5th St
Nicholson Rd
Ferrari Ranch Rd
Twelve Bridges Dr
Lincoln Blvd
McBean Park Dr
Sun City Blvd
Del Webb Blvd
East Joiner Pkwy
Spring Valley Pkwy
Sunridge Blvd


Lincoln
Parks & Tobacco Retail Locations
9/9/2025
Tobacco Retail
Existing Park
Future Park
65
93


Lincoln
Parks & Tobacco Retail Locations
9/9/2025
Tobacco Retail
Existing Park
Future Park
1000 Ft. Park Perimeter
65
93


Lincoln
Sensitive Locations
9/9/2025
School
Existing Park
Future Park
65
93
Ferrari Ranch Rd
Twelve Bridges Dr
Lincoln Blvd
Sunridge Blvd
Spring Valley Pkwy


Lincoln
Sensitive Locations & Tobacco Retail
9/9/2025
Senstive Location
Tobacco Retail
1000 Ft. Perimeter
65
93

STAFF REPORT

Item Number 16.B

SUBJECT: Adopt a Resolution Approving the Downtown Innovation Hub Partnership with Jessup University. (Sean Scully)

SUBMITTED BY: City Clerk

DEPARTMENT: City Manager's Office

DATE: November 18, 2025

STAFF RECOMMENDATION:

Staff recommends that the City Council adopt a resolution approving the establishment of the Downtown Innovation Hub, a partnership between the City of Lincoln and Jessup University, including authorization to allocate $50,000 in remaining ARPA funds and provide the second floor of Old City Hall rent-free for a one-year pilot period. Resolution 2024-243 was approved by City Council on November 14th, 2024 which allocated $500,000 to the Community Development Department; this $50,000 would reallocate a portion of those funds.

BACKGROUND/INTRODUCTION:

On March 10, 2021, the United States Congress passed, and on March 11, 2021, President Joseph Biden signed into law, the American Rescue Plan Act ("**ARPA**"). ARPA established the Coronavirus State Fiscal Recovery Fund ("**CSFRF**") and Coronavirus Local Fiscal Recovery Fund ("**CLFRF**"), together known as the Coronavirus State and Local Fiscal Recovery Funds ("**SLFRF**") program, which provides a combined $350 billion in assistance to eligible state, local, territorial, and Tribal governments to help turn the tide on the pandemic, address its economic fallout, and lay the foundation for a strong and equitable recovery. The City received federal funding in the form of the SLFRF under ARPA in response to the coronavirus ("**COVID-19**") pandemic. These funds may be used to carry out a wide range of community development activities, including those that benefit local communities.

The interim final rule on SLFRF was issued by the Department of the Treasury effective May 17, 2021 with the final rule issued by the Department of the Treasury effective April 1, 2022. On December 29, 2022, Congress amended the SLFRF program in the Consolidated Appropriations Act, 2023 ("**2023 CAA**") to provide state, local, territorial and Tribal governments more flexibility to use SLFRF funds to provide emergency relief from natural disasters, build critical transportation infrastructure, and support community development. On August 10, 2023, Treasury released an interim final rule implementing these new eligible uses, and this interim final rule was published in the Federal Register on September 20, 2023.

Collectively the rules passed provide the rules and guidelines for how the ARPA funds may specifically be spent (the interim and final rules passed between 2021 and 2023 are herein referred to as the "**Rule**").

The City received approximately $11.5 million in ARPA funds. Subsequently, the City made the determination to designation $10 million of these funds as Standard Allowance funds which could be used for any general governmental purposes. The remaining $1.5 million are restricted to those purposes determined allowable under the Department of the Treasury final rule, the amended Consolidated Appropriations Act and other related rules and regulations.

On November 14, 2024, City Council authorized an MOU between the City of Lincoln and the Community Development Department to be utilized for Planning updates such as the Downtown Specific Plan, Planning/Building Code updates, etc. Since that time the City has received funding through grant and other sources for some of these endeavors and would therefore request a reallocation of the purpose of these funds.

FINDINGS/ANALYSIS:

The City of Lincoln and Jessup University have collaborated on a proposal to create the Downtown Lincoln Innovation Hub, a shared learning, collaboration, and entrepreneurship center located on the second floor of Old City Hall. The concept is designed to support local economic development, enhance workforce readiness, and provide meaningful downtown activation.

Under the proposal, the City will contribute $50,000 in seed funding from the ARPA, Standard Allocation funding allocation provided to the Community Development Department and make the second floor of Old City Hall available at no cost for the first year of the pilot program. Jessup University will activate the space using its graduate and professional programs while supporting the broader Lincoln business community through workshops, mentorship, and community-based projects.

This partnership creates a model of city-university collaboration that strengthens Lincoln's entrepreneurial ecosystem and supports long-term downtown revitalization.

The Downtown Innovation Hub will serve several interconnected purposes. It will operate as a real-world learning laboratory where Jessup graduate students across business, leadership, and data analytics can apply classroom concepts to live projects. The space will also function as a coworking and entrepreneurial support center for startups, small businesses, and nonprofits that are operating in or entering the Lincoln market. In addition, the Hub will help activate downtown by transforming unused civic space into a dynamic site for learning, collaboration, and community engagement. Finally, the Innovation Hub will serve as a platform for academic expansion by supporting feasibility work related to Jessup's emerging program pathways.

In addition to providing seed funding and space for the Downtown Innovation Hub, the City will participate in a quarterly Steering Committee to support oversight and performance review. Jessup University will lead day-to-day operations of the Innovation Hub, including faculty

engagement, curriculum integration, and overall program design. Jessup will staff the space with faculty, graduate assistants, and program coordinators; deliver workshops open to Lincoln entrepreneurs; and conduct feasibility studies to explore long-term academic expansion in Downtown Lincoln.

The Innovation Hub advances key goals in the City's Economic Development Committee Strategic Action Plan. It reactivates a vacant City-owned asset into a productive community resource, enhances workforce and business readiness through mentorship and applied learning, and strengthens higher-education partnerships that can attract new investment, talent, and innovation to Lincoln.
During the pilot year, the Innovation Hub is expected to engage more than 100 Jessup graduate students who will participate through applied research and consulting projects. At least 15 Lincoln businesses are anticipated to benefit from workshops, coworking opportunities, and mentorship services. Additionally, the Hub will host a minimum of two community-wide innovation events to support local entrepreneurship and elevate downtown activity.

The Downtown Innovation Hub pilot represents a mutually beneficial opportunity for the City of Lincoln and Jessup University. The project activates a key downtown asset, supports local entrepreneurs and small businesses, and strengthens connections between higher education and civic innovation. It also creates an avenue to explore long-term academic expansion for Jessup within Lincoln's downtown core. By leveraging a limited, one-time ARPA investment, the City can launch a high-impact program that advances economic vitality, workforce development, and downtown reinvestment in alignment with City Council's strategic goals.

FISCAL IMPACT:

The City received approximately $11.5 million in ARPA funds. Subsequently, the City made the determination to designation $10 million of these funds as Standard Allowance funds which could be used for any general governmental purposes. The remaining $1.5 million are restricted to those purposes determined allowable under the Department of the Treasury final rule, the amended Consolidated Appropriations Act and other related rules and regulations.

On November 14, 2024, City Council authorized an MOU between the City of Lincoln and the Community Development Department to be utilized for Planning updates such as the Downtown Specific Plan, Planning/Building Code updates, etc. Since that time the City has received funding through grant and other sources for some of these endeavors and would therefore request a reallocation of the purpose of these funds.

The proposed action authorizes the reallocation of $50,000 in the funds provided to Community Development to support pilot year operations. No additional General Fund impact is anticipated. Utilities and Wi-Fi for the space are already included within existing facility operating budgets.

ATTACHMENTS:
RESOLUTION_-_Downtown_Innovation_Hub__11.18.2025.docx

InnovationHub_Proposal.pdf

RESOLUTION 2025 -

A RESOLUTION OF THE CITY COUNCIL OF LINCOLN AUTHORIZING THE COMMUNITY DEVELOPMENT DEPARTMENT TO ENTER INTO A MEMORANDUM OF UNDERSTANDING WITH JESSUP UNIVERSITY IN AN AMOUNT NOT TO EXCEED $50,000 FOR THE ESTABLISHMENT OF THE DOWNTOWN INNOVATION HUB SUBJECT TO CITY ATTORNEY APPROVAL AND CONCURRENCE

WHEREAS, on March 10, 2021, the United States Congress passed, and on March 11, 2021, President Joseph Biden signed into law, the American Rescue Plan Act ("ARPA"). ARPA established the Coronavirus State Fiscal Recovery Fund ("CSFRF") and Coronavirus Local Fiscal Recovery Fund ("CLFRF"), together known as the Coronavirus State and Local Fiscal Recovery Funds ("SLFRF") program, which provides a combined $350 billion in assistance to eligible state, local, territorial, and Tribal governments to help turn the tide on the pandemic, address its economic fallout, and lay the foundation for a strong and equitable recovery. The City received federal funding in the form of the SLFRF under ARPA in response to the coronavirus ("COVID-19") pandemic. These funds may be used to carry out a wide range of community development activities, including those that benefit local communities; and

WHEREAS, the interim final rule on SLFRF was issued by the Department of the Treasury effective May 17, 2021 with the final rule issued by the Department of the Treasury effective April 1, 2022. On December 29, 2022, Congress amended the SLFRF program in the Consolidated Appropriations Act, 2023 ("2023 CAA") to provide state, local, territorial and Tribal governments more flexibility to use SLFRF funds to provide emergency relief from natural disasters, build critical transportation infrastructure, and support community development. On August 10, 2023, Treasury released an interim final rule implementing these new eligible uses, and this interim final rule was published in the Federal Register on September 20, 2023. Collectively the rules passed provide the rules and guidelines for how the ARPA funds may specifically be spent (the interim and final rules passed between 2021 and 2023 are herein referred to as the "Rule"); and

WHEREAS, the City received approximately $11.5 million in ARPA funds. Subsequently, the City made the determination to designation $10 million of these funds as Standard Allowance funds which could be used for any general governmental purposes. The remaining $1.5 million are restricted to those purposes determined allowable under the Department of the Treasury final rule, the amended Consolidated Appropriations Act and other related rules and regulations; and

WHEREAS, on November 14, 2024, City Council authorized an MOU between the City of Lincoln and the Community Development Department to be utilized for Planning updates such as the Downtown Specific Plan, Planning/Building Code updates, etc. Since that time the City has received funding through grant and other sources for some of these endeavors and would therefore request a reallocation of the purpose of these funds; and

WHEREAS, over the past number of years, the City Council has frequently discussed opportunities to activate key downtown facilities in support of economic development, entrepreneurship, and community-serving innovation; and

WHEREAS, the Economic Development Committee (EDC) has identified activation of the downtown area—particularly through partnerships that strengthen workforce readiness, higher education engagement, and small business support—as a strategic priority and has been working diligently on initiatives aimed at identifying opportunities and paths forward to enhance downtown vibrancy; and

WHEREAS, the City of Lincoln has sought ways to leverage existing City-owned facilities, such as the second floor of the Old City Hall building, to support new forms of educational, entrepreneurial, and civic use; and

WHEREAS, Jessup University has agreed to partner with the City to create the Downtown Innovation Hub, a collaborative teaching, research, and business incubation space that will be used for graduate coursework, mentorship, community workshops, and small business support; and

WHEREAS, City staff and Jessup University have developed a detailed program concept identifying the scope of the Downtown Innovation Hub pilot program and outlining the first-year operational needs for activation of the space; and

WHEREAS, the Council has approved funding under the ARPA Standard Allowance revenues to address civic amenities and economic recovery initiatives, including the activation of downtown facilities and programs such as the Downtown Innovation Hub;

WHEREAS, this action is exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15061(b)(3) of the CEQA Guidelines, as it can be seen with certainty that there is no possibility the activity in question may have a significant effect on the environment.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Lincoln as follows:

Section 1: The City Council hereby authorizes the Community Development Department to enter into a Memorandum of Understanding (MOU) with Jessup University in an amount not to exceed $50,000 for the purpose of establishing and implementing the Downtown Innovation Hub pilot program. The MOU shall identify that the funding shall not go toward university administrative expenses or salaries unrelated to the operation of the Innovation Hub and will be for the sole purpose of supporting equipment, startup costs, program delivery, and activation of the Old City Hall space. Additionally, the MOU shall identify any other reasonable requirements, timelines, and laws relevant to ensure that the agreement facilitates successful implementation of the program.

Section 2: In the event that Jessup University is unable to perform under the provisions of the MOU or for any other reason that makes implementation of the Downtown Innovation Hub not possible, the funds will be transferred to the Lincoln Community Foundation, where they will be held in trust while another appropriate partner is sought to carry out the intended programmatic activities.

Section 3: The MOU shall not be executed until approval and concurrence is received by the City Attorney for legal sufficiency.

PASSED AND ADOPTED this 18th day of November, 2025 by the following vote:

AYES: Councilmembers:
NOES: Councilmembers:
ABSENT: Councilmembers:
ABSTAIN: Councilmembers:

_____
Holly Andreatta, Mayor

ATTEST:

_____
Hope Ithurburn, City Clerk

CITY OF LINCOLN & JESSUP UNIVERSITY
DOWNTOWN INNOVATION HUB

The City of Lincoln proposes a strategic partnership with Jessup University to establish the Downtown Lincoln Innovation Hub, a collaborative learning, research, and business incubation space on the second floor of the Old City Hall building.

The City will provide $50,000 in seed funding from remaining ARPA resources and will make the space available free of charge for the first year. Jessup University will activate the space through its graduate and professional programs, using it as a teaching, collaboration, and applied innovation site for students, faculty, and local entrepreneurs.

The Innovation Hub will serve as:

- A real-world learning lab for Jessup graduate students across business, law, health, and leadership disciplines;
- A flexible coworking and support space for small businesses, startups, and nonprofits in Lincoln; and
- A launchpad for future academic expansion, potentially including Jessup's emerging law and medical program pathways.

This proposal creates a flagship example of city–university collaboration in Placer County while advancing local entrepreneurship, workforce development, and downtown revitalization.

PURPOSE & VISION

The Downtown Lincoln Innovation Hub aligns with the City's Economic Development Committee Strategic Action Plan by:

1. Reactivating a City-owned asset (Old City Hall) into a productive, education-focused community use.
2. Enhancing workforce and business readiness through direct mentorship and collaboration.
3. Strengthening partnerships with higher education to attract investment, talent, and innovation to Lincoln.

The vision is to establish an innovative ecosystem where students, entrepreneurs, and civic leaders work side-by-side to develop business ideas, tackle community challenges, and accelerate career and enterprise growth.

PROGRAM OVERVIEW

- Jessup Operations:
  - Utilize the space for graduate coursework, workshops, and student collaboration across MBA, Executive MBA, MS Business Analytics, and MAcc programs.
  - Incorporate community-based projects into graduate curricula (consulting, data analytics, leadership, and policy design).

- Community Activation:
  - Host regular open workshops, pitch nights, and business education sessions for Lincoln's entrepreneurial community.
  - Provide shared workspace and mentoring for local startups and small businesses.

- Future Planning:
  - Conduct a feasibility study for Jessup Law School and Medical Program expansion utilizing this downtown campus concept.

ROLES & RESPONSIBILITIES

City of Lincoln

- Provide $50,000 seed funding (ARPA) to support startup costs, equipment, and program coordination.
- Offer Old City Hall's second floor rent-free for 12 months, with utilities and Wi-Fi included.
- Partner on program promotion, business outreach, and downtown integration.
- Participate in quarterly Innovation Hub Steering Committee meetings for oversight and performance tracking.

Jessup University

- Lead program design, curriculum integration, and on-site management.
- Staff the Innovation Hub with faculty, graduate assistants, and program coordinators.
- Deliver monthly workshops and mentorship sessions open to Lincoln entrepreneurs.
- Explore long-term academic programming opportunities.

PROJECTED OUTCOMES

- City of Lincoln Benefits
  - Economic Development: activates vacant downtown space; supports small business ecosystem
  - Education & Workforce: trains Lincoln residents, entrepreneurs, and future workforce
  - Regional Branding: position Lincoln as a hub for innovation and higher education
  - Future Growth: builds groundwork for permanent Innovation Center

- Jessup University Benefits
  - Economic Development: provides real-world business consulting and entrepreneurship experience
  - Educations & Workforce integrates graduate student capstones and research with community partners
  - Regional Branding: expands Jessup's regional presence and builds a pathway for new academic programs
  - Future Growth: Tests expansion opportunities for new faith-based programs

GOVERNANCE

A City–Jessup Innovation Hub Steering Committee will meet quarterly to guide operations, review performance metrics, and set priorities for expansion. After the initial 12-month pilot, both parties will evaluate extending the partnership, with potential for:

- Multi-year facility use agreement;
- Joint pursuit of grants or sponsorships; and
- Establishment of a permanent Downtown Innovation Center housing future Jessup programs

PERFORMANCE METRICS

Performance Metrics

- 100+ Jessup graduate students participating annually through applied projects.
- 15+ Lincoln businesses engaged through workshops, coworking, or mentorship.
- 2+ community-wide innovation events hosted in the first year.

CONCLUSION

The Downtown Lincoln Innovation Hub represents a forward-thinking, mutually beneficial collaboration that blends education, entrepreneurship, and civic purpose. By providing $50,000 in seed funding and Old City Hall rent-free for one year, the City of Lincoln will activate a key downtown asset while fueling innovation, workforce readiness, and higher education partnership.

Jessup University, in turn, brings academic rigor, faculty expertise, and student energy, turning Old City Hall into a living laboratory for business, leadership, law, and health innovation in Lincoln.

STAFF REPORT

Item Number 16.C

SUBJECT: Adopt a Resolution Approving the Issuance of the City of Lincoln Community Facilities District No. 2025-1 (Joiner Ranch East) Special Tax Bonds, Series 2025. (Nita Wracker)

SUBMITTED BY: Nita Wracker

DEPARTMENT: Finance

DATE: November 18, 2025

STAFF RECOMMENDATION:
Staff Recommends the City Council adopt a resolution to approve the issuance of the City of Lincoln Community Facilities District No. 2025-1 (Joiner Ranch East) Special Tax Bonds, Series 2025 (the "Bonds").

BACKGROUND/INTRODUCTION:

The Mello-Roos Community Facilities Act of 1982 (the "Act") was adopted by the State of California as a method for financing infrastructure improvements and services. The Act has been frequently used throughout the State to finance infrastructure improvements, especially those associated with new developments.

In 2025, the City Council formed City of Lincoln Community Facilities District No. 2025-1 (Joiner Ranch East) (the "District") pursuant to the Act to finance certain public capital improvements required for the development of the proposed project within the District and certain improvements eligible for construction from development impact fees. The project within the District is called "Joiner Ranch East." The District is generally located along the southeast corner of Nicolaus Road and Joiner Parkway within the City.

The master developer, JEN California 24 LLC, is responsible for constructing major infrastructure and delivering finished lots to D.R. Horton in two phases. Phase 1 included 101 lots, with 11 homes completed, 26 under construction, and 64 finished lots as of October 1, 2025. Phase 2, consisting of 97 lots, is expected to be transferred by March 2026. D.R. Horton acquires lots either directly or through Jasper-Lincoln, L.P. (the Hearthstone Landbank), under an option agreement that obligates it to pay the special tax on lots under contract. If the agreement ends before all lots are acquired, the Hearthstone Landbank will be responsible for the special taxes due on its holdings.

FINDINGS/ANALYSIS:

The Bonds are estimated to be issued in the principal amount of approximately $11,845,000

with a final maturity of September 1, 2055 (approximately 30-year financing term). The final structure and payment schedule will be determined when the Bonds are priced and sold, which is expected to be in early December 2025. The closing is scheduled to occur approximately two weeks after pricing the Bonds.

The Series 2025 Bonds are being sized based solely on Special Taxes generated from parcels that had been issued building permits as of October 1, 2025. As of the October 1, 2025 date of value in the appraisal report presented at this meeting, the appraised market value of all taxable parcels in the District—assuming full buildout of 198 residential units—is approximately $42,554,000. Based on this valuation, the District may issue up to $10,635,000 in bonds and still meet the required 4:1 value-to-lien ratio. This approach aligns with the City of Lincoln's adopted CFD Goals and Policies and reflects market standards across California, which require a minimum 4:1 value-to-lien ratio.

To maintain compliance with the 4:1 standard, the financing includes a self-supporting escrow bond structure (i.e. interest on the escrow bonds is funded through September 1, 2026 and the escrows are subject to extraordinary redemption if the escrow release test is not met). An additional $1,210,000 in Escrow Term Bonds will be issued and held in escrow. These funds will only be released to the Acquisition and Construction Fund upon receipt of an updated appraisal demonstrating that the District continues to meet the 4:1 value-to-lien ratio after the release. If the release test is not satisfied by the Escrow Closing Date, the escrowed funds will be used to redeem the Escrow Term Bonds in full on September 1, 2026.

The proposed Series 2025 Bonds will be issued to fund the following:

- Acquisition and construction of public improvements.
- Capitalized interest through September 1, 2026.
- Establishment of a reserve subaccount.
- Costs of issuance.
- Funding of an escrow account for Escrow Term Bonds.

The Escrow Fund is a temporary holding account for an estimated $1,210,000 of Escrow Term Bonds. As a condition to release the escrow funds, the District and Trustee must receive a certificate from an Independent Financial Consultant confirming that the Value of District Property is at least four times the sum of: Outstanding Bonds, Parity Bonds, and Overlapping Debt (other district obligations).

The Bonds are secured solely by Net Taxes, which consist of special tax revenues remaining after payment of administrative expenses. A 2025 Bonds Reserve Subaccount will be funded at closing to provide additional security for bondholders. Under the Indenture, the District may issue additional indebtedness secured by the Net Taxes on a parity with the Bonds only for the purposes of refunding all or a portion of the Bonds or Parity Bonds.

The Fiscal Year 2026-27 estimated Special Tax levy on homes within the District range from $3,533 to $4,096 depending on the home size of the residential unit. On July 1 each fiscal year, rates increase at 2.0%.

As required under Section 5852.1 of the California Government Code, the good faith estimates as provided by the Municipal Advisor and Underwriter are set forth below.

Principal Amount. The Municipal Advisor has informed the District that, based on the District's financing plan and current market conditions, its good faith estimate of the aggregate principal amount of the Bonds to be issued and sold is $11,845,000 (the "Estimated Principal Amount"). Such Estimated Principal Amount net of original issue discount amount would produce approximately $9,695,029 of gross proceeds.

True Interest Cost. The Municipal Advisor has informed the District that, assuming that the Estimated Principal Amount of the Bonds is issued and sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the true interest cost of the Bonds, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the Bonds, is 5.26%.

Finance Charge. The Municipal Advisor has informed the District that, assuming that the Estimated Principal Amount of the Bonds is issued and sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the finance charge for the Bonds, which means the sum of all fees and charges paid to third parties (or costs associated with the Bonds), is $567,675.

Amount of Proceeds to be Received. The Municipal Advisor has informed the District that, assuming that the Estimated Principal Amount of the Bonds is issued and sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the amount of proceeds expected to be received by the District for sale of the Bonds, less the finance charge of the Bonds, as estimated above, and any reserves or capitalized interest paid or funded with proceeds of the Bonds, is $9,695,029.

Total Payment Amount. The Municipal Advisor has informed the District that, assuming that the Estimated Principal Amount of the Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the total payment amount, which means the sum total of all payments the District will make to pay debt service on the Bonds, plus the finance charge for the Bonds, as described above, not paid with the proceeds of the Bonds, calculated to the final maturity of the Bonds, is $24,988,945, which excludes any reserves or capitalized interest funded or paid with proceeds of the Bonds (which may offset such total payment amount).

Approval of the resolution presented approves the preparation, form of, and/or authorizes the execution and delivery of the following documents:

- **Preliminary Official Statement**: The Preliminary Official Statement (the "POS") is the "offering document" for the Bonds. The POS describes the District, the Bonds, the proposed development within the District, and any other information that would be material to a prospective investor's decision on whether to purchase the Bonds.
- **Bond Indenture**: The Bond Indenture is a contract between the District and U.S. Bank Trust Company, National Association, as the appointed Trustee for the Bonds. This agreement contains terms of the Bonds, including, but not limited to, the payment and redemption provisions, the pledge of revenues to pay Bonds, rights and duties of the Trustee, remedies upon a default in the payment of the Bonds, and other related matters.
- **Continuing Disclosure Certificate**: Executed for the benefit of bondholders, the Continuing Disclosure Certificate obligates the District to file an annual report each

Fiscal Year which includes, among other things, the most recent audited financial statements of the City and financial data relating to the District. The District is also required to report certain significant events to bondholders if they occur.

- **Bond Purchase Agreement**: Under the Bond Purchase Agreement, the District agrees to sell the Bonds to the underwriter, and the underwriter agrees to purchase the Bonds, subject to typical closing conditions. City staff, the City's Municipal Advisor, and Bond Counsel will sign off on the final pricing of the Bonds before the Bond Purchase Agreement is executed.

Bond Counsel and the City Attorney have reviewed the attached financing documents on behalf of the City. If this resolution is approved, City staff will continue working with the financing team to finalize all of the documents mentioned above.

ENVIRONMENTAL REVIEW:

The Joiner Ranch East development previously receive all approval required pursuant to the California Environmental Quality Act ("CEQA"), as codified at Public Resources Code §§ 21000, *et seq*.>.

FISCAL IMPACT:

The Bonds are paid from Special Taxes levied in the District. There is no fiscal impact on the City's General Fund. The City will, however, be required to provide administration for the District. City administration costs are funded as part of the annual Special Tax levy.

ATTACHMENTS:

REVISED - Resolution_of_Issuance_4906-9921-4450_4.docx

Bond Indenture 4922-2377-8418_4.docx

Preliminary Official Statement 4910-4524-4530_7.docx

BPA - City of Lincoln CFD 2025-1 (Joiner Ranch East) 2025 Bonds.docx

193-2025-0374 - City of Lincoln CFD No. 2025-1 (Joiner Ranch East).pdf

RESOLUTION NO. 2025-

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LINCOLN, CALIFORNIA, ACTING AS THE LEGISLATIVE BODY OF CITY OF LINCOLN COMMUNITY FACILITIES DISTRICT NO. 2025-1 (JOINER RANCH EAST) AUTHORIZING THE ISSUANCE OF ITS SPECIAL TAX BONDS, SERIES 2025 IN A PRINCIPAL AMOUNT NOT TO EXCEED THIRTEEN MILLION DOLLARS ($13,000,000) AND APPROVING CERTAIN DOCUMENTS AND TAKING CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH

WHEREAS, on June 24, 2025, the City Council (the "City Council") of the City of Lincoln (the "City"), adopted Resolution 2025-087 stating its intention to form City of Lincoln Community Facilities District No. 2025-1 (Joiner Ranch East) ("CFD No. 2025-1" or the "District") pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, Part 1, Division 2, Title 5 of the Government Code of the State of California (the "Act"); and

WHEREAS, on June 24, 2025, the City Council adopted Resolution 2025-088 stating its intention to incur bonded indebtedness in any amount not to exceed $23,500,000 within CFD No. 2025-1 pursuant to the Act; and

WHEREAS, after a public hearing, on August 12, 2025, the Council adopted Resolution Nos. 2025-120 and 2025-121, which formed the District and called a special election for August 12, 2025 within the District on propositions relating to the levying of a special tax, the incurring of bonded indebtedness in a principal amount not to exceed $23,500,000 and the establishment of an appropriations limit for the District, which were approved by more than two-thirds vote by the qualified electors on August 12, 2025 ; and

WHEREAS, the legislative body of the District desires to issue a first series of bonds for the District at this time under the Act to finance certain public facilities which the District is authorized to finance (the "Facilities"); and

WHEREAS, the District desires to finance certain Facilities through the issuance of bonds in an aggregate principal amount not to exceed $13,000,000 designated as the "Community Facilities District No. 2025-1 (Joiner Ranch East) of the City of Lincoln Special Tax Bonds, Series 2025 (the "Bonds"); and

WHEREAS, in order to effect the issuance of the Bonds, the District desires to enter into various agreements and approve certain documents in substantially the forms presented herein; and

WHEREAS, based on the appraisal of real property prepared by Integra Realty Resources (the "Appraisal") of certain property within the District, and the full cash value as shown on the ad valorem assessment roll of the County of Placer with respect to property in the District not appraised in the Appraisal, the value of the real property in the District subject to the special tax to pay debt service on the Bonds is more than three times the sum of the principal amount of the Bonds and the principal amount of all other bonds outstanding that are secured by a special tax levied pursuant to the Act or a special

assessment levied on property within the District as calculated in the manner set forth in Section 53345.8(a) of the Act; and

WHEREAS, the City Council has determined in accordance with Section 53360.4 of the Act that a negotiated sale of the Bonds to Piper Sandler & Co. (the "Underwriter") in accordance with the terms of the Bond Purchase Agreement for the Bonds to be entered into by the District and the Underwriter (the "Bond Purchase Agreement") approved as to form by this City Council herein will result in a lower overall cost to the District than a public sale; and

WHEREAS, depending on the conditions of the municipal bond market, the Bonds may be sold to allow a portion of the proceeds of the Bonds to be placed in the Escrow Fund (as defined below), which structure, based on the Appraisal, would result in the value of the real property in the District subject to the special tax to pay debt service on the Bonds being less than four times the sum of the principal amount of the Bonds and the principal amount of all other bonds outstanding that are secured by a special tax levied pursuant to the Act or a special assessment levied on property within the District, as calculated in the manner set forth in Section 53345.8(a) of the Act (the "Value-to-Lien Test"); and

WHEREAS, based on the escrow structure, the legislative body of the District desires to waive the four to one Value-to-Lien Test set forth in the City's Goals and Policies for Community Facilities Districts (the "Goals and Policies") to allow for the funding of a self-financing and self-liquidating escrow fund (the "Escrow Fund") under the Indenture (as defined below), to the extent that the conditions of the municipal bond market allow, which determinations are based on the considerations set forth in Section 8 hereof;

WHEREAS, the District has determined to adopt the City's Debt Management Policy as the debt management policy of the District.

NOW, THEREFORE, THE CITY COUNCIL, ACTING AS THE LEGISLATIVE BODY OF CITY OF LINCOLN COMMUNITY FACILITIES DISTRICT NO. 2019-1 (INDEPENDENCE AT LINCOLN), DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOW:

SECTION 1. Each of the above recitals is true and correct.

SECTION 2. The issuance of the Bonds is hereby authorized in an aggregate principal amount not to exceed $13,000,000 with the exact principal amount to be determined by the official signing the Bond Purchase Agreement in accordance with Section 5 below. The City Council hereby determines that it is prudent in the management of the District's fiscal affairs to issue the Bonds. The Bonds shall mature on the dates and pay interest at the rates set forth in the Bond Purchase Agreement to be executed on behalf of the District in accordance with Section 5 hereof. All other provisions of the Bonds shall be governed by the terms and conditions of the Bond Indenture (the "Indenture"), which Indenture is hereby approved in substantially the form on file with the City Clerk, with such

additions thereto and changes therein (including, but not limited to, changes in the amount to be maintained in the 2025 Bonds Reserve Subaccount (as defined in the Indenture)) as the officer or officers executing the same deem necessary to enhance the security for the Bonds, to cure any ambiguity or defect therein, to insert the offering price(s), interest rate(s), selling compensation, principal amount per maturity, redemption dates and prices and such other related terms and provisions as limited by Section 5 hereof or to conform any provisions therein to the Bond Purchase Agreement or the Official Statement delivered to the Underwriter of the Bonds. Approval of such changes shall be conclusively evidenced by the execution and delivery of the Indenture by one of the following: the Mayor, the City Manager, the Assistant City Manager, the Finance Director, or their written designees (each, an "Authorized Officer" and collectively, the "Authorized Officers"), each of whom is authorized to execute the Indenture. Capitalized terms used in this Resolution which are not defined herein have the meanings ascribed to them in the Indenture.

SECTION 3. The Bonds shall be executed on behalf of the District by the manual or facsimile signature of the Mayor of the City or his or her written designee and be attested by the manual or facsimile signature of the City Clerk. U.S. Bank Trust Company, National Association is hereby appointed to act as trustee, registrar and transfer agent for the Bonds.

SECTION 4. The covenants set forth in the Indenture to be executed in accordance with Section 2 above are hereby approved, shall be deemed to be covenants of the City Council and shall be complied with by the District and its officers. The Indenture shall constitute a contract between the District and the Owners of the Bonds.

SECTION 5. The form of the Bond Purchase Agreement presented at this meeting is hereby approved and each of the Authorized Officers is hereby authorized to execute the Bond Purchase Agreement, with such additions thereto and changes therein relating to dates and numbers as are necessary to conform the Bond Purchase Agreement to the dates, amounts and interest rates applicable to the Bonds as of the sale date. Approval of such additions and changes shall be conclusively evidenced by the execution and delivery of the Bond Purchase Agreement by one or more of such Authorized Officers; provided, however, that the Bond Purchase Agreement shall be signed only if the Underwriter's discount does not exceed 1.60% of the principal amount of the Bonds and only if the true interest cost on the Bonds does not exceed 6.50%. Each of the Authorized Officers is authorized to determine the day on which the Bonds are to be priced in order to attempt to produce the lowest borrowing cost for the District and may reject any terms presented by the Underwriter if determined not to be in the best interest of the District.

SECTION 6. The form of the Continuing Disclosure Certificate presented at this meeting is hereby approved and each of the Authorized Officers is hereby authorized and directed to execute the Continuing Disclosure Certificate in the form hereby approved, with such additions therein and changes thereto as the officer or officers executing the same deem necessary to cure any defect or ambiguity therein, with such approval to be conclusively evidenced by the execution and delivery of such certificate.

SECTION 7. The form of the Preliminary Official Statement presented at this meeting is hereby approved and the Underwriter is hereby authorized to distribute the Preliminary Official Statement to prospective purchasers of the Bonds in the form hereby approved, together with such additions thereto and changes therein as are determined necessary by the Authorized Officers to make such Preliminary Official Statement final as of its date for purposes of Rule 15c2-12 of the Securities and Exchange Commission. Each of the Authorized Officers is hereby authorized to execute a final Official Statement in the form of the Preliminary Official Statement, together with such changes as are determined necessary by the Authorized Officers, to make such Official Statement complete and accurate as of its date. The Underwriter is further authorized to distribute the final Official Statement for the Bonds and any supplement thereto to the purchasers of the Bonds upon the execution of the final Official Statement as described above.

SECTION 8. If market conditions at the time the Bonds are sold permit the funding of the Escrow Fund from a portion of the proceeds of the Bonds and the Value-to-Lien Test is not satisfied, (i) a portion of the Bonds will be placed in the Escrow Fund, which together with investment earnings, if any, and with other funds on deposit under the Indenture for the Bonds, will be adequate to pay debt service on the amount of Bonds in the Escrow Fund unless and until amounts in the Escrow Fund are released or applied to redeem Bonds; and (ii) additional proceeds will not be released from the Escrow Fund until the four to one Value-to-Lien Test is satisfied, as set forth in the Indenture. Based on the foregoing requirements, the legislative body of the District waives the four to one Value-to-Lien Test set forth in the Goals and Policies.

SECTION 9. In accordance with the requirements of Section 53345.8 of the Act, based on the Appraisal, and the full cash value as shown on the ad valorem assessment roll of the County of Placer with respect to property in the District not appraised in the Appraisal, the legislative body of the District hereby determines that the value of the real property in the District subject to the special tax to pay debt service on the Bonds is more than three times the principal amount of the Bonds and the principal amount of all other bonds outstanding that are secured by a special tax levied pursuant to the Act or a special assessment levied on property within the District, all as calculated in the manner provided in Section 53345.8(a) of the Act.

SECTION 10. Each Authorized Officer is authorized to provide for all services necessary to effect the issuance of the Bonds. Such services shall include, but not be limited to, printing the Bonds, obtaining legal services, trustee and paying agent services, and any other services deemed appropriate as set forth in a certificate of such Authorized Officer. Each Authorized Officer is authorized to pay for the cost of such services, together with other costs of issuance, from Bond proceeds deposited pursuant to the Indenture. The City Council hereby appoints Piper Sandler & Co. as Underwriter, PFM Financial Advisors LLC as Municipal Advisor, and Stradling Yocca Carlson & Rauth LLP, as Bond Counsel and Disclosure Counsel with respect to the issuance of the Bonds.

SECTION 11. The Authorized Officers, the City Clerk and the other officers and staff of the City and the District responsible for the fiscal affairs of the District are hereby authorized and directed to take any actions and execute and deliver any and all

documents as are necessary to accomplish the issuance, sale and delivery of the Bonds in accordance with the provisions of this Resolution and the fulfillment of the purposes of the Bonds as described in the Indenture, including, in the discretion of any of the Authorized Officers, the execution and delivery of a letter of credit or cash depository agreements with respect to the special taxes to be levied on property owned by developers within the District, and providing certificates to the Underwriter as to the accuracy of any information relating to the District which is included within the Official Statement. Any document authorized herein to be signed by the City Clerk may be signed by a duly appointed deputy clerk.

SECTION 12. The District hereby adopts the City's Debt Management Policy, as amended, supplemented and restated from time to time, as the debt management policy of the District pursuant to California Government Code Section 8855.

SECTION 13. The City Council acknowledges that the good faith estimates required by Section 5852.1 of the California Government Code are disclosed in the staff report and are available to the public at the meeting at which this Resolution is approved.

SECTION 14. This Resolution shall be effective upon its adoption.

PASSED AND ADOPTED this 18th day of November, 2025 by the following vote:

AYES: Councilmembers:
NOES: Councilmembers:
ABSENT: Councilmembers:
ABSTAIN: Councilmembers:

_____
Holly Andreatta, Mayor

ATTEST:

_____
Hope Ithurburn, City Clerk

BOND INDENTURE

Between

CITY OF LINCOLN COMMUNITY FACILITIES DISTRICT NO. 2025-1
(JOINER RANCH EAST)

and

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,
as Trustee

Relating to

$_____
CITY OF LINCOLN COMMUNITY FACILITIES DISTRICT NO. 2025-1
(JOINER RANCH EAST)
SPECIAL TAX BONDS, SERIES 2025

Dated as of December 1, 2025

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BOND INDENTURE

THIS BOND INDENTURE dated as of December 1, 2025, by and between CITY OF LINCOLN COMMUNITY FACILITIES DISTRICT NO. 2025-1 (JOINER RANCH EAST) (the "District") and U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, as trustee (the "Trustee"), governs the terms of the City of Lincoln Community Facilities District No. 2025-1 (Joiner Ranch East) Special Tax Bonds, Series 2025 and any Parity Bonds issued in accordance herewith from time to time.

RECITALS :

A. The City Council of the City of Lincoln, located in the County of Placer, California (the "City Council"), has undertaken proceedings and declared the necessity to issue bonds on behalf of the District pursuant to the terms and provisions of the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, Part 1, Division 2, Title 5, of the Government Code of the State of California (the "Act").

B. Based upon Resolution Nos. 2025-087 and 2025-088, adopted by the City Council on June 24, 2025 and Resolutions No. 2025-120 and 2025-121 and adopted by the City Council on August 12, 2025, and elections held on August 12, 2025 authorizing the levy of a special tax and the issuance of bonds, the District is authorized to issue bonds in one or more series pursuant to the Act, in an aggregate principal amount not to exceed $23,500,000.

C. The District intends to finance various Project Costs (as defined herein) through the issuance of bonds in an aggregate principal amount of $_____ designated as the "City of Lincoln Community Facilities District No. 2025-1(Joiner Ranch East) Special Tax Bonds, Series 2025" (the "Bonds"); and

D. The District has determined that all requirements of the Act for the issuance of the Bonds have been satisfied.

NOW, THEREFORE, in order to establish the terms and conditions upon and subject to which the Bonds are to be issued, and in consideration of the premises and of the mutual covenants contained herein and of the purchase and acceptance of the Bonds by the Owners thereof, and for other valuable consideration, the receipt of which is hereby acknowledged, the District does hereby covenant and agree, for the benefit of the Owners of the Bonds and any Parity Bonds (as defined herein) which may be issued hereunder from time to time, as follows:

ARTICLE I

DEFINITIONS

Section 1.1. Definitions. Unless the context otherwise requires, the following terms shall have the following meanings:

Account. The term "Account" means any account created pursuant to this Indenture.

Act. The term "Act" means the Mello-Roos Community Facilities Act of 1982, as amended, being Section 53311 *et seq.* of the California Government Code.

Acquisition and Construction Fund. The term "Acquisition and Construction Fund" means the fund by that name established pursuant to Section 3.1 hereof.

Administrative Expense Account. The term "Administrative Expense Account" means the account by that name created and established in the Special Tax Fund pursuant to Section 3.1 hereof.

Administrative Expenses. The term "Administrative Expenses" means the administrative costs with respect to the calculation and collection of the Special Taxes, including all attorneys' fees, expenses and other costs related thereto (including those of the Trustee's counsel), the fees and expenses of the Trustee, any fees and related costs for credit enhancement for the Bonds or any Parity Bonds which are not otherwise paid as Costs of Issuance, any costs related to the District's compliance with state and federal laws requiring continuing disclosure of information concerning the Bonds and the District, and any other costs otherwise incurred by City staff on behalf of the District in order to carry out the purposes of the District as set forth in the Resolution of Formation and any obligation of the District hereunder.

Administrative Expenses Cap. The term "Administrative Expenses Cap" means $40,000, which amount shall escalate at 2.00% per Fiscal Year, commencing July 1, 2026.

Alternate Penalty Account. The term "Alternate Penalty Account" means the account by that name created and established in the Rebate Fund pursuant to Section 3.1 hereof.

Annual Debt Service. The term "Annual Debt Service" means the principal amount of any Outstanding Bonds or Parity Bonds payable in a Bond Year either at maturity or pursuant to a Sinking Fund Payment and any interest payable on any Outstanding Bonds or Parity Bonds in such Bond Year, if the Bonds and any Parity Bonds are retired as scheduled.

Authorized Investments. The term "Authorized Investments" means any of the following which at the time of investment are legal investments under the laws of the State for the moneys proposed to be invested therein:

(1) For all purposes, including defeasance investments in refunding escrow accounts:

(a) cash; or

(b) obligations of, or obligations guaranteed as to principal and interest by, the U.S. or any agency or instrumentality thereof, when such obligations are backed by the full faith and credit of the U.S., including U.S. treasury obligations, all direct or fully guaranteed obligations, Farmers Home Administration, General Services Administration, guaranteed Title XI financing, Government National Mortgage Association (GNMA) and State and Local Government Series; or

(c) obligations of government-sponsored agencies that are not backed by the full faith and credit of the U.S. Government: Federal Home Loan Mortgage Corporation (FHLMC) debt obligations, Farm Credit System (formerly: Federal Land Banks, Federal Intermediate Credit Banks and Banks for Cooperatives), Federal Home Loan Banks (FHL Banks), Federal National Mortgage Association (FNMA) debt obligations, Financing Corp. (FICO) debt obligations, Resolution Funding Corp. (REFCORP) debt obligations and U.S. Agency for International Development (U.S.A.I.D.) guaranteed notes.

(2) For all purposes other than defeasance investments in refunding escrow accounts:

(a) obligations of any of the following federal agencies, which obligations represent the full faith and credit of the United States of America: Export-Import Bank, Rural Economic Community Development Administration, U.S. Maritime Administration, Small Business Administration, U.S. Department of Housing & Urban Development (PHAs), Federal Housing Administration and Federal Financing Bank;

(b) direct obligations of any of the following federal agencies, which obligations are not fully guaranteed by the full faith and credit of the United States of America: senior debt obligations issued by the Federal National Mortgage Association (FNMA) or Federal Home Loan Mortgage Corporation (FHLMC), obligations of the Resolution Funding Corporation (REFCORP) and senior debt obligations of the Federal Home Loan Bank System;

(c) U.S. dollar denominated deposit accounts, federal funds and bankers' acceptances with domestic commercial banks (including those of the Trustee and its affiliates) which have a rating on their short term certificates of deposit on the date of purchase of "A-1" or "A-1+" by S&P and "P-1" by Moody's and maturing no more than 360 days after the date of purchase (ratings on holding companies are not considered as the rating of the bank);

(d) commercial paper which is rated at the time of purchase in the single highest classification "A-1+" by S&P and "P-1" by Moody's and which matures not more than 270 days after the date of purchase;

(e) investments in a money market fund rated "AAm," "AAm-G" or better by S&P, including funds for which the Trustee or its affiliates provide investment advisory or other management services;

(f) pre-refunded municipal obligations defined as follows: any bonds or other obligations of any state of the United States of America, or any agency, instrumentality or local governmental unit of any such state, which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice, and

(i) which are rated, based on irrevocable escrow account or fund (the "escrow"), in the highest rating category of S&P and Moody's or any successors thereto; or

(ii) (1) which are fully secured as to principal and interest and redemption premium, if any, by an escrow consisting only of cash or obligations described in paragraph (1)(b) above, which escrow may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate; and (2) which escrow is sufficient, as verified by a nationally recognized independent certified public accountant, to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this paragraph on the maturity date or dates specified in the irrevocable instructions referred to above, as appropriate;

(g) municipal obligations rated "Aaa/AAA" or general obligations of states with a rating of at least "Aa2/AA" or higher by both Moody's and S&P;

(h) Investment Agreements (supported by appropriate opinions of counsel); and

(i) the Local Agency Investment Fund of the State, created pursuant to Section 16429.1 of the California Government Code, to the extent the Trustee is authorized to register such investment in its name.

The value of the above investments shall be determined as follows:

(a) for the purpose of determining the amount in any fund, all Authorized Investments credited to such fund shall be valued at market value. The Trustee shall determine the market value based on accepted industry standards, including the Trustee's internal systems, and from accepted industry providers. Accepted industry providers shall include, but are not limited to, pricing services provided by Financial Times Interactive Data Corporation, Bank of America Merrill Lynch or Salomon Smith Barney. Notwithstanding anything to the contrary herein, in making any valuation of investments hereunder, the Trustee may utilize computerized securities pricing services that may be available to it, including those available through its regular accounting system, and rely thereon;

(b) as to certificates of deposit and bankers acceptances: the face amount thereof, plus accrued interest thereon; and

(c) as to any investment not specified above: the value thereof established by prior agreement between the City and the Trustee.

Authorized Representative of the District. The term "Authorized Representative of the District" means the Mayor, City Manager, Assistant City Manager, Finance Director or City Clerk of the City, or any other officer or employee authorized by the City Council of the City or by an Authorized Representative of the District to undertake the action referenced in this Indenture as required to be undertaken by an Authorized Representative of the District.

Bond Counsel. The term "Bond Counsel" means Stradling Yocca Carlson & Rauth LLP, or another attorney at law or a firm of attorneys selected by the District of nationally recognized standing in matters pertaining to the tax-exempt nature of interest on bonds issued by states and their political subdivisions duly admitted to the practice of law before the highest court of any state of the United States of America or the District of Columbia.

Bond Register. The term "Bond Register" means the books which the Trustee shall keep or cause to be kept on which the registration and transfer of the Bonds and any Parity Bonds shall be recorded.

Bonds. The term "Bonds" means the District's Special Tax Bonds, Series 2025 issued on December __, 2025 in the aggregate principal amount of $_____.

Bond Year. The term "Bond Year" means the twelve-month period commencing on September 2 of each year and ending on September 1 of the following year, except that the first Bond Year for the Bonds or an issue of Parity Bonds shall begin on the Delivery Date and end on the first September 1 which is not more than 12 months after the Delivery Date.

Business Day. The term "Business Day" means a day which is not a Saturday or Sunday or a day of the year on which banks or trust companies in New York, New York, Los Angeles, California,

or the city where the Principal Office of the Trustee is located, are not required or authorized by law, regulation or executive order, to close or to remain closed.

Certificate of an Authorized Representative. The term "Certificate of an Authorized Representative" means a written certificate or warrant request executed by an Authorized Representative of the District.

City. The term "City" means the City of Lincoln, County of Placer, State of California.

City Council. The term "City Council" means the City Council of the City.

City Facilities Account. The term "City Facilities Account" means the account by that name created and established in the Acquisition and Construction Fund pursuant to Section 3.1 hereof.

Code. The term "Code" means the Internal Revenue Code of 1986, as amended, and any Regulations, rulings, judicial decisions, and notices, announcements, and other releases of the United States Treasury Department or Internal Revenue Service interpreting and construing it.

Continuing Disclosure Certificate. The term "Continuing Disclosure Certificate" means that certain Continuing Disclosure Certificate dated as of December 1, 2025, as originally executed by the District and as it may be from time to time amended or supplemented in accordance with its terms.

Costs of Issuance. The term "Costs of Issuance" means the costs and expenses incurred in connection with the formation of the District and the issuance and sale of the Bonds or any Parity Bonds, including the acceptance and initial annual fees and expenses of the Trustee and its counsel, legal fees and expenses, costs of printing the Bonds and Parity Bonds and the preliminary and final official statements for the Bonds and Parity Bonds, fees of financial consultants, costs of the appraisal and all other related fees and expenses, including reimbursement to property owners within the District for design, engineering and legal costs, as set forth in a Certificate of an Authorized Representative of the District.

Costs of Issuance Account. The term "Costs of Issuance Account" means the account by that name created and established in the Acquisition and Construction Fund pursuant to Section 3.1 hereof.

Delivery Date. The term "Delivery Date" means, with respect to the Bonds and each issue of Parity Bonds, the date on which the bonds of such issue were issued and delivered to the initial purchasers thereof.

Depository. The term "Depository" means The Depository Trust Company, New York, New York, and its successors and assigns as securities depository for the Bonds, or any other securities depository acting as Depository under Article II hereof.

Developer. The term "Developer" means JEN California 24, LLC, a California limited liability company, and any successor thereto as the "Developer" under the Acquisition, Construction and Funding Agreement dated August 12, 2025, by and between the City, acting for and on behalf of itself and the District, and the Developer.

Direct Debt for District Property. The term "Direct Debt for District Property" means that portion of the aggregate principal amount of the Outstanding Bonds and Parity Bonds which is allocable to the property in the District.

District. The term "District" means City of Lincoln Community Facilities District No. 2025-1 (Joiner Ranch East) established pursuant to the Act and Resolution No. 2025-120 adopted by the City Council of the City on August 12, 2025.

"Escrow Closing Date" means July 15, 2026, or such later date as is permitted under section 3.10(e) hereof.

"Escrow Fund" means the Fund by that name created and established pursuant to Section 3.10 hereof.

"Escrow Interest Account" means the Account in the Escrow Fund by that name created and established pursuant to Section 3.10 hereof.

"Escrow Redemption Date" means September 1, 2026, or such later date as is permitted under section 3.10(e) hereof.

"Escrow Term Bonds" means the Bonds maturing on September 1, 20__ in an aggregate principal amount of $_____ to which CUSIP No. _____ has been assigned.

Event of Default. The term "Event of Default" means an event described in Section 8.1 hereof.

Fiscal Year. The term "Fiscal Year" means the period beginning on July 1 of each year and ending on the next following June 30.

Funds. The term "Funds" means any funds created pursuant to this Indenture.

Gross Taxes. The term "Gross Taxes" means the amount of all Special Taxes received by the District together with the proceeds collected from the sale of property pursuant to foreclosure for the delinquency of such Special Taxes remaining after the payment of all costs related to such foreclosure actions.

Indenture. The term "Indenture" means this Bond Indenture, together with any Supplemental Indenture approved pursuant to Article VI hereof.

Independent Financial Consultant. The term "Independent Financial Consultant" means a financial consultant or firm of such consultants generally recognized to be well qualified in the financial consulting field, appointed and paid by the District, who, or each of whom: (1) is in fact independent and not under the domination of the District or the City; (2) does not have any substantial interest, direct or indirect, in the District or the City; and (3) is not connected with the District or the City as a member, officer or employee of the District or the City, but who may be regularly retained to make annual or other reports to the District or the City.

Interest Account. The term "Interest Account" means the account by that name created and established in the Special Tax Fund pursuant to Section 3.1 hereof.

Interest Payment Date. The term "Interest Payment Date" means March 1, 2026 and each March 1 and September 1 thereafter; provided, however, that, if any such day is not a Business Day, interest up to the Interest Payment Date will be paid on the Business Day next succeeding such date.

Investment Agreement. The term "Investment Agreement" means one or more agreements for the investment of funds of the District complying with the criteria therefor as set forth in subsection (2)(h) of the definition of Authorized Investments herein.

Maximum Annual Debt Service. The term "Maximum Annual Debt Service" means the maximum sum obtained for any Bond Year prior to the final maturity of the Bonds and any Parity Bonds by adding the following for each Bond Year: (1) the principal amount of all Outstanding Bonds and Parity Bonds payable in such Bond Year either at maturity or pursuant to a Sinking Fund Payment; and (2) the interest payable on the aggregate principal amount of all Bonds and Parity Bonds Outstanding in such Bond Year if the Bonds and Parity Bonds are retired as scheduled.

Moody's. The term "Moody's" means Moody's Investors Service, Inc., its successors and assigns.

Net Taxes. The term "Net Taxes" means Gross Taxes minus amounts set aside to pay Administrative Expenses.

Nominee. The term "Nominee" means the nominee of the Depository, which may be the Depository, as determined from time to time pursuant to Section 2.16 hereof.

Ordinance. The term "Ordinance" means Ordinance No. 1098B adopted by the City Council on August 26, 2025 providing for the levying of the Special Tax.

Outstanding. The terms "Outstanding" or "Outstanding Bonds and Parity Bonds" means all Bonds and Parity Bonds theretofore issued by the District, except: (i) Bonds and Parity Bonds theretofore cancelled or surrendered for cancellation in accordance with Section 10.1 hereof; (ii) Bonds and Parity Bonds for payment or redemption of which monies shall have been theretofore deposited in trust (whether upon or prior to the maturity or the redemption date of such Bonds or Parity Bonds), provided that, if such Bonds or Parity Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given as provided in this Indenture or any applicable Supplemental Indenture for Parity Bonds; and (iii) Bonds and Parity Bonds which have been surrendered to the Trustee for transfer or exchange pursuant to Section 2.9 hereof or for which a replacement has been issued pursuant to Section 2.10 hereof.

Overlapping Debt. The term "Overlapping Debt" means with respect to any property within the District, the sum of (a) the aggregate amount of all unpaid assessments which are a lien on such property and which are pledged to secure the repayment of bonds, plus (b) a portion of the principal amount of any outstanding bonds of other community facilities districts which are payable at least partially from special taxes to be levied on such property (the "Other CFD Bonds") determined by multiplying the aggregate principal amount of the Other CFD Bonds by a fraction, the numerator of which is the amount of special taxes levied for the Other CFD Bonds on such property and the denominator of which is the total amount of special taxes levied for the Other CFD Bonds on all parcels of property which are subject to the levy of such special taxes, based upon information which is available for the then current Fiscal Year.

Owner. The term "Owner" means the person or persons in whose name or names any Bond or Parity Bond is registered.

Parity Bonds. The term "Parity Bonds" means all bonds, notes or other similar evidences of indebtedness hereafter issued, payable out of the Net Taxes and which, as provided in this Indenture or any Supplemental Indenture, rank on a parity with the Bonds.

Participants. The term "Participants" means those broker-dealers, banks and other financial institutions from time to time for which the Depository holds Bonds or Parity Bonds as securities depository.

Person. The term "Person" means natural persons, firms, corporations, partnerships, associations, trusts, public bodies and other entities.

Prepayments. The term "Prepayments" means any amounts paid by the District to the Trustee and designated by the District as a prepayment of Special Taxes for one or more parcels in the District made in accordance with the RMA.

Principal Account. The term "Principal Account" means the account by that name created and established in the Special Tax Fund pursuant to Section 3.1 hereof.

Principal Office of the Trustee. The term "Principal Office of the Trustee" means the office of the Trustee located in San Francisco, California, or such other office or offices as the Trustee may designate from time to time by notice to the Owners and the District, or the designated office of any successor Trustee (or such other address as such successor Trustee may designate from time to time by notice to the Owners and the District), where it principally conducts and administers its corporate trust business under indentures pursuant to which municipal or governmental obligations are issued.

Project. The term "Project" means those public facilities described in the Resolution of Formation which are to be acquired or constructed within and outside of the District, including all engineering, planning and design services and other incidental expenses related to such facilities and other facilities, if any, authorized by the qualified electors within the District from time to time.

Project Costs. The term "Project Costs" means the amounts necessary to finance the Project, to create and replenish any necessary reserve funds, to pay the initial and annual costs associated with the Bonds or any Parity Bonds, including, but not limited to, remarketing, credit enhancement, Trustee and other fees and expenses relating to the issuance of the Bonds or any Parity Bonds and the formation of the District, and to pay any other "incidental expenses" of the District, as such term is defined in the Act.

Rating Agency. The term "Rating Agency" means Moody's or S&P, or both, as the context requires.

Rebate Account. The term "Rebate Account" means the account by that name created and established in the Rebate Fund pursuant to Section 3.1 hereof.

Rebate Fund. The term "Rebate Fund" means the fund by that name established pursuant to Section 3.1 hereof in which there are established the Accounts described in Section 3.1 hereof.

Rebate Regulations. The term "Rebate Regulations" means any final, temporary or proposed Regulations promulgated under Section 148(f) of the Code.

Record Date. The term "Record Date" means the fifteenth day of the month preceding an Interest Payment Date, regardless of whether such day is a Business Day.

Redemption Account. The term "Redemption Account" means the account by that name created and established in the Special Tax Fund pursuant to Section 3.1 hereof.

Regulations. The term "Regulations" means the regulations adopted or proposed by the Department of Treasury from time to time with respect to obligations issued pursuant to Section 103 of the Code.

Representation Letter. The term "Representation Letter" means the Blanket Letter of Representations from the District to the Depository as described in Section 2.13 hereof.

Reserve Account. The term "Reserve Account" means the account by that name created and established in the Special Tax Fund pursuant to Section 3.1 hereof.

Reserve Policy means a letter of credit, insurance policy, surety bond or other such funding instrument issued by a municipal bond insurance company rated least "Aa3" or higher by Moody's or "AA-" or higher by S&P, delivered to the Trustee for the purpose of providing all or a portion of the 2025 Bonds Reserve Requirement for the Bonds or all or a portion of the Reserve Requirement for a series of Parity Bonds.

Reserve Requirement. The term "Reserve Requirement" means, with respect to the Bonds, the 2025 Bonds Reserve Requirement, and with respect to a series of Parity Bonds, that amount as shall be set forth in the Supplemental Indenture executed and delivered in connection with such series of Parity Bonds.

Resolution of Formation. The term "Resolution of Formation" means Resolution No. 2025-120 adopted by the City Council on August 12, 2025 pursuant to which the City Council established the District and undertook certain change proceedings.

RMA. The term "RMA" means the Rate and Method of Apportionment of City of Lincoln Community Facilities District No. 2025-1 (Joiner Ranch East) approved by the qualified electors of the District at the August 12, 2025 election.

Sinking Fund Payment. The term "Sinking Fund Payment" means the annual payment to be deposited in the Redemption Account to redeem a portion of the Term Bonds in accordance with the schedules set forth in Section 4.1(b) hereof and any annual sinking fund payment schedule to retire any Parity Bonds which are designated as Term Bonds.

Six-Month Period. The term "Six-Month Period" means the period of time beginning on the Delivery Date of each issue of Bonds or Parity Bonds, as applicable, and ending six consecutive months thereafter, and each six-month period thereafter until the latest maturity date of the Bonds and the Parity Bonds (and any obligations that refund an issue of the Bonds or Parity Bonds).

Special Tax Administrator. The term "Special Tax Administrator" means the individual or entity appointed by the City to administer the calculation and collection of the Special Taxes.

Special Tax Fund. The term "Special Tax Fund" means the fund by that name created and established pursuant to Section 3.1 hereof.

Special Taxes. The term "Special Taxes" means the taxes authorized to be levied by the District on property within the District in accordance with the Ordinance, the Resolution of Formation, the Act and the voter approval obtained at the August 12, 2025, election in the District, including any scheduled payments and any Prepayments thereof, the net proceeds of the redemption or sale of property sold as a result of foreclosure of the lien of the Special Taxes to the amount of said lien and penalties and interest thereon; provided that any delinquent Special Tax sold to an independent third-party or to the City for 100% of the delinquent amount shall no longer be pledged hereunder to the payment of the Bonds or Parity Bonds.

S&P. The term "S&P" means S&P Global Ratings, a Standard & Poor's Financial Services LLC business, its successors and assigns.

State. The term "State" means the State of California.

Subaccount. The term "Subaccount" means any subaccount created pursuant to this Indenture.

Supplemental Indenture. The term "Supplemental Indenture" means any supplemental indenture amending or supplementing this Indenture.

Surplus Fund. The term "Surplus Fund" means the fund by that name created and established pursuant to Section 3.1 hereof.

Tax Certificate. The term "Tax Certificate" means the certificate by that name to be executed by the District on a Delivery Date to establish certain facts and expectations and which contains certain covenants relevant to compliance with the Code.

Tax-Exempt. The term "Tax-Exempt" means, with reference to an Authorized Investment, an Authorized Investment the interest earnings on which are excludable from gross income for federal income tax purposes pursuant to Section 103(a) of the Code, other than one described in Section 57(a)(5)(C) of the Code.

Taxable Property. The term "Taxable Property" has the meaning ascribed to it in the RMA.

Term Bonds. The term "Term Bonds" means the Bonds maturing on September 1, 20__, September 1, 20__, September 1, 20__, and September 1, 20__ and any term maturities of an issue of Parity Bonds as specified in a Supplemental Indenture.

Trustee. The term "Trustee" means U.S. Bank Trust Company, National Association, a national banking association duly organized and existing under the laws of the United States, at its designated corporate trust office in San Francisco, California, and its successors or assigns, or any other bank or trust company which may at any time be substituted in its place as provided in Sections 7.2 or 7.3, and any successor thereto.

2025 Bonds Reserve Subaccount. The term "2025 Bonds Reserve Subaccount" means the Subaccount by that name created and established in the Reserve Account pursuant to Section 3.1 hereof.

2025 Bonds Reserve Requirement. The term "2025 Bonds Reserve Requirement" means that amount as of any date of calculation equal to the lesser of: (i) 10% of the initial principal amount of the Bonds; (ii) Maximum Annual Debt Service on the then Outstanding Bonds; (iii) 125% of average

Annual Debt Service on the then Outstanding Bonds; provided, however, that the 2025 Bonds Reserve Requirement shall not exceed $_____ except upon a release from the Escrow Fund as set forth in Section 3.10(b)(2) hereof; and provided further that, in calculating the amounts referred to in the preceding clauses (i), (ii) and (iii), there will be excluded the debt service on, or the principal amount of, as applicable, the Escrow Term Bonds as of such date of calculation unless amounts are released from the Escrow Fund in accordance with Section 3.10(b)(2) hereof.

Upon a release from the Escrow Fund in accordance with Section 3.10(b)(2) hereof, the 2025 Bonds Reserve Requirement will be calculated as of the date of such release and the 2025 Bonds Reserve Requirement shall not thereafter increase beyond such amount.

Underwriter. The term "Underwriter" means, with respect to the Bonds, Piper Sandler & Co., and with respect to each issue of Parity Bonds, the institution or institutions, if any, with whom the District enters into a purchase contract for the sale of such issue.

Value of District Property. The term "Value of District Property" means for all parcels of property in the District which are subject to the levy of the Special Taxes, either (i) the fair market value, as of the date of the appraisal provided for below of such parcels, including with respect to such parcels the value of the then existing improvements thereon, as estimated by an appraiser, who shall be a State of California certified general real estate appraiser selected and employed by the District, in an appraisal performed within ninety (90) days preceding the date of such determination based upon a methodology of valuation consistent with the City's policy for appraisals, provided that a mass appraisal methodology may be applied when valuing Developed Property (as defined in the RMA); (ii) the full cash value of any or all of such parcels, including with respect to such parcels the value of the improvements thereon, as set forth on the last equalized assessment roll of the County Assessor of the County of Placer; or (iii) a combination of the value derived from the foregoing paragraphs (i) and (ii).

ARTICLE II

GENERAL AUTHORIZATION AND BOND TERMS

Section 2.1. Amount, Issuance, Purpose and Nature of Bonds and Parity Bonds. Under and pursuant to the Act, the Bonds in the aggregate principal amount of $_____, together with any Parity Bonds authorized by the City Council in accordance with Section 9.2 hereof, shall be issued for the purposes of financing and/or refinancing the Project, paying Costs of Issuance and funding the applicable Subaccount of the Reserve Account with respect to the Bonds or a series of Parity Bonds; provided that the aggregate principal amount of the Bonds and any Parity Bonds shall not exceed the total indebtedness presently authorized or subsequently authorized by the qualified electors within the District in accordance with the Act. The Bonds and any Parity Bonds shall be and are limited obligations of the District and shall be payable as to the principal thereof and interest thereon and any premiums upon the redemption thereof solely from the Net Taxes and the other amounts in the Special Tax Fund (other than amounts in the Administrative Expense Account of the Special Tax Fund and provided that amounts in the 2025 Bonds Reserve Subaccount shall only secure and be available to pay the principal of, redemption premium, if any, and interest on the Bonds, and amounts in the Subaccount of the Reserve Account established for a series of Parity Bonds shall secure only and be available to pay the principal of, redemption premium, if any, and interest on, only such series of Parity Bonds).

Section 2.2. Type and Nature of Bonds and Parity Bonds. Neither the faith and credit nor the taxing power of the City, the State of California, or any political subdivision thereof other than the District is pledged to the payment of the Bonds or any Parity Bonds. Except for the Net Taxes, no other taxes are pledged to the payment of the Bonds or any Parity Bonds. The Bonds and any Parity Bonds are not general or special obligations of the City nor general obligations of the District, but are limited obligations of the District payable solely from certain amounts deposited by the District in the Special Tax Fund (exclusive of the Administrative Expense Account), as more fully described herein. The District's limited obligation to pay the principal of, premium, if any, and interest on the Bonds and any Parity Bonds from amounts in the Special Tax Fund (exclusive of the Administrative Expense Account) is absolute and unconditional, free of deductions and without any abatement, offset, recoupment, diminution or set-off whatsoever. No Owner of the Bonds or any Parity Bonds may compel the exercise of the taxing power by the District (except as pertains to the Special Taxes) or the City or the forfeiture of any of their property. The principal of and interest on the Bonds and any Parity Bonds and premiums upon the redemption thereof, if any, are not a debt of the City, the State of California or any of its political subdivisions within the meaning of any constitutional or statutory limitation or restriction. The Bonds and any Parity Bonds are not a legal or equitable pledge, charge, lien, or encumbrance upon any of the District's property, or upon any of its income, receipts or revenues, except the Net Taxes and other amounts in the Special Tax Fund (exclusive of the Administrative Expense Account) which are, under the terms of this Indenture and the Act, set aside for the payment of the Bonds, any Parity Bonds and interest thereon, and neither the members of the legislative body of the District or the members of the City Council nor any persons executing the Bonds or any Parity Bonds are liable personally on the Bonds or any Parity Bonds, by reason of their issuance.

Notwithstanding anything to the contrary contained in this Indenture, the District shall not be required to advance any money derived from any source of income other than the Net Taxes for the payment of the interest on or the principal of the Bonds or any Parity Bonds, or for the performance of any covenants contained herein. The District may, however, advance funds for any such purpose, provided that such funds are derived from a source legally available for such purpose.

Section 2.3. Equality of Bonds and Parity Bonds and Pledge of Net Taxes. Pursuant to the Act and this Indenture, the Bonds and any Parity Bonds shall be equally payable from and secured by a first pledge of and lien on the Net Taxes and other amounts in the Special Tax Fund (exclusive of the Administrative Expense Account), without priority for number, date of the Bonds or Parity Bonds, date of sale, date of execution, or date of delivery, and the payment of the interest on and principal of the Bonds and any Parity Bonds and any premiums upon the redemption thereof, shall be exclusively paid from the Net Taxes and other amounts in the Special Tax Fund (exclusive of the Administrative Expense Account) which are hereby set aside for the payment of the Bonds and any Parity Bonds; provided that any delinquent Special Tax sold to an independent third-party or to the City for 100% of the delinquent amount shall no longer be pledged hereunder to the payment of the Bonds or Parity Bonds. Amounts in the Special Tax Fund (other than the Administrative Expense Account therein) shall constitute a trust fund held for the benefit of the Owners to be applied to the payment of the interest on and principal of the Bonds and any Parity Bonds and, so long as any of the Bonds and any Parity Bonds or interest thereon remain Outstanding, shall not be used for any other purpose, except as permitted by this Indenture or any Supplemental Indenture. Notwithstanding any provision contained in this Indenture to the contrary, Net Taxes deposited in the Rebate Fund and the Surplus Fund shall no longer be considered to be pledged to the Bonds or any Parity Bonds, and none of the Rebate Fund, the Surplus Fund, the Acquisition and Construction Fund or the Administrative Expense Account of the Special Tax Fund shall be construed as a trust fund held for the benefit of the Owners.

Notwithstanding anything to the contrary contained in this Indenture, amounts in the 2025 Bonds Reserve Subaccount shall only secure and be available to pay the principal of, redemption premium, if any, and interest on the Bonds, and amounts in the Subaccount of the Reserve Account established for a series of Parity Bonds shall secure only and be available to pay the principal of, redemption premium, if any, and interest on, only such series of Parity Bonds.

Nothing in this Indenture or any Supplemental Indenture shall preclude: (i) subject to the limitations contained hereunder, the redemption prior to maturity of any Bonds or Parity Bonds subject to call and redemption and payment of said Bonds or Parity Bonds from proceeds of refunding bonds issued under the Act as the same now exists or as hereafter amended, or under any other law of the State of California; or (ii) the issuance, subject to the limitations contained herein, of Parity Bonds which shall be payable from Net Taxes.

Section 2.4. Description of Bonds; Interest Rates. The Bonds and any Parity Bonds shall be issued in fully registered form in denominations of $5,000 or any integral multiple thereof. The Bonds and any Parity Bonds of each issue shall be numbered as desired by the Trustee.

The Bonds shall be designated "City of Lincoln Community Facilities District No. 2025-1 (Joiner Ranch East) Special Tax Bonds, Series 2025." The Bonds shall be dated as of their Delivery Date and shall mature and be payable on September 1 in the years and in the aggregate principal amounts and shall be subject to and shall bear interest at the rates set forth in the table below payable on March 1, 2026 and each Interest Payment Date thereafter:

Maturity Date September 1	***Principal Amount***	***Interest Rate***
	$	%

*Term Bond

Interest shall be payable on each Bond and Parity Bond from the date established in accordance with Section 2.5 below on each Interest Payment Date thereafter until the principal sum of such Bond or Parity Bond has been paid; provided, however, that if at the maturity date of any Bond or Parity Bond (or if the same is redeemable and shall be duly called for redemption, then at the date fixed for redemption) funds are available for the payment or redemption thereof in full, in accordance with the terms of this Indenture, such Bonds and Parity Bonds shall then cease to bear interest. Interest due on

the Bonds and Parity Bonds shall be calculated on the basis of a 360-day year comprised of twelve 30-day months.

Section 2.5. Place and Form of Payment. The Bonds and Parity Bonds shall be payable both as to principal and interest, and as to any premiums upon the redemption thereof, in lawful money of the United States of America. The principal of the Bonds and Parity Bonds and any premiums due upon the redemption thereof shall be payable upon presentation and surrender thereof at the Principal Office of the Trustee, or at the designated office of any successor Trustee. If the Nominee of the Bonds or Parity Bonds is registered to Cede & Co., payment of principal and any premiums shall be made without presentment. Interest on any Bond or Parity Bond shall be payable from the Interest Payment Date next preceding the date of authentication of such Bond or Parity Bond, unless: (i) such date of authentication is an Interest Payment Date, in which event interest shall be payable from such date of authentication; (ii) the date of authentication is after a Record Date but prior to the immediately succeeding Interest Payment Date, in which event interest shall be payable from the Interest Payment Date immediately succeeding the date of authentication; or (iii) the date of authentication is prior to the close of business on the first Record Date occurring after the issuance of such Bond or Parity Bond, in which event interest shall be payable from the dated date of such Bond or Parity Bond, as applicable; provided, however, that if at the time of authentication of such Bond or Parity Bond, interest is in default, interest on such Bond or Parity Bond shall be payable from the last Interest Payment Date to which the interest has been paid or made available for payment or, if no interest has been paid or made available for payment on such Bond or Parity Bond, interest on such Bond or Parity Bond shall be payable from its dated date. Interest on any Bond or Parity Bond shall be paid to the person whose name shall appear in the Bond Register as the Owner of such Bond or Parity Bond as of the close of business on the Record Date. Such interest shall be paid by check of the Trustee mailed by first class mail, postage prepaid, to such Owner at his or her address as it appears on the Bond Register. In addition, upon a request in writing received by the Trustee on or before the applicable Record Date from an Owner of $1,000,000 or more in principal amount of the Bonds or of any issue of Parity Bonds, payment shall be made on the Interest Payment Date by wire transfer in immediately available funds to an account within the United States of America designated by such Owner.

Section 2.6. Form of Bonds and Parity Bonds. The definitive Bonds may be printed from steel engraved or lithographic plates or may be typewritten. The Bonds and the certificate of authentication shall be substantially in the form attached hereto as Exhibit A, which form is hereby approved and adopted as the form of such Bonds and of the certificate of authentication. Each issue of Parity Bonds and the certificate of authentication therefor shall be in the form provided in the Supplemental Indenture for such issue of Parity Bonds.

Until definitive Bonds or Parity Bonds, as applicable, shall be prepared, the District may cause to be executed and delivered in lieu of such definitive Bonds or Parity Bonds temporary bonds in typed, printed, lithographed or engraved form and in fully registered form, subject to the same provisions, limitations and conditions as are applicable in the case of definitive Bonds or Parity Bonds, except that they may be in any denominations authorized by the District. Until exchanged for definitive Bonds or Parity Bonds, as applicable, any temporary bond shall be entitled and subject to the same benefits and provisions of this Indenture as definitive Bonds and Parity Bonds. If the District issues temporary Bonds or Parity Bonds, it shall execute and furnish definitive Bonds or Parity Bonds, as applicable, without unnecessary delay and thereupon any temporary Bond or Parity Bond may be surrendered to the Trustee at the Principal Office of the Trustee, without expense to the Owner and at the sole expense of the District, in exchange for a definitive Bond or Parity Bond of the same issue, maturity, interest

rate and principal amount in any authorized denomination. All temporary Bonds or Parity Bonds so surrendered shall be cancelled by the Trustee and shall not be reissued.

Section 2.7. Execution and Authentication. The Bonds and Parity Bonds shall be signed on behalf of the District by the manual or facsimile signature of the Mayor of the City and countersigned by the manual or facsimile signature of the City Clerk of the City, or any duly appointed Deputy Clerk, in their capacity as officers of the District, and the seal of the City or the District (or a facsimile thereof) may be impressed, imprinted, engraved or otherwise reproduced thereon, and attested by the signature of the City Clerk of the City. In case any one or more of the officers who shall have signed or sealed any of the Bonds or Parity Bonds shall cease to be such officer before the Bonds or Parity Bonds so signed and sealed have been authenticated and delivered by the Trustee (including new Bonds or Parity Bonds delivered pursuant to the provisions hereof with reference to the transfer and exchange of Bonds or Parity Bonds or lost, stolen, destroyed or mutilated Bonds or Parity Bonds), such Bonds and Parity Bonds shall nevertheless be valid and may be authenticated and delivered as herein provided, and may be issued as if the person who signed or sealed such Bonds or Parity Bonds had not ceased to hold such office.

Only the Bonds as shall bear thereon such certificate of authentication in the form set forth in Exhibit A attached hereto shall be entitled to any right or benefit under this Indenture, and no Bond shall be valid or obligatory for any purpose until such certificate of authentication shall have been duly executed by the Trustee.

Section 2.8. Bond Register. The Trustee will keep or cause to be kept, at its office, sufficient books for the registration and transfer of the Bonds and any Parity Bonds which shall upon reasonable prior notice be open to inspection by the District during all regular business hours, and, subject to the limitations set forth in Section 2.9 below, upon presentation for such purpose, the Trustee shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be transferred on said Bond Register, Bonds and any Parity Bonds as herein provided.

The District and the Trustee may treat the Owner of any Bond or Parity Bond whose name appears on the Bond Register as the absolute Owner of that Bond or Parity Bond for any and all purposes and the District and the Trustee shall not be affected by any notice to the contrary. The District and the Trustee may rely on the address of the Owner as it appears in the Bond Register for any and all purposes. It shall be the duty of the Owner to give prompt written notice to the Trustee of any change in the Owner's address so that the Bond Register may be revised accordingly.

Section 2.9. Registration of Exchange or Transfer. Subject to the limitations set forth in the following paragraph, the registration of any Bond or Parity Bond may, in accordance with its terms, be transferred upon the Bond Register by the person in whose name it is registered, in person or by his or her duly authorized attorney, upon surrender of such Bond or Parity Bond for cancellation at the office of the Trustee, accompanied by delivery of written instrument of transfer in a form acceptable to the Trustee and duly executed by the Owner or his or her duly authorized attorney.

Bonds or Parity Bonds may be exchanged at the office of the Trustee for a like aggregate principal amount of Bonds or Parity Bonds for other authorized denominations of the same maturity and issue. The Trustee shall not collect from the Owner any charge for any new Bond or Parity Bond issued upon any exchange or transfer, but shall require the Owner requesting such exchange or transfer to pay any tax or other governmental charge required to be paid with respect to such exchange or transfer. Whenever any Bonds or Parity Bonds shall be surrendered for registration of transfer or

exchange, the District shall execute and the Trustee shall authenticate and deliver a new Bond or Bonds or a new Parity Bond or Parity Bonds, as applicable, of the same issue and maturity, for a like aggregate principal amount; provided that the Trustee shall not be required to register transfers or make exchanges of: (i) Bonds or Parity Bonds for a period of 15 days next preceding any selection of the Bonds or Parity Bonds to be redeemed; or (ii) any Bonds or Parity Bonds chosen for redemption.

The Trustee shall have no obligation or duty to monitor, determine or inquire as to compliance with any restrictions on transfer or exchange imposed under this Indenture or under applicable law with respect to any transfer of any interest in any Bond or Parity Bond other than to require delivery of such certificates and other documentation or evidence as are expressly required by, and to do so if and when expressly required by the terms of, this Indenture, and to examine the same to determine substantial compliance as to form with the express requirements hereof.

Section 2.10. Mutilated, Lost, Destroyed or Stolen Bonds or Parity Bonds. If any Bond or Parity Bond shall become mutilated, the District shall execute, and the Trustee shall authenticate and deliver, a new Bond or Parity Bond of like tenor, date, issue and maturity in exchange and substitution for the Bond or Parity Bond so mutilated, but only upon surrender to the Trustee of the Bond or Parity Bond so mutilated. Every mutilated Bond or Parity Bond so surrendered to the Trustee shall be cancelled by the Trustee pursuant to Section 10.1 hereof. If any Bond or Parity Bond shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee and, if such evidence is satisfactory to the Trustee and, if any indemnity satisfactory to the Trustee shall be given, the District shall execute and the Trustee shall authenticate and deliver a new Bond or Parity Bond, as applicable, of like tenor, maturity and issue, numbered and dated as the Trustee shall determine in lieu of and in substitution for the Bond or Parity Bond so lost, destroyed or stolen. Any Bond or Parity Bond issued in lieu of any Bond or Parity Bond alleged to be mutilated, lost, destroyed or stolen shall be equally and proportionately entitled to the benefits hereof with all other Bonds and Parity Bonds issued hereunder. The Trustee shall not treat both the original Bond or Parity Bond and any replacement Bond or replacement Parity Bond as being Outstanding for the purpose of determining the principal amount of Bonds or Parity Bonds which may be executed, authenticated and delivered hereunder or for the purpose of determining any percentage of Bonds or Parity Bonds Outstanding hereunder, but both the original and replacement Bond or Parity Bond shall be treated as one and the same. Notwithstanding any other provision of this Section, in lieu of delivering a new Bond or Parity Bond which has been mutilated, lost, destroyed or stolen, and which has matured, the Trustee may make payment with respect to such Bonds or Parity Bonds.

Section 2.11. Validity of Bonds and Parity Bonds. The validity of the authorization and issuance of the Bonds and any Parity Bonds shall not be affected in any way by any defect in any proceedings taken by the District for the financing of the Project, or by the invalidity, in whole or in part, of any contracts made by the District in connection therewith, and shall not be dependent upon the completion of the financing of the Project or upon the performance by any Person of his obligation with respect to the Project, and the recital contained in the Bonds or any Parity Bonds that the same are issued pursuant to the Act and other applicable laws of the State shall be conclusive evidence of their validity and of the regularity of their issuance.

Section 2.12. Book-Entry System. The Bonds shall be initially delivered in the form of a separate single fully registered Bond (which may be typewritten) for each maturity of the Bonds. Upon initial delivery, the ownership of each such Bond shall be registered in the registration books kept by the Trustee in the name of the Nominee as nominee of the Depository. Except as provided in Section 2.14 hereof, all of the Outstanding Bonds shall be registered in the registration books kept by

the Trustee in the name of the Nominee. At the election of the District, any Parity Bonds may also be issued as book-entry bonds registered in the name of the Nominee as provided herein, in which case the references in Sections 2.12 through 2.15 to "Bonds" shall be applicable to such Parity Bonds.

With respect to Bonds registered in the Bond Register kept by the Trustee in the name of the Nominee, the District and the Trustee shall have no responsibility or obligation to any such Participant or to any Person on behalf of which such a Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the District and the Trustee shall have no responsibility or obligation with respect to: (i) the accuracy of the records of the Depository, the Nominee, or any Participant with respect to any ownership interest in the Bonds; (ii) the delivery to any Participant or any other Person, other than an Owner as shown in the registration books kept by the Trustee, of any notice with respect to the Bonds, including any notice of redemption; (iii) the selection by the Depository and its Participants of the beneficial interests in the Bonds to be redeemed in the event that the Bonds are redeemed in part; or (iv) the payment to any Participant or any other Person, other than an Owner as shown in the registration books kept by the Trustee, of any amount with respect to principal of, premium, if any, or interest due with respect to the Bonds. The District and the Trustee may treat and consider the Person in whose name each Bond is registered in the registration books kept by the Trustee as the holder and absolute owner of such Bond for the purpose of payment of the principal of, premium, if any, and interest on such Bond, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfers with respect to such Bond and for all other purposes whatsoever. The Trustee shall pay all principal of, premium, if any, and interest due on the Bonds only to or upon the order of the respective Owner, as shown in the registration books kept by the Trustee, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to satisfy and discharge fully the District's obligations with respect to payment of the principal, premium, if any, and interest due on the Bonds to the extent of the sum or sums so paid. No Person other than an Owner, as shown in the registration books kept by the Trustee, shall receive a Bond evidencing the obligation of the District to make payments of principal, premium, if any, and interest pursuant to this Indenture. Upon delivery by the Depository to the Trustee and the District of written notice to the effect that the Depository has determined to substitute a new nominee in place of the Nominee, and subject to the provisions herein with respect to Record Dates, the word Nominee in this Indenture shall refer to such new nominee of the Depository.

Section 2.13. Representation Letter. In order to qualify the Bonds and any Parity Bonds which the District elects to register in the name of the Nominee for the Depository's book-entry system, an Authorized Representative of the District is hereby authorized to execute from time to time and deliver to such Depository the Representation Letter. The execution and delivery of the Representation Letter shall not in any way limit the provisions of Section 2.12 or in any other way impose upon the District or the Trustee any obligation whatsoever with respect to persons having interests in the Bonds other than the Owners, as shown on the registration books kept by the Trustee. The District agrees to take all action necessary to continuously comply with all representations made by it in the Representation Letter. In addition to the execution and delivery of the Representation Letter, the Authorized Representatives of the District are hereby authorized to take any other actions, not inconsistent with this Indenture, to qualify the Bonds for the Depository's book-entry program.

Section 2.14. Transfers Outside Book-Entry System. In the event that: (i) the Depository determines not to continue to act as securities depository for the Bonds; or (ii) the District determines that the Depository shall no longer so act, then the District will discontinue the book-entry system with the Depository. If the District fails to identify another qualified securities depository to replace the

Depository then the Bonds so designated shall no longer be restricted to being registered in the registration books kept by the Trustee in the name of the Nominee, but shall be registered in whatever name or names Persons transferring or exchanging Bonds shall designate, in accordance with the provisions of Section 2.9 hereof.

Section 2.15. Payments to the Nominee. Notwithstanding any other provisions of this Indenture to the contrary, so long as any Bond is registered in the name of the Nominee, all payments with respect to principal, premium, if any, and interest due with respect to such Bond and all notices with respect to such Bond shall be made and given, respectively, as provided in the Representation Letter or as otherwise instructed by the Depository.

Section 2.16. Initial Depository and Nominee. The initial Depository under this Indenture shall be The Depository Trust Company, New York, New York. The initial Nominee shall be Cede & Co., as Nominee of The Depository Trust Company, New York, New York.

Section 2.17. CUSIP Numbers. The District in issuing Bonds or Parity Bonds, as applicable, may use "CUSIP" numbers, and, if so, the Trustee shall use "CUSIP" numbers in notices of redemption as a convenience to Owners; provided that the Trustee shall have no liability for any defect in the "CUSIP" numbers as they appear on any Bond, Parity Bond, notice or elsewhere, and, provided further that any such notice may state that no representation is made as to the correctness of such numbers either as printed on the Bonds or Parity Bonds, as applicable, or as contained in any notice of a redemption and that reliance may be placed only on the other identification numbers printed on the Bonds or Parity Bonds, as applicable, and any such redemption shall not be affected by any defect in or omission of such numbers. The District will promptly notify the Trustee in writing of any change in the "CUSIP" numbers.

ARTICLE III

CREATION OF FUNDS AND APPLICATION OF PROCEEDS

Section 3.1. Creation of Funds; Application of Proceeds.

(a) There are hereby created and established and shall be maintained by the Trustee the following funds and accounts:

(1) The City of Lincoln Community Facilities District No. 2025-1 (Joiner Ranch East Special Tax Fund (the "Special Tax Fund") (in which there shall be established and created an Interest Account, a Principal Account, a Redemption Account, a Reserve Account (and within the Reserve Account, the 2025 Bonds Reserve Subaccount), and an Administrative Expense Account).

(2) The City of Lincoln Community Facilities District No. 2025-1 (Joiner Ranch East) Rebate Fund (the "Rebate Fund") (in which there shall be established a Rebate Account and an Alternate Penalty Account).

(3) The City of Lincoln Community Facilities District No. 2025-1 (Joiner Ranch East) Acquisition and Construction Fund (the "Acquisition and Construction Fund") (in which there shall be established a City Facilities Account and a Costs of Issuance Account).

(4) The City of Lincoln Community Facilities District No. 2025-1 (Joiner Ranch East) Surplus Fund (the "Surplus Fund").

(5) The City of Lincoln Community Facilities District No. 2025-1 (Joiner Ranch East) Escrow Fund (the "Escrow Fund") (in which there shall be established an Escrow Interest Account).

The amounts on deposit in the foregoing Funds, Accounts and Subaccounts shall be held by the Trustee. The Trustee shall invest and disburse the amounts in such Funds, Accounts and Subaccounts in accordance with the provisions of this Article III and shall disburse investment earnings thereon in accordance with the provisions of Section 3.11 hereof.

In connection with the issuance of any Parity Bonds as described in Section 9.2, the Trustee, at the written direction of an Authorized Representative of the District, may create new Funds, Accounts and Subaccounts, or may create additional Accounts and Subaccounts within any of the foregoing Funds and Accounts for the purpose of separately accounting for the proceeds of the Bonds and any Parity Bonds.

(b) The proceeds of the sale of the Bonds shall be received by the Trustee on behalf of the District and deposited and transferred as follows:

(1) $_____ shall be transferred to the Costs of Issuance Account of the Acquisition and Construction Fund to pay the Costs of Issuance of the Bonds;

(2) $_____ shall be transferred to Interest Account of the Special Tax Fund;

(3) $_____ shall be transferred to the 2025 Bonds Reserve Subaccount of the Reserve Account to fund the 2025 Bonds Reserve Requirement;

(4) $_____ shall be transferred to the City Facilities Account of the Acquisition and Construction Fund;

(5) $_____ shall be transferred to the Escrow Fund; and

(6) $_____ shall be transferred to the Escrow Interest Account of the Escrow Fund.

The Trustee may, in its discretion, establish temporary funds or accounts in its books and records to facilitate such transfers.

Section 3.2. Deposits to and Disbursements from Special Tax Fund.

(a) Except for Prepayments, which shall be deposited to the Redemption Account of the Special Tax Fund, the Trustee shall, on each date on which the Special Taxes are received from the District, deposit the Special Taxes in the Special Tax Fund to be held in trust for the Owners. The Trustee shall transfer the Special Taxes on deposit in the Special Tax Fund on the dates and in the amounts set forth in the following Sections, in the following order of priority, to:

(1) the Administrative Expense Account of the Special Tax Fund up to the Administrative Expenses Cap;

(2) the Interest Account of the Special Tax Fund;

(3) the Principal Account of the Special Tax Fund;

(4) the Redemption Account of the Special Tax Fund;

(5) the Subaccounts of the Reserve Account of the Special Tax Fund, on a proportionate basis based on the outstanding principal amount of the Bonds and any Parity Bonds;

(6) the Administrative Expense Account of the Special Tax Fund to the extent that Administrative Expenses exceed or are expected to exceed the Administrative Expense Cap;

(7) the Rebate Fund; and

(8) the Surplus Fund.

(b) At maturity of all of the Bonds and Parity Bonds and, after all principal and interest then due on the Bonds and Parity Bonds then Outstanding have been paid or provided for and any amounts owed to the Trustee have been paid in full, moneys in the Special Tax Fund and any accounts therein may be used by the District for any lawful purpose.

Section 3.3. Administrative Expense Account of the Special Tax Fund. The Trustee shall transfer from the Special Tax Fund and deposit in the Administrative Expense Account of the Special Tax Fund from time to time amounts necessary to make timely payment of Administrative Expenses as set forth in a Certificate of an Authorized Representative; provided, however, that, except as set forth in the following sentence, the total amount transferred with respect to a Bond Year shall not exceed the Administrative Expenses Cap until such time as there has been deposited to the Interest Account and the Principal Account an amount, together with any amounts already on deposit therein, that is sufficient to pay the interest and principal on all Bonds and Parity Bonds due in such Bond Year and to restore the 2025 Bonds Reserve Subaccount to the 2025 Bonds Reserve Requirement and any other Subaccount of the Reserve Account to the applicable Reserve Requirement. Notwithstanding the foregoing, amounts in excess of the Administrative Expenses Cap may be transferred to the Administrative Expense Account to the extent necessary to collect delinquent Special Taxes. Subject to Section 3.11, moneys in the Administrative Expense Account of the Special Tax Fund may be invested in any Authorized Investments as directed in writing by an Authorized Representative of the District and shall be disbursed as directed in a Certificate of an Authorized Representative.

Section 3.4. Interest Account and Principal Account of the Special Tax Fund. The principal of and interest due on the Bonds and any Parity Bonds until maturity, other than principal due upon redemption, shall be paid by the Trustee from the Principal Account and the Interest Account of the Special Tax Fund, respectively.

For the purpose of assuring that the payment of principal of and interest on the Bonds and any Parity Bonds will be made when due, after making the transfer required by Section 3.3, at least one Business Day prior to each March 1 and September 1, the Trustee shall make the following transfers from the Special Tax Fund first to the Interest Account and then to the Principal Account; provided, however, that to the extent that deposits have been made in the Interest Account or the Principal Account from the proceeds of the sale of an issue of the Bonds or any Parity Bonds, or otherwise, the transfer from the Special Tax Fund need not be made; and provided, further, that, if amounts in the

Special Tax Fund (exclusive of the Reserve Account and the Administrative Expense Account) are inadequate to make the foregoing transfers, then any deficiency shall be made up by transfers from the Subaccounts of the Reserve Account:

(a) To the Interest Account, an amount such that the balance in the Interest Account one Business Day prior to each Interest Payment Date shall be equal to the installment of interest due on the Bonds and any Parity Bonds on said Interest Payment Date and any installment of interest due on a previous Interest Payment Date which remains unpaid. Moneys in the Interest Account shall be used for the payment of interest on the Bonds and any Parity Bonds as the same become due.

(b) To the Principal Account, an amount such that the balance in the Principal Account one Business Day prior to September 1 of each year, commencing September 1, 2026, shall equal the principal payment due on the Bonds and any Parity Bonds maturing on such September 1 and any principal payment due on a previous September 1 which remains unpaid. Moneys in the Principal Account shall be used for the payment of the principal of such Bonds and any Parity Bonds as the same become due at maturity.

Section 3.5. Redemption Account of the Special Tax Fund.

(a) With respect to each September 1 on which a Sinking Fund Payment is due, after the deposits have been made to the Administrative Expense Account, the Interest Account and the Principal Account of the Special Tax Fund as required by Sections 3.3 and 3.4 hereof, the Trustee shall next transfer into the Redemption Account of the Special Tax Fund from the Special Tax Fund the amount needed to make the balance in the Redemption Account one Business Day prior to each September 1 on which a Sinking Fund Payment is due equal to the Sinking Fund Payment due on any Outstanding Bonds and Parity Bonds on such September 1; provided, however, that, if amounts in the Special Tax Fund are inadequate to make the foregoing transfers, then any deficiency with respect to the Bonds shall be made up by an immediate transfer from the 2025 Bonds Reserve Subaccount and any deficiency with respect to a series of Parity Bonds shall be made up by an immediate transfer from the Subaccount of the Reserve Account for such series of Parity Bonds, if funded, pursuant to Section 3.6 below. Moneys so deposited in the Redemption Account shall be used and applied by the Trustee to call and redeem Term Bonds in accordance with the Sinking Fund Payment schedules set forth in Section 4.1(b) hereof, and to redeem Parity Bonds in accordance with any Sinking Fund Payment schedule in the Supplemental Indenture for such Parity Bonds.

(b) After making the deposits to the Administrative Expense Account, the Interest Account and the Principal Account of the Special Tax Fund pursuant to Sections 3.3 and 3.4 above and to the Redemption Account for Sinking Fund Payments then due pursuant to subparagraph (a) of this Section, and in accordance with the District's election to call Bonds for optional redemption as set forth in Section 4.1(a) hereof, or to call Parity Bonds for optional redemption as set forth in any Supplemental Indenture for Parity Bonds, the Trustee shall transfer from the Special Tax Fund and deposit in the Redemption Account moneys available for the purpose and sufficient to pay the principal and the premiums, if any, payable on the Bonds or Parity Bonds called for optional redemption; provided, however, that amounts in the Special Tax Fund (other than the Administrative Expense Account therein) may be applied to optionally redeem Bonds and Parity Bonds only if immediately following such redemption the amount in the 2025 Bonds Reserve Subaccount will equal the 2025 Bonds Reserve Requirement and the amount in each other Subaccount of the Reserve Account will equal the related Reserve Requirement.

(c) Prepayments deposited to the Redemption Account shall be applied on the redemption date established pursuant to Section 4.1(c) hereof to the payment of the principal of, premium, if any, and interest on the Bonds and Parity Bonds to be redeemed with such Prepayments.

(d) Moneys set aside in the Redemption Account shall be used solely for the purpose of redeeming Bonds and Parity Bonds and shall be applied on or after the redemption date to the payment of principal of and premium, if any, on the Bonds or Parity Bonds to be redeemed upon presentation and surrender of such Bonds or Parity Bonds, and, in the case of an optional redemption or a special mandatory redemption from Prepayments, to pay the interest thereon; provided, however, that in lieu or partially in lieu of such call and redemption, moneys deposited in the Redemption Account may be used to purchase Outstanding Bonds or Parity Bonds in the manner hereinafter provided. Purchases of Outstanding Bonds or Parity Bonds may be made by the District at public or private sale as and when and at such prices as the District may in its discretion determine but only at prices (including brokerage or other expenses) not more than par plus accrued interest, plus, in the case of moneys set aside for an optional redemption or a special mandatory redemption, the premium applicable at the next following call date according to the premium schedule established pursuant to Section 4.1(a) or 4.1(c) hereof, as applicable, or in the case of Parity Bonds the premium established in any Supplemental Indenture. Any accrued interest payable upon the purchase of Bonds or Parity Bonds may be paid from the amount reserved in the Interest Account of the Special Tax Fund for the payment of interest on the next following Interest Payment Date.

Section 3.6. Reserve Account of the Special Tax Fund. There shall be maintained in the 2025 Bonds Reserve Subaccount an amount equal to the 2025 Bonds Reserve Requirement and in each other Subaccount of the Reserve Account established for a series of Parity Bonds, an amount equal to the Reserve Requirement for such series of Parity Bonds. The 2025 Reserve Requirement and the Reserve Requirement established for a series of Parity Bonds may be satisfied in whole or in part by cash, a Reserve Policy, or a combination thereof. The amounts in a Subaccount of the Reserve Account shall be applied as follows:

(a) Moneys in the 2025 Bonds Reserve Subaccount shall be used solely for the purpose of paying the principal of, including Sinking Fund Payments, and interest on the Bonds when due in the event that the moneys in the Interest Account and the Principal Account of the Special Tax Fund are insufficient therefor or moneys in the Redemption Account of the Special Tax Fund are insufficient to make a Sinking Fund Payment when due and for the purpose of making any required transfer to the Rebate Fund with respect to the Bonds pursuant to Section 3.7 hereof upon written direction from the District. Moneys in any other Subaccount of the Reserve Account established for a series of Parity Bonds shall be used solely for the purpose of paying the principal of, including Sinking Fund Payments, and interest on such series of Parity Bonds when due in the event that the moneys in the Interest Account and the Principal Account of the Special Tax Fund are insufficient therefor or moneys in the Redemption Account of the Special Tax Fund are insufficient to make a Sinking Fund Payment when due and for the purpose of making any required transfer to the Rebate Fund with respect to such series of Parity Bonds pursuant to Section 3.7 hereof upon written direction from the District.

If the amounts in the Interest Account, the Principal Account or the Redemption Account of the Special Tax Fund are insufficient to pay the principal of, including Sinking Fund Payments, or interest on any Bonds or Parity Bonds when due, or amounts in the Special Tax Fund are insufficient to make transfers to the Rebate Fund when required, the Trustee shall withdraw from the applicable Subaccount of the Reserve Account, first from the cash on deposit therein, and second from a draw on the Reserve Policy, if any, for deposit in the Interest Account, the Principal Account or the Redemption

Account of the Special Tax Fund or the Rebate Fund, as applicable, moneys necessary for such purposes.

(b) Whenever moneys are withdrawn from a Subaccount of the Reserve Account, after making the required transfers referred to in Sections 3.3, 3.4 and 3.5 above, the Trustee shall transfer to each Subaccount of the Reserve Account from available moneys in the Special Tax Fund, or from any other legally available funds which the District elects to apply to such purpose, on a proportionate basis based on the outstanding principal amount of the Bonds and any Parity Bonds, the amount needed to restore the amount of each Subaccount of the Reserve Account to, with respect to the Bonds, the 2025 Bonds Reserve Requirement and, with respect to each series of Parity Bonds, the applicable Reserve Requirement for such series, by first, repaying any amounts due under each Reserve Policy, and second, to fund each Subaccount of the Reserve Account to, with respect to the Bonds, the 2025 Bonds Reserve Requirement and, with respect to each series of Parity Bonds, the applicable Reserve Requirement for such series. Moneys in the Special Tax Fund shall be deemed available for transfer to the Subaccounts of the Reserve Account only if the District certifies to the Trustee that such amounts will not be needed to make the deposits required to be made to the Administrative Expense Account, the Interest Account, the Principal Account or the Redemption Account of the Special Tax Fund on or before the next September 1. If amounts in the Special Tax Fund together with any other amounts transferred to replenish the Subaccounts of the Reserve Account are inadequate to restore the Subaccounts of the Reserve Account to, with respect to the Bonds, the 2025 Bonds Reserve Requirement and, with respect to each series of Parity Bonds, the applicable Reserve Requirement for such series, including any amounts necessary to pay costs related to each Reserve Policy, if any, then the District shall include the amount necessary to restore the Subaccounts of the Reserve Account to, with respect to the Bonds, the 2025 Bonds Reserve Requirement and, with respect to each series of Parity Bonds, the applicable Reserve Requirement for such series, in the next annual Special Tax levy to the extent of the maximum permitted Special Tax rates.

(c) In connection with a redemption of Bonds pursuant to Section 4.1(a) or 4.1(c), or a partial defeasance of Bonds in accordance with Section 9.1 hereof, amounts in the 2025 Bonds Reserve Subaccount may be applied to such redemption or partial defeasance so long as the amount on deposit in the 2025 Bonds Reserve Subaccount following such redemption or partial defeasance equals the 2025 Bonds Reserve Requirement. The District shall set forth in a Certificate of an Authorized Representative the amount in the 2025 Bonds Reserve Subaccount to be transferred to the Redemption Account on a redemption date or to be transferred pursuant to the Indenture to partially defease Bonds, and the Trustee shall make such transfer on the applicable redemption or defeasance date, subject to the limitation in the preceding sentence.

In connection with a redemption of a series of Parity Bonds in accordance with any Supplemental Indenture, or a partial defeasance of such series of Parity Bonds in accordance with Section 9.1 hereof, amounts in the related Subaccount of the Reserve Account may be applied to such redemption or partial defeasance so long as the amount on deposit in such Subaccount of the Reserve Account following such redemption or partial defeasance equals the Reserve Requirement for such series of Parity Bonds. The District shall set forth in a Certificate of an Authorized Representative the amount in the Subaccount of the Reserve Account to be transferred to the Redemption Account on a redemption date or to be transferred pursuant to the Indenture to partially defease such Parity Bonds, and the Trustee shall make such transfer on the applicable redemption or defeasance date, subject to the limitation in the preceding sentence.

(d) To the extent that the 2025 Bonds Reserve Subaccount is at the 2025 Bonds Reserve Requirement as of the first day of the final Bond Year for the Bonds, amounts in the 2025 Bonds Reserve Subaccount may be applied to pay the principal of and interest due on the Bonds in the final Bond Year for the Bonds. Moneys in the 2025 Bonds Reserve Subaccount in excess of the 2025 Bonds Reserve Requirement not transferred in accordance with the preceding provisions of this Section shall be withdrawn from the 2025 Bonds Reserve Subaccount on the Business Day before each March 1 and September 1 and shall be transferred to the Acquisition and Construction Fund or an Account therein, as directed by a Certificate of an Authorized Representative, until all amounts have been disbursed from the Acquisition and Construction Fund (or such fund is closed) and thereafter to the Interest Account of the Special Tax Fund.

(e) To the extent that the Subaccount of the Reserve Account for a series of Parity Bonds is at the Reserve Requirement for such series as of the first day of the final Bond Year for such series of Parity Bonds, amounts in such Subaccount of the Reserve Account may be applied to pay the principal of and interest due on such series of Parity Bonds in the final Bond Year for such issue. Moneys in the Subaccount of the Reserve Account for a series of Parity Bonds in excess of the Reserve Requirement for such series not transferred in accordance with the preceding provisions of this Section shall be withdrawn from such Subaccount of the Reserve Account on the Business Day before each March 1 and September 1 and shall be transferred to the Acquisition and Construction Fund or an Account therein, as directed by a Certificate of an Authorized Representative, until all amounts have been disbursed from the Acquisition and Construction Fund (or such fund is closed) and thereafter to the Interest Account of the Special Tax Fund.

Section 3.7. Rebate Fund.

(a) The Trustee shall establish and maintain a fund separate from any other fund established and maintained hereunder designated as the Rebate Fund and shall establish a separate Rebate Account and Alternate Penalty Account therein. All money at any time deposited in the Rebate Account or the Alternate Penalty Account of the Rebate Fund shall be held by the Trustee in trust, for payment to the United States Treasury. A separate subaccount of the Rebate Account and the Alternate Penalty Account shall be established for the Bonds and each issue of Parity Bonds the interest on which is excluded from gross income for federal income tax purposes. All amounts on deposit in the Rebate Fund with respect to the Bonds or an issue of Parity Bonds shall be governed by this Section 3.7 and the Tax Certificate for such issue, unless the District obtains an opinion of Bond Counsel that the exclusion from gross income for federal income tax purposes of interest payments on the Bonds and Parity Bonds will not be adversely affected if such requirements are not satisfied.

(1) Rebate Account. The following requirements shall be satisfied with respect to each subaccount of the Rebate Account:

(i) Annual Computation. Within 55 days of the end of each fifth Bond Year, the District shall calculate or cause to be calculated the amount of rebatable arbitrage for the Bonds and each issue of Parity Bonds to which this Section 3.7 is applicable, in accordance with Section 148(f)(2) of the Code and Section 1.148-3 of the Rebate Regulations (taking into account any applicable exceptions with respect to the computation of the rebatable arbitrage described in the Tax Certificate for each issue (e.g., the temporary investments exceptions of Section 148(f)(4)(B) and (C) of the Code), and taking into account whether the election pursuant to Section 148(f)(4)(C)(vii) of the Code (the "1½% Penalty") has been made), for this purpose treating the last day of the applicable Bond Year as a computation date, within the meaning of Section 1.148-1(b) of the Rebate Regulations (the

"Rebatable Arbitrage"). The District shall obtain expert advice as to the amount of the Rebatable Arbitrage to comply with this Section.

(ii) Annual Transfer. Within 55 days of the end of each fifth Bond Year for which Rebatable Arbitrage must be calculated as required by the Tax Certificate for each issue, upon the written direction of an Authorized Representative of the District, an amount shall be deposited to each subaccount of the Rebate Account by the Trustee from any funds so designated by the District if and to the extent required, so that the balance in the Rebate Account shall equal the amount of Rebatable Arbitrage so calculated by or on behalf of the District in accordance with clause (i) of this subsection (a)(1) with respect to the Bonds and each issue of Parity Bonds to which this Section 3.7 is applicable. In the event that immediately following any transfer required by the previous sentence, or the date on which the District determines that no transfer is required for such Bond Year, the amount then on deposit to the credit of the applicable subaccount of the Rebate Account exceeds the amount required to be on deposit therein, upon written instructions from an Authorized Representative of the District, the Trustee shall withdraw the excess from the appropriate subaccount of the Rebate Account and then credit the excess to the Special Tax Fund.

(iii) Payment to the Treasury. The Trustee shall pay, as directed in writing by an Authorized Representative of the District, to the United States Treasury, out of amounts in each subaccount of the Rebate Account:

(X) not later than 60 days after the end of: (A) the fifth Bond Year for the Bonds and each issue of Parity Bonds to which this Section 3.7 is applicable; and (B) each applicable fifth Bond Year thereafter, an amount equal to at least 90% of the Rebatable Arbitrage calculated as of the end of such Bond Year for the Bonds and each issue of Parity Bonds, as applicable; and

(Y) not later than 60 days after the payment or redemption of all of the Bonds or an issue of Parity Bonds, as applicable, an amount equal to 100% of the Rebatable Arbitrage calculated as of the end of such applicable Bond Year, and any income attributable to the Rebatable Arbitrage, computed in accordance with Section 148(f) of the Code.

In the event that, prior to the time of any payment required to be made from the Rebate Account, the amount in the Rebate Account is not sufficient to make such payment when such payment is due, the District shall calculate or cause to be calculated the amount of such deficiency and deposit an amount received from any legally available source equal to such deficiency prior to the time such payment is due. Each payment required to be made pursuant to this subsection (a)(1) shall be made to the Internal Revenue Service Center, Ogden, Utah 84201 on or before the date on which such payment is due, and shall be accompanied by Internal Revenue Service Form 8038-T, or shall be made in such other manner as provided under the Code.

(2) Alternate Penalty Account.

(i) Six-Month Computation. If the 1½% Penalty has been elected for the Bonds or an issue of Parity Bonds, within 85 days of each particular Six-Month Period, the District shall determine or cause to be determined whether the 1½% Penalty is payable (and the amount of such penalty) as of the close of the applicable Six-Month Period. The District shall obtain expert advice in making such determinations.

(ii) Six-Month Transfer. Within 85 days of the close of each Six-Month Period, the Trustee, at the written direction of an Authorized Representative of the District, shall deposit an amount in the appropriate subaccounts of the Alternate Penalty Account from any source of funds held by the Trustee pursuant to this Indenture and designated by the District in such written directions or provided to it by the District, if and to the extent required, so that the balance in each subaccount of the Alternate Penalty Account equals the amount of 1½% Penalty due and payable to the United States Treasury determined as provided in subsection (a)(2)(i) above. In the event that immediately following any transfer provided for in the previous sentence, or the date on which the District determines that no transfer is required for such Bond Year, the amount then on deposit in a subaccount of the Alternate Penalty Account exceeds the amount required to be on deposit therein to make the payments required by subsection (iii) below, the Trustee, at the written direction of an Authorized Representative of the District, may withdraw the excess from the applicable subaccount of the Alternate Penalty Account and credit the excess to the Special Tax Fund.

(iii) Payment to the Treasury. The Trustee shall pay, as directed in writing by an Authorized Representative of the District, to the United States Treasury, out of amounts in a subaccount of the Alternate Penalty Account, not later than 90 days after the close of each Six-Month Period the 1½% Penalty, if applicable and payable, computed with respect to the Bonds and any issue of Parity Bonds in accordance with Section 148(f)(4) of the Code. In the event that, prior to the time of any payment required to be made from a subaccount of the Alternate Penalty Account, the amount in such subaccount is not sufficient to make such payment when such payment is due, the District shall calculate the amount of such deficiency and direct the Trustee, in writing, to deposit an amount equal to such deficiency into such subaccount of the Alternate Penalty Account from any funds held by the Trustee pursuant to this Indenture and designated by the District in such written directions prior to the time such payment is due. Each payment required to be made pursuant to this subsection (a)(2) shall be made to the Internal Revenue Service, Ogden, Utah 84201 on or before the date on which such payment is due, and shall be accompanied by Internal Revenue Service Form 8038-T or shall be made in such other manner as provided under the Code.

(b) Disposition of Unexpended Funds. Any funds remaining in the Accounts of the Rebate Fund with respect to the Bonds or an issue of Parity Bonds after redemption and payment of such issue and after making the payments described in subsections (a)(1)(iii) or (a)(2)(iii) (whichever is applicable), may be withdrawn by the Trustee at the written direction of the District and utilized in any manner by the District.

(c) Survival of Defeasance and Final Payment. Notwithstanding anything in this Section or this Indenture to the contrary, the obligation to comply with the requirements of this Section shall survive the defeasance and final payment of the Bonds and any Parity Bonds with respect to which an Account has been created in the Rebate Fund.

(d) Amendment Without Consent of Owners. This Section 3.7 may be deleted or amended in any manner without the consent of the Owners, provided that prior to such event there is delivered to the District an opinion of Bond Counsel to the effect that such deletion or amendment will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Bonds and any issue of Parity Bonds issued on a tax-exempt basis.

(e) Trustee. The Trustee shall have no responsibility to monitor or calculate any amounts payable to the U.S. Treasury pursuant to this Section and shall be deemed constructively to have complied with its obligations hereunder if it follows the written instructions of the District given

pursuant to this Section. The Trustee shall not be responsible for calculating rebate amounts or for the adequacy or correctness of any rebate report. The Trustee shall be deemed conclusively to have complied with the provisions of this Indenture and any other agreement relating to the Bonds or Parity Bonds regarding calculation and payment of rebate if it follows the directions of the District, and it shall have no independent duty to review or enforce the District's compliance with such rebate requirements. The Trustee may rely conclusively upon and shall be fully protected from all liability in relying upon the District's opinions, calculations, determinations, directions, and certifications required by this Section. Except to the extent expressly herein provided, the Trustee shall in no instance be responsible or liable for the tax treatment of the Bonds or the Parity Bonds, the District's compliance with the Code, or any other tax consequences in connection with the Bonds or the Parity Bonds.

Section 3.8. Surplus Fund. After making the transfers required by Sections 3.3, 3.4, 3.5, 3.6 and 3.7 hereof, as soon as practicable after each September 1, the Trustee shall transfer all remaining amounts in the Special Tax Fund to the Surplus Fund, unless on or prior to such date, it has received a Certificate of an Authorized Representative directing that certain amounts be retained in the Special Tax Fund because the District has included such amounts as being available in the Special Tax Fund in calculating the amount of the levy of Special Taxes for such Fiscal Year pursuant to Section 5.2(b) hereof. Moneys deposited in the Surplus Fund will be transferred by the Trustee pursuant to a Certificate of an Authorized Representative: (i) to the Interest Account, the Principal Account or the Redemption Account of the Special Tax Fund to pay the principal of, including Sinking Fund Payments, premium, if any, and interest on the Bonds and any Parity Bonds when due in the event that moneys in the Special Tax Fund and the Subaccounts of the Reserve Account of the Special Tax Fund are insufficient therefor; (ii) to each Subaccount of the Reserve Account, on a proportionate basis based on the outstanding principal amount of the Bonds and any Parity Bonds, to replenish the 2025 Bonds Reserve Subaccount to the 2025 Bonds Reserve Requirement, and to each other Subaccount of the Reserve Account to the applicable Reserve Requirement; (iii) to the Administrative Expense Account of the Special Tax Fund to pay Administrative Expenses to the extent that the amounts on deposit in the Administrative Expense Account of the Special Tax Fund are insufficient to pay Administrative Expenses; (iv) to the Acquisition and Construction Fund to pay Project Costs; or (v) after all Project Costs have been paid, to the District, for any other lawful purpose of the District.

The amounts in the Surplus Fund are not pledged to the repayment of the Bonds or the Parity Bonds and may be used by the District for any lawful purpose. In the event that the District reasonably expects to use any portion of the moneys in the Surplus Fund to pay debt service on any Outstanding Bonds or Parity Bonds, the District shall notify the Trustee in a Certificate of an Authorized Representative and the Trustee shall segregate such amount into a separate subaccount and the moneys on deposit in such subaccount of the Surplus Fund shall, subject to Section 3.11, be invested at the written direction of the District in Authorized Investments the interest on which is excludable from gross income under Section 103 of the Code (other than bonds the interest on which is a tax preference item for purposes of computing the alternative minimum tax of individuals under the Code) or in Authorized Investments at a yield not in excess of the yield on the issue of Bonds or Parity Bonds to which such amounts are to be applied, unless, in the opinion of Bond Counsel, investment at a higher yield will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Bonds or any Parity Bonds which were issued on a tax-exempt basis for federal income tax purposes. Such amounts shall be disbursed as directed by an Authorized Representative of the District.

Section 3.9. Acquisition and Construction Fund.

(a) The moneys in the Costs of Issuance Account shall be disbursed by the Trustee pursuant to a Certificate of an Authorized Representative, and any balance remaining therein after 180 days shall be transferred by the Trustee to the City Facilities Account within the Acquisition and Construction Fund or earlier as directed in writing by an Authorized Representative of the District. Following such transfer to the City Facilities Account within the Acquisition and Construction Fund, the Costs of Issuance Account shall be closed.

(b) The moneys in the Acquisition and Construction Fund and the Accounts therein (other than the Costs of Issuance Account) shall be applied exclusively to pay the Project Costs. Amounts for Project Costs shall be disbursed by the Trustee from the Acquisition and Construction Fund or the Accounts therein (other than the Costs of Issuance Account), as specified in a Requisition for Disbursement of Project Costs, substantially in the form of Exhibit B-1 attached hereto. A properly executed Requisition for Disbursement of Project Costs must be submitted in connection with each requested disbursement and the Trustee may rely thereon without investigating the accuracy thereof. Amounts in an Account of the Acquisition and Construction Fund may be transferred to another Account or Accounts therein pursuant to a Certificate of an Authorized Representative of the District. For purposes of complying with the requirements of this Section, the Trustee may conclusively rely and shall be protected in acting or refraining from acting upon the Requisition signed by the authorized officer of the District. The Trustee shall not be bound to make an investigation into the facts or matters stated in any Requisition of the District. The Trustee shall not be responsible for determining whether the funds on hand in the Acquisition and Construction Fund are sufficient to complete the Project. The Trustee shall not be responsible to collect lien waivers.

(c) Upon receipt of a Certificate of an Authorized Representative of the District stating that all or a specified portion of the amount remaining in the Acquisition and Construction Fund or the Accounts therein (other than the Costs of Issuance Account) is no longer needed to pay Project Costs, the Trustee shall: (i) transfer all or such specified portion, as applicable, of the moneys remaining on deposit in the Acquisition and Construction Fund or the Accounts therein (other than the Costs of Issuance Account) to the Interest Account, the Principal Account or Redemption Account of the Special Tax Fund, to the Costs of Issuance Account or to the Surplus Fund, as directed in such certificate, provided that in connection with any direction to transfer amounts to the Surplus Fund there shall have been delivered to the Trustee with such certificate an opinion of Bond Counsel to the effect that such transfer to the Surplus Fund will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Bonds or any Parity Bonds which were issued on a tax-exempt basis for federal income tax purposes; and (ii) thereafter, close the Acquisition and Construction Fund.

Section 3.10. Escrow Fund.

(a) Establishment of Escrow Fund. Moneys in the Escrow Fund (and the 2025 Bonds Subaccount and the Escrow Interest Account therein) shall be held in trust by the Trustee and, pending disbursement as hereinafter provided, shall be subject to a lien in favor of the Owners of the Bonds and shall be administered as provided herein.

(b) Disbursements Prior to Escrow Closing Date.

(1) Prior to the Escrow Closing Date and the Escrow Disbursement Date, the Trustee shall transfer from the Escrow Interest Account to the Interest Account of the Special Tax Fund on the Business Day prior to each Interest Payment Date prior to the Escrow Redemption Date or the Escrow Disbursement Date, an amount that is equal to the interest payable on the Escrow Term Bonds on such Interest Payment Date.

(2) In addition to disbursements pursuant to paragraph (1) above, assuming the conditions to the release of amounts in the Escrow Fund to the Acquisition and Construction Fund are satisfied prior to the Escrow Closing Date, the Trustee shall make disbursements from the Escrow Fund and the Escrow Interest Account to the Acquisition and Construction Fund, in such amounts as directed a Certificate of an Authorized Representative, on any date other than an Interest Payment Date (each an "Escrow Disbursement Date"), provided that an Escrow Disbursement Date shall not occur in the five days preceding an Interest Payment Date, if at least ten (10) Business Days prior to an Escrow Disbursement Date, the District and the Trustee shall have received a certificate of an Independent Financial Consultant certifying that the Value of District Property is at least four (4) times the sum of the principal amount of the Direct Debt for District Property and the Overlapping Debt, including within such calculation the principal amount of the Escrow Term Bonds.

The Developer shall be responsible for all costs in connection with the disbursement from the Escrow Fund pursuant to this Section 3.10(b)(2), including, but not limited to, the appraisal, and the Independent Financial Consultant, subject to reimbursement of such costs from amounts in the Acquisition and Construction Fund.

(c) If the District and the Trustee receive the Certificate of an Independent Financial Consultant pursuant to Section 3.10(b)(2) above prior to the Escrow Closing Date, the Trustee shall transfer the amounts then on deposit in the Escrow Fund and the Escrow Interest Account as follows:

(1) *First*, the Trustee shall transfer from the Escrow Interest Account to the Interest Account of the Special Tax Fund an amount sufficient to pay interest on the Escrow Term Bonds on each Interest Payment Date that will occur before Special Taxes can be levied and collected in an amount sufficient to pay such interest;

(2) *Second*, the Trustee shall transfer from the Escrow Fund to the 2025 Bonds Reserve Subaccount, an amount sufficient to cause the amount on deposit in the 2025 Bonds Reserve Subaccount to be at least equal to the 2025 Bonds Reserve Requirement (calculated as if the disbursement pursuant to Section 3.10(b)(2) above had already occurred); and

(3) *Third*, the Trustee shall transfer from the remaining amounts in the Escrow Fund and the Escrow Interest Account, to the Acquisition and Construction Fund, as directed in a Certificate of an Authorized Representative on the Escrow Disbursement Date.

(d) Disbursement for Special Mandatory Redemption from Escrow Fund Transfer. The Trustee shall not disburse any funds from the Escrow Fund or the Escrow Interest Account pursuant to subsection (b) above if the certificate pursuant to Section 3.10(b)(2) above is not delivered prior to the Escrow Closing Date except that on the Escrow Redemption Date the Trustee shall transfer the amounts on deposit in the Escrow Fund and the Escrow Interest Account to the Redemption Account of the Special Tax Fund, to be applied to the redemption of Escrow Term Bonds on the Escrow Redemption

Date at the redemption price set forth in Section 4.1(d) hereof, with any excess not required to pay such redemption price transferred to the Interest Account of the Special Tax Fund. After the foregoing transfers, the Escrow Fund and the Escrow Interest Account shall be closed.

(e) Extension of Escrow Closing Date and Escrow Redemption Date. Notwithstanding any other provision of this Indenture, the District may extend the Escrow Closing Date to July 15, 2027 and the Escrow Redemption Date to September 1, 2027, provided that, no later than five (5) Business Days prior to July 15, 2026, the Trustee shall have received all of the following:

(1) A Certificate of an Authorized Representative requesting such extension of the Escrow Closing Date and the Escrow Redemption Date.

(2) Deposit of moneys from any legally available source into the Escrow Interest Account in an amount sufficient so that the amounts then on deposit in the Escrow Interest Account, together with the amounts on deposit in the Escrow Fund, will be sufficient to redeem the Escrow Term Bonds (other than the portion thereof in a principal amount previously transferred to the Acquisition and Construction Fund and/or 2025 Bonds Reserve Subaccount, if any, pursuant to Section 3.10(c)) on September 1, 2027 and pay any accrued interest thereon to September 1, 2027.

(3) A Certificate of an Independent Financial Consultant certifying that the amounts on deposit in the Escrow Fund and the Escrow Interest Account are sufficient to redeem the Escrow Term Bonds (other than the portion thereof in a principal amount previously transferred to the Acquisition and Construction Fund and/or 2025 Bonds Reserve Subaccount, if any, pursuant to Section 3.10(c)) on the date specified by the District pursuant to Section 3.10(b) above and pay any accrued interest thereon to September 1, 2027.

Upon receipt of the items required by Section 3.10(e)(1), (2) and (3), the Trustee shall promptly mail, first class, postage prepaid, a written notice to the Owners of the Escrow Term Bonds and the Underwriter that the Escrow Closing Date and the Escrow Redemption Date have been extended to July 15, 2027 and September 1, 2027, respectively, pursuant to this Section 3.10(e).

(f) Investment. The Trustee shall invest the moneys in the Escrow Fund, and the accounts therein, in such Authorized Investments, which shall: (1) be rated in one of the highest two rating categories offered by each Rating Agency (without regard to gradations of plus or minus, or numerical gradations, within such category); (2) mature in an amount at least equal to the purchase price thereof; and (3) be redeemable at the option of the District or mature no later than necessary to make the disbursements under this Indenture, as the District shall direct in a Certificate of the Authorized Representative of the District; provided that if the District does not deliver such certificate, the Trustee shall hold such funds uninvested. Investment earnings shall be retained by the Trustee in the Escrow Fund or the Escrow Interest Account, as applicable, and shall be applied as set forth in this Section 3.10.

Section 3.11. Investments. Moneys held in any of the Funds, Accounts and Subaccounts under this Indenture (other than the Escrow Fund and the accounts therein, which moneys shall be invested as described in Section 3.10) shall be invested at the written direction (which may include a facsimile transmission) of the District upon at least two (2) Business Days' notice in accordance with the limitations set forth below and to the extent permitted by law only in Authorized Investments (such direction to specify the particular Authorized Investment to be made) which shall be deemed at all times to be a part of such Funds, Accounts and Subaccounts. Any loss resulting from such Authorized

Investments shall be credited or charged to the Fund, Account or Subaccount from which such investment was made, and any investment earnings on a Fund, Account or Subaccount shall be applied as follows: (i) investment earnings on all amounts deposited in the Acquisition and Construction Fund (including the Accounts therein), the Special Tax Fund, the Surplus Fund and the Rebate Fund and each Account therein (other than the Subaccounts of the Reserve Account of the Special Tax Fund) shall be deposited in those respective Funds, Accounts and Subaccounts; and (ii) investment earnings on all amounts deposited in the Subaccounts of the Reserve Account shall be deposited therein to be applied as set forth in Section 3.6. Moneys in the Funds, Accounts and Subaccounts held under this Indenture may be invested by the Trustee as directed in writing (which may include a facsimile transmission) by the District, from time to time, in Authorized Investments (such direction to specify the particular Authorized Investment to be made) subject to the following restrictions (provided that the Trustee is not required to verify compliance with such restrictions and may rely on the District's written instructions as evidence of such compliance):

(a) Moneys in the Acquisition and Construction Fund and the Accounts therein shall be invested in Authorized Investments which will by their terms mature, or in the case of an Investment Agreement are available without penalty, as close as practicable to the date the District estimates the moneys represented by the particular investment will be needed for withdrawal from the Acquisition and Construction Fund or the Accounts therein. Notwithstanding anything herein to the contrary, amounts in the Acquisition and Construction Fund or the Accounts therein three years after the Delivery Date for the Bonds and the proceeds of each issue of Parity Bonds issued on a tax-exempt basis which are remaining on deposit in the Acquisition and Construction Fund on the date which is three years following the date of issuance of such issue of Parity Bonds shall be invested by the District only in Authorized Investments the interest on which is excluded from gross income under Section 103 of the Code (other than bonds the interest on which is a tax preference item for purposes of computing the alternative minimum tax of individuals under the Code) or in Authorized Investments at a yield not in excess of the yield on the issue of Bonds or Parity Bonds from which such proceeds were derived, unless in the opinion of Bond Counsel such restriction is not necessary to prevent interest on the Bonds or any Parity Bonds which were issued on a tax-exempt basis for federal income tax purposes from being included in gross income for federal income tax purposes.

(b) Moneys in the Interest Account, the Principal Account, and the Redemption Account of the Special Tax Fund shall be invested only in Authorized Investments which will by their terms mature, or in the case of an Investment Agreement are available for withdrawal without penalty, on such dates so as to ensure the payment of principal of, premium, if any, and interest on the Bonds and any Parity Bonds as the same become due.

(c) Moneys in the 2025 Bonds Reserve Subaccount may be invested only in Authorized Investments (other than the Authorized Investment described in clause (2)(i) of the definition thereof) which, taken together, have a weighted average maturity not in excess of five years; provided that such amounts may be invested in an Investment Agreement to the later of the final maturity of the Bonds so long as such amounts may be withdrawn at any time, without penalty, for application in accordance with Section 3.6 hereof; and provided that no such Authorized Investment of amounts in the 2025 Bonds Reserve Subaccount shall mature later than the final maturity date of the Bonds.

Moneys in a Subaccount of the Reserve Account established for a series of Parity Bonds may be invested only in Authorized Investments (other than the Authorized Investment described in clause (2)(i) of the definition thereof) which, taken together, have a weighted average maturity not in excess of five years; provided that such amounts may be invested in an Investment Agreement to the later of

the final maturity of such series of Parity Bonds so long as such amounts may be withdrawn at any time, without penalty, for application in accordance with Section 3.6 hereof; and provided that no such Authorized Investment of amounts in such Subaccount of the Reserve Account shall mature later than the respective final maturity date of such Parity Bonds.

(d) Moneys in the Rebate Fund shall be invested only in Authorized Investments of the type described in clause (1) of the definition thereof which by their terms will mature, as nearly as practicable, on the dates such amounts are needed to be paid to the United States Government pursuant to Section 3.7 hereof or in Authorized Investments of the type described in clause (2)(e) of the definition thereof.

(e) In the absence of written investment directions from the District, the Trustee shall hold such funds shall be uninvested as cash.

The Trustee shall sell, or present for redemption, any Authorized Investment whenever it may be necessary to do so in order to provide moneys to meet any payment or transfer to such funds and accounts or from such funds and accounts. Notwithstanding anything herein to the contrary, the Trustee shall not be responsible for any loss, fee, tax or other charge from investments, reinvestments, liquidations, sales or transfers undertaken in accordance with the provisions of this Indenture. In the event of a loss on the sale of such investments (after giving effect to any interest or other income thereon except to the extent theretofore paid to the District), the Trustee shall have no responsibility in respect of such loss except that the Trustee shall notify the District of the amount of such loss and the District shall promptly pay such amount to the Trustee to be credited as part of the moneys originally invested.

The Trustee may act as principal or agent in the making or disposing of any investment and shall be entitled to its customary fee for making such investment. The Trustee may sell at the best market price obtainable, or present for redemption, any Authorized Investment so purchased whenever it shall be necessary to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the fund or account to which such Authorized Investment is credited, and, subject to the provisions of Section 7.4, the Trustee shall not be liable or responsible for any loss resulting from such investment. For investment purposes, the Trustee may commingle the funds and accounts established hereunder, but shall account for each separately. The Trustee is hereby authorized, in making or disposing of any investment permitted by this Section, to deal with itself (in its individual capacity) or which any one or more of its affiliates, whether it or such affiliate is acting as an agent of the Trustee or for any third person or dealing as principal for its own account. The parties acknowledge that the Trustee is not providing investment supervision, recommendations, or advice.

The District acknowledges that, to the extent that regulations of the Comptroller of the Currency or other applicable regulatory entity grant the District the right to receive brokerage confirmations of security transactions as they occur, the District specifically waives receipt of such confirmations to the extent permitted by law. The Trustee will furnish the District periodic cash transaction statements which include detail for all investment transactions made by the Trustee hereunder.

ARTICLE IV

REDEMPTION OF BONDS AND PARITY BONDS

Section 4.1. Redemption of Bonds.

(a) Optional Redemption. The Bonds may be redeemed at the option of the District from any source of funds on any date on or after September 1, 202_, in whole or in part, from such maturities as are selected by the District and by lot within a maturity, at the following redemption prices, expressed as a percentage of the principal amount to be redeemed, together with accrued interest to the date of redemption:

Redemption Date	*Redemption Price*
September 1, 20__ through and including August 31, 20__	103%
September 1, 20__ through and including August 31, 20__	102
September 1, 20__ through and including August 31, 20__	101
September 1, 20__ and any date thereafter	100

In the event that the District elects to redeem Bonds as provided above, the District shall give written notice to the Trustee of its election to so redeem, the redemption date and the principal amount of the Bonds of each maturity to be redeemed. The notice to the Trustee shall be given at least 30 but no more than 60 days prior to the redemption date, or by such later date as is acceptable to the Trustee.

(b) Mandatory Sinking Fund Redemption. The Bonds maturing on September 1, 20__ (the "20__ Term Bonds") shall be called before maturity and redeemed, from the Sinking Fund Payments that have been deposited into the Redemption Account established hereunder, on September 1, 20__, and on each September 1 thereafter prior to maturity, in accordance with the schedule of Sinking Fund Payments set forth below. The 20__ Term Bonds so called for redemption shall be selected by the Trustee by lot and shall be redeemed at a redemption price for each redeemed 20__ Term Bond equal to the principal amount thereof, plus accrued interest to the redemption date, without premium, as follows:

Term Bonds Maturing September 1, 20__

Sinking Fund Redemption Date (September 1)	*Sinking Fund Payments*
	$
*	

* Maturity.

The Bonds maturing on September 1, 20__ (the "20__ Term Bonds") shall be called before maturity and redeemed, from the Sinking Fund Payments that have been deposited into the Redemption Account established hereunder, on September 1, 20__, and on each September 1 thereafter prior to maturity, in accordance with the schedule of Sinking Fund Payments set forth below. The 20__ Term Bonds so called for redemption shall be selected by the Trustee by lot and shall be redeemed at a

redemption price for each redeemed 20__ Term Bond equal to the principal amount thereof, plus accrued interest to the redemption date, without premium, as follows:

Term Bonds Maturing September 1, 20__

Sinking Fund Redemption Date (September 1)	*Sinking Fund Payments*
	$
*	

* Maturity.

The Escrow Term Bonds shall be called before maturity and redeemed, from the Sinking Fund Payments that have been deposited into the Redemption Account established hereunder, on September 1, 20__, and on each September 1 thereafter prior to maturity, in accordance with the schedule of Sinking Fund Payments set forth below. The Escrow Term Bonds so called for redemption shall be selected by the Trustee by lot and shall be redeemed at a redemption price for each redeemed Escrow Term Bond equal to the principal amount thereof, plus accrued interest to the redemption date, without premium, as follows:

Redemption Date (September 1)	*Sinking Payments*
	$
*	

* Maturity.

If the District purchases Term Bonds or Escrow Term Bonds during the Fiscal Year immediately preceding one of the sinking fund redemption dates specified above, the District shall notify the Trustee at least 45 days prior to the redemption date as to the principal amount purchased, and the amount purchased shall be credited at the time of purchase to the next Sinking Fund Payment for the Term Bond or Escrow Term Bond so purchased, to the extent of the full principal amount of the purchase. All Bonds purchased pursuant to this subsection shall be cancelled pursuant to Section 10.1 hereof.

In the event of a partial optional redemption or special mandatory redemption of the Term Bonds or the Escrow Term Bonds, each of the remaining Sinking Fund Payments for such Term Bonds or Escrow Term Bonds shall be reduced, as nearly as practicable, on a pro rata basis.

(c) Special Mandatory Redemption. The Bonds are subject to special mandatory redemption as a whole or in part on a pro rata basis among maturities and by lot within a maturity, on any Interest Payment Date on or after March 1, 2026 and shall be redeemed by the Trustee, from Prepayments deposited to the Redemption Account pursuant to Section 3.2, plus amounts transferred from the 2025 Bonds Reserve Subaccount pursuant to Section 3.6(c), at the following redemption

prices, expressed as a percentage of the principal amount to be redeemed, together with accrued interest to the redemption date:

Redemption Date	*Redemption Price*
Any Interest Payment Date from March 1, 20__, through March 1, 20__	103%
September 1, 20__, and March 1, 20__,	102
September 1, 20__, and March 1, 20__,	101
September 1, 20__, and any Interest Payment Date thereafter	100

Prepayments will be allocated to the payment at maturity and redemption of Bonds and any Parity Bonds as nearly as practicable on a proportionate basis based on the outstanding principal amount of the Bonds and any Parity Bonds and such amounts shall be applied to redeem Bonds and Parity Bonds as nearly as practicable on a pro rata basis among maturities in increments of $5,000; provided, however, that, for Prepayments of less than $50,000, the District may specify in a Certificate of an Authorized Representative that Prepayments be applied to one or more maturities of the Bonds or Parity Bonds so long as there is delivered to the Trustee a certificate of the Independent Financial Consultant that, following such application of the Prepayments, the maximum Special Taxes that may be levied in each Fiscal Year on Taxable Property is not less than 110% of Annual Debt Service, plus the Administrative Expenses Cap, in the Bond Year that begins in such Fiscal Year.

(d) Special Mandatory Redemption from Escrow Fund Transfer. If the requirements for disbursement from the Escrow Fund pursuant to Section 3.10(d) hereof have not been satisfied by the Escrow Closing Date, the Escrow Term Bonds shall be subject to special mandatory redemption on the Escrow Redemption Date (September 1, 2026, unless extended as provided in Section 3.10(e) hereof), in whole, from amounts transferred from the Escrow Fund pursuant to Section 3.10(d) hereof, at a redemption price equal to the principal amount thereof to be redeemed, together with accrued interest thereon to the date of redemption, without premium.

(e) The redemption provisions for Parity Bonds shall be set forth in a Supplemental Indenture.

Section 4.2. Selection of Bonds and Parity Bonds for Redemption. If less than all of the Bonds or Parity Bonds Outstanding are to be redeemed, the portion of any Bond or Parity Bond of a denomination of more than $5,000 to be redeemed shall be in the principal amount of $5,000 or an integral multiple thereof. In selecting portions of such Bonds or Parity Bonds for redemption, the Trustee shall treat such Bonds or Parity Bonds, as applicable, as representing that number of Bonds or Parity Bonds of $5,000 denominations which is obtained by dividing the principal amount of such Bonds or Parity Bonds to be redeemed in part by $5,000. The procedure for the selection of Parity Bonds for redemption may be modified as set forth in the Supplemental Indenture for such Parity Bonds. The Trustee shall promptly notify the District in writing of the Bonds or Parity Bonds, or portions thereof, selected for redemption.

Section 4.3. Notice of Redemption. When Bonds or Parity Bonds are due for redemption under Section 4.1 above or under another redemption provision set forth in a Supplemental Indenture relating to any Parity Bonds, the Trustee shall give notice, in the name and at the expense of the District, of the redemption of such Bonds or Parity Bonds. Such notice of redemption shall: (i) specify the CUSIP numbers (if any), the bond numbers and the maturity date or dates of the Bonds or Parity Bonds selected for redemption, except that where all of the Bonds or all of an issue of Parity Bonds are subject to redemption, or all of the Bonds or Parity Bonds of one maturity are to be redeemed, the bond

numbers of such issue need not be specified; (ii) state the date fixed for redemption and surrender of the Bonds or Parity Bonds to be redeemed; (iii) state the redemption price; (iv) state the place or places where the Bonds or Parity Bonds are to be redeemed; (v) in the case of Bonds or Parity Bonds to be redeemed only in part, state the portion of such Bond or Parity Bond which is to be redeemed; (vi) state the date of issue of the Bonds or Parity Bonds as originally issued; (vii) state the rate of interest borne by each Bond or Parity Bond being redeemed; and (viii) state any other descriptive information needed to identify accurately the Bonds or Parity Bonds being redeemed as shall be specified by the Trustee. Such notice shall further state that on the date fixed for redemption, there shall become due and payable on each Bond, Parity Bond or portion thereof called for redemption, the principal thereof, together with any premium, and interest accrued to the redemption date, and that from and after such date, interest thereon shall cease to accrue and be payable. At least 30 days but no more than 45 days prior to the redemption date, the Trustee shall mail a copy of such notice of redemption, by first class mail, postage prepaid, to the respective Owners thereof at their addresses appearing on the Bond Register, and to the original purchaser of any Bonds or Parity Bonds; provided, however, so long as the Bonds and Parity Bonds are registered in the name of the Nominee, such notice shall be given in such manner as complies with the requirements of the Depository. The actual receipt by the Owner of any Bond or Parity Bond of notice of such redemption shall not be a condition precedent to redemption, and neither the failure to receive nor any defect in such notice shall affect the validity of the proceedings for the redemption of such Bonds or Parity Bonds, or the cessation of interest on the redemption date. A certificate by the Trustee that notice of such redemption has been given as herein provided shall be conclusive as against all parties and the Owner shall not be entitled to show that he or she failed to receive notice of such redemption.

In addition to the foregoing notice, further notice shall be given by the Trustee as set out below, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as above prescribed.

Each further notice of redemption shall be sent not later than the date that notice of redemption is given to the Owners pursuant to the first paragraph of this Section by first class mail or facsimile to the Depository and to any other registered securities depositories then in the business of holding substantial amounts of obligations of types comprising the Bonds and Parity Bonds and to one or more of the national information services that are in the business of disseminating notice of redemption of obligations such as the Bonds and Parity Bonds.

Upon the payment of the redemption price of any Bonds and Parity Bonds being redeemed, each check or other transfer of funds issued for such purpose shall to the extent practicable bear the CUSIP number identifying, by issue and maturity, the Bonds and Parity Bonds being redeemed with the proceeds of such check or other transfer.

With respect to any notice of optional redemption of Bonds or Parity Bonds, such notice may state that such redemption shall be conditional upon the receipt by the Trustee on or prior to the date fixed for such redemption of moneys sufficient to pay the principal of, premium, if any, and interest on such Bonds or Parity Bonds to be redeemed and that, if the District determines that such moneys will not be so received on or prior to the redemption date, said notice shall be of no force and effect and the Trustee shall not be required to redeem such Bonds or Parity Bonds. If any condition stated in the redemption notice for an optional redemption shall not have been satisfied on or prior to the redemption date: (i) the redemption notice shall be of no force and effect, (ii) the District shall not be required to redeem such Bonds or Parity Bonds, (iii) the redemption shall not be made, and (iv) the

Trustee shall within a reasonable time thereafter give notice to the persons in the manner in which the conditional redemption notice was given that such condition or conditions were not met and that the redemption was canceled.

Section 4.4. Partial Redemption of Bonds or Parity Bonds. Upon surrender of any Bond or Parity Bond to be redeemed in part only, the District shall execute and the Trustee shall authenticate and deliver to the Owner, at the expense of the District, a new Bond or Bonds or a new Parity Bond or Parity Bonds of authorized denominations equal in aggregate principal amount to the unredeemed portion of the Bonds surrendered, with the same interest rate and the same maturity or, in the case of surrender of a Parity Bond, a new Parity Bond or Parity Bonds subject to the foregoing limitations.

Section 4.5. Effect of Notice and Availability of Redemption Money. Notice of redemption having been duly given, as provided in Section 4.3 hereof, and the amount necessary for the redemption having been made available for that purpose and being available therefor on the date fixed for such redemption:

(a) the Bonds and Parity Bonds, or portions thereof, designated for redemption shall, on the date fixed for redemption, become due and payable at the redemption price thereof as provided in this Indenture or in any Supplemental Indenture with respect to any Parity Bonds, anything in this Indenture or in the Bonds or the Parity Bonds to the contrary notwithstanding;

(b) upon presentation and surrender thereof at the Principal Office of the Trustee, the redemption price of such Bonds and Parity Bonds shall be paid to the Owners thereof;

(c) as of the redemption date the Bonds or the Parity Bonds, or portions thereof so designated for redemption shall be deemed to be no longer Outstanding and such Bonds or Parity Bonds, or portions thereof, shall cease to bear further interest; and

(d) as of the date fixed for redemption no Owner of any of the Bonds, Parity Bonds or portions thereof so designated for redemption shall be entitled to any of the benefits of this Indenture or any Supplemental Indenture, or to any other rights, except with respect to payment of the redemption price and interest accrued to the redemption date from the amounts so made available.

ARTICLE V

COVENANTS AND WARRANTY

Section 5.1. Warranty. The District shall preserve and protect the security pledged hereunder to the Bonds and any Parity Bonds against all claims and demands of all persons.

Section 5.2. Covenants. So long as any of the Bonds or Parity Bonds issued hereunder are Outstanding and unpaid, the District makes the following covenants with the Owners under the provisions of the Act and this Indenture (to be performed by the District or its proper officers, agents or employees), which covenants are necessary and desirable to secure the Bonds and Parity Bonds and tend to make them more marketable; provided, however, that said covenants do not require the District to expend any funds or moneys other than the Special Taxes and other amounts deposited to the Special Tax Fund:

(a) Punctual Payment; Against Encumbrances. The District covenants that it will receive all Special Taxes in trust for the Owners and will deposit all Special Taxes with the Trustee immediately upon their apportionment to the District, and the District shall have no beneficial right or interest in the amounts so deposited except as provided by this Indenture. All such Special Taxes shall be disbursed, allocated and applied solely to the uses and purposes set forth herein, and shall be accounted for separately and apart from all other money, funds, accounts or other resources of the District.

The District covenants that it will duly and punctually pay or cause to be paid the principal of and interest on every Bond and Parity Bond issued hereunder, together with the premium, if any, thereon on the date, at the place and in the manner set forth in the Bonds and the Parity Bonds and in accordance with this Indenture to the extent that Net Taxes and other amounts pledged hereunder are available therefor, and that the payments into the Funds and Accounts created hereunder will be made, all in strict conformity with the terms of the Bonds, any Parity Bonds, and this Indenture, and that it will faithfully observe and perform all of the conditions, covenants and requirements of this Indenture and all Supplemental Indentures and of the Bonds and any Parity Bonds issued hereunder.

The District will not mortgage or otherwise encumber, pledge or place any charge upon any of the Net Taxes except as provided in this Indenture, and will not issue any obligation or security having a lien or charge upon the Net Taxes superior to or on a parity with the Bonds, other than Parity Bonds. Nothing herein shall prevent the District from issuing or incurring indebtedness which is payable from a pledge of Net Taxes which is subordinate in all respects to the pledge of Net Taxes to repay the Bonds and the Parity Bonds, subject to compliance with the District's bonded indebtedness limit.

(b) Levy of Special Tax. Beginning in Fiscal Year 2025-26 and so long as any Bonds or Parity Bonds issued under this Indenture are Outstanding, the District covenants to levy the Special Tax in an amount sufficient, together with other amounts on deposit in the Special Tax Fund, to pay: (1) the principal of and interest on the Bonds and any Parity Bonds when due; (2) the Administrative Expenses; and (3) any amounts required to replenish the 2025 Bonds Reserve Subaccount to the 2025 Bonds Reserve Requirement and any other Subaccount of the Reserve Account to the applicable Reserve Requirement, including any amounts to pay costs related to a Reserve Policy, if any. The District further covenants that it will take no actions that would discontinue or cause the discontinuance of the Special Tax levy or the District's authority to levy the Special Tax for so long as the Bonds and any Parity Bonds are Outstanding.

(c) Commence Foreclosure Proceedings. The District covenants for the benefit of the Owners of the Bonds and any Parity Bonds that it will: (i) commence judicial foreclosure proceedings against parcels with delinquent Special Taxes in excess of $4,000 by the December 1 following the close of each Fiscal Year in which such Special Taxes were due; (ii) commence judicial foreclosure proceedings against all parcels with delinquent Special Taxes by the December 1 following the close of each Fiscal Year in which it receives Special Taxes in an amount which is less than 95% of the total Special Tax levied; and (iii) diligently pursue such foreclosure proceedings until the delinquent Special Taxes are paid; provided that, notwithstanding the foregoing, the District may elect to defer foreclosure proceedings on any parcel so long as the amount in the 2025 Bonds Reserve Subaccount is at least equal to the 2025 Bonds Reserve Requirement and the amount in all other Subaccounts of the Reserve Account is at least equal to the applicable Reserve Requirement. The District may, but shall not be obligated to, advance funds from any source of legally available funds in order to maintain the Subaccounts of the Reserve Account. The District may treat any delinquent Special Tax sold to an independent third-party or to the City for at least 100% of the delinquent amount as having been paid.

Proceeds of any such sale up to 100% of the delinquent amount will be deposited in the Special Tax Fund.

The District covenants that it will deposit the net proceeds of any foreclosure in the Special Tax Fund and will apply such proceeds remaining after the payment of Administrative Expenses to make current payments of principal and interest on the Bonds and any Parity Bonds, to bring the amount on deposit in the 2025 Bonds Reserve Subaccount up to the 2025 Bonds Reserve Requirement and the amount on deposit in any other Subaccount of the Reserve Account to the applicable Reserve Requirement, and to pay any delinquent installments of principal or interest due on the Bonds and any Parity Bonds.

(d) Payment of Claims. The District will pay and discharge any and all lawful claims for labor, materials or supplies which, if unpaid, might become a lien or charge upon the Net Taxes or other funds in the Special Tax Fund (other than the Administrative Expense Account therein), or which might impair the security of the Bonds or any Parity Bonds then Outstanding; provided, however, that nothing herein contained shall require the District to make any such payments so long as the District in good faith shall contest the validity of any such claims.

(e) Books and Accounts. The District will keep proper books of records and accounts, separate from all other records and accounts of the District, in which complete and correct entries shall be made of all transactions relating to the Project, the levy of the Special Tax and the deposits to the Special Tax Fund. Such books of records and accounts shall at all times during business hours be subject to the inspection of the Trustee or of the Owners or the Owners of any issue of Parity Bonds then Outstanding or their representatives authorized in writing.

(f) Federal Tax Covenants. Notwithstanding any other provision of this Indenture, absent an opinion of Bond Counsel that the exclusion from gross income of interest on the Bonds and any Parity Bonds issued on a tax-exempt basis for federal income tax purposes will not be adversely affected for federal income tax purposes, the District covenants to comply with all applicable requirements of the Code necessary to preserve such exclusion from gross income and specifically covenants, without limiting the generality of the foregoing, as follows:

(1) Private Activity. The District will take no action or refrain from taking any action or make any use of the proceeds of the Bonds or any Parity Bonds or of any other monies or property which would cause the Bonds or any Parity Bonds issued on a tax-exempt basis for federal income tax purposes to be "private activity bonds" within the meaning of Section 141 of the Code.

(2) Arbitrage. The District will make no use of the proceeds of the Bonds or any Parity Bonds or of any other amounts or property, regardless of the source, or take any action or refrain from taking any action which will cause the Bonds or any Parity Bonds issued on a tax-exempt basis for federal income tax purposes to be "arbitrage bonds" within the meaning of Section 148 of the Code.

(3) Federal Guaranty. The District will make no use of the proceeds of the Bonds or any Parity Bonds or take or omit to take any action that would cause the Bonds or any Parity Bonds issued on a tax-exempt basis for federal income tax purposes to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

(4) Information Reporting. The District will take or cause to be taken all necessary action to comply with the informational reporting requirement of Section 149(e) of the Code.

(5) Hedge Bonds. The District will make no use of the proceeds of the Bonds or any Parity Bonds or any other amounts or property, regardless of the source, or take any action or refrain from taking any action that would cause the Bonds or any Parity Bonds issued on a tax-exempt basis for federal income tax purposes to be considered "hedge bonds" within the meaning of Section 149(g) of the Code unless the District takes all necessary action to assure compliance with the requirements of Section 149(g) of the Code to maintain the exclusion from gross income for federal income tax purposes of interest on the Bonds and any applicable Parity Bonds.

(6) Miscellaneous. The District will take no action or refrain from taking any action inconsistent with its expectations stated in the Tax Certificate executed on the Delivery Date by the District in connection with the Bonds and any issue of Parity Bonds and will comply with the covenants and requirements stated therein and incorporated by reference herein.

(7) Other Tax-Exempt Issues. The District will not use proceeds of other tax-exempt securities to redeem any Bonds or Parity Bonds without first obtaining the written opinion of Bond Counsel that doing so will not impair the exclusion from gross income for federal income tax purposes of interest on the Bonds and any Parity Bonds issued on a tax-exempt basis.

(8) Subsequent Opinions. If the District obtains a subsequent opinion of Bond Counsel other than Stradling Yocca Carlson & Rauth, a Professional Corporation, where such opinion is required in connection with a change or amendment to this Indenture or the procedures set forth in the Tax Certificate, it will obtain an opinion substantially to the effect originally delivered by Stradling Yocca Carlson & Rauth LLP, that interest on the Bonds is excluded from gross income for federal income tax purposes.

(g) Reduction of Maximum Special Taxes. The District hereby finds and determines that, historically, delinquencies in the payment of special taxes authorized pursuant to the Act in community facilities districts in California have from time to time been at levels requiring the levy of special taxes at the maximum authorized rates in order to make timely payment of principal of and interest on the outstanding indebtedness of such community facilities districts. For this reason, the District hereby determines that a reduction in the maximum Special Tax rates authorized to be levied on parcels in the District below the levels provided in this Section 5.2(g) would interfere with the timely retirement of the Bonds and Parity Bonds. The District determines it to be necessary in order to preserve the security for the Bonds and Parity Bonds to covenant, and, to the maximum extent that the law permits it to do so, the District hereby does covenant, that it shall not initiate proceedings to reduce the maximum Special Tax rates for the District, unless, in connection therewith, the District receives a certificate from one or more Independent Financial Consultants which, when taken together, certify that: (i) such changes do not reduce the maximum Special Taxes that may be levied in each year on property within the District to an amount which is less than the Administrative Expense Cap plus 110% of the Annual Debt Service due in each corresponding future Bond Year with respect to the Bonds and Parity Bonds Outstanding as of the date of such proposed reduction; and (ii) the District is not delinquent in the payment of the principal of or interest on the Bonds or any Parity Bonds.

(h) Covenants to Defend. The District covenants that, in the event that any initiative is adopted by the qualified electors in the District which purports to reduce the maximum Special Tax below the levels specified in Section 5.2(g) above or to limit the power of the District to levy the Special Taxes for the purposes set forth in Section 5.2(b) above, it will commence and pursue legal action in order to preserve its ability to comply with such covenants.

(i) Limitation on Right to Tender Bonds. The District hereby covenants that it will not adopt any policy pursuant to Section 53344.1 of the Act permitting the tender of Bonds or Parity Bonds in full payment or partial payment of any Special Taxes unless the District shall have first received a certificate from an Independent Financial Consultant that the acceptance of such a tender will not result in the District having insufficient Net Taxes to pay the principal of and interest on the Bonds and Parity Bonds when due.

(j) Continuing Disclosure. The District covenants to comply with the terms of the Continuing Disclosure Certificate and with the terms of any agreement executed by the District with respect to any Parity Bonds to assist the Underwriter in complying with Rule 15c2-12 adopted by the Securities and Exchange Commission; provided, however, that a failure to comply shall not be considered an event of default hereunder and the Owners shall be limited to enforcing the terms thereof in accordance with the terms of the Continuing Disclosure Certificate.

(k) Further Assurances. The District shall make, execute and deliver any and all such further agreements, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Indenture and for the better assuring and confirming unto the Owners of the Bonds and any Parity Bonds of the rights and benefits provided in this Indenture.

ARTICLE VI

AMENDMENTS TO INDENTURE

Section 6.1. Supplemental Indentures or Orders Not Requiring Owner Consent. The District may from time to time, and at any time, without notice to or consent of any of the Owners, adopt Supplemental Indentures for any of the following purposes:

(a) to cure any ambiguity, to correct or supplement any provisions herein which may be inconsistent with any other provision herein, or to make any other provision with respect to matters or questions arising under this Indenture or in any additional resolution or order, provided that such action is not materially adverse to the interests of the Owners;

(b) to add to the covenants and agreements of and the limitations and the restrictions upon the District contained in this Indenture other covenants, agreements, limitations and restrictions to be observed by the District which are not contrary to or inconsistent with this Indenture as theretofore in effect or which further secure Bond or Parity Bond payments;

(c) to provide for the issuance of any Parity Bonds, and to provide the terms and conditions under which such Parity Bonds may be issued, subject to and in accordance with the provisions of this Indenture;

(d) to modify, amend or supplement this Indenture in such manner as to permit the qualification hereof under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereafter in effect, or to comply with the Code or regulations issued thereunder, and to add such other terms, conditions and provisions as may be permitted by said act or similar federal statute, and which shall not materially adversely affect the interests of the Owners of the Bonds or any Parity Bonds then Outstanding;

(e) to modify, alter or amend the RMA in any manner, so long as the Trustee receives a certificate of an Independent Financial Consultant stating that: (i) such changes do not reduce the maximum Special Taxes that may be levied in each year on property within the District to an amount which is less than the Administrative Expense Cap plus 110% of the Annual Debt Service due in each corresponding future Bond Year with respect to the Bonds and Parity Bonds Outstanding as of the date of such amendment and (ii) based on the current development plan for parcels within the District, do not reduce the maximum Special Taxes which could be levied upon Taxable Property within the District to an amount which is less than the Administrative Expense Cap plus 110% of the Annual Debt Service due in each corresponding future Bond Year with respect to the Bonds and Parity Bonds Outstanding as of the date of such amendment;

(f) to modify, alter, amend or supplement this Indenture in any other respect which is not materially adverse to the Owners; or

(g) to modify, alter, amend or supplement this Indenture in any other respect, as may be required to fund all or a portion of the 2025 Bonds Reserve Requirement or any other Reserve Requirement with respect to Parity Bonds with a Reserve Policy.

Section 6.2. Supplemental Indentures or Orders Requiring Owner Consent. Exclusive of the Supplemental Indentures described in Section 6.1, the Owners of not less than a majority in aggregate principal amount of the Bonds and Parity Bonds Outstanding shall have the right to consent to and approve the adoption by the District of such Supplemental Indentures as shall be deemed necessary or desirable by the District for the purpose of waiving, modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Indenture; provided, however, that nothing herein shall permit, or be construed as permitting: (a) an extension of the maturity date of the principal, or the payment date of interest on, any Bond or Parity Bond; (b) a reduction in the principal amount of, or redemption premium on, any Bond or Parity Bond or the rate of interest thereon; (c) a preference or priority of any Bond or Parity Bond over any other Bond or Parity Bond; or (d) a reduction in the aggregate principal amount of the Bonds and Parity Bonds the Owners of which are required to consent to such Supplemental Indenture, without the consent of the Owners of all Bonds and Parity Bonds then Outstanding.

If at any time the District shall desire to adopt a Supplemental Indenture, which pursuant to the terms of this Section shall require the consent of the Owners, the District shall so notify the Trustee and shall deliver to the Trustee a copy of the proposed Supplemental Indenture. The Trustee shall, at the expense of the District, cause notice prepared by counsel of the District of the proposed Supplemental Indenture to be mailed, by first class mail, postage prepaid, to all Owners at their addresses as they appear in the Bond Register. Such notice shall briefly set forth the nature of the proposed Supplemental Indenture and shall state that a copy thereof is on file at the Principal Office of the Trustee for inspection by all Owners. The failure of any Owners to receive such notice shall not affect the validity of such Supplemental Indenture when consented to and approved by the Owners of not less than a majority in aggregate principal amount of the Bonds and Parity Bonds Outstanding as required by this Section. Whenever at any time within one year after the date of the first mailing of such notice, the Trustee shall receive an instrument or instruments purporting to be executed by the Owners of not less than a majority in aggregate principal amount of the Bonds and Parity Bonds Outstanding, which instrument or instruments shall refer to the proposed Supplemental Indenture described in such notice, and shall specifically consent to and approve the adoption thereof by the District substantially in the form of the copy referred to in such notice as on file with the Trustee, such proposed Supplemental Indenture, when duly adopted by the District, shall thereafter become a part of

the proceedings for the issuance of the Bonds and any Parity Bonds. In determining whether the Owners of a majority of the aggregate principal amount of the Bonds and Parity Bonds have consented to the adoption of any Supplemental Indenture, Bonds or Parity Bonds which are owned by the District or by any person directly or indirectly controlling or controlled by or under the direct or indirect common control with the District, shall be disregarded and shall be treated as though they were not Outstanding for the purpose of any such determination.

Upon the adoption of any Supplemental Indenture and the receipt of consent to any such Supplemental Indenture from the Owners of not less than a majority in aggregate principal amount of the Outstanding Bonds and Parity Bonds in instances where such consent is required pursuant to the provisions of this Section, this Indenture shall be, and shall be deemed to be, modified and amended in accordance therewith, and the respective rights, duties and obligations under this Indenture of the District and all Owners of Outstanding Bonds and Parity Bonds shall thereafter be determined, exercised and enforced hereunder, subject in all respects to such modifications and amendments.

Section 6.3. Notation of Bonds or Parity Bonds; Delivery of Amended Bonds or Parity Bonds. After the effective date of any action taken as hereinabove provided, the District may determine that the Bonds or any Parity Bonds may bear a notation, by endorsement in form approved by the District, as to such action, and in that case upon demand of the Owner of any Outstanding Bond or Parity Bond at such effective date and presentation of such Owner's Bond or Parity Bond for the purpose at the Principal Office of the Trustee or at such additional offices as the Trustee may select and designate for that purpose, a suitable notation as to such action shall be made on such Bonds or Parity Bonds at the District's expense. If the District shall so determine, new Bonds or Parity Bonds so modified as, in the opinion of the District, shall be necessary to conform to such action shall be prepared and executed, and in that case upon demand of the Owner of any Outstanding Bond or Parity Bond at such effective date such new Bonds or Parity Bonds shall be exchanged, at the sole cost of the District, at the Principal Office of the Trustee or at such additional offices as the Trustee may select and designate for that purpose, without cost to each Owner of Outstanding Bonds or Parity Bonds, upon surrender of such Outstanding Bonds or Parity Bonds.

The Trustee shall have the right to require such opinions of counsel as it deems necessary concerning: (i) the lack of material adverse effect of the amendment on Owners; and (ii) the fact that the amendment will not affect the tax status of interest with respect to the Bonds. In executing, or accepting the additional trusts created by, any Supplemental Indenture permitted by this Article or the modification thereby of the trusts created by this Indenture, the Trustee shall receive, and shall be fully protected in relying upon, a Certificate of an Authorized Representative and an opinion of counsel to the District stating that the execution of such Supplemental Indenture is authorized or permitted by this Indenture and that such Supplemental Indenture is the legal, valid and binding obligation of the District, enforceable against the District in accordance with its terms. The Trustee may, but shall not be obligated to, enter into any such Supplemental Indenture which affects the Trustee's own rights, duties or immunities under this Indenture or otherwise.

ARTICLE VII

TRUSTEE

Section 7.1. Trustee. U.S. Bank Trust Company, National Association shall be the Trustee for the Bonds and any Parity Bonds unless and until another trustee is appointed by the District hereunder. The Trustee represents that it has (or is a member of a bank holding company system whose

bank holding company has) a combined capital (exclusive of borrowed capital) and surplus of at least $50,000,000. The District may, at any time, appoint a successor Trustee satisfying the requirements of Section 7.2 below for the purpose of receiving all money which the District is required to deposit with the Trustee hereunder and to allocate, use and apply the same as provided in this Indenture.

The Trustee is hereby authorized to and shall mail by first class mail, postage prepaid, or wire transfer in accordance with Section 2.5 above, interest payments to the Owners, to select Bonds and Parity Bonds for redemption, and to maintain the Bond Register. The Trustee is hereby authorized to pay the principal of and premium, if any, on the Bonds and Parity Bonds when the same are duly presented to it for payment at maturity or on call and redemption, to provide for the registration of transfer and exchange of Bonds and Parity Bonds presented to it for such purposes, to provide for the cancellation of Bonds and Parity Bonds all as provided in this Indenture, and to provide for the authentication of Bonds and Parity Bonds, and shall perform all other duties assigned to or imposed on it as provided in this Indenture. The Trustee shall keep accurate records of all funds administered by it and all Bonds and Parity Bonds paid, discharged and cancelled by it.

The Trustee is hereby authorized to pay and redeem the Bonds and Parity Bonds when duly presented for payment at maturity, or on redemption prior to maturity. The Trustee shall cancel all Bonds and Parity Bonds upon payment thereof in accordance with the provisions of Section 10.1 hereof.

The District shall from time to time, (i) subject to any written agreement between the District and the Trustee then in force, pay to the Trustee from time to time compensation for its services rendered by it hereunder (which compensation shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust), (ii) reimburse the Trustee for all its advances, disbursements and expenditures incurred or made by the Trustee in accordance with any provisions of this Indenture, including, but not limited to, advances to and fees, costs and expenses and compensation of independent accountants or counsel employed by it in the exercise and performance of its powers and duties hereunder, and (iii) indemnify and save the Trustee, its officers, directors, employees and agents, harmless against costs, claims, expenses, losses, damages, taxes and liabilities, including, without limitation, fees, costs and expenses of its attorneys (not arising from its own gross negligence or willful misconduct) which it may incur in the exercise and performance of its powers and duties hereunder including the costs and expenses of enforcing the provisions of this Indenture (including this Section) against the District and defending itself against any claim (whether asserted by the District, or any Owner or any other Person) or liability in connection with the exercise or performance of any of its powers or duties hereunder. The Trustee shall have the right to employ separate counsel in any such action or proceeding and participate in the investigation and defense thereof, and the District shall pay the fees and expenses of such separate counsel. The foregoing obligation of the District to indemnify the Trustee shall survive the removal or resignation of the Trustee or the discharge of the Bonds and Parity Bonds.

Section 7.2. Removal of Trustee. The District may at any time at its sole discretion, upon 30 days' notice, remove the Trustee initially appointed, and any successor thereto, by delivering to the Trustee a written notice of its decision to remove the Trustee and may appoint a successor or successors thereto; provided that any such successor shall be a bank or trust company having (or whose parent bank holding company has) a combined capital (exclusive of borrowed capital) and surplus of at least $50,000,000, and subject to supervision or examination by federal or state authority. Any removal shall become effective only upon acceptance of appointment by the successor Trustee. If any bank or trust company appointed as a successor publishes a report of condition at least annually, pursuant to

law or to the requirements of any supervising or examining authority above referred to, then for the purposes of this Section the combined capital and surplus of such bank or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. Any removal of the Trustee and appointment of a successor Trustee shall become effective only upon acceptance of appointment by the successor Trustee and notice of the successor Trustee's identity and address being sent by the successor Trustee to the Owners.

Section 7.3. Resignation of Trustee. The Trustee may at any time resign and be discharged from its duties and obligations hereunder by giving written notice to the District. Upon receiving such notice of resignation, the District shall promptly appoint a successor Trustee satisfying the criteria in Section 7.2 above by an instrument in writing. Any resignation or removal of the Trustee and appointment of a successor Trustee shall become effective only upon acceptance of appointment by the successor Trustee. If no successor Trustee shall have been appointed by the District within thirty (30) days of giving such notice or removal or resignation, then the Trustee, or any Owner may petition, at the sole expense of the District, a court of competent jurisdiction for the appointment of a successor Trustee and other appropriate relief, and such court may thereupon, after such notice (if any) as it may deem proper, appoint a successor Trustee under the Indenture.

Section 7.4. Liability of Trustee. The recitals of fact and all promises, covenants and agreements contained herein and in the Bonds and any Parity Bonds shall be taken as statements, promises, covenants and agreements of the District, and the Trustee assumes no responsibility or liability for the correctness of the same and makes no representations whatsoever as to the validity or sufficiency of this Indenture, the Bonds or any Parity Bonds, and shall incur no responsibility or liability in respect thereof, other than in connection with its express duties or obligations specifically set forth herein, in the Bonds and any Parity Bonds, or in the certificate of authentication assigned to or imposed upon the Trustee. The Trustee shall not have nor be under any responsibility or duty with respect to the issuance of the Bonds or any Parity Bonds for value. The Trustee shall not be liable in connection with the performance of its duties hereunder, except for its own gross negligence or willful misconduct. The Trustee shall not be liable for any action taken, suffered or omitted by it or any of its officers, employees or agents and believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Indenture. The Trustee shall not be liable for any actions taken or omitted to be taken, or any error of judgment made in good faith by a responsible officer, unless it shall be proved that the Trustee was grossly negligent in ascertaining the pertinent facts.

The Trustee shall be entitled to request and receive written instructions from the District and/or Owners and shall have no responsibility or liability for any losses or damages of any nature that may arise from any action taken or not taken by the Trustee in accordance with the written direction of any such party. The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in accordance with the written direction of the Owners of not less than a majority in aggregate principal amount of the Bonds and Parity Bonds at the time Outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee under this Indenture with respect to the Bonds and the Parity Bonds.

The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of an Owner and/or the District, pursuant to the provisions of this Indenture, unless such party shall have offered to the Trustee security or indemnity (satisfactory to the Trustee in its sole and absolute discretion) against the costs, fees, expenses and liabilities (including attorneys' fees and expenses) which may be incurred by it in compliance with such request or direction.

In the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture; but in the case of any such certificates or opinions which by any provision hereof are specifically required to be furnished to the Trustee, the Trustee shall be under a duty to examine the same to determine whether or not they conform, on their face, to the requirements of this Indenture (but need not confirm or investigate the accuracy of mathematical calculations or other facts stated therein).

Neither the Trustee nor any of its directors, officers, employees, agents or affiliates shall be responsible for nor have any duty to monitor the performance of any duties or obligations imposed herein upon the District or any other person or any action of the District or any of its directors, members, officers, agents, affiliates or employees, nor shall it have any liability or responsibility in connection with the malfeasance or nonfeasance or failure to perform by such party any act required of them by this Indenture. The Trustee may assume performance by all such persons of their respective obligations. The Trustee shall have no enforcement or notification obligations relating to breaches of representations or warranties of any other person. The Trustee may conclusively rely and shall be conclusively protected in acting or refraining from acting upon any notice, resolution, request, consent, order, judgement, decree, certificate, report, statement, instrument, opinion, direction, evidence of indebtedness, Bond, Parity Bond or other paper or document believed by it to be genuine and signed or presented by the proper party or parties as provided hereunder, not only as to due execution, validity and effectiveness, but also as to the truth and accuracy of any information contained therein. Whenever in the administration of this Indenture the Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Trustee (unless other evidence be herein specifically prescribed) may, at the expense of the District, request, conclusively rely on and act in accordance with officer's certificates, Certificates of an Authorized Representative and/or opinions of counsel, and shall incur no liability and shall be fully protected in acting or refraining from acting in accordance with such officer's certificates, Certificates of an Authorized Representative and opinions of counsel, but in its discretion the Trustee may but shall not be obligated to accept other evidence of such matter or may require such additional evidence as to it may seem reasonable. It is understood and agreed that no such act shall broaden or imply the Trustee's acceptance of a broadening of the scope of the Trustee's duties and obligations hereunder unless the Trustee shall provide written acceptance thereof.

The Trustee shall not be bound to recognize any person as the Owner of a Bond or Parity Bond unless and until such Bond or Parity Bond is submitted for inspection, if required, and his title thereto is satisfactorily established to the Trustee, if disputed.

The Trustee shall have no duty or obligation whatsoever to enforce the collection of Special Taxes or other funds to be deposited with it hereunder, or as to the correctness of any amounts received, but its liability shall be limited to the proper accounting for such funds as it actually receives. No provision in this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of its rights or powers.

The Trustee shall not be deemed to have knowledge of any default or event of default under this Indenture until an officer at the Principal Office of the Trustee responsible for the administration of its duties hereunder shall have actual knowledge thereof or the Trustee shall have received written notice of any event which is in fact such a default or event of default at the Principal Office of the Trustee, and such notice references the Bonds or the Parity Bonds, as applicable, and this Indenture.

The Trustee shall have no responsibility or liability with respect to any information, statement, or recital in any official statement, offering memorandum or any other disclosure material prepared or distributed with respect to the Bonds and any Parity Bonds.

Before taking any action under Article VIII hereof the Trustee may require that indemnity and security satisfactory to the Trustee in its sole and exclusive discretion be furnished to it for and from any expenses and liabilities and to protect it against any liability it may incur hereunder.

The rights, privileges, protections, immunities and benefits extended to the Trustee, including, without limitation, its right to be indemnified, are also extend to, and shall be enforceable by, the Trustee in each of its capacities hereunder and its directors, officers, employees and agents (including its counsel) employed to act hereunder.

The Trustee shall not be liable for any action taken or not taken by it in accordance with the direction of the Owners of 25% (or other percentage provided for herein) in aggregate principal amount of Bonds and Parity Bonds Outstanding relating to the exercise of any right, power or remedy available to the Trustee. In the event of conflicting instructions hereunder, the Trustee shall have the right to decide the appropriate course of action and will be protected in so doing.

The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty or in any way expand or impliedly expand the scope of the Trustee's duties hereunder.

The Trustee may execute any of the trusts or powers hereof and perform any of its duties hereunder either directly or by or through attorneys, agents and receivers and shall not be answerable or responsible for the acts, omissions, misconduct or negligence of the same if appointed by it with due care hereunder. The Trustee shall be entitled to rely on and shall not be liable for any action taken or omitted to be taken by the Trustee in accordance with the advice of counsel of its selection or other professionals retained or consulted by the Trustee, and the advice of such counsel or any opinion of counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon.

The Trustee may become the Owner or pledgee of the Bonds and Parity Bonds and may otherwise deal with the District with the same rights it would have if it were not Trustee.

The Trustee shall perform such duties and only such duties as are specifically set forth in this Indenture and no implied duties, covenants or obligations shall be read into this Indenture against the Trustee. These duties shall be deemed purely ministerial in nature, and the Trustee shall not be liable except for the performance of such duties.

If an Event of Default has occurred and is continuing, the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs.

Subject to Section 7.1, the District shall, to the extent permitted by law, indemnify and save the Trustee and its officers, directors, agents, and employees harmless from and against (whether or not litigated) all claims, losses, costs, expenses, liabilities, taxes and damages, including legal fees and expenses, arising out of: (i) the use, maintenance, condition or management of, or from any work or

thing done on, the Project; (ii) any breach or default on the part of the District in the performance of any of its obligations under this Indenture and any other agreement made and entered into for purposes of the Bonds and Parity Bonds; (iii) any act of the City, the District or of any of its agents, contractors, servants, employees or licensees with respect to the Project; (iv) any act of any assignee of, or purchaser from, the City, the District or of any of its or their agents, contractors, servants, employees or licensees with respect to the Project; (v) the construction or acquisition of the Project or the expenditure of Project Costs; (vi) the exercise and performance by the Trustee of its powers and duties hereunder or any related document; (vii) the sale of the Bonds and Parity Bonds and the carrying out of any of the transactions contemplated by the Bonds and Parity Bonds or this Indenture; or (viii) any untrue statement or alleged untrue statement of any material fact or omission or alleged omission to state a material fact necessary to make the statements made in light of the circumstances in which they were made, not misleading in any official statement or other disclosure document utilized in connection with the sale or marketing of the Bonds and Parity Bonds. The indemnification set forth in this Section shall extend to the Trustee's officers, agents, employees, successors and assigns. No indemnification will be made under this Section or elsewhere in this Indenture or other agreements for willful misconduct or negligence by the Trustee, its officers, agents, employees, successors or assigns. The District's obligations hereunder shall remain valid and binding notwithstanding maturity and payment of the Bonds and Parity Bonds, or the resignation or removal of the Trustee.

In accepting the trust hereby created, the Trustee acts solely as Trustee for the Owners and not in its individual capacity, and all persons, including, without limitation, the Owners, the District and the City, having any claim against the Trustee arising from this Indenture shall look only to the funds and Accounts held by the Trustee hereunder for payment, except as otherwise provided herein. Under no circumstances shall the Trustee be liable in its individual capacity for the obligations evidenced by the Bonds and any Parity Bonds.

THE TRUSTEE MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR FITNESS FOR THE USE CONTEMPLATED BY THE DISTRICT OF THE PROJECT, OR ANY PORTION THEREOF. In no event shall the Trustee be responsible or liable for incidental, indirect, punitive, special or consequential loss or damage of any kind whatsoever (including, but not limited to, loss of profit), in connection with or arising out of the Project or this Indenture for the existence, furnishing, functioning or use and possession of the Project, irrespective of whether the Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action. The Trustee shall not be required to give any bond or surety in respect of the performance of its powers and duties hereunder.

The Trustee shall not be responsible or liable to the parties hereto or deemed in breach or default hereunder if and to the extent its performance of its obligations hereunder is prevented by reason of force majeure. The term "force majeure" means an occurrence arising out of or caused by, directly or indirectly, forces beyond its control. Force majeure shall include, but not limited to, any act or provision of any present or future law or regulation or governmental authority; nuclear or natural catastrophes or acts of God; earthquakes; fires; floods; wars or acts of war; terrorism; civil or military disturbances; sabotage; epidemics; pandemics; recognized public emergencies; quarantine restrictions; riots; strikes; work stoppages; accidents; interruptions, loss or malfunctions of utilities, computer (hardware or software) or communications service; hacking, cyberattacks or other use or infiltration of the Trustee's technological infrastructure exceeding authorized access; accidents; labor disputes; acts of civil or military authority or governmental actions; or the unavailability of the Federal Reserve Bank wire or telex or other wire or communication facility, or other similar occurrences.

The Trustee shall be entitled to request and receive written instructions from the District or other parties and shall have no responsibility or liability for any losses or damages of any nature that may arise from any action taken or not taken by the Trustee in accordance with the written direction of the District or such other parties. The Trustee shall have the right to accept and act upon directions given pursuant to this Indenture and delivered using unsecured email, facsimile transmission or other similar unsecured electronic notice; provided, however, (i) that the District shall provide to the Trustee an incumbency certificate listing each Authorized Representative of the District with the authority to provide such directions and containing specimen signatures of such authorized officers, which incumbency certificate shall be amended whenever a person is to be added or deleted from the listing and (ii) the District, subsequent to such transmission of written instructions, shall provide the originally executed instructions or directions to the Trustee in a timely manner. If the District elects to give the Trustee directions using unsecured email, facsimile transmission or other similar unsecured electronic notice and the Trustee in its discretion elects to act upon such directions, the Trustee's understanding of such directions shall be deemed controlling. The District understands and agrees that the Trustee cannot determine the identity of the actual sender of such directions and that the Trustee shall conclusively presume that directions that purport to have been sent by an authorized officer listed on the incumbency certificate provided to the Trustee have been sent by such Authorized Representative of the District. The District shall be responsible for ensuring that only an Authorized Representative of the District shall transmit such directions to the Trustee and that each Authorized Representative of the District treat applicable user and authorization codes, passwords and/or authentication keys with extreme care. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and a compliance with such directions, notwithstanding such directions conflict or are inconsistent with a subsequent written direction. The District agrees (i) to assume all risks arising out of the use of unsecured email, facsimile transmission or other similar unsecured electronic notice to submit directions to the Trustee, including, without limitation, the risk of the Trustee acting on unauthorized directions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting directions or instructions to the Trustee and that there may be more secure methods of transmitting directions than the method(s) selected by the District; and (iii) that the security procedures (if any) to be followed in connection with its transmission of directions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances.

Money held by the Trustee in trust hereunder need not be segregated from other funds except to the extent required by law. The Trustee shall be under no liability for interest on any money received by it hereunder except as otherwise agreed in writing with the District.

Section 7.5. Merger or Consolidation. Any organization or entity into which the Trustee may be merged or converted or with which it may be consolidated or any organization or entity resulting from any merger, conversion or consolidation to which it shall be a party or any organization or entity to which the Trustee may sell or transfer all or substantially all of its corporate trust business assets as a whole or substantially as a whole, shall be and become the successor to the Trustee under this Indenture, succeeding to the rights, powers, duties, immunities and privileges as its predecessor without the execution or filing of any paper or further act, anything herein to the contrary notwithstanding.

ARTICLE VIII

EVENTS OF DEFAULT; REMEDIES

Section 8.1. Events of Default. Any one or more of the following events shall constitute an "Event of Default":

(a) default in the due and punctual payment of the principal of or redemption premium, if any, on any Bond or Parity Bond when and as the same shall become due and payable, whether at maturity as therein expressed, by declaration or otherwise;

(b) default in the due and punctual payment of the interest on any Bond or Parity Bond when and as the same shall become due and payable; or

(c) except as described in subsections (a) or (b), default by the District in the observance of any of the agreements, conditions or covenants on its part contained in this Indenture, the Bonds or any Parity Bonds, which default continues for a period of 30 days after the District has been given notice in writing of such default by the Trustee or the Owners of twenty-five percent (25%) in aggregate principal amount of the Outstanding Bonds and Parity Bonds.

The Trustee agrees to give notice, at the District's sole expense, to the Owners as soon as practicable upon the occurrence of an Event of Default under subsections (a) or (b) above and within 30 days of the Trustee's actual knowledge of an Event of Default under subsection (c) above.

Section 8.2. Remedies of Owners. Upon the occurrence of an Event of Default, any Owner may pursue any available remedy at law or in equity to enforce the payment of the principal of, premium, if any, and interest on the Outstanding Bonds and Parity Bonds, and to enforce any rights of the Trustee under or with respect to this Indenture, including:

(a) by mandamus or other suit or proceeding at law or in equity to enforce his or her rights against the District and any of the members, officers and employees of the District, and to compel the District or any such members, officers or employees to perform and carry out their duties under the Act and their agreements with the Owners as provided in this Indenture;

(b) by suit in equity to enjoin any actions or things which are unlawful or violate the rights of the Owners; or

(c) by a suit in equity to require the District and its members, officers and employees to account as the trustee of an express trust.

If an Event of Default shall have occurred and be continuing and if requested and directed so to do by the Owners of at least twenty-five percent (25%) in aggregate principal amount of Outstanding Bonds and Parity Bonds and if indemnified to its satisfaction, the Trustee shall be obligated to exercise such one or more of the rights and powers conferred by this Article VIII, as the Trustee, being advised by counsel, shall deem most expedient in the interests of the Owners of the Bonds and Parity Bonds. In the event the Trustee receives inconsistent or conflicting requests and indemnity from two or more groups of Owners of the Bonds or Parity Bonds, each representing less than a majority in aggregate principal amount of the Bonds or Parity Bonds outstanding, the Trustee, in its sole discretion, may, and

shall be fully indemnified for refraining from acting in the absence of such written direction, determine what action, if any shall be taken and the Trustee may, in its sole discretion, take other actions.

No remedy herein conferred upon or reserved to the Owners is intended to be exclusive of any other remedy. Every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing, at law or in equity or by statute or otherwise, and may be exercised without exhausting and without regard to any other remedy conferred by the Act or any other law.

Section 8.3. Application of Revenues and Other Funds After Default. All amounts received by the Trustee pursuant to any right given or action taken by the Owners under the provisions of this Indenture relating to the Bonds and Parity Bonds shall be applied by the Trustee in the following order upon presentation of the several Bonds and Parity Bonds:

First, to the payment of the costs, fees and expenses of the Trustee in declaring such Event of Default and in performing its duties and obligations hereunder, including the fees, expenses and compensation of its agents, attorneys and counsel;

Second, to the payment of the fees, costs and expenses of the Owners in declaring such Event of Default and in carrying out the provisions of this Article VIII, including reasonable compensation to its agents, attorneys and counsel, and to the payment of all other outstanding fees and expenses of the Trustee; and

Third, to the payment of the whole amount of interest on and principal of the Bonds and Parity Bonds then due and unpaid, with interest on overdue installments of principal and interest to the extent permitted by law at the net effective rate of interest then borne by the Outstanding Bonds and Parity Bonds; provided, however, that in the event that such amounts shall be insufficient to pay the full amount of such interest and principal, then such amounts shall be applied in the following order of priority:

(a) first to the payment of all installments of interest on the Bonds and Parity Bonds then due and unpaid on a pro rata basis based on the total amount then due and owing;

(b) second, to the payment of all installments of principal, including Sinking Fund Payments, of the Bonds and Parity Bonds then due and unpaid on a pro rata basis based on the total amount then due and owing; and

(c) third, to the payment of interest on overdue installments of principal and interest on the Bonds and Parity Bonds on a pro rata basis based on the total amount then due and owing.

Section 8.4. Power of Trustee to Control Proceedings. In the event that the Trustee, upon the happening of an Event of Default, shall have taken any action, by judicial proceedings or otherwise, pursuant to its obligations hereunder, whether upon its own discretion or upon the request of the Owners of twenty-five percent (25%) in aggregate principal amount of the Bonds and Parity Bonds then Outstanding, it shall have full power, in the exercise of its discretion for the best interests of the Owners of the Bonds and Parity Bonds, with respect to the continuance, discontinuance, withdrawal, compromise, settlement or other disposal of such action; provided, however, that the Trustee shall not, unless there no longer continues an Event of Default, discontinue, withdraw, compromise or settle, or otherwise dispose of any litigation pending at law or in equity, if at the time there has been filed with

it a written request signed by the Owners of a majority in aggregate principal amount of the Outstanding Bonds and Parity Bonds hereunder opposing such discontinuance, withdrawal, compromise, settlement or other such litigation. Any suit, action or proceeding which any Owner of Bonds or Parity Bonds shall have the right to bring to enforce any right or remedy hereunder may be brought by the Trustee for the equal benefit and protection of all Owners of Bonds and Parity Bonds similarly situated and the Trustee is hereby appointed (and the successive respective Owners of the Bonds and Parity Bonds issued hereunder, by taking and holding the same, shall be conclusively deemed so to have appointed it) the true and lawful attorney in fact of the respective Owners of the Bonds and Parity Bonds for the purposes of bringing any such suit, action or proceeding and to do and perform any and all acts and things for and on behalf of the respective Owners of the Bonds and Parity Bonds as a class or classes, as may be necessary or advisable in the opinion of the Trustee as such attorney-in-fact.

Section 8.5. Appointment of Receivers. Upon the occurrence of an Event of Default hereunder, and upon the filing of a suit or other commencement of judicial proceedings to enforce the rights and of the Owners of the Bonds and Parity Bonds under this Indenture, the Trustee shall be entitled, as a matter of right to which the District expressly agrees, to the appointment of a receiver or receivers of the Net Taxes and other amounts pledged hereunder, pending such proceedings, with such powers as the court making such appointment shall confer.

Section 8.6. Non-Waiver. Nothing in this Article VIII or in any other provision of this Indenture, or in the Bonds or the Parity Bonds, shall affect or impair the obligation of the District, which is absolute and unconditional, to pay the interest on and principal of the Bonds and Parity Bonds to the respective Owners of the Bonds and Parity Bonds at the respective dates of maturity, as herein provided, or to pay the Trustee its fees and expenses as provided in Section 8.3 hereof, out of the Net Taxes and other moneys herein pledged for such payment.

A waiver of any default or breach of duty or contract by the Trustee or any Owners shall not affect any subsequent default or breach of duty or contract, or impair any rights or remedies on any such subsequent default or breach. No delay or omission of the Trustee or any Owner of any of the Bonds or Parity Bonds to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy conferred upon the Trustee or the Owners by the Act or by this Article VIII may be enforced and exercised from time to time and as often as shall be deemed expedient by the Trustee or the Owners, as the case may be.

Section 8.7. Limitations on Rights and Remedies of Owners. No Owner of any Bond or Parity Bond issued hereunder shall have the right to institute any suit, action or proceeding at law or in equity, for any remedy under or upon this Indenture, unless: (a) such Owner shall have previously given to the Trustee written notice of the occurrence of an Event of Default; (b) the Owners of a majority in aggregate principal amount of all the Bonds and Parity Bonds then Outstanding shall have made written request upon the Trustee to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name; (c) said Owners shall have tendered to the Trustee indemnity and security acceptable to the Trustee against the costs, expenses and liabilities to be incurred in compliance with such request; and (d) the Trustee shall have refused or omitted to comply with such request for a period of sixty (60) days after such written request shall have been received by, and said tender of indemnity and security shall have been made to, the Trustee.

Such notification, request, tender of indemnity and security and refusal or omission are hereby declared, in every case, to be conditions precedent to the exercise by any Owner of Bonds and Parity

Bonds of any remedy hereunder; it being understood and intended that no one or more Owners of Bonds and Parity Bonds shall have any right in any manner whatever by his or their action to enforce any right under this Indenture, except in the manner herein provided, and that all proceedings at law or in equity to enforce any provision of this Indenture shall be instituted, had and maintained in the manner herein provided and for the equal benefit of all Owners of the Outstanding Bonds and Parity Bonds.

The right of any Owner of any Bond and Parity Bond to receive payment of the principal of and interest and premium (if any) on such Bond and Parity Bond as herein provided or to institute suit for the enforcement of any such payment, shall not be impaired or affected without the written consent of such Owner, notwithstanding the foregoing provisions of this Section or any other provision of this Indenture.

Section 8.8. Termination of Proceedings. In case any Owner shall have proceeded to enforce any right under this Indenture by the appointment of a receiver or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely, then and in every such case, the District, the Trustee and the Owners shall be restored to their former positions and rights hereunder, respectively, with regard to the property subject to this Indenture, and all rights, remedies and powers of the Owners shall continue as if no such proceedings had been taken.

ARTICLE IX

DEFEASANCE AND PARITY BONDS

Section 9.1. Defeasance. If the District shall pay or cause to be paid, or there shall otherwise be paid, to the Owner of an Outstanding Bond or Parity Bond the interest due thereon and the principal thereof, at the times and in the manner stipulated in this Indenture or any Supplemental Indenture, then the Owner of such Bond or Parity Bond shall cease to be entitled to the pledge of Net Taxes, and, other than as set forth below, all covenants, agreements and other obligations of the District to the Owner of such Bond or Parity Bond under this Indenture or any Supplemental Indenture relating to such Parity Bond shall thereupon cease, terminate and become void and be discharged and satisfied. In the event of a defeasance of all Outstanding Bonds and Parity Bonds pursuant to this Section, the Trustee shall execute and deliver to the District all such instruments as may be desirable to evidence such discharge and satisfaction, and the Trustee shall pay over or deliver to the District's general fund all money or securities held by it pursuant to this Indenture which are not required for the payment of the principal of, premium, if any, and interest due on such Bonds and Parity Bonds.

Any Outstanding Bond or Parity Bond shall be deemed to have been paid within the meaning expressed in the first paragraph of this Section if such Bond or Parity Bond is paid in any one or more of the following ways:

(a) by paying or causing to be paid the principal of, premium, if any, and interest on such Bond or Parity Bond, as and when the same become due and payable;

(b) by depositing with the Trustee, in trust, at or before maturity, cash which, together with the amounts then on deposit in the Special Tax Fund (exclusive of the Administrative Expense Account) and available for such purpose, is fully sufficient to pay the principal of, premium, if any, and interest on such Bond or Parity Bond, as and when the same shall become due and payable; or

(c) by depositing with the Trustee or another escrow bank appointed by the District, in trust, federal securities described in subparagraph (1) of the definition of Authorized Investments, in which the District may lawfully invest its money, in such amount as will be sufficient, together with the interest to accrue thereon and moneys then on deposit in the Special Tax Fund (exclusive of the Administrative Expense Account) and available for such purpose, together with the interest to accrue thereon, to pay and discharge the principal of, premium, if any, and interest on such Bond or Parity Bond, as and when the same shall become due and payable.

If paid as provided above, then, at the election of the District, and notwithstanding that any Outstanding Bonds and Parity Bonds shall not have been surrendered for payment, all obligations of the District under this Indenture and any Supplemental Indenture with respect to such Bond or Parity Bond shall cease and terminate, except for the obligation of the Trustee to pay or cause to be paid to the Owners of any such Bond or Parity Bond not so surrendered and paid all sums due thereon, and except for the covenants of the District contained in Section 5.2(f) or any covenants in a Supplemental Indenture relating to compliance with the Code. Notice of such election shall be filed with the Trustee not less than ten days prior to the proposed defeasance date, or such shorter period of time as may be acceptable to the Trustee. In connection with a defeasance under (c) above, there shall be provided to the District a verification report from an independent nationally recognized certified public accountant stating its opinion as to the sufficiency of the moneys or securities deposited with the Trustee or the escrow bank to pay and discharge the principal of, premium, if any, and interest on all Outstanding Bonds and Parity Bonds to be defeased in accordance with this Section, as and when the same shall become due and payable, and an opinion of Bond Counsel (which may rely upon the opinion of the certified public accountant) to the effect that the Bonds or Parity Bonds being defeased have been legally defeased in accordance with this Indenture and any applicable Supplemental Indenture.

Upon a defeasance, the Trustee, upon request of the District, shall release the rights of the Owners of such Bonds and Parity Bonds which have been defeased under this Indenture and any Supplemental Indenture and execute and deliver to the District all such instruments as may be desirable to evidence such release, discharge and satisfaction. In the case of a defeasance hereunder of all Outstanding Bonds and Parity Bonds, the Trustee shall pay over or deliver to the District any funds held by the Trustee at the time of a defeasance, which are not required for the purpose of paying and discharging the principal of or interest on the Bonds and Parity Bonds when due. The Trustee shall, at the written direction and sole expense of the District, mail, first class, postage prepaid, a notice to the Owners whose Bonds or Parity Bonds have been defeased, in the form directed by the District, stating that the defeasance has occurred.

Section 9.2. Conditions for the Issuance of Parity Bonds and Other Additional Indebtedness. The District may at any time after the issuance and delivery of the Bonds hereunder issue Parity Bonds payable from the Net Taxes and other amounts deposited in the Special Tax Fund (other than in the Administrative Expense Account therein) and secured by a lien and charge upon such amounts equal to the lien and charge securing the Outstanding Bonds and any other Parity Bonds theretofore issued hereunder or under any Supplemental Indenture; provided, however, Parity Bonds may only be issued for the purpose of refunding all or a portion of the Bonds or any Parity Bonds then Outstanding. Parity Bonds may be issued subject to the following additional specific conditions, which are hereby made conditions precedent to the issuance of any such Parity Bonds:

(a) The District shall be in compliance with all covenants set forth in this Indenture and any Supplemental Indenture then in effect and a certificate of the District to that effect shall have been filed with the Trustee; provided, however, that Parity Bonds may be issued notwithstanding that the

District is not in compliance with all such covenants so long as immediately following the issuance of such Parity Bonds the District will be in compliance with all such covenants.

(b) The issuance of such Parity Bonds shall have been duly authorized pursuant to the Act and all applicable laws, and the issuance of such Parity Bonds shall have been provided for by a Supplemental Indenture duly authorized, executed and delivered by the District which shall specify the following:

(1) the purpose for which such Parity Bonds are to be issued and the fund or funds into which the proceeds thereof are to be deposited;

(2) the authorized principal amount of such Parity Bonds;

(3) the date and the maturity date or dates of such Parity Bonds; provided that: (i) each maturity date shall fall on a September 1; (ii) all such Parity Bonds of like maturity shall be identical in all respects, except as to number; (iii) fixed serial maturities or Sinking Fund Payments, or any combination thereof, shall be established to provide for the retirement of all such Parity Bonds on or before their respective maturity dates; and (iv) if issued for the purpose of refunding Bonds and/or Parity Bonds, the maturity of the Parity Bonds to be issued shall not exceed the maturity of the Bonds and Parity being refunded;

(4) the description of the Parity Bonds, the place of payment thereof and the procedure for execution and authentication;

(5) the denominations and method of numbering of such Parity Bonds;

(6) the amount and due date of each mandatory Sinking Fund Payment, if any, for such Parity Bonds;

(7) the amount, if any, to be deposited from the proceeds of such Parity Bonds in the Subaccount of the Reserve Account established for such Parity Bonds to fund the applicable Reserve Requirement;

(8) the form of such Parity Bonds; and

(9) such other provisions as are necessary or appropriate and not inconsistent with this Indenture.

(c) The District shall have received the following documents or money or securities, all of such documents dated or certified, as the case may be, as of the date of delivery of such Parity Bonds by the Trustee (unless the Trustee shall be directed by the District to accept any of such documents bearing a prior date):

(1) a certified resolution of the City Council, acting as the legislative body of the District, authorizing the issuance of such Parity Bonds;

(2) a written request of the District as to the delivery of such Parity Bonds;

(3) an opinion of Bond Counsel and/or general counsel to the District to the effect that: (i) the District has the right and power under the Act to execute and deliver the Supplemental

Indenture relating to such Parity Bonds, and such Supplemental Indenture has been duly and lawfully executed by the District, and this Indenture and such Supplemental Indenture are in full force and effect and are valid and binding upon the District and enforceable in accordance with their terms (except as enforcement may be limited by bankruptcy, insolvency, reorganization and other similar laws relating to the enforcement of creditors' rights); (ii) this Indenture creates the valid pledge which it purports to create of the Net Taxes and other amounts as provided in this Indenture, subject to the application thereof to the purposes and on the conditions permitted by this Indenture; and (iii) such Parity Bonds are valid and binding limited obligations of the District, enforceable in accordance with their terms (except as enforcement may be limited by bankruptcy, insolvency, reorganization and other similar laws relating to the enforcement of creditors' rights) and the terms of this Indenture and the Supplemental Indenture executed and delivered in connection with such Parity Bonds and are entitled to the benefits of this Indenture and such Supplemental Indenture, and such Parity Bonds have been duly and validly authorized and issued in accordance with the Act (or other applicable laws) and this Indenture and such Supplemental Indenture;

(4) a certificate of the District containing such statements as may be reasonably necessary to show compliance with the requirements of this Indenture;

(5) a certificate of an Independent Financial Consultant certifying that in each Bond Year the Annual Debt Service on the Bonds and Parity Bonds to remain Outstanding following the issuance of the Parity Bonds proposed to be issued is less than the Annual Debt Service on the Bonds and Parity Bonds Outstanding prior to the issuance of such Parity Bonds; and

(6) such further documents, money and securities as are required by the provisions of this Indenture and the Supplemental Indenture providing for the issuance of such Parity Bonds.

ARTICLE X

MISCELLANEOUS

Section 10.1. Cancellation of Bonds and Parity Bonds. All Bonds and Parity Bonds surrendered to the Trustee for payment upon maturity or for redemption shall be upon payment therefor, and any Bond or Parity Bond purchased by the District as authorized herein and delivered to the Trustee for such purpose shall be, cancelled forthwith and shall not be reissued. The Trustee shall dispose of such Bonds and Parity Bonds in accordance with its then-customary procedures, as provided by law, and, upon request of the District, furnish to the District a certificate of such destruction.

Section 10.2. Execution of Documents and Proof of Ownership. Any request, direction, consent, revocation of consent, or other instrument in writing required or permitted by this Indenture to be signed or executed by Owners may be in any number of concurrent instruments of similar tenor and may be signed or executed by such Owners in person or by their attorneys appointed by an instrument in writing for that purpose, or by the bank, trust company or other depository for such Bonds, and, except as herein otherwise expressly provided, such action shall become effective when such instrument or instruments are delivered to the Trustee and, where it is hereby expressly required, to the District. Proof of the execution of any such instrument, or of any instrument appointing any such attorney, and of the ownership of Bonds or Parity Bonds shall be sufficient for the purposes of this Indenture (except as otherwise herein provided), if made in the following manner:

(a) The fact and date of the execution by any Owner or his or her attorney of any such instrument, and of any instrument appointing any such attorney, may be proved by a signature guarantee of any bank or trust company located within the United States of America. Where any such instrument is executed by an officer of a corporation or association or a member of a partnership on behalf of such corporation, association or partnership, such signature guarantee shall also constitute sufficient proof of his authority. The fact and date of the execution of any such instrument or writing, or the authority of the Person executing the same, may also be proved in any other manner which the Trustee deems sufficient.

(b) As to any Bond or Parity Bond, the person in whose name the same shall be registered in the Bond Register shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of the principal of any such Bond or Parity Bond, and the interest thereon, shall be made only to or upon the order of the registered Owner thereof or his or her legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond or Parity Bond and the interest thereon to the extent of the sum or sums to be paid. Neither the District nor the Trustee shall be affected by any notice to the contrary.

Nothing contained in this Indenture shall be construed as limiting the Trustee or the District to such proof, it being intended that the Trustee or the District may accept any other evidence of the matters herein stated which the Trustee or the District may deem sufficient. Any request or consent of the Owner of any Bond or Parity Bond shall bind every future Owner of the same Bond or Parity Bond in respect of anything done or suffered to be done by the Trustee or the District in pursuance of such request or consent.

Section 10.3. Unclaimed Moneys. Anything in this Indenture to the contrary notwithstanding, any money held by the Trustee in trust for the payment and discharge of any of the Outstanding Bonds and Parity Bonds which remain unclaimed for two years after the date when such Outstanding Bonds or Parity Bonds have become due and payable, if such money was held by the Trustee at such date, or for two years after the date of deposit of such money if deposited with the Trustee after the date when such Outstanding Bonds or Parity Bonds become due and payable, shall be repaid by the Trustee to the District, as its absolute property and free from trust, and the Trustee shall thereupon be released and discharged with respect thereto and the Owners shall look only to the District for the payment of such Outstanding Bonds or Parity Bonds; provided, however, that, before being required to make any such payment to the District, the Trustee, at the sole expense of the District, shall cause to be mailed by first-class mail, postage prepaid, to the registered Owners of such Outstanding Bonds or Parity Bonds at their addresses as they appear on the registration books of the Trustee a notice that said money remains unclaimed and that, after a date named in said notice, which date shall not be less than 30 days after the date of the mailing of such notice, the balance of such money then unclaimed will be returned to the District.

Section 10.4. Provisions Constitute Contract; Governing Law; Venue. The provisions of this Indenture shall constitute a contract between the District and the Owners and the provisions hereof shall be governed by and construed in accordance with the laws of the State of California. The parties hereby (i) irrevocably submit to the exclusive jurisdiction of any federal or state court sitting in the State of California, (ii) waive any objection to laying of venue in any such action or proceeding in such courts, and (iii) waive any objection that such courts are in inconvenient forum or do not have jurisdiction over any party.

In case any suit, action or proceeding to enforce any right or exercise any remedy shall be brought or taken and, should said suit, action or proceeding be abandoned, or be determined adversely to the Owners or the Trustee, then the District, the Trustee and the Owners shall be restored to their former positions, rights and remedies as if such suit, action or proceeding had not been brought or taken.

After the issuance and delivery of the Bonds, this Indenture shall be irrepealable, but shall be subject to modifications to the extent and in the manner provided in this Indenture, but to no greater extent and in no other manner.

Section 10.5. Future Contracts. Nothing herein contained shall be deemed to restrict or prohibit the District from making contracts or creating bonded or other indebtedness payable from a pledge of the Net Taxes which is subordinate to the pledge hereunder, or which is payable from the general fund of the District or from taxes or any source other than the Net Taxes and other amounts pledged hereunder.

Section 10.6. Further Assurances. The District will adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Indenture, and for the better assuring and confirming unto the Owners of the Bonds or any Parity Bonds the rights and benefits provided in this Indenture.

Section 10.7. Entire Agreement; Severability. This Indenture and the exhibits hereto set forth the entire agreement and understanding of the parties related to this transaction and supersedes all prior agreements and understandings, oral or written. If any covenant, agreement or provision, or any portion thereof, contained in this Indenture, or the application thereof to any person or circumstance, is held to be unconstitutional, invalid or unenforceable, the remainder of this Indenture and the application of any such covenant, agreement or provision, or portion thereof, to other persons or circumstances, shall be deemed severable and shall not be affected thereby, and this Indenture, the Bonds and any Parity Bonds issued pursuant hereto shall remain valid and the Owners shall retain all valid rights and benefits accorded to them under the laws of the State of California.

Section 10.8. Notices. Any notices required to be given to the District with respect to the Bonds or this Indenture shall be mailed, first class, postage prepaid, or personally delivered to the City Manager of the City of Lincoln, 600 6th Street, Lincoln, California 95648, all notices to the Trustee in its capacity as Trustee shall be mailed, first class, postage prepaid, or personally delivered to the Trustee, U.S. Bank Trust Company, National Association, One California Street, Suite 1000, San Francisco, California 94111.

Section 10.9. Execution in Counterparts. This Indenture may be executed in two or more counterparts, each of which shall be deemed to be an original and all of which together shall constitute one and the same agreement. The exchange of copies of this Indenture and of signature pages by facsimile or PDF transmission shall constitute effective execution and delivery of this Indenture as to the parties hereto and may be used in lieu of the original Indenture and signature pages for all purposes.

Section 10.10. U.S.A. Patriot Act. The parties hereto acknowledge that in accordance with Section 326 of the U.S.A. Patriot Act, the Trustee, like all financial institutions and in order to help fight the funding of terrorism and money laundering, is required to obtain, verify, and record

information that identifies each person or legal entity that establishes a relationship or opens an account with the Trustee. The parties to this Indenture agree that they will provide the Trustee with such information as it may request in order for the Trustee to satisfy the requirements of the U.S.A. Patriot Act.

IN WITNESS WHEREOF, CITY OF LINCOLN COMMUNITY FACILITIES DISTRICT NO. 2025-1 (JOINER RANCH EAST) has caused this Indenture to be signed by an Authorized Representative of the District and U.S. Bank Trust Company, National Association in token of its acceptance of the trust created hereunder, has caused this Indenture to be signed in its corporate name by its officers identified below, all as of the day and year first above written.

CITY OF LINCOLN COMMUNITY FACILITIES DISTRICT NO. 2025-1 (JOINER RANCH EAST)

By: _____
Mayor of the City of Lincoln, acting as the legislative body of City of Lincoln Community Facilities District No. 2025-1 (Joiner Ranch East)

ATTEST:

_____
City Clerk of the City of Lincoln, acting as the legislative body of City of Lincoln Community Facilities District No. 2025-1 (Joiner Ranch East)

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, as Trustee

By: _____
Authorized Signatory

EXHIBIT A

FORM OF SPECIAL TAX BOND

UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE DISTRICT OR TRUSTEE FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY BOND ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

R-____ $_____

UNITED STATES OF AMERICA
STATE OF CALIFORNIA
COUNTY OF PLACER

CITY OF LINCOLN COMMUNITY FACILITIES DISTRICT NO. 2025-1
(JOINER RANCH EAST)
SPECIAL TAX BOND, SERIES 2025

INTEREST RATE:	**MATURITY DATE:**	**DATED DATE:**	**CUSIP:**
_____%	September 1, 20__	_____ _, 2025	___

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____ DOLLARS

CITY OF LINCOLN COMMUNITY FACILITIES DISTRICT NO. 2025-1 (JOINER RANCH EAST) (the "District") which was formed by the City of Lincoln (the "City") and is situated in the County of Placer, State of California, FOR VALUE RECEIVED, hereby promises to pay, solely from certain amounts held under the Indenture (as hereinafter defined), to the Registered Owner named above, or registered assigns, on the Maturity Date set forth above, unless redeemed prior thereto as hereinafter provided, the Principal Amount set forth above, and to pay interest on such Principal Amount from the Interest Payment Date (as hereinafter defined) next preceding the date of authentication hereof, unless: (i) the date of authentication is an Interest Payment Date, in which event interest shall be payable from such date of authentication; (ii) the date of authentication is after a Record Date (as hereinafter defined) but prior to the immediately succeeding Interest Payment Date, in which event interest shall be payable from the Interest Payment Date immediately succeeding the date of authentication; or (iii) the date of authentication is prior to the close of business on the first Record Date, in which event interest shall be payable from the Dated Date set forth above.

Notwithstanding the foregoing, if at the time of authentication of this Bond interest is in default, interest on this Bond shall be payable from the last Interest Payment Date to which the interest has been paid or made available for payment or, if no interest has been paid or made available for payment, interest on this Bond shall be payable from the Dated Date set forth above. Interest will be paid semiannually on March 1, 2026 and each March 1 and September 1 thereafter (each an "Interest Payment Date"), at the Interest Rate set forth above, until the Principal Amount hereof is paid or made available for payment.

The principal of and premium, if any, on this Bond are payable to the Registered Owner hereof in lawful money of the United States of America upon presentation and surrender of this Bond at the Principal Office of the Trustee (as such term is defined in the Indenture), initially U.S. Bank Trust Company, National Association, (the "Trustee"). Interest on this Bond shall be paid by check of the Trustee mailed, by first class mail, postage prepaid, or in certain circumstances described in the Indenture by wire transfer to an account within the United States of America, to the Registered Owner hereof as of the close of business on the fifteenth day of the month preceding the month in which the Interest Payment Date occurs (the "Record Date") at such Owner's address as it appears on the registration books maintained by the Trustee.

This Bond is one of a duly authorized issue of "City of Lincoln Community Facilities District No. 2025-1 (Joiner Ranch East) Special Tax Bonds, Series 2025" (the "Bonds") issued in the aggregate principal amount of $_____ pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, being Section 53311 *et seq.* of the California Government Code (the "Act") for the purpose of financing public improvements, funding a reserve subaccount account and paying certain costs related to the issuance of the Bonds. The issuance of the Bonds and the terms and conditions thereof are provided for by a resolution adopted by the City Council of the City, acting in its capacity as the legislative body of the District (the "Legislative Body"), on November 11, 2025, and a Bond Indenture executed in connection therewith dated as of December 1, 2025 (the "Indenture"), by and between the District and the Trustee, and this reference incorporates the Indenture herein, and by acceptance hereof the Registered Owner of this Bond assents to said terms and conditions. The Indenture is adopted under and this Bond is issued under, and both are to be construed in accordance with, the laws of the State of California.

Pursuant to the Act and the Indenture, the principal of, premium, if any, and interest on this Bond are payable solely from the portion of the annual special taxes authorized under the Act to be levied and collected within the District (the "Special Taxes") and certain other amounts pledged to the repayment of the Bonds as set forth in the Indenture. Any amounts for the payment hereof shall be limited to the Net Taxes pledged and collected or foreclosure proceeds received following a default in payment of the Special Taxes and other amounts deposited to the Special Tax Fund (other than the Administrative Expense Account therein) established under the Indenture, except to the extent that other provision for payment has been made by the Legislative Body, as may be permitted by law. The District has covenanted for the benefit of the Registered Owners of the Bonds that under certain circumstances described in the Indenture it will commence and diligently pursue to completion appropriate foreclosure proceedings in the event of delinquencies of Special Tax installments levied for payment of principal and interest on the Bonds.

Notwithstanding anything to the contrary contained herein or in the Indenture, amounts in the 2025 Bonds Reserve Subaccount shall only secure and be available to pay the principal of, redemption premium, if any, and interest on the Bonds, and amounts in the Subaccount of the Reserve Account

established for a series of Parity Bonds shall secure only and be available to pay the principal of, redemption premium, if any, and interest on, only such series of Parity Bonds.

The Bonds may be redeemed at the option of the District from any source of funds on any date on or after September 1, 202_, in whole or in part, from such maturities as are selected by the District and by lot within a maturity, at the following redemption prices, expressed as a percentage of the principal amount to be redeemed, together with accrued interest to the date of redemption:

Redemption Date	***Redemption Price***
September 1, 20__ through and including August 31, 20__	103%
September 1, 20__ through and including August 31, 20__	102
September 1, 20__ through and including August 31, 20__	101
September 1, 20__ and any date thereafter	100

The Bonds maturing on September 1, 20__ (the "20__ Term Bonds") shall be called before maturity and redeemed, from the Sinking Fund Payments that have been deposited into the Redemption Account established hereunder, on September 1, 20__, and on each September 1 thereafter prior to maturity, in accordance with the schedule of Sinking Fund Payments set forth below. The 20__ Term Bonds so called for redemption shall be selected by the Trustee by lot and shall be redeemed at a redemption price for each redeemed 20__ Term Bond equal to the principal amount thereof, plus accrued interest to the redemption date, without premium, as follows:

Term Bonds Maturing September 1, 20__

Sinking Fund Redemption Date (September 1)	***Sinking Fund Payments***
	$
*	

* Maturity.

The Bonds are subject to special mandatory redemption as a whole, or in part on a pro rata basis among maturities and by lot within a maturity, on any Interest Payment Date on or after March 1, 20__, and shall be redeemed by the Trustee, from Prepayments deposited to the Redemption Account plus amounts transferred from the 2025 Bonds Reserve Subaccount in connection with such transfers, at the following redemption prices, expressed as a percentage of the principal amount to be redeemed, together with accrued interest to the redemption date:

Redemption Date	***Redemption Price***
Any Interest Payment Date from March 1, 20__ through March 1, 20__	103%
September 1, 20__ and March 1, 20__	102
September 1, 20__ and March 1, 20__	101
September 1, 20__ and any Interest Payment Date thereafter	100

If the requirements for disbursement from the Escrow Fund pursuant to the Indenture have not been satisfied by the Escrow Closing Date, the Escrow Term Bonds shall be subject to special

mandatory redemption on the Escrow Redemption Date (September 1, 2026, unless extended as provided in the Indenture), in whole, from amounts transferred from the Escrow Fund pursuant to the Indenture, at a redemption price equal to the principal amount thereof to be redeemed, together with accrued interest thereon to the date of redemption, without premium.

Notice of redemption with respect to the Bonds to be redeemed shall be mailed to the registered owners thereof not less than 30 nor more than 45 days prior to the redemption date by first class mail, postage prepaid, to the addresses set forth in the registration books; provided, however, so long as the Bonds are registered in the name of the Nominee, such notice shall be given in such manner as complies with the requirements of the Depository. Neither a failure of the Registered Owner hereof to receive such notice nor any defect therein will affect the validity of the proceedings for redemption. All Bonds or portions thereof so called for redemption will cease to accrue interest on the specified redemption date, provided that funds for the redemption are on deposit with the Trustee on the redemption date. Thereafter, the Owners of such Bonds shall have no rights except to receive payment of the redemption price upon the surrender of the Bonds.

This Bond shall be registered in the name of the Registered Owner hereof, as to both principal and interest, and the District and the Trustee may treat the Registered Owner hereof as the absolute owner for all purposes and shall not be affected by any notice to the contrary.

The Bonds are issuable only in fully registered form in the denomination of $5,000 or any integral multiple thereof and may be exchanged for a like aggregate principal amount of Bonds of other authorized denominations of the same issue and maturity, all as more fully set forth in the Indenture. This Bond is transferable by the Registered Owner hereof, in person or by his attorney duly authorized in writing, at the Principal Office of the Trustee, but only in the manner, subject to the limitations and upon payment of the charges provided in the Indenture, upon surrender and cancellation of this Bond. Upon such transfer, a new registered Bond of authorized denomination or denominations for the same aggregate principal amount of the same issue and maturity will be issued to the transferee in exchange therefor.

The Trustee shall not be required to register transfers or make exchanges of: (i) any Bonds for a period of 15 days next preceding any selection of the Bonds to be redeemed; or (ii) any Bonds chosen for redemption.

The rights and obligations of the District and of the Owners of the Bonds may be amended at any time, and in certain cases without notice to or the consent of the Owners, to the extent and upon the terms provided in the Indenture.

THE BONDS DO NOT CONSTITUTE GENERAL OBLIGATIONS OF THE CITY OR OF THE DISTRICT. NEITHER THE CITY NOR THE DISTRICT IS OBLIGATED TO LEVY OR PLEDGE, OR HAS LEVIED OR PLEDGED, GENERAL OR SPECIAL TAXES, OTHER THAN THE SPECIAL TAXES REFERENCED HEREIN. THE BONDS ARE LIMITED OBLIGATIONS OF THE DISTRICT PAYABLE FROM THE PORTION OF THE SPECIAL TAXES AND OTHER AMOUNTS PLEDGED UNDER THE INDENTURE BUT ARE NOT A DEBT OF THE CITY, THE STATE OF CALIFORNIA OR ANY OF ITS POLITICAL SUBDIVISIONS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY LIMITATION OR RESTRICTION.

This Bond shall not become valid or obligatory for any purpose until the certificate of authentication and registration hereon endorsed shall have been dated and signed by the Trustee.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required by law to exist, happen and be performed precedent to and in the issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other indebtedness of the District, does not exceed any debt limit prescribed by the laws or Constitution of the State of California.

IN WITNESS WHEREOF, the District has caused this Bond to be dated the Dated Date, to be signed on behalf of the District by the Mayor of the City by his facsimile signature and attested by the facsimile signature of the City Clerk of the City.

_____

Mayor of the City of Lincoln, acting as the legislative body of City of Lincoln Community Facilities District No. 2025-1 (Joiner Ranch East)

ATTEST:

_____

City Clerk of the City of Lincoln, acting as the legislative body of City of Lincoln Community Facilities District No. 2025-1 (Joiner Ranch East)

[FORM OF TRUSTEE'S CERTIFICATE
OF AUTHENTICATION AND REGISTRATION]

This is one of the Bonds described in the within-defined Indenture.

Dated: December __, 2025

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, as Trustee

By: _____
Authorized Signatory

[FORM OF LEGAL OPINION]

The following is a true copy of the opinion rendered by Stradling Yocca Carlson & Rauth LLP in connection with the issuance of, and dated as of the date of the original delivery of, the Bonds. A signed copy is on file in my office.

_____

City Clerk of the City

[FORM OF ASSIGNMENT]

For value received the undersigned do(es) hereby sell, assign and transfer unto

_____

whose tax identification number is _____,
the within-mentioned registered Bond and hereby irrevocably constitute(s) and appoint(s)

_____

attorney to transfer the same on the books of the Trustee with full power of substitution in the premises.

Dated:_____

Signature guaranteed:

_____

NOTE: Signature(s) must be guaranteed by an eligible guarantor institution.

NOTE: The signatures(s) on this Assignment must correspond with the name(s) as written on the face of the within Bond in every particular without alteration or enlargement or any change whatsoever.

EXHIBIT B-1

FORM OF REQUISITION FOR DISBURSEMENT OF PROJECT COSTS

$_____
CITY OF LINCOLN COMMUNITY FACILITIES DISTRICT NO. 2025-1
(JOINER RANCH EAST)
SPECIAL TAX BONDS, SERIES 2025

U.S. Bank Trust Company, National Association (the "Trustee"), is hereby requested to pay from the City of Lincoln Community Facilities District No. 2025-1 (Joiner Ranch East) Special Tax Bonds, Series 2025 Acquisition and Construction Fund, established by the Bond Indenture, dated as of December 1, 2025, by and between the Trustee and City of Lincoln Community Facilities District No. 2025-1 (Joiner Ranch East) (the "District"), the amount specified to the payee named below for payment of the Project Costs set forth in Attachment No. 1 hereto.

Payee:

Address:

Purpose:

Amount: $

The amount is due and payable under purchase order, contract or other authorization and has not formed the basis of any prior request for payment. The conditions for the release of this amount from the City Facilities Account, including those conditions in Section 3.9(b) of the Indenture have been satisfied.

With respect to this Requisition, the District (i) certifies that it has reviewed any wire instructions set forth in such Requisition to confirm such wire instructions are accurate, (ii) agrees to indemnify and hold harmless the Trustee from and against any and all claim, demand, loss, liability, or expense sustained, including but not limited to attorneys' fees and expenses, resulting directly or indirectly as a result of making the requested disbursement, and (iii) agrees that it will not seek recourse from the Trustee as a result of losses incurred by it for making the disbursement in accordance with this Requisition.

There has not been filed with nor served upon the District notice of any lien, right to lien or attachment upon, or stop notice or claim affecting the right to receive payment of the amount specified above which has not been released or will not be released simultaneously with the payment of such amount, other than materialmen's or mechanic's liens accruing by mere operation of law.

Dated: _____

CITY OF LINCOLN COMMUNITY FACILITIES DISTRICT NO. 2025-1 (JOINER RANCH EAST)

By: _____
Name: _____
Title: _____

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold, nor may offers to buy them be accepted, prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of, these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

PRELIMINARY OFFICIAL STATEMENT DATED _____ 2025

NEW ISSUE—BOOK-ENTRY ONLY **NO RATING**

In the opinion of Stradling Yocca Carlson & Rauth LLP, Bond Counsel, under existing statutes, regulations, rulings and judicial decisions, and assuming the accuracy of certain representations and compliance with certain covenants and requirements described herein, interest (and original issue discount) on the Bonds described herein is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals. In the further opinion of Bond Counsel, interest (and original issue discount) on the Bonds is exempt from State of California personal income tax. See the caption "TAX MATTERS" with respect to tax consequences relating to the Bonds, including with respect to the alternative minimum tax imposed on certain large corporations.

$11,665,000*
CITY OF LINCOLN COMMUNITY FACILITIES DISTRICT NO. 2025-1
(JOINER RANCH EAST)
SPECIAL TAX BONDS, SERIES 2025

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

The City of Lincoln Community Facilities District No. 2025-1 (Joiner Ranch East) Special Tax Bonds, Series 2025 (the "Bonds") are being issued by City of Lincoln Community Facilities District No. No. 2025-1 (Joiner Ranch East) (the "District") to: (i) finance certain public improvements needed with respect to the development of property located within the District to be owned by the City of Lincoln (the "City"); (ii) fund an escrow fund with respect to the Escrow Term Bonds issued in the aggregate principal amount of $1,030,000* (as defined herein), which includes amounts for capitalized interest on the Escrow Term Bonds through September 1, 2026, subject to prior release as described herein, (iii) fund a reserve subaccount for the Bonds; (iv) pay capitalized interest on the Bonds which are not Escrow Term Bonds through September 1, 2026; and (v) pay costs of issuance for the Bonds. The Bonds are authorized to be issued pursuant to the Mello-Roos Community Facilities Act of 1982, as amended (Section 53311 *et seq.* of the Government Code of the State of California) (the "Act"), and pursuant to that certain Bond Indenture, dated as of December 1, 2025 (the "Indenture"), by and between the District and U.S. Bank Trust Company, National Association, as trustee (the "Trustee").

The Bonds are payable from Net Taxes (as defined herein) derived from a certain annual Special Tax (as defined herein) to be levied on taxable parcels within the District and from certain other funds pledged under the Indenture, all as further described herein. The Special Tax is to be levied according to the rate and method of apportionment approved by the City Council of the City and the qualified electors within the District. See the caption "SOURCES OF PAYMENT FOR THE BONDS — Special Taxes" and Appendix A — "RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX."

The Bonds will be issued in fully registered form and when issued will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). Individual purchases of the Bonds may be made in principal amounts of $5,000 and integral multiples thereof and will be in book-entry form only. Purchasers of the Bonds will not receive certificates representing their beneficial ownership of the Bonds but will receive credit balances on the books of their respective nominees. The Bonds will not be transferable or exchangeable except for transfer to another nominee of DTC or as otherwise described herein. Interest on the Bonds will be payable on each March 1 and September 1, commencing March 1, 2026. Principal of and interest on the Bonds will be paid by the Trustee to DTC for subsequent disbursement to DTC Participants, who will remit such payments to the Beneficial Owners of the Bonds.

NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE CITY, THE COUNTY OF PLACER, THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE BONDS. EXCEPT FOR THE NET TAXES, NO OTHER REVENUES OR TAXES ARE PLEDGED TO THE PAYMENT OF THE BONDS. THE BONDS ARE NOT GENERAL OR SPECIAL OBLIGATIONS OF THE CITY OR GENERAL OBLIGATIONS OF THE DISTRICT BUT ARE LIMITED OBLIGATIONS OF THE DISTRICT PAYABLE SOLELY FROM NET TAXES AND OTHER AMOUNTS HELD UNDER THE INDENTURE AS MORE FULLY DESCRIBED HEREIN.

The Bonds are subject to optional redemption, special mandatory redemption and mandatory sinking fund redemption prior to maturity as set forth herein. See the caption "THE BONDS — Redemption."

Investment in the Bonds involves risks that are not appropriate for certain investors. Certain events could affect the ability of the District to pay the principal of and interest on the Bonds when due. See the caption "SPECIAL RISK FACTORS" for a discussion of certain risk factors that should be considered, in addition to the other matters set forth herein, in evaluating the investment quality of the Bonds.

THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR GENERAL REFERENCE ONLY. IT IS NOT INTENDED TO BE A SUMMARY OF THE SECURITY OR TERMS OF THIS ISSUE. INVESTORS ARE ADVISED TO READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION.

MATURITY SCHEDULE
(See Inside Cover Page)

The Bonds are offered when, as and if issued and accepted by the Underwriter, subject to approval as to their legality by Stradling Yocca Carlson & Rauth LLP, Newport Beach, California, Bond Counsel, and subject to certain other conditions. Certain legal matters will be passed on for the City and the District by its City Attorney, and for the District by Stradling Yocca Carlson & Rauth LLP, Disclosure Counsel, for the Underwriter by Kutak Rock LLP, Irvine, California, and for the Trustee by its counsel. It is anticipated that the Bonds in book-entry form will be available for delivery on or about December __, 2025.

[PIPER SANDLER LOGO]

Dated: _____, 2025

* *Preliminary, subject to change.*

$11,665,000*
CITY OF LINCOLN COMMUNITY FACILITIES DISTRICT NO. 2025-1
(JOINER RANCH EAST)
SPECIAL TAX BONDS, SERIES 2025

MATURITY SCHEDULE

BASE CUSIP®†

$_____ Serial Bonds

Maturity Date (September 1)	*Principal Amount*	*Interest Rate*	*Yield*	*Price*	*CUSIP No.†*
	$	%	%		

Term Bonds

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

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

Escrow Term Bonds

$1,030,000* _____% Escrow Term Bonds due September 1, 20__ Yield: _____% Price: _____
CUSIP No.† _____

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* *Preliminary, subject to change.*

† *CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services (CGS), which is managed on behalf of the American Bankers Association by FactSet Research Systems, Inc. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP numbers have been assigned by an independent company not affiliated with the District or the City and are included solely for the convenience of the registered owners of the applicable Bonds. None of the City, the District, Bond Counsel, Disclosure Counsel, the Underwriter or the Municipal Advisor are responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness on the applicable Bonds or as included herein. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.*

CITY OF LINCOLN
COUNTY OF PLACER, CALIFORNIA

CITY COUNCIL

Holly Andreatta *Mayor, District 1*
Ben Brown, *Mayor Pro Tem, District 2*
John Reedy, *District 3*
Richard Pearl, *District 4*
Whitney Eklund, *District 5*

CITY ADMINISTRATORS

Sean Scully, *City Manager*
Nita Wracker, *Assistant City Manager/Finance Director*
Hope Ithurburn, *City Clerk*
Kristine L. Mollenkopf, *City Attorney*

BOND AND DISCLOSURE COUNSEL

Stradling Yocca Carlson & Rauth LLP
Newport Beach, California

MUNICIPAL ADVISOR

PFM Financial Advisors LLC
San Francisco, California

SPECIAL TAX CONSULTANT

Goodwin Consulting Group, Inc.
Sacramento, California

APPRAISER

Integra Realty Resources
Rocklin, California

TRUSTEE

U.S. Bank Trust Company, National Association
San Francisco, California

Except where otherwise indicated, all information contained in this Official Statement has been provided by the City and the District. No dealer, broker, salesperson or other person has been authorized by the City, the District, the Trustee or the Underwriter to give any information or to make any representations in connection with the offer or sale of the Bonds other than those contained herein and, if given or made, such other information or representations must not be relied upon as having been authorized by the City, the District, the Trustee or the Underwriter. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

This Official Statement is not to be construed as a contract with the purchasers or Owners of the Bonds. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of fact.

The Underwriter has provided the following sentence for inclusion in this Official Statement:

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

The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City, the District or any other parties described herein since the date hereof. All summaries of the Indenture or other documents are made subject to the provisions of such documents respectively and do not purport to be complete statements of any or all of such provisions. Reference is hereby made to such documents on file with the City for further information in connection therewith.

IN CONNECTION WITH THE OFFERING OF THE BONDS, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF SUCH BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THE BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, IN RELIANCE UPON AN EXEMPTION CONTAINED IN SUCH ACT. THE BONDS HAVE NOT BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES LAWS OF ANY STATE.

Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as a "plan," "expect," "estimate," "project," "budget," or similar words. Such forward-looking statements include, but are not limited to certain statements contained in the information under the captions "THE DISTRICT" and "PROPERTY OWNERSHIP AND THE DEVELOPMENT."

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE DISTRICT DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THE FORWARD-LOOKING STATEMENTS SET FORTH IN THIS OFFICIAL STATEMENT. IN EVALUATING SUCH STATEMENTS, POTENTIAL INVESTORS SHOULD SPECIFICALLY CONSIDER THE VARIOUS FACTORS WHICH COULD CAUSE ACTUAL EVENTS OR RESULTS TO DIFFER MATERIALLY FROM THOSE INDICATED BY SUCH FORWARD-LOOKING STATEMENTS.

The City maintains a website. However, the information presented on such website is not part of this Official Statement and should not be relied upon in making an investment decision with respect to the Bonds.

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[INSERT VICINITY MAP]

[INSERT AERIAL PHOTOGRAPH]

$11,665,000*
CITY OF LINCOLN COMMUNITY FACILITIES DISTRICT NO. 2025-1
(JOINER RANCH EAST)
SPECIAL TAX BONDS, SERIES 2025

INTRODUCTION

The purpose of this Official Statement, which includes the cover page, the table of contents and the attached appendices (collectively, the "Official Statement"), is to provide certain information concerning the issuance by City of Lincoln Community Facilities District No. 2025-1 (Joiner Ranch East) (the "District") of its Special Tax Bonds, Series 2025 in the aggregate principal amount of $11,665,000* (the "Bonds"). The proceeds of the Bonds will be used to: (i) finance certain public improvements needed with respect to the development of property located within the District to be owned by the City of Lincoln (the "City"); (ii) fund an escrow fund with respect to the Escrow Term Bonds issued in the aggregate principal amount of $1,030,000* (as defined herein), which includes amounts for capitalized interest on the Escrow Term Bonds through September 1, 2026, subject to prior release as described herein; (iii) fund a reserve subaccount for the Bonds; (iv) pay capitalized interest on the Bonds which are not Escrow Term Bonds through September 1, 2026; and (v) pay costs of issuance for the Bonds.

The Bonds are authorized to be issued pursuant to the Mello-Roos Community Facilities Act of 1982, as amended (Section 53311 *et seq*. of the Government Code of the State of California) (the "Act"), a resolution adopted on November 18, 2025, by the City Council of the City, acting as the legislative body of the District, and a Bond Indenture, dated as of December 1, 2025 (the "Indenture"), by and between the District and U.S. Bank Trust Company, National Association, as trustee (the "Trustee"). The Bonds are secured under the Indenture by a pledge of and lien upon Net Taxes (as such term is defined herein) and all moneys in the Special Tax Fund (other than the Administrative Expense Account therein) as described in the Indenture.

This Introduction is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by, more complete and detailed information contained in the entire Official Statement and the documents summarized or described herein. A full review should be made of the entire Official Statement. The sale and delivery of Bonds to potential investors is made only by means of the entire Official Statement. All capitalized terms used in this Official Statement and not defined have the meanings set forth in Appendix E.

The District

General. The City of Lincoln (the "City") is located in the western portion of the County of Placer (the "County"), California (the "State"), approximately 40 miles northeast of downtown Sacramento. The District is generally located at the southeast corner of Nicolaus Road and Joiner Parkway within the City. Approximately 27 acres of property in the District are expected to be subject to the Special Tax (as defined herein) at build-out. The property within the District which is not subject to the levy of the Special Tax consists primarily of parks, open space preserves and other public property. The property within the District is expected to be developed by D.R. Horton CA2, Inc., a California corporation ("D.R. Horton") with 198 single family homes in a community being marketed as "Jasper." See the captions "—Property Ownership and Development Status" and "PROPERTY OWNERSHIP AND THE DEVELOPMENT" for more information regarding the ongoing and planned development within the District.

Formation Proceedings. The District was formed on August 12, 2025 pursuant to the Act. The Act was enacted to provide an alternative method of financing certain public capital facilities and services, especially in developing areas of the State. Any local agency (as defined in the Act) may establish a community facilities district to provide for and finance the cost of eligible public facilities and services. Generally, the legislative

* *Preliminary, subject to change.*

body of the local agency which forms a community facilities district acts on behalf of such district as its legislative body. Subject to approval by two-thirds of the votes cast at an election and compliance with the other provisions of the Act, a legislative body of a local agency may issue bonds for a community facilities district and may levy and collect a special tax within such district to repay such indebtedness.

Pursuant to the Act, on June 24, 2025 the City Council adopted Resolution No. 2025-087 (the "Resolution of Intention"), stating its intention to form the District and to authorize the levy of a special tax on the taxable property within the District, and Resolution No. 2025-088 stating its intention to incur bonded indebtedness in an aggregate principal amount not to exceed $23,500,000 for the purpose of financing the purchase, construction, expansion or rehabilitation of certain public facilities to serve the area within the District.

Subsequent to a noticed public hearing on August 12, 2025, the City Council adopted Resolution Nos. 2025-120 (the "Resolution of Formation") and 2025-121 which formed the District and deemed it necessary to incur bonded indebtedness within the District. On August 12, 2025, an election was held within the District in which the property owner within the District approved the proposition authorizing the issuance of bonds in an amount not to exceed $23,500,000 and also approved the Rate and Method of Apportionment of Special Tax (the "Rate and Method") for the District, a copy of which is attached hereto as Appendix A. A Notice of Special Tax Lien for the District was recorded in the office of the County Recorder on August 25, 2025, as Document No. 2025-0045630-00. On August 26, 2025 the City Council adopted Ordinance No. 1098B (the "Ordinance") which authorizes the levy of a special tax pursuant to the Rate and Method approved at the August 12, 2025 election.

Property Ownership and Development Status

The master developer within the District is JEN California 24 LLC, a California limited liability company (the "Master Developer"), and the Master Developer is conveying all property within the District planned for residential development to D.R. Horton, either directly or through a land bank, in two phases. The takedown of the 101 lots within Phase 1 occurred in April 2025 and the second takedown of the 97 lots within Phase 2 is anticipated in March 2026, after which the Master Developer is not expected to own any property in the District that is expected to be subject to the Special Tax. The property within the District which is not subject to the levy of the Special Tax consists primarily of parks, open space preserves and other public property. The Master Developer is responsible for constructing all of the major infrastructure (sewer, water, storm drains, utilities, and arterial roads) necessary to develop the property within the District and for delivering finished lots to D.R. Horton. As of October 1, 2025, the Master Developer owned all of the 97 residential lots within Phase 2 of the District, all of which were in a partially improved condition.

D.R. Horton plans to develop 198 single family homes in a community being marketed as "Jasper." As of October 1, 2025, of the 101 lots within Phase 1, D.R. Horton had completed construction of 11 homes (one of which had been conveyed to an individual homeowner), 26 homes were in various stages of construction and 64 lots were in a finished lot condition. D.R. Horton is acquiring property within the District in phased takedowns from either the Master Developer directly, or from Jasper-Lincoln, L.P., a Delaware limited partnership (the "Hearthstone Landbank"), which is serving as land bank for D.R. Horton pursuant to an option agreement (the "Option Agreement"). Within Phase 1, 20 lots were initially purchased from the Master Developer by D.R. Horton and the remaining 81 lots were purchased from the Master Developer by the Hearthstone Landbank. As of October 1, 2025, D.R. Horton had acquired an additional 18 lots from the Hearthstone Landbank. There is no guarantee that the Developer will acquire the remaining lots as planned. During the term of the Option Agreement, D.R. Horton is contractually obligated to pay the Special Tax levied on the property subject to such agreement. However, in the event the Option Agreement is terminated prior to D.R. Horton having acquired all of the lots thereunder, the Special Tax would continue to be levied on the property in District owned by the Hearthstone Landbank.

See the caption "PROPERTY OWNERSHIP AND THE DEVELOPMENT" for more information regarding the Master Developer, D.R. Horton, the Hearthstone Landbank and the ongoing and planned development within the District.

Sources of Payment for the Bonds

Special Taxes. As used in this Official Statement, the term "Special Tax" means the annual Special Tax which has been authorized pursuant to the Act and the Rate and Method to be levied upon taxable property within the District. See the caption "SOURCES OF PAYMENT FOR THE BONDS — Special Taxes" and Appendix A — "RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX." See the caption "THE DISTRICT."

Under the Indenture, the District has pledged to repay the Bonds and any Parity Bonds (as defined herein) from the Special Tax revenues remaining after the payment of certain annual Administrative Expenses of the District (the "Net Taxes") and from other amounts in the Special Tax Fund (other than the Administrative Expense Account therein) established under the Indenture. The Special Taxes are the primary source of security for the repayment of the Bonds and any Parity Bonds. In the event that the Special Taxes are not paid when due, the only sources of funds available to pay the debt service on the Bonds and any Parity Bonds are amounts held by the Trustee in the Special Tax Fund, including, with respect to the Bonds, amounts held in the 2025 Bonds Reserve Subaccount of the Reserve Account, to the limited extent described in the Indenture. See the caption "SOURCES OF PAYMENT FOR THE BONDS — 2025 Reserve Subaccount of the Reserve Account."

Reserve Account The Indenture establishes a "2025 Bonds Reserve Subaccount" within the Reserve Account. The 2025 Bonds Reserve Subaccount only secures and the amounts therein are only available to pay the principal of, redemption premium, if any, and interest on the Bonds. In connection with the issuance of each series of Parity Bonds, if any, the District may establish an additional Subaccount within the Reserve Account which secures such series of Parity Bonds. Such additional Subaccounts within the Reserve Account established for Parity Bonds will not secure the Bonds.

Escrow Fund. The Indenture establishes an escrow fund (the "Escrow Fund") and an account therein (the "Escrow Interest Account"). On the date of issuance of the Bonds, $__ of the proceeds of the Escrow Term Bonds (as defined below) will be deposited into the Escrow Fund and $_____ will be deposited into the Escrow Interest Account. The amount deposited in the Escrow Interest Account has been sized to be sufficient to pay interest on the Bonds maturing on September 1, 20__, bearing interest at a rate of ____% per annum and to which CUSIP No. _____ has been assigned (the "Escrow Term Bonds"), through September 1, 2026 (the "Escrow Redemption Date").

Upon satisfaction of the release test set forth in the Indenture, amounts in the Escrow Fund and Escrow Interest Account will be transferred to the Acquisition and Construction Fund to finance additional facilities and to pay interest on the Escrow Term Bonds. In the event that the release test is not satisfied by July 15, 2026 (the "Escrow Closing Date"), the amounts in the Escrow Fund and the Escrow Interest Account will be applied to redeem the Escrow Term Bonds in full on the Escrow Redemption Date (September 1, 2026, unless extended as provided in the Indenture). See "THE BONDS—Redemption" and "SOURCES OF PAYMENT FOR THE BONDS—Escrow Fund" herein for additional details with respect to the Escrow Term Bonds and the release test under the Indenture for amounts in the Escrow Fund.

Foreclosure Proceeds. The District will covenant in the Indenture for the benefit of the owners of the Bonds and Parity Bonds that it will: (i) commence judicial foreclosure proceedings against parcels with delinquent Special Taxes in excess of $4,000 by the December 1 following the close of each Fiscal Year in which such Special Taxes were due; and (ii) commence judicial foreclosure proceedings against all parcels with delinquent Special Taxes by the December 1 following the close of each Fiscal Year in which it receives Special Taxes in an amount which is less than 95% of the total Special Tax levied; and (iii) diligently pursue such foreclosure proceedings until the delinquent Special Taxes are paid; provided that, notwithstanding the

foregoing, the District may elect to defer foreclosure proceedings on any parcel so long as the amount in the 2025 Bonds Reserve Subaccount is at least equal to the 2025 Bonds Reserve Requirement and the amount in all other Subaccounts of the Reserve Account is at least equal to the applicable Reserve Requirement. See the caption "SOURCES OF PAYMENT FOR THE BONDS — Special Taxes — *Proceeds of Foreclosure Sales*." There is no assurance that the property within the District can be sold for the appraised or assessed values described herein, or for a price sufficient to pay the principal of and interest on the Bonds in the event of a default in payment of Special Taxes by the current or future landowners within the District. See the caption "SPECIAL RISK FACTORS —Property Values."

EXCEPT FOR THE NET TAXES, NO OTHER TAXES ARE PLEDGED TO THE PAYMENT OF THE BONDS. THE BONDS ARE NOT GENERAL OR SPECIAL OBLIGATIONS OF THE CITY OR GENERAL OBLIGATIONS OF THE DISTRICT, BUT ARE LIMITED OBLIGATIONS OF THE DISTRICT PAYABLE SOLELY FROM NET TAXES AND AMOUNTS HELD UNDER THE INDENTURE, AS MORE FULLY DESCRIBED HEREIN.

Appraisal Report

Integra Realty Resources (the "Appraiser") has conducted an Appraisal dated October 13, 2025 (the "Appraisal Report") of certain land and existing improvements within the District to provide an estimate of the market value of the fee simple interest of such land and improvements. The Appraisal Report provides an estimate of the approximate market value of the property in the District subject to the levy of Special Taxes, assuming that development of the property as currently planned will consist of 198 residential units. Based on the contingencies, assumptions and limiting conditions in the Appraisal Report, the Appraiser concluded that the market value of all of the parcels within the District subject to the Special Tax was $42,554,000 as of October 1, 2025 (the "Date of Value").

The Appraisal Report is based upon a variety of contingencies, assumptions and limiting conditions that are described in Appendix D. Neither the District nor the Underwriter makes any representation as to the accuracy of the Appraisal Report. See "THE DISTRICT — Appraisal Report" and "— Estimated Value-to-Lien Ratios." There is no assurance that property within the District can be sold for the prices set forth in the Appraisal Report or that any parcel can be sold for a price sufficient to pay the Special Tax for that parcel in the event of a default in payment of Special Taxes by a property owner. See "THE DISTRICT," "SPECIAL RISK FACTORS — Property Values" herein and Appendix D.

Description of the Bonds

The Bonds will be issued and delivered as fully registered Bonds, registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), and will be available to actual purchasers of the Bonds (the "Beneficial Owners") in the denominations of $5,000 or any integral multiple thereof, under the book-entry system maintained by DTC, only through brokers and dealers who are or act through DTC Participants as described herein. Beneficial Owners will not be entitled to receive physical delivery of the Bonds. In the event that the book-entry only system described herein is no longer used with respect to the Bonds, the Bonds will be registered and transferred in accordance with the Indenture. See Appendix H — "BOOK-ENTRY ONLY SYSTEM."

Principal of, premium, if any, and interest on the Bonds is payable by the Trustee to DTC. Disbursement of such payments to DTC Participants is the responsibility of DTC and disbursement of such payments to the Beneficial Owners is the responsibility of DTC Participants. See Appendix H — "BOOK-ENTRY ONLY SYSTEM."

The Bonds are subject to optional redemption, special mandatory redemption and mandatory sinking fund redemption prior to maturity as described herein. See the caption "THE BONDS — Redemption." For a

more complete description of the Bonds and the basic documentation pursuant to which they are being sold and delivered, see the caption "THE BONDS" and Appendix E — "SUMMARY OF THE INDENTURE."

Tax Exemption

In the opinion of Stradling Yocca Carlson & Rauth LLP, Newport Beach, California ("Bond Counsel"), under existing statutes, regulations, rulings and judicial decisions, and assuming certain representations and compliance with certain covenants and requirements described herein, interest (and original issue discount) on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals. In the further opinion of Bond Counsel, interest (and original issue discount) on the Bonds is exempt from State of California personal income tax. See the caption "TAX MATTERS" with respect to tax consequences relating to the Bonds, including with respect to the alternative minimum tax imposed on certain large corporations.

Set forth in Appendix C is the form of opinion of Bond Counsel expected to be delivered in connection with the issuance of the Bonds. For a more complete discussion of such opinion and certain tax consequences incident to the ownership of the Bonds, see the caption "TAX EXEMPTION."

Professionals Involved in the Offering

U.S. Bank Trust Company, National Association, San Francisco, California, will act as Trustee under the Indenture. Piper Sandler & Co. (the "Underwriter") is the Underwriter of the Bonds. Certain proceedings in connection with the issuance and delivery of the Bonds are subject to the approval of Stradling Yocca Carlson & Rauth LLP, Newport Beach, California, Bond Counsel and Disclosure Counsel to the District in connection with the issuance of the Bonds. Certain legal matters will be passed on for the City and the District by its City Attorney, for the Underwriter by Kutak Rock LLP, Irvine, California, and for the Trustee by its counsel. Other professional services have been performed by Goodwin Consulting Group, Inc., Sacramento, California, as Special Tax Consultant (the "Special Tax Consultant") and by Integra Realty Resources, Rocklin, California, as Appraiser.

For information concerning circumstances in which certain of the above-mentioned professionals, advisors, counsel and consultants may have a financial or other interest in the offering of the Bonds, see the caption "FINANCIAL INTERESTS."

Continuing Disclosure

Pursuant to a Continuing Disclosure Certificate to be executed by the District (the "District Continuing Disclosure Certificate"), the District will agree to provide, or cause to be provided, to the Municipal Securities Rulemaking Board's Electronic Municipal Market Access system ("EMMA"), maintained on the Internet at http://emma.msrb.org, certain annual financial information and operating data and notices of certain enumerated events. These covenants are being made in order to assist the Underwriter in complying with subsection (b)(5) of Rule 15c2-12 adopted by the Securities and Exchange Commission ("Rule 15c2-12").

The Underwriter does not consider either the Master Developer or D.R. Horton to be an "obligated person" with respect to the Bonds for purposes of Rule 15c2-12. Notwithstanding the foregoing, to assist in the marketing of the Bonds, the Master Developer and D.R. Horton will agree to provide, or cause to be provided to EMMA, certain updates with respect to the development within the District and notices of certain enumerated events. See Appendix G for a description of the specific nature of the semiannual reports and enumerated event notices to be filed by the Master Developer and D.R. Horton.

See "CONTINUING DISCLOSURE," Appendix F — "FORM OF DISTRICT CONTINUING DISCLOSURE CERTIFICATE" and Appendix G — "FORMS OF DEVELOPER CONTINUING DISCLOSURE CERTIFICATES."

Parity Bonds for Refunding Only

Under the Indenture, the District may issue additional indebtedness secured by the Net Taxes on a parity with the Bonds ("Parity Bonds") only for the purposes of refunding all or a portion of the Bonds or Parity Bonds. See the caption "SOURCES OF PAYMENT FOR THE BONDS — Parity Bonds for Refunding Only."

Other taxes and/or special assessments with liens equal in priority to the continuing lien of the Special Taxes may be levied in the future on the property within the District, which could adversely affect the willingness of the landowners to pay the Special Taxes when due. See the captions "THE DISTRICT — Direct and Overlapping Debt" and "SPECIAL RISK FACTORS — Direct and Overlapping Indebtedness."

Bond Owners' Risks

Certain events could affect the ability of the District to pay the principal of and interest on the Bonds when due. See the caption "SPECIAL RISK FACTORS" for a discussion of certain factors which should be considered, in addition to other matters set forth herein, in evaluating an investment in the Bonds. The purchase of the Bonds involves risks, and the Bonds may not be appropriate investments for some types of investors.

Other Information

This Official Statement speaks only as of its date, and the information contained herein is subject to change.

Brief descriptions of the Bonds and the Indenture are included in this Official Statement. Such descriptions and information do not purport to be comprehensive or definitive. All references herein to the Indenture, the Bonds and the Constitution and laws of the State, as well as the proceedings of the City Council, acting as the legislative body of the District, are qualified in their entirety by references to such documents, laws and proceedings, and with respect to the Bonds, by reference to the Indenture. Capitalized terms not otherwise defined in this Official Statement have the meanings set forth in Appendix E.

Copies of the Indenture and other documents and information are available for inspection and copies may be obtained from the City, 600 6th Street, Lincoln, California, 95648, Attention: Finance Director.

FINANCING PLAN

Estimated Sources and Uses of Funds

The following table sets forth the expected sources and uses of Bond proceeds. The District expects to apply the Bond proceeds deposited in the Acquisition and Construction Fund to acquire public infrastructure completed by the Master Developer which benefits the property in the District. Such public infrastructure include roadways, landscaping and bridge improvements.

Sources of Funds

Principal Amount of Bonds
[Plus/Less] [Net] Original Issue [Premium/Discount]
Total Sources

Uses of Funds:

Acquisition and Construction Fund
Interest Account[(1)]
Costs of Issuance[(2)]
2025 Bonds Reserve Subaccount[(3)]
Escrow Fund[(4)]
Escrow Interest Account of the Escrow Fund[(5)]
Total Uses

---

(1) To pay capitalized interest on the Bonds which are not Escrow Term Bonds through September 1, 2026.

(2) To pay costs of issuance of the Bonds, including legal fees, underwriter's discount, printing costs, Appraiser, Special Tax Consultant and Trustee fees.

(3) Equal to the initial 2025 Reserve Requirement for the Bonds. See the caption "SOURCES OF PAYMENT FOR THE BONDS—2025 Bonds Reserve Subaccount of the Reserve Fund."

(4) Amounts in the Escrow Fund may be released to the Acquisition and Construction Fund upon satisfaction of certain conditions or will be used redeem Escrow Term Bonds in full on the Escrow Redemption Date (September 1, 2026, unless extended as provided in the Indenture). See "THE BONDS—Redemption—*Special Mandatory Redemption from Escrow Fund Transfer*" and "SOURCES OF PAYMENT FOR THE BONDS—Escrow Fund."

(5) Amounts in the Escrow Interest Account have been sized to be sufficient to pay interest on the Escrow Term Bonds through September 1, 2026. "SOURCES OF PAYMENT FOR THE BONDS—Escrow Fund."

THE BONDS

General Provisions

The Bonds will be dated their date of delivery and will bear interest at the rates per annum set forth on the inside cover page hereof, payable semiannually on each March 1 and September 1, commencing March 1, 2026 (each, an "Interest Payment Date"), and will mature in the amounts and on the dates set forth on the inside cover page of this Official Statement. Interest will be calculated on the basis of a 360-day year comprised of twelve 30-day months. The Bonds will be issued in fully registered form in denominations of $5,000 or any integral multiple thereof.

Interest on any Bond will be payable from the Interest Payment Date next preceding the date of authentication of such Bond, unless: (i) such date of authentication is an Interest Payment Date, in which event interest will be payable from such date of authentication; (ii) the date of authentication is after the fifteenth day of the month preceding an Interest Payment Date, regardless of whether such day is a Business Day (each, a "Record Date") but prior to the immediately succeeding Interest Payment Date, in which event interest will be payable from the Interest Payment Date immediately succeeding the date of authentication; or (iii) the date of authentication is prior to the close of business on the first Record Date occurring after the issuance of such Bond, in which event interest will be payable from the dated date of such Bond, as applicable; provided, however, that if at the time of authentication of such Bond, interest is in default, interest on such Bond will be payable from the last Interest Payment Date to which the interest has been paid or made available for payment or, if no interest has been paid or made available for payment on such Bond, interest on such Bond will be payable from its dated date.

Interest on any Bond will be paid to the person whose name appears as its owner in the registration books held by the Trustee on the close of business on the Record Date. Principal of, and premium, if any, due upon redemption is payable upon presentation and surrender of the Bonds at the designated principal corporate trust office of the Trustee in San Francisco, California.

The Bonds will be issued as fully registered bonds and will be registered in the name of Cede & Co., as nominee of DTC. DTC will act as securities depository of the Bonds. Ownership interests in the Bonds may be purchased in book-entry form only in denominations of $5,000 and any integral multiple thereof. So long as DTC is the securities depository all payments of principal and interest on the Bonds will be made to DTC and will be paid to the Beneficial Owners in accordance with DTC's procedures and the procedures of DTC's Participants. See APPENDIX H — "BOOK-ENTRY ONLY SYSTEM."

In the event the Bonds are not held in book-entry form, interest will be paid by check of the Trustee mailed by first class mail, postage prepaid, to the Bondowner at its address on the registration books kept by the Trustee. Pursuant to a written request prior to the Record Date of a Bondowner of at least $1,000,000 in aggregate principal amount of Bonds or of any issue of Parity Bonds, payment will be made by wire transfer in immediately available funds to a designated account in the United States.

Debt Service Schedule

The following table presents the annual debt service on the Bonds (including sinking fund redemptions), assuming that there are no optional or special mandatory redemptions. The following also assumes the Escrow Term Bonds are released prior to the Escrow Closing Date (July 15, 2026, unless extended as provided in the Indenture) and that the Escrow Term Bonds are not redeemed on the Escrow Redemption Date (September 1, 2026, unless extended as provided in the Indenture) See the caption "—Redemption" below.

Year Ending September 1	*Principal*	*Interest*	*Total Debt Service*
2026[(1)]			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			
2043			
2044			
2045			
2046			
2047			
2048			
2049			
2050			
2051			
2052			
2053			
2054			
2055			
Total			

(1) Interest on the Bonds which are not Escrow Term Bonds has been capitalized through September 1, 2026.
(2) Interest on the Escrow Term Bonds has been capitalized through September 1, 2026.
Source: Piper Sandler & Co.

Redemption

Optional Redemption. The Bonds may be redeemed at the option of the District from any source of funds on any date on or after September 1, 20__, in whole or in part, from such maturities as are selected by the District and by lot within a maturity, at the following redemption prices, expressed as a percentage of the principal amount to be redeemed, together with accrued interest to the date of redemption:

Redemption Date	*Redemption Price*
September 1, 20__ through and including August 31, 20__	103%
September 1, 20__ through and including August 31, 20__	102
September 1, 20__ through and including August 31, 20__	101
September 1, 20__ and any date thereafter	100

In the event that the District elects to redeem Bonds as provided above, the District will give written notice to the Trustee of its election to so redeem, the redemption date and the principal amount of the Bonds of each maturity to be redeemed. The notice to the Trustee will be given at least 30 but no more than 60 days prior to the redemption date, or by such later date as is acceptable to the Trustee.

Mandatory Sinking Fund Redemption. The Bonds maturing on September 1, 20__ (the "20__ Term Bonds") will be called before maturity and redeemed, from the Sinking Fund Payments that have been deposited into the Redemption Account established under the Indenture, on September 1, 20__, and on each September 1 thereafter prior to maturity, in accordance with the schedule of Sinking Fund Payments set forth below. The 20__ Term Bonds so called for redemption will be selected by the Trustee by lot and will be redeemed at a redemption price for each redeemed 20__ Term Bond equal to the principal amount thereof, plus accrued interest to the redemption date, without premium, as follows:

Term Bonds Maturing September 1, 20__

Sinking Fund Redemption Date (September 1)	*Sinking Fund Payments*
	$
*	

* Maturity.

The Bonds maturing on September 1, 20__ (the "20__ Term Bonds") will be called before maturity and redeemed, from the Sinking Fund Payments that have been deposited into the Redemption Account established under the Indenture, on September 1, 20__, and on each September 1 thereafter prior to maturity, in accordance with the schedule of Sinking Fund Payments set forth below. The 20__ Term Bonds so called for redemption will be selected by the Trustee by lot and will be redeemed at a redemption price for each redeemed 20__ Term Bond equal to the principal amount thereof, plus accrued interest to the redemption date, without premium, as follows:

Term Bonds Maturing September 1, 20__

Sinking Fund Redemption Date (September 1)	*Sinking Fund Payments*
	$
*	

* Maturity.

The Escrow Term Bonds will be called before maturity and redeemed, from the Sinking Fund Payments that have been deposited into the Redemption Account established hereunder, on September 1, 20__, and on

each September 1 thereafter prior to maturity, in accordance with the schedule of Sinking Fund Payments set forth below. The Escrow Term Bonds so called for redemption shall be selected by the Trustee by lot and shall be redeemed at a redemption price for each redeemed Escrow Term Bond equal to the principal amount thereof, plus accrued interest to the redemption date, without premium, as follows:

Escrow Term Bonds

Redemption Date (September 1)	***Sinking Payments***
	$

*

* Maturity.

If the District purchases Term Bonds or Escrow Term Bonds during the Fiscal Year immediately preceding one of the sinking fund redemption dates specified above, the District will notify the Trustee at least 45 days prior to the redemption date as to the principal amount purchased, and the amount purchased will be credited at the time of purchase to the next Sinking Fund Payment for the Term Bond or Escrow Term Bond so purchased, to the extent of the full principal amount of the purchase. All Bonds purchased pursuant to this subsection will be cancelled pursuant to the Indenture.

In the event of a partial optional redemption or special mandatory redemption of the Term Bonds or the Escrow Term Bonds, each of the remaining Sinking Fund Payments for such Term Bonds or Escrow Term Bonds will be reduced, as nearly as practicable, on a pro rata basis.

Special Mandatory Redemption from Special Tax Prepayments. The Bonds are subject to special mandatory redemption as a whole or in part on a pro rata basis among maturities and by lot within a maturity, on any Interest Payment Date on or after March 1, 2026, and will be redeemed by the Trustee, from any amounts paid by the District to the Trustee and designated by the District as a prepayment of Special Taxes for one or more parcels in the District made in accordance with the Rate and Method (the "Prepayments") deposited to the Redemption Account pursuant to the Indenture, plus amounts transferred from the 2025 Bonds Reserve Account

pursuant to the Indenture, at the following redemption prices, expressed as a percentage of the principal amount to be redeemed, together with accrued interest to the redemption date:

Redemption Date	***Redemption Price***
Any Interest Payment Date from March 1, 2026 through March 1, 20__	103%
September 1, 20__ and March 1, 20__	102
September 1, 20__ and March 1, 20__	101
September 1, 20__ _ and any Interest Payment Date thereafter	100

Prepayments will be allocated to the payment at maturity and redemption of Bonds and any Parity Bonds as nearly as practicable on a proportionate basis based on the outstanding principal amount of the Bonds and any Parity Bonds and such amounts shall be applied to redeem Bonds and Parity Bonds as nearly as practicable on a pro rata basis among maturities in increments of $5,000; provided, however, that, for Prepayments of less than $50,000, the District may specify in a Certificate of an Authorized Representative that Prepayments be applied to one or more maturities of the Bonds or Parity Bonds so long as there is delivered to the Trustee a certificate of the Independent Financial Consultant that, following such application of the Prepayments, the maximum Special Taxes that may be levied in each Fiscal Year on Taxable Property is not less than 110% of Annual Debt Service, plus the Administrative Expenses Cap, in the Bond Year that begins in such Fiscal Year.

See the caption "SPECIAL RISK FACTORS — Potential Early Redemption of Bonds from Prepayments or Community Facilities District Bond Proceeds" for a discussion of the potential for a lower than expected yield on the Bonds as a result of a special mandatory redemption from prepayment of Special Taxes or proceeds of bonds of other community facilities districts.

Special Mandatory Redemption from Escrow Fund Transfer. If the requirements for disbursement from the Escrow Fund pursuant to the Indenture, and described under the caption "SOURCES OF PAYMENT FOR THE BONDS—Escrow Fund," have not been satisfied by the Escrow Closing Date (July 15, 2026) the Escrow Term Bonds will be subject to special mandatory redemption on the Escrow Redemption Date (September 1, 2026, unless extended as provided in the Indenture), in whole, from amounts transferred from the Escrow Fund pursuant to the Indenture, at a redemption price equal to the principal amount thereof to be redeemed, together with accrued interest thereon to the date of redemption, without premium.

Notice of Redemption. So long as the Bonds are held in book-entry form, notice of redemption will be sent by the Trustee to DTC and not to the Beneficial Owners of the Bonds under the DTC book-entry only system. Neither the District nor the Trustee is responsible for notifying the Beneficial Owners, who are to be notified in accordance with the procedures in effect for the DTC book-entry system. See Appendix H — "BOOK-ENTRY ONLY SYSTEM."

The Trustee will give notice, in the name and at the expense of the District, of the redemption of Bonds. Such notice of redemption will: (i) specify the CUSIP numbers (if any), the bond numbers and the maturity date or dates of the Bonds selected for redemption, except that where all of the Bonds are subject to redemption, or all of the Bonds of one maturity are to be redeemed, the bond numbers of such issue need not be specified; (ii) state the date fixed for redemption and surrender of the Bonds to be redeemed; (iii) state the redemption price; (iv) state the place or places where the Bonds are to be redeemed; (v) in the case of Bonds to be redeemed only in part, state the portion of such Bond which is to be redeemed; (vi) state the date of issue of the Bonds as originally issued; (vii) state the rate of interest borne by each Bond being redeemed; and (viii) state any other descriptive information needed to identify accurately the Bonds being redeemed as specified by the Trustee. Such notice will further state that on the date fixed for redemption, there will become due and payable on each Bond, or portion thereof called for redemption, the principal thereof, together with any premium, and interest accrued to the redemption date, and that from and after such date, interest thereon will cease to accrue and be payable. At least 30 days but no more than 45 days prior to the redemption date, the Trustee will mail a copy of such notice of redemption, by first class mail, postage prepaid, to the respective Owners thereof at their addresses appearing on the Bond Register, and to the original purchaser of any Bonds; provided, however, so long as the

Bonds are registered in the name of the Nominee, such notice shall be given in such manner as complies with the requirements of the Depository. The actual receipt by the Owner of any Bond of notice of such redemption is not a condition precedent to redemption, and neither the failure to receive nor any defect in such notice will affect the validity of the proceedings for the redemption of such Bonds, or the cessation of interest on the redemption date. A certificate by the Trustee that notice of such redemption has been given as provided in the Indenture will be conclusive as against all parties and the Owner is not entitled to show that he or she failed to receive notice of such redemption.

In addition to the foregoing notice, further notice will be given by the Trustee as set out below, but no defect in said further notice nor any failure to give all or any portion of such further notice will in any manner defeat the effectiveness of a call for redemption if notice thereof is given as above prescribed.

Each further notice of redemption will be sent not later than the date that notice of redemption is given to the Owners pursuant to the Indenture by first class mail or facsimile to the Depository and to any other registered securities depositories then in the business of holding substantial amounts of obligations of types comprising the Bonds and to one or more of the national information services that are in the business of disseminating notice of redemption of obligations such as the Bonds.

Upon the payment of the redemption price of any Bonds being redeemed, each check or other transfer of funds issued for such purpose will to the extent practicable bear the CUSIP number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

With respect to any notice of optional redemption of Bonds, such notice may state that such redemption is conditional upon the receipt by the Trustee on or prior to the date fixed for such redemption of moneys sufficient to pay the principal of, premium, if any, and interest on such Bonds to be redeemed and that, if the District determines that such moneys will not be so received on or prior to the redemption date, said notice shall be of no force and effect and the Trustee shall not be required to redeem such Bonds. If any condition stated in the redemption notice for an optional redemption shall not have been satisfied on or prior to the redemption date: (i) the redemption notice shall be of no force and effect, (ii) the District shall not be required to redeem such Bonds, (iii) the redemption shall not be made, and (iv) the Trustee shall within a reasonable time thereafter give notice to the persons in the manner in which the conditional redemption notice was given that such condition or conditions were not met and that the redemption was canceled.

Selection of Bonds for Redemption. If less than all of the Bonds Outstanding are to be redeemed, the portion of any Bond of a denomination of more than $5,000 to be redeemed will be in the principal amount of $5,000 or an integral multiple thereof. In selecting portions of such Bonds for redemption, the Trustee will treat such Bonds, as applicable, as representing that number of Bonds of $5,000 denominations which is obtained by dividing the principal amount of such Bonds to be redeemed in part by $5,000. The procedure for the selection of Parity Bonds for redemption may be modified as set forth in the Supplemental Indenture for such Parity Bonds. The Trustee will promptly notify the District in writing of the Bonds, or portions thereof, selected for redemption.

Partial Redemption of Bonds. Upon surrender of any Bond to be redeemed in part only, the District will execute and the Trustee will authenticate and deliver to the Owner, at the expense of the District, a new Bond or Bonds of authorized denominations equal in aggregate principal amount to the unredeemed portion of the Bonds surrendered, with the same interest rate and the same maturity.

Effect of Notice and Availability of Redemption Money. Notice of redemption having been duly given, as provided in the Indenture, and the amount necessary for the redemption having been made available for that purpose and being available therefor on the date fixed for such redemption: (i) the Bonds, or portions thereof, designated for redemption will, on the date fixed for redemption, become due and payable at the redemption price thereof as provided in the Indenture, anything in the Indenture or in the Bonds to the contrary notwithstanding; (ii) upon presentation and surrender thereof at the designated office of the Trustee, the

redemption price of such Bonds will be paid to the Owners thereof; (iii) as of the redemption date the Bonds, or portions thereof so designated for redemption will be deemed to be no longer Outstanding and such Bonds, or portions thereof, will cease to bear further interest; and (iv) as of the date fixed for redemption no Owner of any of the Bonds, or portions thereof so designated for redemption will be entitled to any of the benefits of the Indenture, or to any other rights, except with respect to payment of the redemption price and interest accrued to the redemption date from the amounts so made available.

Registration, Transfer and Exchange

Registration. The Trustee will keep sufficient books for the registration and transfer of the Bonds. The ownership of the Bonds will be established by the Bond registration books held by the Trustee.

Transfer or Exchange. Subject to the limitations set forth in the following paragraph, the registration of any Bond may, in accordance with its terms, be transferred upon the Bond Register by the person in whose name it is registered, in person or by his or her duly authorized attorney, upon surrender of such Bond for cancellation at the office of the Trustee, accompanied by delivery of written instrument of transfer in a form acceptable to the Trustee and duly executed by the Owner or his or her duly authorized attorney.

Bonds may be exchanged at the office of the Trustee for a like aggregate principal amount of Bonds for other authorized denominations of the same maturity and issue. The Trustee may not collect from the Owner any charge for any new Bond issued upon any exchange or transfer, but will require the Owner requesting such exchange or transfer to pay any tax or other governmental charge required to be paid with respect to such exchange or transfer. Whenever any Bonds are surrendered for registration of transfer or exchange, the District will execute and the Trustee will authenticate and deliver a new Bond or Bonds, as applicable, of the same issue and maturity, for a like aggregate principal amount; provided that the Trustee is not required to register transfers or make exchanges of: (i) Bonds for a period of 15 days next preceding any selection of the Bonds to be redeemed; or (ii) any Bonds chosen for redemption.

SOURCES OF PAYMENT FOR THE BONDS

Limited Obligations

The Bonds are special, limited obligations of the District payable only from amounts pledged under the Indenture and from no other sources.

The Special Taxes are the primary source of security for the repayment of the Bonds. Under the Indenture, the District has pledged to repay the Bonds from the Net Taxes (which are Special Tax revenues remaining after the payment of the annual Administrative Expenses in an amount not to exceed the Administrative Expenses Cap (as defined in the Indenture)) and from amounts held in the Special Tax Fund (other than amounts held in the Administrative Expense Account therein). Special Tax revenues include the proceeds of the annual Special Tax levy received by the District, including any scheduled payments and Prepayments thereof, and the net proceeds of the redemption of delinquent Special Taxes or sale of property sold as a result of foreclosure of the lien of delinquent Special Taxes to the amount of said lien, and penalties and interest thereon; provided that any delinquent Special Tax sold to an independent third-party or to the City for 100% of the delinquent amount will no longer be pledged under the Indenture to the payment of the Bonds or Parity Bonds.

In the event that the Special Tax revenues are not received when due, the only sources of funds available to pay the debt service on the Bonds are amounts held by the Trustee in the Special Tax Fund (other than the Administrative Expense Account therein), including amounts held in the 2025 Bonds Reserve Subaccount of the Reserve Account, to the limited extent described in the Indenture, for the exclusive benefit of the Owners of the Bonds.

The Bonds are also secured by amounts on deposit in the Escrow Fund and the Escrow Interest Account therein, to the extent set forth in the Indenture.

NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE CITY, THE COUNTY, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE BONDS. EXCEPT FOR THE NET TAXES, NO OTHER TAXES ARE PLEDGED TO THE PAYMENT OF THE BONDS. THE BONDS ARE NOT GENERAL OR SPECIAL OBLIGATIONS OF THE CITY BUT ARE LIMITED OBLIGATIONS OF THE DISTRICT PAYABLE SOLELY FROM THE NET TAXES AND OTHER AMOUNTS PLEDGED UNDER THE INDENTURE AS MORE FULLY DESCRIBED HEREIN.

Special Taxes

Authorization and Pledge. In accordance with the provisions of the Act, the City established the District on August 12, 2025 for the purpose of financing of various public improvements required in connection with the proposed development within the District. At a special election held on August 12, 2025, the qualified elector within the District authorized the District to incur indebtedness in an amount not to exceed $23,500,000 for the District and the levy of the Special Taxes on property within the District to repay such bonds and to finance the Facilities (as defined below). At the August 12, 2025 election, the qualified electors within the District also voted to approve the Rate and Method, pursuant to which the Special Tax is and will be levied to repay indebtedness of the District, including the Bonds.

The Bonds will be repaid only from annual Net Taxes derived from the levy and collection of Special Taxes pursuant to the Rate and Method. The Rate and Method permits the partial prepayment of Special Taxes for an Assessor's Parcel, and any such Prepayments will be applied to redeem Bonds and Parity Bonds, if any. The Net Taxes collected from the annual Special Tax levy and the proceeds of any Prepayment have been pledged under the Indenture to the repayment of the Bonds and Parity Bonds.

The Special Taxes levied in any Fiscal Year may not exceed the maximum rates authorized pursuant to the Rate and Method. See "— *Rate and Method of Apportionment of Special Tax*" and Appendix A — "RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX." There is no assurance that the Net Taxes will, in all circumstances, be adequate to pay the principal of and interest on the Bonds when due. See the caption "SPECIAL RISK FACTORS — Insufficiency of Special Tax Revenues."

Rate and Method of Apportionment of Special Tax. The Rate and Method applicable to the District is contained in Appendix A — "RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX." The meaning of the defined terms used in this section are as set forth in Appendix A.

In general, the Rate and Method imposes a different Maximum Special Tax on Taxable Property within the District depending upon whether such Taxable Property is classified as: (i) "Developed Property" (generally, all Taxable Property for which a Building Permit was issued prior to June 1 of the preceding Fiscal Year), (ii) "Final Map Property" (generally, all Single Family Lots created within Final Maps that had recorded prior to June 1 of the preceding Fiscal Year and which have not yet become Developed Property), or (iii) "Undeveloped Property" (generally, all Parcels of Taxable Property that are not Final Map Property, Developed Property, Taxable Owners Association Property, Taxable Public Property, or Taxable Welfare Exemption Property).

Pursuant to the Rate and Method the District is required to determine the "Special Tax Requirement" for each Fiscal Year. The Special Tax Requirement for the District is the amount necessary in any Fiscal Year to: (i) pay principal and interest on Bonds that are due in the calendar year that begins in such Fiscal Year; (ii) pay periodic costs on the Bonds, including but not limited to, credit enhancement, liquidity support, and rebate payments on the Bonds; (iii) replenish reserve funds created for the Bonds under the Indenture to the extent such replenishment has not been included in the computation of the Special Tax Requirement in a previous Fiscal Year; (iv) cure any delinquencies in the payment of principal or interest on Bonds which have occurred in the prior Fiscal Year; (v) pay Administrative Expenses; and (vi) pay directly for Authorized Facilities, so long

as such levy under this clause (vi) does not increase the Special Tax levied on Final Map Property or Undeveloped Property. The amounts referred to in clauses (i) and (ii) of the definition of Special Tax Requirement may be reduced in any Fiscal Year by: (a) interest earnings on or surplus balances in funds and accounts for the Bonds to the extent that such earnings or balances are available to apply against such costs pursuant to the Indenture; (b) in the sole and absolute discretion of the City, proceeds received by the CFD from the collection of penalties associated with delinquent Special Taxes; and (c) any other revenues available to pay such costs, each as determined in the sole discretion of the City.

The Special Tax Requirement for the District is to be satisfied by levying the Special Tax in accordance with the following priority:

Step 1: The Special Tax shall be levied Proportionately on each Parcel of Developed Property up to 100% of the Maximum Special Tax for each Parcel of Developed Property until the amount levied is equal to the Special Tax Requirement prior to applying any Capitalized Interest that is available in the CFD accounts.

Step 2: If additional revenue is needed after Step 1 in order to meet the Special Tax Requirement after Capitalized Interest has been applied to reduce the Special Tax Requirement, the Special Tax shall be levied Proportionately on each Parcel of Final Map Property up to 100% of the Maximum Special Tax for each Parcel of Final Map Property until the amount levied is equal to the Special Tax Requirement.

Step 3: If additional revenue is needed after Step 2, the Special Tax shall be levied Proportionately on each Parcel of Undeveloped Property up to 100% of the Maximum Special Tax for each Parcel of Undeveloped Property until the amount levied is equal to the Special Tax Requirement.

Step 4: If additional revenue is needed after Step 3, the Special Tax shall be levied Proportionately on each Parcel of Taxable Welfare Exemption Property, up to 100% of the Maximum Special Tax for each Parcel of Taxable Welfare Exemption Property for such Fiscal Year until the amount levied is equal to the Special Tax Requirement.

Step 5: If additional revenue is needed after Step 4, the Special Tax shall be levied Proportionately on each Parcel of Taxable Owners Association Property, up to 100% of the Maximum Special Tax for each Parcel of Taxable Owners Association Property until the amount levied is equal to the Special Tax Requirement.

Step 6: If additional revenue is needed after Step 5, the Special Tax shall be levied Proportionately on each Parcel of Taxable Public Property, up to 100% of the Maximum Special Tax for each Parcel of Taxable Public Property until the amount levied is equal to the Special Tax Requirement.

Notwithstanding the above, the Special Tax levied against any Assessor's Parcel for which an occupancy permit for private residential use has been issued will not be increased as a consequence of delinquency or default by the owner of any other Assessor's Parcel within the District by more than 10% above the amount that would have been levied in that fiscal year had there never been any such delinquencies or defaults. As a result, it is possible that the District may not be able to increase the tax levy to the Assigned Special Tax in all years.

The Maximum Special Tax for a Parcel of Developed Property is the greater of: (i) the Base Special Tax set forth in Table 1 in Section C of the Rate and Method, or (ii) the Maximum Special Tax determined pursuant to Section D of the Rate and Method based on a Land Use Change. On July 1, 2026, and on each July 1 thereafter, the Base Special Tax for Developed Property and the Maximum Special Tax for Final Map Property, Undeveloped Property, Taxable Owners Association Property, Taxable Public Property and Taxable Welfare Exemption Property, shall be increased by an amount equal to 2.0% of the amount in effect for the prior Fiscal Year.

The Base Special Tax rates for Developed Property and Other Property for Fiscal Year 2026-27, as well as the Maximum Special Tax for Final Map Property and Undeveloped Property for Fiscal Year 2026-27, are set forth in Table 1 below.

TABLE 1
CITY OF LINCOLN
COMMUNITY FACILITIES DISTRICT NO. 2025-1
(JOINER RANCH EAST)
SPECIAL TAX RATES

DEVELOPED PROPERTY

Land Use Category	*Fiscal Year 2026-27 Base Special Tax[(1)]*
Single Family Property	
Greater than 2,000 sq ft	$4,096 per Residential Unit
1,726 to 2,000 sq ft	$3,721 per Residential Unit
1,625 to 1,725 sq ft	$3,615 per Residential Unit
Less than 1,625 sq ft	$3,533 per Residential Unit
Other Property	$62,342 per Acre

FINAL MAP AND UNDEVELOPED PROPERTY

Special Tax Category	*Fiscal Year 2026-27 Maximum Special Tax[(1)]*
Final Map Property	$4,096 per SFD Lot
Undeveloped Property	$62,342 per Acre

(1) On July 1 each fiscal year, the figures shown in the table above shall be increased by two percent of the amount in effect for the prior fiscal year.
Source: Goodwin Consulting Group, Inc.

Table 2 below sets forth the Expected Maximum Special Tax Revenues for Fiscal Year 2026-27 based on the expected land uses within the District as of October 14, 2025 and assuming all 198 parcels within the District are classified as Developed Property for Fiscal Year 2026-27. Based on development status as of October 14, 2025, 37 parcels within the District are expected to be classified as Developed Property and 161 parcels are expected to be classified as Final Map Property for the projected Fiscal Year 2026-27 Special Tax levy.

TABLE 2
CITY OF LINCOLN
COMMUNITY FACILITIES DISTRICT NO. 2025-1
(JOINER RANCH EAST)
EXPECTED MAXIMUM SPECIAL TAX REVENUES

Land Use Category	*Expected Residential Units / Acres* [(1)]	*Fiscal Year 2026-27 Base Special Tax*	*Expected Maximum Special Tax Revenues*
Single Family Property			
Greater than 2,000 sq ft	41 Residential Units	$4,096 per Residential Unit	$167,949
1,726 to 2,000 sq ft	63 Residential Units	$3,721 per Residential Unit	$234,420
1,625 to 1,725 sq ft	57 Residential Units	$3,615 per Residential Unit	$206,048
Less than 1,625 sq ft	37 Residential Units	$3,533 per Residential Unit	$130,731
Other Property	0.0 Acres	$62,342 per Acre	$0
Expected Maximum Special Tax Revenues (Fiscal Year 2026-27 $)			**$739,149**

(1) Based on the Expected Land Uses as of October 14, 2025, per D.R. Horton.
Source: Goodwin Consulting Group, Inc.

Prepayment of Special Taxes. The Special Tax obligation applicable to a Parcel in the CFD may be prepaid in whole or in part and the obligation of the Parcel to pay the Special Tax permanently satisfied as described herein, provided that a prepayment may be made only if there are no delinquent Special Taxes with respect to such Parcel at the time of prepayment. The Prepayment Amount is calculated based on the sum of the Bond Redemption Amount, the Remaining Facilities Amount, the Redemption Premium, the Defeasance Requirement, the Administrative Fees and Expenses, less the Reserve Fund Credit, all as specified in Section H of the Rate and Method attached as Appendix A. Prepayments of Special Taxes will be applied to effect an extraordinary redemption of Bonds and Parity Bonds. See "THE BONDS — Redemption — *Special Mandatory Redemption from Special Tax Prepayments*."

Estimated Debt Service Coverage. In connection with the issuance of the Bonds, the Special Tax Consultant will certify that the Maximum Special Tax that may be levied in each Fiscal Year on Assessor's Parcels, based on development status as of October 1, 2025, less the Administrative Expenses Cap, will be at least equal to 110% of Debt Service on the Bonds in each Fiscal Year. Actual collections of the Special Tax will depend on the amount of Special Tax delinquencies.

Limitation on Special Tax Levy and Potential Impact on Coverage. Pursuant to Section 53321(d) of the Government Code, the special tax levied against any assessor's parcel for which an occupancy permit for private residential use has been issued will not be increased as a consequence of delinquency or default by the owner of any other assessor's parcel within the District by more than 10% above the amount that would have been levied in that fiscal year had there never been any such delinquencies or defaults. As a result, it is possible that the District may not be able to increase the tax levy to the Assigned Special Tax in all years.

Levy, Collection and Application of Special Taxes. The Special Taxes are levied and collected by the Treasurer-Tax Collector of the County in the same manner and at the same time as *ad valorem* property taxes, although it is possible that the District could elect to provide handbills to property owners within the District.

The District will covenant in the Indenture that each year it will levy Special Taxes up to the maximum rates permitted under the Rate and Method in an amount sufficient, together with other amounts on deposit in the Special Tax Fund, to pay the principal of and interest on any Outstanding Bonds and Parity Bonds, to replenish the 2025 Bonds Reserve Subaccount to the 2025 Bonds Reserve Requirement and any other Subaccount of the Reserve Account to the applicable Reserve Requirement, and to pay Administrative Expenses.

The District will make certain covenants in the Indenture which are intended to ensure that the current maximum Special Tax rates and method of collection of the Special Taxes are not altered in a manner that would impair the District's ability to collect sufficient Special Taxes to pay debt service on the Bonds, Parity Bonds and Administrative Expenses when due.

First, the District will covenant in the Indenture that it will take no actions that would discontinue or cause the discontinuance of the Special Tax levy or the District's authority to levy the Special Tax for so long as the Bonds and any Parity Bonds are Outstanding.

Second, the District will covenant in the Indenture, to the maximum extent that the law permits it to do so, not to initiate proceedings to reduce the maximum Special Tax rates for the District, unless, in connection therewith, the District receives a certificate from one or more Independent Financial Consultants which, when taken together, certify that: (i) such changes do not reduce the maximum Special Taxes that may be levied in each year on property within the District to an amount which is less than the Administrative Expenses Cap plus 110% of the Annual Debt Service due in each corresponding future Bond Year with respect to the Bonds and Parity Bonds Outstanding as of the date of such proposed reduction; and (ii) the District is not delinquent in the payment of the principal of or interest on the Bonds or any Parity Bonds.

Third, the District will covenant in the Indenture that, in the event that any initiative is adopted by the qualified electors within the District which purports to reduce the maximum Special Tax below the levels specified in the preceding paragraph or to limit the power of the District to levy the Special Taxes for the purposes set forth in the Indenture, it will commence and pursue legal action in order to preserve its ability to comply with such covenants. The District can provide no assurance that any such legal action will be successful. See the caption "SPECIAL RISK FACTORS — Proposition 218."

Fourth, the District will covenant in the Indenture that it will not adopt any policy pursuant to the Act permitting the tender of Bonds or Parity Bonds in full payment or partial payment of any Special Taxes unless the District has first received a certificate from an Independent Financial Consultant that the acceptance of such a tender will not result in the District having insufficient Net Taxes to pay the principal of and interest on the Bonds and Parity Bonds when due.

See Appendix E under the caption "COVENANTS AND WARRANTY."

Although the Special Taxes constitute liens on taxed parcels within the District, they do not constitute a personal indebtedness of the owners of property within the District. Moreover, other liens for taxes and assessments already exist on the property located within the District and others could come into existence in the future in certain situations without the consent or knowledge of the City or the landowners in the District. See the captions "THE DISTRICT — Direct and Overlapping Debt" and "SPECIAL RISK FACTORS — Direct and Overlapping Indebtedness." There is no assurance that property owners will be financially able to pay the annual Special Taxes or that they will pay such taxes even if financially able to do so, all as more fully described under the caption "SPECIAL RISK FACTORS."

Proceeds of Foreclosure Sales. The net proceeds received following a judicial foreclosure sale of property within the District resulting from a property owner's failure to pay the Special Taxes when due are included within the Net Taxes pledged to the payment of principal of and interest on the Bonds and any Parity Bonds under the Indenture.

Pursuant to Section 53356.1 of the Act, in the event of any delinquency in the payment of any Special Tax or receipt by the District of Special Taxes in an amount which is less than the Special Taxes levied, the City Council, as the legislative body of the District, may order that Special Taxes be collected by a Superior Court action to foreclose the lien within specified time limits. In such an action, the real property subject to the unpaid amount may be sold at a judicial foreclosure sale. Under the Act, the commencement of judicial foreclosure following the nonpayment of a Special Tax is not mandatory. However, the District will covenant in the

Indenture for the benefit of the owners of the Bonds and any Parity Bonds that it will: (i) commence judicial foreclosure proceedings against parcels with delinquent Special Taxes in excess of $4,000 by the December 1 following the close of each Fiscal Year in which such Special Taxes were due; and (ii) commence judicial foreclosure proceedings against all parcels with delinquent Special Taxes by the December 1 following the close of each Fiscal Year in which it receives Special Taxes in an amount which is less than 95% of the total Special Tax levied; and (iii) diligently pursue such foreclosure proceedings until the delinquent Special Taxes are paid; provided that, notwithstanding the foregoing, the District may elect to defer foreclosure proceedings on any parcel so long as the amount in the 2025 Bonds Reserve Subaccount is at least equal to the 2025 Bonds Reserve Requirement and the amounts in all other Subaccounts of the Reserve Account is at least equal to the applicable Reserve Requirement.

The District will covenant in the Indenture that it will deposit the net proceeds of any foreclosure in the Special Tax Fund and will apply such proceeds remaining after the payment of Administrative Expenses to make current payments of principal and interest on the Bonds and any Parity Bonds, to bring the amount on deposit in the 2025 Bonds Reserve Subaccount up to the 2025 Bonds Reserve Requirement and the amount on deposit in any other Subaccount of the Reserve Account up to the applicable Reserve Requirement, and to pay any delinquent installments of principal or interest due on the Bonds and any Parity Bonds. See APPENDIX E — "SUMMARY OF THE INDENTURE — COVENANTS AND WARRANTY — Covenants" herein.

If foreclosure is necessary and other funds (including amounts in the 2025 Bonds Reserve Subaccount) have been exhausted, debt service payments on the Bonds could be delayed unless the foreclosure proceedings produce sufficient net foreclosure sale proceeds. Judicial foreclosure actions are subject to the normal delays associated with court cases and may be further slowed by bankruptcy actions, involvement by agencies of the federal government and other factors beyond the control of the City and the District. See the caption "SPECIAL RISK FACTORS — Enforcement Delays – Bankruptcy." Moreover, no assurances can be given that the real property subject to foreclosure and sale at a judicial foreclosure sale will be sold or, if sold, that the net proceeds of such sale will be sufficient to pay any delinquent Special Tax installment. See the caption "SPECIAL RISK FACTORS — Property Values." Although the Act authorizes the District to cause such an action to be commenced and diligently pursued to completion, the Act does not impose on the District or the City any obligation to purchase or acquire any lot or parcel of property sold at a foreclosure sale if there is no other purchaser at such sale. The Act provides that, in the case of a delinquency, the Special Tax will have the same lien priority as is provided for *ad valorem* taxes.

Collection of Special Taxes and Flow of Funds. The Special Taxes will be levied and collected by the Treasurer-Tax Collector of the County in the same manner and at the same time as *ad valorem* property taxes, although it is possible that the District could elect to provide handbills to property owners within the District. When the County apportions Special Taxes to the District, the District will transmit the Special Taxes to the Trustee for deposit in the Special Tax Fund established by the Indenture.

Except for Prepayments, which will be deposited to the Redemption Account of the Special Tax Fund, the Trustee will, on each date on which the Special Taxes are received from the District, deposit the Special Taxes in the Special Tax Fund to be held in trust for the Owners. The Trustee will transfer the Special Taxes on deposit in the Special Tax Fund on the dates, in the amounts and in the following order of priority, to:

First: To the Administrative Expense Account in an amount up to the Administrative Expenses Cap.

Second: To the Interest Account, an amount such that the balance in the Interest Account one Business Day prior to each Interest Payment Date is equal to the installment of interest due on the Bonds and any Parity Bonds on said Interest Payment Date and any installment of interest due on a previous Interest Payment Date which remains unpaid. Moneys in the Interest Account will be used for the payment of interest on the Bonds and any Parity Bonds as the same become due.

Third: To the Principal Account, an amount such that the balance in the Principal Account one Business Day prior to September 1 of each year, commencing September 1, 2023, is equal the principal payment due on the Bonds and any Parity Bonds maturing on such September 1 and any principal payment due on a previous September 1 which remains unpaid. Moneys in the Principal Account shall be used for the payment of the principal of such Bonds and any Parity Bonds as the same become due at maturity.

Fourth: To the Redemption Account, the amount needed to make the balance in the Redemption Account one Business Day prior to each September 1 on which a Sinking Fund Payment is due equal to the Sinking Fund Payment due on any Outstanding Bonds and Parity Bonds on such September 1; provided, however, that, if amounts in the Special Tax Fund are inadequate to make the foregoing transfers, then any deficiency with respect to the Bonds shall be made up by an immediate transfer from the 2025 Bonds Reserve Subaccount and any deficiency with respect to a series of Parity Bonds shall be made up by an immediate transfer from the Subaccount of the Reserve Account for such series of Parity Bonds, if funded, pursuant to the Indenture; and thereafter, to pay the principal and premium, if any, due in connection with an optional redemption of Bonds or Parity Bonds.

Fifth: To the Subaccounts of the Reserve Account of the Special Tax Fund, on a proportionate basis based on the outstanding principal amount of the Bonds and any Parity Bonds, to the extent necessary to replenish the 2025 Bonds Reserve Subaccount to the 2025 Bonds Reserve Requirement and the Reserve Requirement with respect to Parity Bonds, if any.

Sixth: To the Administrative Expense Account of the Special Tax Fund the amount of any Administrative Expenses for the current Bond Year in excess of the Administrative Expenses Cap as directed by the City.

Seventh: To the Rebate Fund established by the Indenture to the extent directed by the City pursuant to the Indenture.

Eighth: To the Surplus Fund established by the Indenture such remaining amounts in the Special Tax Fund after making the foregoing transfers on September 1.

2025 Bonds Reserve Subaccount of the Reserve Account

In order to secure further the payment of principal of and interest on the Bonds, the District is required, upon delivery of the Bonds, to deposit in the 2025 Bonds Reserve Subaccount and thereafter to maintain in the 2025 Bonds Reserve Subaccount an amount equal to the 2025 Bonds Reserve Requirement. The term "2025 Bonds Reserve Requirement" is defined in the Indenture to mean, that amount as of any date of calculation, equal to the lesser of: (i) 10% of the initial principal amount of the Bonds; (ii) Maximum Annual Debt Service on the then Outstanding Bonds; (iii) 125% of average Annual Debt Service on the then Outstanding Bonds; provided, however, that the 2025 Bonds Reserve Subaccount shall not exceed $_____ except upon a release from the Escrow Fund as set forth in the Indenture and as described under the caption "—Escrow Fund," below; and provided further that, in calculating the amounts referred to in the preceding clauses (i), (ii) and (iii), there will be excluded the debt service on, or the principal amount of, as applicable, the Escrow Term Bonds as of such date of calculation unless amounts are released from the Escrow Fund in accordance with the Indenture and as described under the caption "—Escrow Fund."

The Reserve Requirement may be satisfied in whole or in part by cash, a Reserve Policy (as defined in the Indenture), or a combination thereof. On the date of issuance of the Bonds, the District will deposit $_____ from proceeds of the Bonds into the 2025 Bonds Reserve Subaccount to satisfy the initial 2025 Bonds Reserve Requirement. The 2025 Bonds Reserve Subaccount only secures and the amounts therein are only available to pay the principal of, redemption premium, if any, and interest on the Bonds. In connection

with the issuance of a series of Parity Bonds, if any, the District may establish an additional Subaccount within the Reserve Account which secures such series of Parity Bonds. Such additional Subaccounts within the Reserve Account established for Parity Bonds will not secure the Bonds.

Subject to the limits on the maximum annual Special Tax levy set forth in the Rate and Method and in the Indenture, the District will covenant in the Indenture to levy Special Taxes in an amount sufficient, in light of the other intended uses of the Special Tax proceeds, to maintain the balance in the 2025 Bonds Reserve Subaccount at the 2025 Bonds Reserve Requirement and any other Subaccount of the Reserve Account at the applicable Reserve Requirement. Amounts in the 2025 Bonds Reserve Subaccount are to be applied: (i) to pay debt service on the Bonds, including Sinking Fund Payments, to the extent that other monies are not available therefor; (ii) to redeem Bonds in the event of prepayment of Special Taxes, to optionally redeem Bonds or in connection with a partial defeasance of Bonds, in accordance with the Indenture; and (iii) to pay any rebate requirements with respect to the Bonds. See Appendix E under the caption "CREATION OF FUNDS AND APPLICATION OF PROCEEDS — Reserve Account of the Special Tax Fund."

Escrow Fund

The Indenture establishes a separate fund to be known as the "Escrow Fund", which shall be held by the Fiscal Agent in trust, and an Escrow Interest Account therein. Moneys in the Escrow Fund (and the Escrow Interest Account therein) will be held in trust by the Trustee and, pending disbursement as provided in the Indenture, will be subject to a lien in favor of the Owners of the Bonds and administered as provided in the Indenture.

On the date of issuance of the Bonds, $_____ of the proceeds of the $1,030,000* aggregate principal amount of the Escrow Term Bonds will be deposited into the Escrow Fund and $_____ will be deposited into the Escrow Interest Account. The foregoing amount deposited in the Escrow Interest Account has been calculated to be sufficient to pay interest on the principal amount of the Escrow Term Bonds to the Escrow Redemption Date (September 1, 2026, unless extended as provided in the Indenture).

Prior to the Escrow Closing Date (July 15, 2026, unless extended as provided in the Indenture) and the Escrow Disbursement Date (as defined below)), the Trustee will transfer from the Escrow Interest Account to the Interest Account of the Special Tax Fund on the Business Day prior to each Interest Payment Date prior to the Escrow Redemption Date or the Escrow Disbursement Date, an amount that is equal to the interest payable on the Escrow Term Bonds on such Interest Payment Date. The District may extend the Escrow Closing Date to July 15, 2027, and the Escrow Redemption Date to September 1, 2027, as permitted under the Indenture, provided that moneys from any legally available source have been deposited into the Escrow Interest Account in an amount sufficient so that the amounts then on deposit in the Escrow Interest Account, together with the amounts on deposit in the Escrow Fund, will be sufficient to redeem the Escrow Term Bonds on September 1, 2027 and pay any accrued interest thereon to September 1, 2027.

Assuming the conditions to the release of amounts in the Escrow Fund to the Acquisition and Construction Fund (the "Release Test") are satisfied (as described below) prior to the Escrow Closing Date, the Trustee will also make disbursements from the Escrow Fund and the Escrow Interest Account to the Acquisition and Construction Fund, in such amounts as directed in writing by the District, on any date other than an Interest Payment Date (each an "Escrow Disbursement Date"), provided that an Escrow Disbursement Date may not occur in the five days preceding an Interest Payment Date. The "Release Test" set forth in the Indenture is as follows:

At least 10 Business Days prior to an Escrow Disbursement Date, the District and the Trustee receive a certificate of an Independent Financial Consultant certifying that the Value of District Property is at least four

* *Preliminary, subject to change.*

times the sum of the principal amount of the Outstanding Bonds and Parity Bonds and the Overlapping Debt, including within such calculation the principal amount of the Escrow Term Bonds.

"Value of District Property" means for all parcels of property in the District which are subject to the levy of the Special Taxes, either (i) the fair market value, as of the date of the appraisal provided for below of such parcels, including with respect to such parcels the value of the then existing improvements thereon, as estimated by an appraiser, who shall be a State of California certified general real estate appraiser selected and employed by the District, in an appraisal performed within 90 days preceding the date of such determination based upon a methodology of valuation consistent with the City's policy for appraisals, provided that a mass appraisal methodology may be applied when valuing Developed Property (as defined in the Rate and Method); (ii) the full cash value of any or all of such parcels, including with respect to such parcels the value of the improvements thereon, as set forth on the last equalized assessment roll of the County Assessor of the County of Placer; or (iii) a combination of the value derived from the foregoing paragraphs (i) and (ii).

"Overlapping Debt" means with respect to any property within the District, the sum of (a) the aggregate amount of all unpaid assessments which are a lien on such property and which are pledged to secure the repayment of bonds, plus (b) a portion of the principal amount of any outstanding bonds of other community facilities districts which are payable at least partially from special taxes to be levied on such property (the "Other CFD Bonds") determined by multiplying the aggregate principal amount of the Other CFD Bonds by a fraction, the numerator of which is the amount of special taxes levied for the Other CFD Bonds on such property and the denominator of which is the total amount of special taxes levied for the Other CFD Bonds on all parcels of property which are subject to the levy of such special taxes, based upon information which is available for the then current Fiscal Year.

If the Release Test as described above is satisfied prior to the Escrow Closing Date, the Trustee is required to transfer the amounts then on deposit in the Escrow Fund and the Escrow Interest Account as follows:

First, the Trustee will transfer from the Escrow Interest Account to the Interest Account of the Special Tax Fund an amount sufficient to pay interest on the Escrow Term Bonds on each Interest Payment Date that will occur before Special Taxes can be levied and collected in an amount sufficient to pay such interest;

Second, the Trustee will transfer from the Escrow Fund to the 2025 Bonds Reserve Subaccount, an amount sufficient to cause the amount on deposit in the 2025 Bonds Reserve Subaccount to be at least equal to the 2025 Bonds Reserve Requirement (calculated as if the disbursement to the Acquisition and Construction Fund has already occurred); and

Third, the Trustee will transfer from the remaining amounts in the Escrow Fund and the Escrow Interest Account, to the Acquisition and Construction Fund, as directed in writing by the Authorized Representative of the District on the Escrow Disbursement Date.

The Trustee will not disburse any funds from the Escrow Fund or the Escrow Interest Account as described above if the Release Test is not satisfied prior to the Escrow Closing Date except that on the Escrow Redemption Date the Trustee will transfer the amounts on deposit in the Escrow Fund and the Escrow Interest Account to the Redemption Account of the Special Tax Fund, to be applied to the redemption of Escrow Term Bonds on the Escrow Redemption Date at the redemption price described under the caption "THE BONDS—Redemption—*Special Mandatory Redemption from Escrow Fund Transfer*," with any excess not required to pay such redemption price transferred to the Interest Account of the Special Tax Fund. After the foregoing transfers, the Escrow Fund and the Escrow Interest Account will be closed.

County Teeter Plan Not Applicable to the District

Although the Placer County Board of Supervisors has adopted the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the "Teeter Plan") which allows each entity levying

secured property taxes in the County to draw on the amount of property taxes levied rather than the amount actually collected, as provided for in Section 4701 et seq. of the California Revenue and Taxation Code, the District is not included in the County Teeter Plan. Consequently, the District may not draw on the County Tax Loss Reserve Fund in the event of delinquencies in Special Tax payments within the District.

Parity Bonds for Refunding Only

The Indenture provides that, upon satisfaction of certain conditions, the District may issue Parity Bonds payable from the Net Taxes and other amounts deposited in the Special Tax Fund (other than in the Administrative Expenses Account therein) and secured by a lien and charge upon such amounts equal to the lien and charge securing the Outstanding Bonds and any other Parity Bonds theretofore issued; provided, however, Parity Bonds may only be issued for the purpose of refunding all or a portion of the Bonds or any Parity Bonds then Outstanding. Among other conditions, in order to issue Parity Bonds to refund all or a portion of the Bonds or any Parity Bonds, the District shall have received a certificate of the Special Tax Administrator certifying that in each Bond Year the Annual Debt Service on the Bonds and Parity Bonds to remain Outstanding following the issuance of the Parity Bonds proposed to be issued is less than the Annual Debt Service on the Bonds and Parity Bonds Outstanding prior to the issuance of such Parity Bonds. See Appendix E under the caption "DEFEASANCE AND PARITY BONDS."

THE DISTRICT

General Description of the District

The District is generally located at the southeast corner of Nicolaus Road and Joiner Parkway within the City. Approximately 27 acres of property in the District are expected to be subject to the Special Tax (as defined herein) at build-out. The property within the District which is not subject to the levy of the Special Tax consists primarily of parks, open space preserves and other public property.

D.R. Horton plans to develop 198 single family homes in a community being marketed as "Jasper." As of October 1, 2025, of the 101 lots within Phase 1, D.R. Horton had completed construction of 11 homes (one of which had been conveyed to an individual homeowner), 26 homes were in various stages of construction and 64 lots were in a finished lot condition. The Master Developer is conveying all property within the District planned for residential development to D.R. Horton, either directly or through a land bank, in two phases, after which the Master Developer is not expected to own any property in the District that is expected to be subject to the Special Tax. Within Phase 1, 20 lots were initially purchased from the Master Developer by D.R. Horton and the remaining 81 lots were purchased from the Master Developer by the Hearthstone Landbank. As of October 1, 2025, D.R. Horton had acquired an additional 18 lots from the Hearthstone Landbank. There is no guarantee that the Developer will acquire the remaining lots as planned. During the term of the Option Agreement, D.R. Horton is contractually obligated to pay the Special Tax levied on the property subject to such agreement. However, in the event the Option Agreement is terminated prior to D.R. Horton having acquired all of the lots thereunder, the Special Tax would continue to be levied on the property in District owned by the Hearthstone Landbank.

The property within the District is not located in a Fault-Rupture Hazard Zone (formerly referred to as an Alquist-Priolo Earthquake Study Zone) and is not located within one-half mile of an active earthquake fault. Additionally, the District is not located in a flood plain area. The District is not located in an area which the Department of Forestry and Fire Protection of the State of California ("CalFire") has classified as an area of concern and is not in an area classified by CalFire as a Very High Fire Hazard Severity Zone. Notwithstanding the foregoing, the property in the District may be subject to unpredictable seismic activity, fires, flood, or other natural disasters. See "SPECIAL RISK FACTORS — Natural Disasters."

A map showing the location of the District and an aerial photograph thereof appear following the Table of Contents. See the caption "PROPERTY OWNERSHIP AND THE DEVELOPMENT" for more information

regarding the Master Developer, D.R. Horton, the Hearthstone Landbank and the ongoing and planned development within the District.

Authorized Uses of Bond Proceeds

Proceeds of the Bonds are authorized to be used to pay for the costs of construction of City facilities, including certain water, sewer, storm drain and street improvements to be owned by the City. See the caption "FINANCING PLAN" and "PROPERTY OWNERSHIP AND THE DEVELOPMENT—The Master Developer."

Appraisal Report

The estimated assessed value of the property within the District, as shown on the County's assessment roll for Fiscal Year 2025-26 is approximately $12,521,520. A property's assessed value is not necessarily indicative of its market value. In order to provide information with respect to the value of the taxable property within the District, the City engaged the Appraiser to prepare the Appraisal Report. The Appraiser has an "MAI" designation from the Appraisal Institute and has prepared numerous appraisals for the sale of land-secured municipal bonds. The Appraiser was selected by the City and has no material relationships with the City or the owners of the land within the District other than the relationship represented by the engagement to prepare the Appraisal Report. The City instructed the Appraiser to prepare its analysis and report in conformity with City-approved guidelines and the Appraisal Standards for Land Secured Financings published in 1994 and revised in 2004 by the California Debt and Investment Advisory Commission. A copy of the Appraisal Report is included as Appendix D — "APPRAISAL REPORT" to this Official Statement.

The purpose of the Appraisal Report was to estimate the market value of the property within the District subject to the lien of the Special Taxes. The estimate of market value takes into consideration and is based on the hypothetical condition that certain proceeds from the Bonds will be used to reimburse the Master Developer for public infrastructure improvements completed. The Appraisal Report also takes into account the impact of the Special Tax lien on the property in the District.

Subject to the contingencies, assumptions and limiting conditions set forth in the Appraisal Report, the Appraiser concluded that, as of the October 1, 2025, Date of Value, the market value of the Taxable Property within the District was $42,554,000. In valuing the 198 parcels for which appraisal value was assigned, in order to reach the overall concluded value, the Appraiser used a sales comparison approach and, with respect to the finished lots, applied a land residual analysis. In applying the land residual analysis, the Appraiser deducted the direct and indirect costs from an estimate of the anticipated gross sales price of the improved product and the resultant net sales proceeds are then discounted to present value at an anticipated rate over the development and absorption period.

The Appraisal Report is based upon a variety of assumptions and limiting conditions that are described in Appendix D. The City, the Underwriter and the District make no representation as to the accuracy of the Appraisal Report. There is no assurance that the property within the District can be sold for the prices set forth in the Appraisal Report or that any parcel can be sold for a price sufficient to pay the Special Tax for that parcel in the event of a default in payment of Special Taxes by the landowner. See "SPECIAL RISK FACTORS — Property Values" and Appendix D — "APPRAISAL REPORT."

Estimated Value-to-Lien Ratios

The appraised value of property within the District is $42,554,000. Dividing the aggregate estimate of value by the principal amount of the Bonds (excluding the principal amount of the Escrow Term Bonds) results in a value to lien ratio of 4.00-to-1* for the District. See "SPECIAL RISK FACTORS — Direct and Overlapping

* *Preliminary, subject to change.*

Indebtedness." The assessed value of the property within the District, as shown on the County's assessment roll for Fiscal Year 2025-26 is approximately $12,521,520 .

Table 3 below sets the appraised value-to-lien ratio of the Taxable Property within the District based on the appraised values set forth in the Appraisal Report and the principal amount of the Bonds (excluding the principal amount of the Escrow Term Bonds, and allocated based on the projected Fiscal Year 206-27 Special Tax levy). Ownership and development status shown in Table 3 below is as of October 1, 2025. Based on ownership status as of October 1, 2025 and assuming no further development activity, individual homeowners, the Master Developer and D.R. Horton are expected to be responsible for approximately 0.59%, 46.75% and 52.67%, respectively, of the projected Fiscal Year 2026-27 Special Tax levy.

Table 4 below sets forth the a summary of the appraised value-to-lien ratios for Taxable Property within the District, by various ranges, based upon development status as of October 1, 2025 and the principal amount of the Bonds (excluding the principal amount of the Escrow Term Bonds).

TABLE 3
CITY OF LINCOLN
COMMUNITY FACILITIES DISTRICT NO. 2025-1
(JOINER RANCH EAST)
PROJECTED FISCAL YEAR 2026-27 SPECIAL TAX LEVY AND VALUE-TO-LIEN RATIOS

Development Status and Property Ownership [1]	*Expected Residential Units*	*Appraised Value* [2]	*Maximum Fiscal Year 2026-27 Special Tax*	*Projected Fiscal Year 2026-27 Special Tax Levy* [3]	*Allocated CFD Bonds* [4]*	*Value-to-Lien**
Developed Property						
Individual Homeowner	1	$ 480,000	$ 3,615	$ 3,615	$ 62,506	7.68
DR Horton CA2 Inc.						
Completed Homes	10	4,800,000	36,622	36,622	633,243	7.58
Homes Under Construction	26	6,425,000	97,610	97,610	1,687,800	3.81
Subtotal	37	$11,705,000	$137,847	$137,847	$ 2,383,549	4.91
Final Map Property						
DR Horton CA2 Inc.	64	$12,480,000	$262,164	$189,696	$ 3,280,080	3.80
JEN California 24 LLC	97	18,369,000	397,343	287,507	4,971,371	3.69
Total	**198**	**$42,554,000**	**$797,354**	**$615,050**	**$10,635,000**	**4.00**

* *Preliminary, subject to change*.
(1) Based on building permits issued as of October 1, 2025. Ownership information per the Appraisal Report, as of the October 1, 2025, date of value of the Appraisal Report.
(2) Based on the October 1, 2025, date of value of the Appraisal Report.
(3) The projected Fiscal Year 2026-27 Special Tax levy is subject to change if additional building permits are issued before June 1, 2026.
(4) Allocated based on the projected Fiscal Year 2026-27 Special Tax levy. Excludes the principal amount of the Escrow Term Bonds. See the caption "SOURCES OF PAYMENT FOR THE BONDS—Escrow Fund."
Sources: Piper Sandler & Co.; Integra Realty Resources, Inc.; Goodwin Consulting Group, Inc.

TABLE 4
CITY OF LINCOLN
COMMUNITY FACILITIES DISTRICT NO. 2025-1
(JOINER RANCH EAST)
SUMMARY OF VALUE-TO-LIEN RATIOS

Value-to-Lien	*Expected Residential Units*	*Appraised Value* [(1)]	*Maximum Fiscal Year 2026-27 Special Tax*	*Projected Fiscal Year 2026-27 Special Tax Levy* [(2)]	*Percent of Projected Special Tax Levy*	*Allocated CFD Bonds* [(3)*]	*Average Value-to-Lien**
Greater than 5:1	11	$ 5,280,000	$ 40,237	$ 40,237	6.5%	$ 695,748	7.59
4:1 to 5:1	4	988,462	14,133	14,133	2.3	244,380	4.04
3:1 to 4:1	183	36,285,538	742,984	560,680	91.2	9,694,872	3.74
Less than 3:1	0	0	0	0	0.0	0	n/a
Total	**198**	**$42,554,000**	**$797,354**	**$615,050**	**100.0%**	**$10,635,000**	**4.00**

* *Preliminary, subject to change*.
(1) Based on the October 1, 2025, date of value of the Appraisal Report.
(2) The projected Fiscal Year 2026-27 Special Tax levy is subject to change if additional building permits are issued before June 1, 2026.
(3) Allocated based on the projected Fiscal Year 2026-27 Special Tax levy. Excludes the principal amount of the Escrow Term Bonds. See the caption "SOURCES OF PAYMENT FOR THE BONDS—Escrow Fund."
Sources: Piper Sandler & Co.; Integra Realty Resources, Inc.; Goodwin Consulting Group, Inc.

Direct and Overlapping Debt

The District is included within the boundaries of overlapping local agencies providing governmental services. Some of these local agencies have outstanding bonds, and/or the authority to issue bonds, payable from taxes or assessments. The existing and authorized indebtedness payable from taxes and assessments that may be levied upon the property within the District is shown in Table 5 below, excluding the Bonds. In addition to current debt, new community facilities districts and/or special assessment districts could be formed in the future encompassing all or a portion of the property within the District; and such districts or the agencies that formed them could issue more bonds and levy additional special taxes or assessments.

TABLE 5
CITY OF LINCOLN
COMMUNITY FACILITIES DISTRICT NO. 2025-1 (JOINER RANCH EAST)
DIRECT AND OVERLAPPING DEBT
AS OF SEPTEMBER 1, 2025

2025-26 Local Secured Assessed Valuation: $12,521,520 (Land and Improvements)

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	*% Applicable*	*Debt 10/1/25*
Sierra Joint Community College District School Facilities Improvement District No. 4	0.012%	$ 22,489
Western Placer Unified School District	0.083	80,623
City of Lincoln Community Facilities District No. 2025-1	**100.000**	**0** [(1)]
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		$ 103,112
OVERLAPPING GENERAL FUND DEBT:		
Placer County Certificates of Participation	0.011%	$ 7,791
Western Placer Unified School District Certificates of Participation	0.083	113,626
City of Lincoln General Fund Obligations	0.097	19,945
Placer County Mosquito and Vector Control Certificates of Participation	0.011	103
TOTAL OVERLAPPING GENERAL FUND DEBT		$ 141,465
COMBINED TOTAL DEBT		$ 244,577 [(2)]

Ratios to 2025-26 Assessed Valuation:

Direct Debt ($0)	**0.00%**
Total Direct and Overlapping Tax and Assessment Debt	0.82%
Combined Total Debt	1.95%

(1) Excludes the Bonds.
(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.
Source: California Municipal Statistics, Inc.

Table 6 below describes the estimated Fiscal Year 2025-26 effective tax burden for the development in the District based on the average appraised value of homes within each plan type shown in the Appraisal Report, the Fiscal Year 2025-26 Special Tax levy on Developed Property at the Assigned Special Tax rates and Fiscal Year 2025-26 actual levies for all other overlapping taxing jurisdictions. Based on the foregoing, the projected effective tax rates to be levied on Developed Property in the District ranges from approximately 1.86 % to 1.92% of such average appraised value. See "PROPERTY OWNERSHIP AND THE DEVELOPMENT" and Appendix D — "APPRAISAL REPORT" for more information regarding the plan types shown in the Appraisal Report.

TABLE 6
CITY OF LINCOLN
COMMUNITY FACILITIES DISTRICT NO. 2025-1
(JOINER RANCH EAST)
ILLUSTRATIVE TAX BILL

Assumptions		***Plan 1547***	***Plan 1678***	***Plan 1811***	***Plan 2311***
Base Price [1]		$497,990	$531,990	$552,990	$595,815
Homeowner's Exemption		(7,000)	(7,000)	(7,000)	(7,000)
Net Assessed Value		**$490,990**	**$524,990**	**$545,990**	**$588,815**
***Ad Valorem* Tax Rate** [2]	***Rate***				
Base Property Tax	1.000000%	$ 4,910	$ 5,250	$ 5,460	$ 5,888
Sierra Coll SFID #4 B&I 2018 Series A	0.002190	11	11	12	13
Sierra Coll SFID #4 B&I 2018 Series B	0.002723	13	14	15	16
Sierra Coll SFID #4 B&I 2018 Series C	0.000403	2	2	2	2
W Placer Unif B&I 2014 Series 2015	0.006841	34	36	37	40
W Placer Unif B&I 2014 Series 2017B	0.007573	37	40	41	45
W Placer Unif B&I 2014 Series 2018C	0.005424	27	28	30	32
W Placer Unif B&I 2016 Series 2017A	0.008895	44	47	49	52
W Placer Unif B&I 2016 Series 2018B	0.006152	30	32	34	36
Total *Ad Valorem* Taxes	**1.040201%**	**$ 5,107**	**$ 5,461**	**$ 5,679**	**$ 6,125**
Direct Charges [3]					
Placer Mosquito & Vector Control		$ 21	$ 21	$ 21	$ 21
Placer Mosquito & Vector Control Measure H Zone 7		15	15	15	15
City of Lincoln CFD No. 2018-1 MR [4]		850	850	850	850
City of Lincoln CFD No. 2018-2 MR [4]		83	83	83	83
City of Lincoln CFD No. 2025-1 (Joiner Ranch East) [5]		3,464	3,544	3,648	4,016
Total Direct Charges		**$ 4,432**	**$ 4,512**	**$ 4,616**	**$ 4,984**
Total Taxes and Direct Charges		**$ 9,540**	**$ 9,973**	**$ 10,296**	**$ 11,109**
Percentage of Average Base Price		**1.92%**	**1.87%**	**1.86%**	**1.86%**

(1) Represents the base price for each plan type included in the Appraisal Report.
(2) Based on the Fiscal Year 2025-26 *ad valorem* tax rates for the tax rate area within the District. *Ad valorem* tax rates are subject to change in future years.
(3) Based on the Fiscal Year 2025-26 charges identified on the Placer County issued property tax bills. Charges subject to change in future years.
(4) Represents the Maximum Special Tax rate for Developed Property for fiscal year 2025-26, as provided by the CFD Administrator, Francisco and Associates.
(5) Represents the Maximum Special Tax rate for Developed Property for Fiscal Year 2025-26. Special Taxes will be levied for the first time in Fiscal Year 2026-27.

Sources: Integra Realty Resources; Placer County Tax Collector's Office; Goodwin Consulting Group, Inc.

Delinquency History

Fiscal Year 2026-27 will be the first year in which Special Taxes are levied within the District.

PROPERTY OWNERSHIP AND THE DEVELOPMENT

The information about the property in the District contained in this Official Statement has been provided by representatives of the Master Developer and D.R. Horton and has not been independently confirmed or verified by the Underwriter, the City or the District. The Underwriter, the City, and the District make no representation as to the accuracy or adequacy of the information contained in this caption. There may be material adverse changes in this information after the date of this Official Statement. Neither the Bonds nor the Net Taxes securing the Bonds and any Parity Bonds are personal obligations of the Master Developer or D.R. Horton or any affiliate thereof or any other property owner and, in the event that any property owner defaults in the payment of its Special Taxes, the District may proceed with judicial foreclosure but has no direct recourse to the assets of any property owner or any affiliate thereof. See the caption "SPECIAL RISK FACTORS."

Notwithstanding the belief of the Master Developer or D.R. Horton that they will have sufficient funds to complete their respective planned development in the District, no assurance can be given that amounts

necessary to fund the remaining planned development in the District will be available when needed. None of the Master Developer, D.R. Horton or any other entity or person, is under any legal obligation of any kind to expend funds for the development of the property as planned in the District. Any contributions by the Master Developer or D.R. Horton or any other entity or person to fund the costs of its development are entirely voluntary. If and to the extent the aforementioned sources are inadequate to pay the costs to complete the planned development by the Master Developer or D.R. Horton within the District, the remaining portions of such development may not be completed. The Master Developer and D.R. Horton have no legal obligation to Bondholders to make any such funds available for construction or development, or the payment of ad valorem property taxes or the Special Taxes. See the caption "SPECIAL RISK FACTORS."

General

D.R. Horton plans to develop 198 single family homes in a community being marketed as "Jasper." D.R. Horton is acquiring property within the District in phased takedowns from either the Master Developer directly, or from the Hearthstone Landbank. As described further below under the caption "D.R. Horton—*The Hearthstone Landbank Structure*," within Phase 1, 20 lots were initially purchased from the Master Developer by D.R. Horton and the remaining 81 lots were purchased from the Master Developer by the Hearthstone Landbank. As of October 1, 2025, D.R. Horton had acquired an additional 18 lots from the Hearthstone Landbank. As of October 1, 2025, the Master Developer owned all of the 97 residential lots within Phase 2 of the District, all of which were in a partially improved condition.

The Master Developer

General. JEN California 24 LLC, a California limited liability company (previously defined as the "Master Developer") is affiliated with JEN Partners LLC, a Delaware limited liability company ("JEN"). Clifton Taylor is Vice President of the Master Developer, and President of Taylor Builders LLC, a California limited liability company ("Taylor Builders"), which is responsible for the day-to-day management of Master Developer's development activities within the District, including overseeing entitlement, development and sales activities for the project.

JEN was founded by Reuben Leibowitz in 2005. Prior to JEN, Mr. Leibowitz founded Warburg Pincus' Real Estate group in 1984, which he led through 2004. While at Warburg Pincus, he was directly responsible for the investment of equity across four homebuilders, a residential land developer and other real estate opportunities. Mr. Leibowitz has served as a Director of four NYSE listed real estate companies, including Lennar Homes, and is a current board member of Simon Property Group, the largest global mall REIT.

Taylor Builders, based in Roseville California, was founded in 2017 to invest in, entitle and develop primarily residential real estate in the Sacramento region, San Joaquin Valley, Bay Area, and Northern Nevada markets. Taylor Builders operates under a mutually exclusive regional partnership agreement with JEN. JEN specializes in residential real estate with longstanding relationships in the residential land, homebuilding, and workforce housing arenas. Additionally, JEN is actively engaged in land banking and specialty finance transactions for public and private homebuilding operations throughout the United States.

Since initiating the partnership JEN and Taylor Builders have collaborated on 29 separate real estate investments. Five of the real estate projects have been added in the preceding twelve-month period with investment from JEN's current Fund 8 reflecting a growing partnership. Through 162 dispositions, Taylor Builders has delivered 9,842 units to market for total consideration exceeding $1.15 billion from JEN-supported activities. The partnership has a pipeline of approximately 7,000 units either owned or controlled under option agreements.

Master Developer Development Plan. The Master Developer originally owned all of the property within the District. The Master Developer conveyed the 101 lots within Phase 1 to D.R. Horton in April 2025, and is under contract to convey the remaining 97 lots within Phase 2 to D.R. Horton, which is expected to occur

in March 2026, after which the Master Developer is not expected to own any property in the District that is expected to be subject to the Special Tax. The property within the District which is not subject to the levy of the Special Tax consists primarily of parks, open space preserves and other public property.

The Master Developer is responsible for constructing all of the major infrastructure (sewer, water, storm drains, utilities, and arterial roads) necessary to develop the property within the District and for delivering finished lots to D.R. Horton. The major infrastructure (sewer, water, storm drains, utilities, and arterial roads) necessary to develop the property within the District was substantially completed as of the Date of Value and has since been completed. The in-tract infrastructure within the District was complete as of the date of value and has since been completed. The Master Developer has spent approximately $19.1 million on backbone and in-tract infrastructure costs within the District, all of which has been funded from internal sources. As of November 1, 2025, all of the lots within Phase 2 were in a finished condition.

D.R. Horton

General. As previously defined in this Official Statement "D.R. Horton" is D.R. Horton CA2, Inc., a California corporation. D.R. Horton is a wholly-owned subsidiary of D.R. Horton, Inc., a Delaware corporation ("D.R. Horton, Inc."). D.R. Horton, Inc. is a public company whose common stock is traded on the New York Stock Exchange under the symbol "DHI." Founded in 1978 and headquartered in Arlington, Texas, D.R. Horton, Inc. constructs and sells homes through its operating divisions in 126 markets in 36 states under the names of D.R. Horton, America's Builder, Emerald Homes, Express Homes and Freedom Homes.

D.R. Horton, Inc. is subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and in accordance therewith files reports, proxy statements and other information, including financial statements, with the Securities and Exchange Commission (the "SEC"). Such filings, particularly, D.R. Horton, Inc.'s Annual Report on Form 10-K for the fiscal year ended September 30, 2024, as filed with the SEC on November 19, 2024, and D.R. Horton's Quarterly Report on Form 10-Q for the quarter ended June 30, 2025 as filed with the SEC on July 23, 2025, set forth certain data relative to the consolidated results of operations and financial position of D.R. Horton, Inc. and its subsidiaries, including D.R. Horton, as of such dates.

The SEC maintains an Internet web site that contains reports, proxy and information statements and other information regarding registrants that file electronically with the SEC, including D.R. Horton, Inc. The address of such Internet web site is www.sec.gov. All documents subsequently filed by D.R. Horton, Inc. pursuant to the requirements of the Exchange Act after the date of this Official Statement will be available for inspection in such manner as the SEC prescribes.

Copies of D.R. Horton, Inc.'s Annual Report and each of its other quarterly and current reports, including any amendments, are available from D.R. Horton, Inc.'s website at www.drhorton.com.

The foregoing websites are and references to filings with the SEC are given for reference and convenience only, and the information on such websites and on file with the SEC does not form a part of this Official Statement and is not incorporated by reference herein. No representation is made in this Official Statement as to the accuracy or adequacy of the information contained on such websites. Neither D.R. Horton nor any other entity or person is obligated to advance funds for construction or development or to pay ad valorem property taxes or the Special Taxes and investors should not rely on the information and financial statements contained on such websites in evaluating whether to buy, hold or sell the Bonds. The information contained on such websites may be incomplete or inaccurate and has not been reviewed by the School District, the District or the Underwriter.

D.R. Horton PSA. The Master Developer and D.R. Horton entered into a Purchase and Sale Agreement and Joint Escrow Instructions, dated July 28, 2023 (as amended, the "D.R. Horton Purchase Agreement") for the 101 lots in Phase 1 (the "Phase 1 Lots") and the 97 lots in Phase 2 (the "Phase 2 Lots").

Prior to the close of escrow on the Phase 1 Lots, D.R. Horton partially assigned its rights under the D.R. Horton Purchase Agreement to the Hearthstone Landbank, pursuant to a certain Partial Assignment and Assumption Agreement (the "Partial Assignment Agreement"), entered into by and between D.R. Horton and the Hearthstone Landbank, dated for reference April 8, 2025, including the right to acquire 81 of the Phase 1 Lots and the right of first offer to acquire the Phase 2 Lots if D.R. Horton elects to landbank the Phase 2 Lots, in D.R. Horton's sole and absolute discretion. Pursuant to the D.R. Horton Purchase Agreement, D.R. Horton agrees to close escrow on the Phase 2 Lots eleven months after the closing of the Phase 1 Lots, or on March 10, 2026, provided such lots are in finished lot condition, and subject to extension to May 31, 2027 (the "Outside Closing Date"). If the Phase 2 Lots are not in finished lot condition by the Outside Closing Date, D.R. Horton can elect to either (i) waive the condition and complete the transaction with either a holdback or a reduction in the purchase price pursuant to the D.R. Horton Purchase Agreement, (ii) terminate the D.R. Horton Purchase Agreement and receive a return of its deposit, or (iii) extend the closing for up to six months. If the Phase 2 Lots are not in finished lot condition by the end of the six-month extension period, D.R. Horton may elect either option (i) or option (ii). Under the D.R. Horton Purchase Agreement, D.R. Horton has made a deposit for the Phase 2 Lots to the Master Developer of approximately 15% of the purchase price of the Phase 2 Lots.

D.R. Horton Development Plan. D.R. Horton plans to develop 198 single family homes in a community being marketed as "Jasper." As of October 1, 2025, of the 101 Phase 1 Lots, D.R. Horton had completed construction of 11 homes (one of which had been conveyed to an individual homeowner), 26 homes were in various stages of construction and 64 lots were in a finished lot condition. As of October 1, 2025, the Master Developer owned all 97 Phase 2 Lots, all of which were in a partially improved condition. Pursuant to the D.R. Horton Purchase Agreement, the Master Developer is responsible for developing the Phase 2 Lots to create finished lots as a condition to D.R. Horton acquiring such lots.

The homes within Jasper are being constructed across four different floor plans, ranging from 1,547 square feet to 2,311 square feet, and with base prices as of October 1, 2025 ranging from approximately $497,990 to approximately $595,815. Except as described in this Official Statement and except for those consents, permits, authorizations, certifications and approvals of governmental entities required in the ordinary course of development, D.R. Horton believes that there is no impediment to construction or obtaining land use entitlements which could be reasonably expected to have a material adverse effect on its ability to complete the planned development of its property within the District as described in the Official Statement.

D.R. Horton currently expects to complete construction of the homes within Phase 1 of Jasper by April 2027. D.R. Horton currently expects to acquire the Phase 2 Lots in March 2026, begin home construction within Phase 2 soon thereafter, and complete construction of homes within Phase 2 by October 2028. There is no guarantee that D.R. Horton will acquire the Phase 2 lots as planned.

The following table summarizes the homes planned within Jasper and development status as of October 1, 2025.

TABLE 7
CITY OF LINCOLN
COMMUNITY FACILITIES DISTRICT NO. 2025-1
(JOINER RANCH EAST)
DEVELOPMENT STATUS—JASPER BY D.R. HORTON
(As of October 1, 2025)

Plan	*Total Units Planned*[1]	*Closings*	*Completed Homes/Homes Under Construction*[2]	*Finished Lots*[3]	*Partially Improved Lots*[4]	*Base Home Prices*[5]
1547	37	0	8	12	17	$497,990
1678	57	1	8	18	30	531,990
1811	63	0	13	17	33	552,990
2311	41	0	7	17	17	595,815
Total	**198**	**1**	**36**	**64**	**97**	

(1) Includes 97 partially improved lots owned by the Master Developer and under contract with D.R. Horton, 63 finished lots owned by the Hearthstone Landbank, 37 lots/homes owned by D.R. Horton, and one home owned by an individual homeowner.
(2) Includes ten completed homes (including two model homes) and 26 homes in various stages of construction, three of which were in escrow to individual homeowners as of October 1, 2025.
(3) 63 of such finished lots were owned by the Hearthstone Landbank as of October 1, 2025, and one was owned by D.R. Horton. See the caption "*—The Hearthstone Landbank*."
(4) Represents the 97 Phase 2 Lots owned by the Master Developer as of October 1, 2025.
(5) Base sales prices are subject to change and exclude any lot premiums, options, upgrades, incentives, and any selling concessions, mortgage rate buydowns or price reductions currently being offered.

Source: D.R. Horton.

Although the information in this Official Statement reflects the current development expectations of D.R. Horton, no assurance can be given that home construction and sales will be carried out on the schedule and according to the plans described herein, or that the home construction and sale plans or base prices set forth above will not change after the date of this Official Statement. D.R. Horton reserves the right to change its development plans at any time without notice. Additionally, homes under contract to be sold may not result in closed escrows as sales contracts are subject to cancellation by the homebuyer. See "SPECIAL RISK FACTORS — Risks of Real Estate Secured Investments Generally."

D.R. Horton Financing Plan. To date, D.R. Horton has financed its land acquisition and various site development and home construction costs related to its Jasper project in the District through internally generated funds (which may include home sales revenue and funding from its parent company). D.R. Horton expects to use internal funding (which may include homes sales revenue and funding from its parent company) to complete the development of D.R. Horton's project in the District. However, home sales revenues from the D.R. Horton's activities in the District are not segregated and set aside for completing its development activities in the District.

As of October 1, 2025, D.R. Horton has expended approximately $12.1 million on its Jasper project in the District, including land acquisition costs, site development costs, permit and impact fees, direct and indirect homebuilding costs, and marketing and sales costs (exclusive of internal financing repayment, corporate overhead and other carry costs). D.R. Horton expects to incur an additional approximately $72.5 million in remaining land acquisition costs, site development costs, permits and impact, direct and indirect homebuilding costs, and marketing and sales costs to incur approximately on remaining land acquisition costs, site development costs, permit and impact fees, direct and indirect homebuilding costs, and marketing and sales costs

(exclusive of internal financing repayment, corporate overhead and other carry costs) between October 1, 2025 and full build-out of the 198 homes proposed to be constructed by D.R. Horton in the District.

Although D.R. Horton expects to have sufficient funds available to complete its development in the District as described in this Official Statement, there can be no assurance that D.R. Horton will have timely access to the sources of funds which will be necessary to complete the remaining proposed development in the District. Neither D.R. Horton nor any of its related entities has any legal obligation to Bondholders to make such funds available to fund the remaining development costs or to pay ad valorem property taxes or Special Taxes related to its property in the District. Any contributions by D.R. Horton or D.R. Horton, Inc., to fund the costs of such development are entirely voluntary. Many factors beyond D.R. Horton's control, or a decision by D.R. Horton to alter its current plans, may cause the actual sources and uses to differ from the projections.

If and to the extent that internal funding, including but not limited to home sales revenues and corporate financing by D.R. Horton, Inc. is inadequate to pay the costs to complete the planned development by D.R. Horton within the District and other financing by D.R. Horton is not put into place, there could be a shortfall in the funds required to complete the proposed development by D.R. Horton in the District and the remaining portions of D.R. Horton's project in the District may not be developed. See the caption "SPECIAL RISK FACTORS."

The Hearthstone Landbank Structure. On April 4, 2025 (the "Phase 1 Closing"), pursuant to the D.R. Horton Purchase Agreement and Partial Assignment Agreement, D.R. Horton acquired 20 Phase 1 Lots from the Master Developer. At the same time, in connection with a land banking transaction, the Hearthstone Landbank acquired the remaining 81 lots in Phase 1 from the Master Developer and entered into an Option and Development Agreement (the "Option Agreement") with D.R. Horton whereby D.R. Horton has the option, but not the obligation, to purchase the 81 lots owned by the Hearthstone Landbank pursuant to a takedown schedule. Assuming D.R. Horton acquires the Phase 2 Lots as planned, D.R. Horton may elect to either acquire the Phase 2 Lots directly from the Master Developer or landbank such lots. If D.R. Horton elects to landbank the Phase 2 Lots, which it may do so in its sole and absolute discretion, the Hearthstone Landbank has the right of first offer to acquire and be the landbanker for the Phase 2 Lots. There is no guarantee that D.R. Horton will acquire the Phase 2 Lots or, if it acquires the Phase 2 Lots, that the Hearthstone Landbank will landbank such lots.

As of October 1, 2025, D.R. Horton had completed the first takedown comprising 18 lots from the Hearthstone Landbank. [On October __, 2025, D.R. Horton requested a three-month extension of the second takedown scheduled for October 18, 2025, comprising 18 lots. No assurance can be given that [the Hearthstone Landbank will approve the three-month extension or that] D.R. Horton will acquire the remaining 63 lots in Phase 1 from the Hearthstone Landbank as planned.

The following table reflects D.R. Horton's expected schedule for acquiring the 81 lots from the Hearthstone Landbank:

Projected Lot Takedown Schedule – Hearthstone Landbank
(As of October 1, 2025)

Phase/Takedown No.	Scheduled Acquisition Date [(1)]	No. Lots Scheduled to be Acquired	Cumulative No. Lots to be Acquired [(2)]
1	Jul 2025	18	18
2	Oct 2025	18	36
3	Jan 2026	18	54
4	Apr 2026	18	72
5	Jul 2026	9	81
		81	

(1) Takedown date is the 18th day of the month.

(2) As of October 1, 2025, D.R. Horton has acquired the first takedown comprising 18 lots. [On October __, 2025, D.R. Horton requested a three-month extension of the second takedown comprising 18 lots. No assurance, however, can be given that [the three-month extension will be granted or] the acquisition of the remaining 63 lots will be acquired as planned.

Source: D.R. Horton.

To D.R. Horton's actual knowledge, it is not in default under the Option Agreement. However, there is no guarantee that D.R. Horton will acquire the remaining Phase 1 Lots from the Hearthstone Landbank as planned.

Under the terms of the Option Agreement, the Hearthstone Landbank agreed to provide D.R. Horton the exclusive right and option to purchase all 81 Phase 1 Lots acquired by the Hearthstone Landbank in consideration for (a) an initial option payment, which payment has been made to the Hearthstone Landbank; (b) the covenants of D.R. Horton to timely pay the option payments under the Option Agreement on a monthly basis in arrears; and (c) upon exercise of the option, the payment of the purchase price for each set of units acquired.

In addition, pursuant to the Option Agreement and with some limitations, the Hearthstone Landbank has granted D.R. Horton a license to enter upon the property subject to the Option Agreement to construct homes before it acquires the lots from the Hearthstone Landbank.

The option under the Option Agreement expires on the earlier of (i) the last date permitted for the final takedown specified on the takedown schedule (July 18, 2026) and the expiration of any applicable cure period, or (ii) the date D.R. Horton has acquired all 81 lots in accordance with the Option Agreement. The failure to timely acquire lots could result in the termination of the option and D.R. Horton will no longer have a right to purchase any of the remaining lots under the Option Agreement. The Option Agreement does provide D.R. Horton a one-time option to acquire all of the lots at once. In the event that D.R. Horton does not exercise its option, the Hearthstone Landbank being an investor only and not a homebuilder, would likely attempt to sell such units to another merchant builder. See the caption "—*The Hearthstone Landbank*" below.

During the term of the Option Agreement, D.R. Horton is obligated to pay all property taxes and carry-costs related to the lots owned by the Land Bank.

The Hearthstone Landbank. According to the Hearthstone Landbank, the Hearthstone Landbank is ultimately controlled by Hearthstone, Inc., a California corporation ("Hearthstone"). Hearthstone is devoted exclusively to investing in residential housing developments on behalf of institutional capital. Hearthstone's investments include single-family subdivisions, condominium and townhouse developments, master planned

communities, land development projects and mixed-use communities. Hearthstone was the first, and is today among the largest institutional investment managers in the country that is dedicated to the residential building industry. At the time Hearthstone was organized in 1992, homebuilders across the United States were suffering from a shortage of capital resulting from changes in federal laws affecting the banking industry and from a loss of investor confidence in real estate. Hearthstone was organized in 1992 in response to changes in federal laws affecting the banking industry that greatly diminished the availability of investment capital for the homebuilding industry and in recognition of the long-term investment opportunity that residential homebuilding presents for institutional investors. Hearthstone manages funds for numerous public and private pension plans, university endowments, Fortune 100 companies, Wall Street investment banks and family offices. Hearthstone invests these funds on behalf of its investors in homebuilding and residential lot development projects with public and private homebuilders in select target markets throughout the United States. Hearthstone has funded and managed over $16.5 billion in investments to construct over 140,000 homes and lots in 22 states since its inception. Hearthstone's principal office is located in Calabasas, California.

SPECIAL RISK FACTORS

The Bonds have not been rated by any rating agency, and the purchase of the Bonds involves significant risks that are not appropriate for certain investors. The following is a discussion of certain risk factors which should be considered, in addition to other matters set forth herein, in evaluating the investment quality of the Bonds. This discussion does not purport to be comprehensive or definitive and does not purport to be a complete statement of all factors which may be considered as risks in evaluating the credit quality of the Bonds. The occurrence of one or more of the events discussed herein could adversely affect the ability or willingness of property owners in the District to pay their Special Taxes when due. Such failures to pay Special Taxes could result in the inability of the District to make full and punctual payments of debt service on the Bonds. In addition, the occurrence of one or more of the events discussed herein could adversely affect the value of the property in the District. See "— Property Values" below.

Risks of Real Estate Secured Investments Generally

The Bond Owners will be subject to the risks generally incident to an investment secured by real estate, including, without limitation: (i) adverse changes in local market conditions, such as changes in the market value of real property in the vicinity of the District, the supply of or demand for competitive properties in such area, and the market value of residential property or buildings and/or sites in the event of sale or foreclosure; (ii) changes in real estate tax rates and other operating expenses, governmental rules (including, without limitation, zoning laws and laws relating to endangered species and hazardous materials) and fiscal policies; (iii) natural disasters (including, without limitation, earthquakes, wildfires and floods), which may result in uninsured losses; (iv) adverse changes in local market conditions; and (v) increased delinquencies due to rising mortgage costs and other factors.

No assurance can be given that the property owners within the District will pay Special Taxes in the future or that they will be able to pay such Special Taxes on a timely basis. See the caption "— Enforcement Delays — Bankruptcy" for a discussion of certain limitations on the District's ability to pursue judicial proceedings with respect to delinquent parcels.

Insufficiency of Special Tax Revenues

As discussed below, the Special Taxes may not produce revenues sufficient to pay the debt service on the Bonds due to nonpayment of the amounts levied.

In order to pay debt service on the Bonds, it is generally necessary that the Special Taxes be paid in a timely manner. Should the Special Taxes not be paid on time, the District has established the 2025 Bonds Reserve Subaccount under the Indenture to be maintained in an amount equal to the 2025 Bonds Reserve Requirement to pay debt service on the Bonds to the extent other funds are not available. See "SOURCES OF

PAYMENT FOR THE BONDS — Reserve Account of the Special Tax Fund." The District will covenant in the Indenture to maintain in the 2025 Bonds Reserve Subaccount an amount equal to the 2025 Bonds Reserve Requirement, subject, however, to the availability of Net Taxes in amounts sufficient to do so and to the limitation that the District may not levy the Special Tax in any Fiscal Year at a rate in excess of the maximum amounts permitted under the Rate and Method. See Appendix A and Appendix E hereto. As a result, if a significant number of Special Tax delinquencies occurs within the District, the District could be unable to replenish the 2025 Bonds Reserve Subaccount to the 2025 Bonds Reserve Requirement due to the limitations on the amount of the Special Tax that may be levied. If such defaults were to continue in successive years, the 2025 Bonds Reserve Subaccount could be depleted and a default on the Bonds could occur.

The 2025 Bonds Reserve Subaccount only secures and the amounts therein are only available to pay the principal of, redemption premium, if any, and interest on the Bonds. In connection with the issuance of a series of Parity Bonds, if any, the District may establish additional Subaccounts within the Reserve Account which secures such series of Parity Bonds. Such additional Subaccounts within the Reserve Account established for Parity Bonds will not secure the Bonds.

The Act provides that, if any property within the District not otherwise exempt from the Special Tax is acquired by a public entity through a negotiated transaction, or by gift or devise, the Special Tax will continue to be levied on and enforceable against the public entity that acquired the property. In addition, the Act provides that, if property subject to the Special Tax is acquired by a public entity through eminent domain proceedings, the obligation to pay the Special Tax with respect to that property is to be treated as if it were a special assessment and be paid from the eminent domain award. The constitutionality and operation of these provisions of the Act have not been tested in the courts, but it is doubtful that they would be upheld as to, for example, property owned by the federal government. If for any reason property within the District becomes exempt from taxation by reason of ownership by a non-taxable entity such as the federal government or another public agency, subject to the limitation of the Maximum Special Tax, the Special Tax will be reallocated to the remaining taxable parcels within the District. This would result in the owners of such property paying a greater amount of the Special Tax and could have an adverse impact upon their willingness and/or ability to pay the Special Tax. Moreover, if a substantial portion of additional land within the District became exempt from the Special Tax because of public ownership, or otherwise, the Maximum Special Tax which could be levied upon the remaining acreage might not be sufficient to pay principal of and interest on the Bonds when due and a default will occur with respect to the payment of such principal and interest.

The District will covenant in the Indenture that, under certain circumstances, it will institute foreclosure proceedings to sell any property with delinquent Special Taxes in order to obtain funds to pay debt service on the Bonds. If foreclosure proceedings were ever instituted, any mortgage or deed of trust holder could, but would not be required to, advance the amount of the delinquent Special Tax to protect its security interest. See "SOURCES OF PAYMENT FOR THE BONDS — Special Taxes — *Proceeds of Foreclosure Sales*" for provisions which apply in the event of such foreclosure and which the District is required to follow in the event of delinquencies in the payment of the Special Tax.

In the event that sales or foreclosures of property are necessary, there could be a delay in payments to Owners of the Bonds (if the 2025 Bonds Reserve Subaccount has been depleted) pending such sales or the prosecution of such foreclosure proceedings and receipt by the City on behalf of the District of the proceeds of sale. The District may adjust the future Special Tax levied on taxable parcels in the District, subject to limitations described above under the caption "THE DISTRICT — Rate and Method of Apportionment of Special Tax," to provide an amount required to pay interest on and principal of the Bonds, and the amount, if any, necessary to replenish the 2025 Bonds Reserve Subaccount to an amount equal to the 2025 Bonds Reserve Requirement, and to pay all current expenses. There is, however, no assurance that the total amount of the Special Tax that could be levied and collected against taxable parcels in the District will be at all times sufficient to pay the amounts required to be paid by the Indenture, even if the Special Tax is levied at the Maximum Special Tax rates. See "— Enforcement Delays — Bankruptcy."

No assurance can be given that the real property subject to sale or foreclosure will be sold, or if sold, that the proceeds of sale will be sufficient to pay any delinquent installments of the Special Tax. The Act does not require the City to purchase or otherwise acquire any lot or parcel of property to be sold at foreclosure if there is no other purchaser at such sale. The Act and the Indenture do specify that the Special Tax will have the same lien priority as for *ad valorem* property taxes in the case of delinquency. Section 53356.6 of the Act requires that property sold pursuant to foreclosure under the Act be sold for not less than the amount of judgment in the foreclosure action, plus post judgment interest and authorized costs, unless the consent of the owners of 75% of the Outstanding Bonds and any Parity Bonds is obtained.

Prior to July 1, 1983, the right of redemption from foreclosure sales was limited to a period of one year from the date of sale. Under legislation effective July 1, 1983, the statutory right of redemption from such foreclosure sales has been repealed. However, a period of 20 days must elapse after the date on which the notice of levy of the interest in real property was served on the judgment debtor before the sale of such lot or parcel can be made. Furthermore, if the purchaser at the sale is the judgment creditor (e.g., the District), an action may be commenced by the delinquent property owner within 90 days after the date of sale to set aside such sale. The constitutionality of the aforementioned legislation, which repeals the one year redemption period, has not been tested and there can be no assurance that, if tested, such legislation will be upheld. (Section 701.680 of the Code of Civil Procedure of the State.)

Inability to Access Escrow Fund

As described above under the caption "SOURCES OF PAYMENT FOR THE BONDS—Escrow Fund," certain conditions must be satisfied prior to the transfer of any money from the Escrow Fund to the Acquisition and Construction Fund (where it would be available to pay for facilities). The failure to satisfy all of these conditions would mean that no additional money could be transferred from the Escrow Fund to the Acquisition and Construction Fund, and such funds will be applied to effect an early redemption of the Escrow Term Bonds, without premium. See "THE BONDS—Redemption." There can be no assurance that the conditions precedent contained in the Indenture will be satisfied prior to the Escrow Closing Date of July 15, 2026 in order for the funds to be released from the Escrow Fund to the Acquisition and Construction Fund.

If and to the extent that the conditions precedent in the Indenture have not been satisfied prior to the Escrow Closing Date, the amount then on deposit in the Escrow Fund will never be available for transfer to the Acquisition and Construction Fund, and such amount will never be available for the acquisition or construction of facilities, effectively increasing the cost of development in the District to the Master Developer.

Impact of Economic Conditions on the Development in the District

Certain events and factors which negatively affect the regional, State and national economies could have an adverse effect on the pace at which D.R. Horton is able to complete and sell homes and demand by and the ability of individuals to purchase homes within the District. Such events and factors could include rising inflation and interest rates, persistent supply chain issues, and global market instability caused by geopolitical events. Any adverse impact of the foregoing and other economic factors on the projects in the District and the real estate market in general cannot be predicted.

Increasing Mortgage Interest Rates

Increases in mortgage interest rates could have a negative impact on the estimated absorption rates of the planned for-sale residential units in the District described herein. With respect to entry-level households, increased mortgage interest rates may adversely impact the affordability of homes and may increase mortgage payment levels for owning a lower-priced home relative to renting a residence, thereby making purchasing less attractive. With respect to move-up households, higher mortgage interest rates may impact the desire of current homeowners to move from their present home due to the fact that their present home likely has a relatively low mortgage interest rate. In addition, in such instances, a new home would likely have a higher interest rate on a

new mortgage loan as well as a higher purchase price and property taxes. Such considerations may decrease the desire for move-up households to purchase a new home. The foregoing factors could reduce demand for and/or the ability to achieve the sales prices of the planned for-sale homes within the District as described herein.

Concentration of Ownership

Based on development and ownership status as of October 1, 2025, and assuming no further development activity, individual homeowners, the Master Developer and D.R. Horton are expected to be responsible for approximately 0.59%, 46.75% and 52.67%, respectively, of the projected Fiscal Year 2026-27 Special Tax levy. The timely payment of principal of and interest on the Bonds depends upon the willingness and ability of the current and future property owners in the District to pay the Special Taxes prior to delinquency. General and local economic conditions and governmental requirements or restrictions may affect the willingness of the current property owners, or any successor property owners, to pay the Special Taxes, and there is no assurance that the current property owners, or any successor property owners, will pay such Special Taxes even if financially able to do so. Due to the concentration of ownership of the property within the District, a failure by D.R. Horton or subsequent home builders in the District or any successor property owner thereto to pay the Special Taxes may result in a default in the payment of debt service on the Bonds. See "PROPERTY OWNERSHIP AND THE DEVELOPMENT."

Failure to Develop Properties

Development of property within the District may be subject to unexpected delays, disruptions and changes which may affect the willingness and ability of the Master Developer, D.R. Horton, any future developers, or any property owner to pay the Special Tax when due. Land development is subject to comprehensive federal, State and local regulations. Approval is required from various agencies in connection with the layout and design of developments, the nature and extent of improvements, construction activity, land use, zoning, school and health requirements, as well as numerous other matters. There is always the possibility that such approvals will not be obtained or, if obtained, will not be obtained on a timely basis. See "PROPERTY OWNERSHIP AND THE DEVELOPMENT." Failure to obtain any such agency approval or satisfy such governmental requirements would adversely affect planned land development. Development of land in the District is also subject to the availability of water. Finally, development of land is subject to economic considerations.

As of the date of this Official Statement, the property owned by the Master Developer and D.R. Horton ranged from completed homes to partially improved lots. No assurance can be given that the remaining proposed development will be partially or fully completed; and for purposes of evaluating the investment quality of the Bonds, prospective purchasers should consider the possibility that such parcels will remain unimproved.

Undeveloped or partially developed land is inherently less valuable than developed land and provides less security to the Holders should it be necessary for the District to foreclose on the property due to the nonpayment of the Special Tax. The failure to complete development in the District as planned, or substantial delays in the completion of the development due to litigation or other causes may reduce the value of the property within the District and increase the length of time during which the Special Tax will be payable from undeveloped property, and may affect the willingness and ability of the owners of property within the District to pay the Special Tax when due.

There can be no assurance that land development within the District will not be adversely affected by future deterioration of the real estate market and economic conditions or future local, State and federal governmental policies relating to real estate development, an increase in mortgage interest rates, the income tax treatment of real property ownership, or the national economy. A slowdown of the development process and the absorption rate could adversely affect land values and reduce the ability or desire of the property owners to pay the Special Tax. In that event, there could be a default in the payment of principal of, and interest on, the Bonds when due.

Holders of Bonds should assume that any event that significantly impacts the ability to develop land in the District would cause the property values within the District to decrease substantially from those estimated by the Appraiser and could affect the willingness and ability of the owners of land within the District to pay the Special Tax when due.

The District expects to levy the Special Tax on Developed Property and Final Map Property beginning in Fiscal Year 2026-27 and in future fiscal years until the Special Tax levied on Developed Property is sufficient to fund the Special Tax Requirement. Undeveloped property is less valuable per unit of area than property with improvements thereon, especially if there are no plans to develop such land or if there are severe restrictions on the development of such land. Undeveloped property also provides less security to the Holders should it be necessary for the District to foreclose on such undeveloped property due to the nonpayment of the Special Tax. Furthermore, an inability to develop the land within the District as currently proposed will make the Holders dependent upon timely payment of the Special Tax levied on undeveloped property. A slowdown or stoppage in the continued development of the District could reduce the willingness and ability of the Master Developer and D.R. Horton to make Special Tax payments on undeveloped property that they own and could greatly reduce the value of such property in the event it has to be foreclosed upon. See "— Property Values."

Property Values

The value of the property within the District is a critical factor in determining the investment quality of the Bonds. If a property owner is delinquent in the payment of Special Taxes, the District's only remedy is to commence foreclosure proceedings against the delinquent parcel in an attempt to obtain funds to pay the Special Taxes. Reductions in property values due to a downturn in the economy, physical events such as earthquakes, fires or floods, stricter land use regulations, delays in development or other events will adversely impact the security underlying the Special Taxes. See "THE DISTRICT — Appraisal Report" and Appendix D — "APPRAISAL REPORT."

The Appraiser has estimated, on the basis of certain assumptions and limiting conditions contained in the Appraisal Report, that as of the Date of Value, the market value of the land and improvements within the District was approximately $42,554,000. See "THE DISTRICT — Appraisal Report" The Appraisal Report indicates the Appraiser's opinion as to the market value of the properties referred to therein as of the date and under the conditions specified therein. The Appraiser's opinion reflects conditions prevailing in the applicable market as of the Date of Value. The Appraiser's opinion does not predict the future value of the subject property, and there can be no assurance that market conditions will not change adversely in the future.

Prospective purchasers of the Bonds should not assume that the taxable land within the District could be sold for the appraised amount or for the assessed values at a foreclosure sale for delinquent Special Taxes. In arriving at the estimate of market value of the property in the District, the Appraiser assumes that any sale will be unaffected by undue stimulus and will occur following a reasonable marketing period, which is not always present in a foreclosure sale. See Appendix D for a description of other assumptions made by the Appraiser and for the definitions and limiting conditions used by the Appraiser. Any event which causes one of the Appraiser's assumptions to be untrue could result in a reduction of the value of the taxable land and improvements within the District from the market value estimated by the Appraiser.

No assurance can be given that any bid will be received for a parcel with delinquent Special Taxes offered for sale at foreclosure or, if a bid is received, that such bid will be sufficient to pay all delinquent Special Taxes. See "SOURCES OF PAYMENT FOR THE BONDS — Special Taxes — *Proceeds of Foreclosure Sales*."

Natural Disasters

The District, like all California communities, may be subject to unpredictable seismic activity, fires, flood, or other natural disasters. Northern California is a seismically active area. Seismic activity represents a

potential risk for damage to buildings, roads, bridges and property within the District. In addition, land susceptible to seismic activity may be subject to liquefaction during the occurrence of such event. The property within the District is not located in an Alquist-Priolo Earthquake Study Zone and is not located within one-half mile of an active earthquake fault. Additionally, the District is not located in a flood plain area.

In recent years, wildfires have caused extensive damage throughout the State, including within the County. Certain of these fires have burned thousands of acres and destroyed hundreds and in some cases thousands of homes. In some instances entire neighborhoods have been destroyed. Several fires in recent years damaged or destroyed property in areas that were not previously considered to be at risk from such events. In 2023, as in several prior years, for example, devastating wildfires burned in various communities in the State, causing wide-spread damage. In 2025, communities in Los Angeles County, including Pacific Palisades, Malibu and Altadena, experienced widespread devastation from wildfires causing losses of life, thousands of burned homes, and billions of dollars in property damage. Areas affected by wildfires are more prone to flooding and mudslides that can lead to the destruction of homes. Property damage due to wildfire could result in a significant decrease in the market value of property within the affected areas.

On January 16, 2025, Governor Gavin Newsom issued Executive Order N-10-25 (the "Governor's Order) which canceled penalties, costs and interest on overdue property taxes (including special taxes) within certain zip codes affected by the Palisades and Eaton Fires during calendar year 2025. This will likely cause a delay in the payment of special taxes by certain property owners in any community facilities districts affected by Governor's Order. Unless the majority of property owners within any such community facilities districts pay their special taxes voluntarily or have mortgage impound accounts, it is likely that the community facilities districts will need to draw upon a reserve fund to make debt service payments on outstanding bonds prior to the expiration of the Governor's Order and it is possible that outstanding bonds will experience a payment default. In the event of a major fire or other natural disaster affecting the District, a similar order affecting the District could impact the debt service payment for the 2025 Bonds.

The District is not located in an area which CalFire has classified as an area of concern and is not in an area classified by CalFire as a Very High Fire Hazard Severity Zone. However, there is a risk of residential property within the District being destroyed by wildfires and no assurance can be given as to the severity or frequency of wildfires within the vicinity of the District. Additionally, property located adjacent to burn areas can be subject to mudslides and flooding, which can cause significant damage and destruction to property.

In the event of a severe earthquake, fire, flood or other natural disaster, there may be significant damage to both property and infrastructure in the District. As a result, a substantial portion of the property owners may be unable or unwilling to pay the Special Taxes when due. In addition, the value of land in the District could be diminished in the aftermath of such a natural disaster, reducing the resulting proceeds of foreclosure sales in the event of delinquencies in the payment of the Special Taxes.

Hazardous Substances

While government taxes, assessments and charges are a common claim against the value of a parcel, other less common claims may also be relevant. One of the most serious in terms of the potential reduction in the value of a parcel is a claim with regard to a hazardous substance. In general, the owners and operators of a parcel may be required by law to remedy conditions relating to releases or threatened releases of hazardous substances. The federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, sometimes referred to as "CERCLA" or the "Super Fund Act," is the most well-known and widely applicable of these laws, but California laws with regard to hazardous substances are also stringent and similar in effect. Under many of these laws, the owner (or operator) is obligated to remedy a hazardous substance condition of a parcel whether or not the owner (or operator) had anything to do with creating or handling the hazardous substance. The effect, therefore, should any of the parcels within the District be affected by a hazardous substance, is to reduce the marketability and value by the costs of remedying the condition.

The District is not aware of the presence of any federally or state classified hazardous substances in violation of any environmental laws, located on the property within the District. However, it is possible that such materials do currently exist and that the District is not aware of them.

It is possible that property in the District may be liable for hazardous substances in the future as a result of the existence, currently, of a substance presently classified as hazardous but which has not been released or the release of which is not presently threatened, or the existence, currently, on the property of a substance not presently classified as hazardous but which may in the future be so classified. Additionally, such liabilities may arise not simply from the existence of a hazardous substance but from the method of handling such substance. All of these possibilities could have the effect of reducing the value of the applicable property.

Enforcement Delays – Bankruptcy

In the event of a delinquency in the payment of the Special Taxes, the District is required to commence enforcement proceedings under the circumstances described under the caption "SOURCES OF PAYMENT FOR THE BONDS — Special Taxes — *Proceeds of Foreclosure Sales*." However, prosecution of such proceedings could be delayed due to crowded local court calendars or by bankruptcy, insolvency and other laws generally affecting creditors' rights (such as the Soldiers' and Sailors' Relief Act of 1940) and by the laws of the State relating to judicial and non-judicial foreclosure. Although bankruptcy proceedings would not cause the liens of the Special Taxes to become extinguished, bankruptcy of a person or entity with an interest in the applicable property could result in a delay in the enforcement proceedings because federal bankruptcy laws provide for an automatic stay of foreclosure and tax sale proceedings. Any such delay could increase the likelihood of delay or default in payment of the principal of and interest on the applicable Bonds. The various legal opinions to be delivered in connection with the issuance of the Bonds, including Bond Counsel's approving legal opinion, are qualified as to the enforceability of the Bonds and the Indenture by reference to bankruptcy, reorganization, moratorium, insolvency and other laws affecting the rights of creditors generally or against public entities such as the District.

Special Tax Delinquencies

Under provisions of the Act, the Special Taxes, from which funds necessary for the payment of principal of, and interest on, the Bonds are derived, will be billed to the properties within the District on the regular ad valorem property tax bills sent to owners of such properties by the County Tax Collector. The Act currently provides that such Special Tax installments are due and payable, and bear the same penalties and interest for non-payment, as do ad valorem property tax installments.

See APPENDIX E — "SUMMARY OF THE INDENTURE — COVENANTS AND WARRANTY — Covenants" for a discussion of the provisions which apply, and procedures which the District is obligated to follow under the Indenture, in the event of delinquencies in the payment of Special Taxes. See "— FDIC/Federal Government Interests in Parcels" for a discussion of the policy of the Federal Deposit Insurance Corporation regarding the payment of special taxes and assessment and limitations on the District's ability to foreclose on the lien of the Special Taxes in certain circumstances.

FDIC/Federal Government Interests in Parcels

The ability of the District to collect interest and penalties specified by the Act and to foreclose the lien of delinquent Special Taxes may be limited in certain respects with regard to parcels in which the Federal Deposit Insurance Corporation (the "FDIC"), or other federal government entities such as Fannie Mae or Freddie Mac, has or obtains an interest.

In the case of the FDIC, in the event that any financial institution making a loan which is secured by parcels is taken over by the FDIC and the applicable Special Tax is not paid, the remedies available to the District may be constrained. The FDIC's policy statement regarding the payment of state and local real property taxes

(the "Policy Statement") provides that taxes other than *ad valorem* taxes which are secured by a valid lien in effect before the FDIC acquired an interest in a property will be paid unless the FDIC determines that abandonment of its interests is appropriate. The Policy Statement provides that the FDIC generally will not pay installments of non-*ad valorem* taxes which are levied after the time the FDIC acquires its fee interest, nor will the FDIC recognize the validity of any lien to secure payment except in certain cases where the Resolution Trust Corporation had an interest in property on or prior to December 31, 1995. Moreover, the Policy Statement provides that, with respect to parcels on which the FDIC holds a mortgage lien, the FDIC will not permit its lien to be foreclosed out by a taxing authority without its specific consent, nor will the FDIC pay or recognize liens for any penalties, fines or similar claims imposed for the nonpayment of taxes.

The FDIC has taken a position similar to that expressed in the Policy Statement in legal proceedings brought against Orange County in United States Bankruptcy Court and in Federal District Court. The Bankruptcy Court issued a ruling in favor of the FDIC on certain of such claims. Orange County appealed that ruling, and the FDIC cross-appealed. On August 28, 2001, the Ninth Circuit Court of Appeals issued a ruling favorable to the FDIC except with respect to the payment of pre-receivership liens based upon delinquent property tax.

The District is unable to predict what effect the application of the Policy Statement would have in the event of a delinquency with respect to parcels in which the FDIC has or obtains an interest, although prohibiting the lien of the FDIC to be foreclosed out at a judicial foreclosure sale would prevent or delay the foreclosure sale.

In the case of Fannie Mae and Freddie Mac, in the event a parcel of taxable property is owned by a federal government entity or federal government sponsored entity, such as Fannie Mae or Freddie Mac, or a private deed of trust secured by a parcel of taxable property is owned by a federal government entity or federal government sponsored entity, such as Fannie Mae or Freddie Mac, the ability to foreclose on the parcel or to collect delinquent Special Taxes may be limited. Federal courts have held that, based on the supremacy clause of the United States Constitution "this Constitution, and the Laws of the United States which shall be made in Pursuance thereof; and all Treaties made, or which shall be made, under the Authority of the United States, shall be the supreme Law of the Land; and the Judges in every State shall be bound thereby, anything in the Constitution or Laws of any State to the contrary notwithstanding." In the absence of Congressional intent to the contrary, a state or local agency cannot foreclose to collect delinquent taxes or assessments if foreclosure would impair the federal government interest. This means that, unless Congress has otherwise provided, if a federal government entity owns a parcel of taxable property but does not pay taxes and assessments levied on the parcel (including Special Taxes), the applicable state and local governments cannot foreclose on the parcel to collect the delinquent taxes and assessments.

Moreover, unless Congress has otherwise provided, if the federal government has a mortgage interest in the parcel and the District wishes to foreclose on the parcel as a result of delinquent Special Taxes, the property cannot be sold at a foreclosure sale unless it can be sold for an amount sufficient to pay delinquent taxes and assessments on a parity with the Special Taxes and preserve the federal government's mortgage interest. For a discussion of risks associated with taxable parcels within the District becoming owned by the federal government, federal government entities or federal government sponsored entities, see "—Insufficiency of Special Tax Revenues."

The District's remedies may also be limited in the case of delinquent Special Taxes with respect to parcels in which other federal agencies (such as the Internal Revenue Service and the Drug Enforcement Administration) have or obtain an interest.

Direct and Overlapping Indebtedness

The ability of an owner of property within the District to pay the applicable Special Taxes could be affected by the existence of other taxes and assessments imposed upon taxable parcels. See "THE DISTRICT

— Direct and Overlapping Debt" herein. The City and other public agencies whose boundaries overlap those of the District could impose additional taxes or assessment liens on the property within the District in order to finance public improvements or services to be located or provided inside of or outside of such area. The lien created on the property within the District through the levy of such additional taxes may be on a parity with the lien of the Special Taxes applicable to the property within the District.

The imposition of additional liens on a parity with the Special Taxes may reduce the ability or willingness of property owners to pay the Special Taxes and increase the possibility that foreclosure proceeds will not be adequate to pay delinquent Special Taxes.

Payment of Special Taxes is not a Personal Obligation of the Property Owners

An owner of a taxable parcel is not personally obligated to pay Special Taxes. Rather, Special Taxes are an obligation which is secured only by a lien against the taxable parcel. If the value of a taxable parcel is not sufficient, taking into account other liens imposed by public agencies, to secure fully Special Taxes, the District has no recourse against the property owner.

No Acceleration Provision

The Bonds do not contain a provision allowing for the acceleration of the Bonds in the event of a payment default or other default under the terms of the Bonds or the Indenture.

Limited Obligations

The Bonds and interest thereon are not payable from the general funds of the City. Except with respect to the Net Taxes, neither the credit nor the taxing power of the District or the City is pledged for the payment of the Bonds or the interest thereon, and, except as provided in the Indenture, no Owner of the Bonds may compel the exercise of any taxing power by the District or the City or force the forfeiture of any City or District property. The principal of, premium, if any, and interest on the Bonds are not a debt of the City or a legal or equitable pledge, charge, lien or encumbrance upon any of the City's or the District's property or upon any of the City's or the District's income, receipts or revenues, except the Net Taxes and other amounts pledged under the Indenture.

The District's legal obligations with respect to any delinquent Special Taxes are limited to: (i) payments from the Subaccounts of the Reserve Account to the extent of funds on deposit therein; and (ii) the institution of judicial foreclosure proceedings under certain circumstances with respect to any parcels for which Special Taxes are delinquent. See the caption "SOURCES OF PAYMENT FOR THE BONDS — Special Taxes — *Proceeds of Foreclosure Sales*." The Bonds cannot be accelerated in the event of any default.

The obligation to pay Special Taxes does not constitute a personal obligation of the current or subsequent owners of the respective parcels which are subject to such liens. See the caption "— Payment of the Special Tax is Not a Personal Obligation of the Property Owners." Enforcement of Special Tax payment obligations by the District is limited to judicial foreclosure in the Superior Court of California, County of Placer. There is no assurance that any current or subsequent owner of a parcel subject to a Special Tax lien will be able to pay the amounts due or that such owner will choose to pay such amounts even though financially able to do so.

Failure by owners of the parcels to pay Special Tax installments when due, delay in foreclosure proceedings, or the inability of the District to sell parcels that have been subject to foreclosure proceedings for amounts sufficient to cover the delinquent installments of Special Taxes levied against such parcels may result in the inability of the District to make full or timely payments of debt service on the Bonds, which may in turn result in the depletion of the 2025 Bonds Reserve Subaccount. See the caption "— Enforcement Delays — Bankruptcy."

Ballot Initiatives

Articles XIII A, XIII B, XIII C, and XIII D of the California Constitution were adopted pursuant to measures qualified for the ballot pursuant to the State's constitutional initiative process. From time to time, other initiative measures could be adopted by California voters. The adoption of any such initiative might place limitations on the ability of the State, the City, or other local agencies to increase revenues or to increase appropriations.

Proposition 218

An initiative measure entitled "The Right to Vote on Taxes Act" ("Proposition 218") was approved by the voters at the November 5, 1996 statewide general election. Among other things, Proposition 218 added a new Article XIII C to the California Constitution which states that ". . . the initiative power shall not be prohibited or otherwise limited in matters of reducing or repealing any local tax, assessment, fee or charge." The Act provides for a procedure which includes notice, hearing, protest and voting requirements to alter the rate and method of apportionment of an existing special tax. However, the Act prohibits a legislative body from adopting any resolution to reduce the rate of any special tax or terminate the levy of any special tax pledged to repay any debt incurred pursuant to the Act unless such legislative body determines that the reduction or termination of the special tax would not interfere with the timely retirement of that debt. While the application of Proposition 218 in this context has not yet been interpreted by the courts and the matter is not completely free from doubt, it is not likely that Proposition 218 has conferred on the voters the power to effect a repeal or reduction of the Special Tax if the result thereof would be to impair the security of the Bonds.

It may be possible, however, for voters or the City Council, acting as the legislative body of the District, to reduce the Special Taxes in a manner which does not interfere with the timely repayment of the Bonds, but which does reduce the maximum amount of Special Taxes that may be levied in any year below the existing levels. Therefore, no assurance can be given with respect to the future levy of Special Taxes in amounts greater than the amount necessary for the timely retirement of the Bonds. Nevertheless, to the maximum extent that the law permits it to do so, the District will covenant that it will not initiate proceedings under the Act to reduce the maximum Special Tax rates for the District, unless, in connection therewith, the District receives a certificate from one or more Independent Financial Consultants which, when taken together, certify that: (i) such changes do not reduce the maximum Special Taxes that may be levied in each year on property within the District to an amount which is less than the Administrative Expenses Cap plus 110% of the Annual Debt Service due in each corresponding future Bond Year with respect to the Bonds and Parity Bonds Outstanding as of the date of such proposed reduction; and (ii) the District is not delinquent in the payment of the principal of or interest on the Bonds or any Parity Bonds. The District also will covenant that, in the event an initiative is adopted which purports to reduce or otherwise alter the Rate and Method, it will commence and pursue legal action in order to preserve its ability to comply with the foregoing covenant. However, no assurance can be given as to the enforceability of the foregoing covenants.

Litigation with Respect to Community Facilities Districts

Shapiro. The California Court of Appeal, Fourth Appellate District, Division One, issued its opinion in *City of San Diego v. Melvin Shapiro* (2014) 228 Cal.App.4th 756 (the "San Diego Decision"). The case involved a Convention Center Facilities District (the "CCFD") established by the City of San Diego ("San Diego"). The CCFD is a financing district much like a community facilities district established under the provisions of the Act. The CCFD is comprised of all of the real property in San Diego. However, the special tax to be levied within the CCFD was to be levied only on hotel properties located within the CCFD.

The election authorizing the special tax was limited to owners of hotel properties and lessees of real property owned by a governmental entity on which a hotel is located. Thus, the election was not a registered voter election. Such approach to determining who would constitute the qualified electors of the CCFD was modeled after Section 53326(c) of the Act, which generally provides that, if a special tax will not be apportioned

in any tax year on residential property, the legislative body may provide that the vote shall be by the landowners of the proposed district whose property would be subject to the special tax. The Court held that the CCFD special tax election was invalid under the California Constitution because Article XIIIA, Section 4 thereof and Article XIIIC, Section 2 thereof require that the electors in such an election be the registered voters within the district.

Horizon. The Sacramento County Superior Court had issued a tentative ruling in *Horizon Capital Investments, LLC v. City of Sacramento et al*. (Case No. 34-2017-80002661). That ruling subsequently became the court's final order. As described below, this case involved an election to approve the levy of a special tax within a community facilities district ("CFD") formed under the Act.

In 2017, the City of Sacramento initiated proceedings to form a CFD to finance certain costs to operate and maintain a streetcar line. As permitted by the Act, the proposed district included non-contiguous parcels of non-residential property. Because there were fewer than 12 registered voters residing within the territory of the proposed CFD, the City Council submitted the special tax proposed to be levied within the proposed CFD to the owners of land within the proposed CFD, as required by the Act. The proposed special tax received the requisite two-thirds vote in the landowner election.

Petitioners Horizon Capital Investments, LLC et al. filed a writ of mandate and complaint for reverse validation and declaratory relief. Petitioners argued, and the superior court agreed in its final ruling, that under section 4(a) of article XIII A of the California Constitution (which provides that "Cities, Counties and special districts, by a two-thirds vote of the qualified electors of such district [sic], may impose special taxes on such district…") the phrase "qualified electors" means the registered voters of the entire City of Sacramento and not just the owners of the property within the boundaries of the proposed CFD. Citing the San Diego Decision, the tentative ruling states that the phrase "qualified electors of the district" refers to the registered voters of the entity imposing the special tax, which in this case was the City of Sacramento. Because the vote within the proposed CFD was by landowners only and not by all registered voters in the City of Sacramento, the final ruling states that the special tax is invalid.

The superior court's final ruling is not binding upon other courts within the State and does not directly apply to the District, the Special Taxes, or the Bonds. The City of Sacramento did not appeal the superior court's ruling.

The Special Tax Election in the District. With respect to the San Diego Decision, the facts of such case show that there were thousands of registered voters within the CCFD (*viz.*, all of the registered voters in San Diego). The elections held in the District had less than 12 registered voters at the time of the election to authorize the Special Taxes. In the San Diego Decision, the court expressly stated that it was not addressing the validity of landowner voting to impose special taxes pursuant to the Act in situations where there are fewer than 12 registered voters. Thus, by its terms, the court's holding in the San Diego Decision does not apply to the Special Tax election in the District. Moreover, Section 53341 of the Act provides that any "action or proceeding to attack, review, set aside, void or annul the levy of a special tax…shall be commenced within 30 days after the special tax is approved by the voters." Similarly, Section 53359 of the Act provides that any action to determine the validity of bonds issued pursuant to the Act be brought within 30 days of the voters approving the issuance of such bonds. The petitioners in *Horizon* filed the writ of mandate within 30 days of the landowner election. Voters in the District approved the levy of the Special Tax in accordance with the Rate and Method on August 12, 2025. Based on Sections 53341 and 53359 of the Act and analysis of existing laws, regulations, rulings and court decisions, the District believes that no successful challenge to the Special Tax being levied in accordance with the Rate and Method may now be brought. In connection with the issuance of the Bonds, Bond Counsel expects to deliver its opinion in the proposed form attached hereto as Appendix C.

Loss of Tax Exemption

As discussed under the heading "TAX MATTERS," interest on the Bonds could cease to be excluded from gross income for purposes of federal income taxation, retroactive to the date the Bonds were issued, as a result of future acts or omissions of the District or the City. In addition, it is possible that future changes in applicable federal tax laws could cause interest on the Bonds to be included in gross income for federal income taxation or could otherwise reduce the equivalent taxable yield of such interest and thereby reduce the value of the Bonds.

No Ratings – Limited Secondary Market

The District has not applied to have the Bonds rated by any nationally recognized bond rating company, and it does not expect to do so in the future.

There can be no guarantee that there will be a secondary market for the Bonds or, if a secondary market exists, that such Bonds can be sold for any particular price. Although the District has committed to provide certain financial and operating information, there can be no assurance that such information will be available to Bond owners on a timely basis. The failure to provide the required annual financial information does not give rise to monetary damages but merely an action for specific performance. Occasionally, because of general market conditions, lack of current information, the absence of a credit rating for the Bonds or because of adverse history or economic prospects connected with a particular issue, secondary marketing practices in connection with a particular issue are suspended or terminated. Additionally, prices of issues for which a market is being made will depend upon then prevailing circumstances. Such prices could be substantially different from the original purchase price.

Limitations on Remedies

Remedies available to the Owners of the Bonds may be limited by a variety of factors and may be inadequate to assure the timely payment of principal of and interest on the Bonds or to preserve the tax-exempt status of interest on the Bonds.

Bond Counsel has limited its opinion as to the enforceability of the Bonds and of the Indenture to the extent that enforceability may be limited by bankruptcy, insolvency, reorganization, fraudulent conveyance or transfer, moratorium or other similar laws affecting generally the enforcement of creditor's rights, by equitable principles and by the exercise of judicial discretion and by limitations on remedies against public agencies in the State of California. The lack of availability of certain remedies or the limitation of remedies may entail risks of delay, limitation or modification of the rights of the Owners.

Potential Early Redemption of Bonds from Prepayments or Community Facilities District Bond Proceeds

Property owners within the District are permitted to partially prepay their Special Taxes at any time. Such prepayments could also be made from the proceeds of bonds issued by or on behalf of an overlapping community facilities district. Such prepayments will result in a redemption of the Bonds on the Interest Payment Date for which timely notice may be given under the Indenture following the receipt of the prepayment. The resulting redemption of Bonds that were purchased at a price greater than par could reduce the otherwise expected yield on such Bonds. See the caption "THE BONDS — Redemption — *Special Mandatory Redemption from Special Tax Prepayments*."

Cybersecurity

The City, like many other public and private entities, rely on computer and other digital networks and systems to conduct their operations. The City is potentially subject to multiple cyber threats, including without

limitation hacking, viruses, ransomware, malware and other attacks. No assurance can be given that the efforts of the City to manage cyber threats and attacks will be successful in all cases, or that any such attack will not materially impact the operations or finances of the City, or the administration of the Bonds. The City is also reliant on other entities and service providers in connection with the administration of the Bonds, including without limitation, the County tax collector for the levy and collection of Special Taxes and the Trustee. No assurance can be given that the City and these other entities will not be affected by cyber threats and attacks in a manner that may affect the levy and collection of Special Taxes or the payment of debt service on the Bonds.

CONTINUING DISCLOSURE

District Continuing Disclosure

Pursuant to a Continuing Disclosure Certificate, dated as of December 1, 2025 (the "Disclosure Certificate"), to be executed and delivered by the District at the time of issuance of the Bonds, the District will covenant for the benefit of the holders and Beneficial Owners of the Bonds to provide certain financial information and operating data relating to the District by March 31 following the end of the District's Fiscal Year (currently its Fiscal Year ends on June 30) (the "Annual Report"), commencing with the Annual Report for the Fiscal Year ending June 30, 2025, and to provide notices of the occurrence of certain enumerated events. The Annual Report and the notices of enumerated events will be filed by the District with EMMA. The specific nature of the information to be contained in the Annual Report and the notice of enumerated events is set forth in Appendix F — "FORM OF DISTRICT CONTINUING DISCLOSURE CERTIFICATE." These covenants have been made in order to assist the Underwriter in complying with subsection (b)(5) of Rule 15c2-12.

The City and its related entities have entered into prior continuing disclosure obligations pursuant to Rule 15c2-12. Within the last five years, the City and its related entities failed to comply in certain respects with such continuing disclosure obligations. The failures to comply include a failure to file an annual report and an annual report which did not include all required information, audited financial statements which were filed past the required filing date or not initially linked to all necessary CUSIPs, and notices of rating changes which were filed past the required due date. The City and its related entities have made additional filings to provide the previously omitted information and filings.

Developer Continuing Disclosure

General. The Underwriter does not consider either the Master Developer or D.R. Horton to be an "obligated person" with respect to the Bonds for purposes of Rule 15c2-12. Notwithstanding the foregoing, to assist in the marketing of the Bonds, the Master Developer and D.R. Horton will each execute a continuing disclosure certificate (each a "Developer Continuing Disclosure Certificate") pursuant to which they will covenant to provide semiannual reports until satisfaction of certain conditions set forth in their respective Developer Continuing Disclosure Certificates. The semiannual reports to be provided by the Master Developer and D.R. Horton will contain updates regarding their respective developments within the District as outlined in Section 4 of the applicable Developer Continuing Disclosure Certificate attached hereto as APPENDIX G. In addition to semiannual reports, the Master Developer and D.R. Horton will each agree to provide notices of certain events set forth in their respective Developer Continuing Disclosure Certificate.

D.R. Horton's Prior Continuing Disclosure Compliance.

Master Developer's Prior Continuing Disclosure Compliance. To the actual knowledge of the Master Developer, in the last five years, it has not failed to comply in any material respects with its previous continuing disclosure undertakings, specifically regarding its requirement to provide developer periodic reports or to provide notice of occurrence of enumerated events with respect to community facilities districts or assessment districts in California.

TAX EXEMPTION

In the opinion of Stradling Yocca Carlson & Rauth LLP, Newport Beach, California, Bond Counsel, under existing statutes, regulations, rulings and judicial decisions, and assuming the accuracy of certain representations and compliance with certain covenants and requirements described herein, interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals. However, it should be noted that, with respect to applicable corporations as defined in Section 59(k) of the Internal Revenue Code of 1986, as amended (the "Code"), generally certain corporations with more than $1,000,000,000 of average annual adjusted financial statement income, interest (and original issue discount) with respect to the Bonds might be taken into account in determining adjusted financial statement income for purposes of computing the alternative minimum tax imposed by Section 55 of the Code on such corporations. In the further opinion of Bond Counsel, interest on the Bonds is exempt from State of California personal income tax.

The excess of the stated redemption price at maturity of a Bond over the issue price of a Bond (the first price at which a substantial amount of the Bonds of a maturity is to be sold to the public) constitutes original issue discount. Original issue discount accrues under a constant yield method, and original issue discount will accrue to a Beneficial Owner before receipt of cash attributable to such excludable income. The amount of original issue discount deemed received by the Beneficial Owner will increase the Beneficial Owner's basis in the applicable Bond.

Bond Counsel's opinion as to the exclusion from gross income of interest (and original issue discount) on the Bonds is based upon certain representations of fact and certifications made by the District, the City and others and is subject to the condition that the District, the City and others making such representations comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds to assure that interest (and original issue discount) on the Bonds will not become includable in gross income for federal income tax purposes. Failure to comply with such requirements of the Code might cause the interest (and original issue discount) on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. The District and the City will covenant to comply with all such requirements.

The amount by which a Beneficial Owner's original basis for determining loss on sale or exchange in the applicable Bond (generally, the purchase price) exceeds the amount payable on maturity (or on an earlier call date) constitutes amortizable Bond premium, which must be amortized under Section 171 of the Code; such amortizable Bond premium reduces the Beneficial Owner's basis in the applicable Bond (and the amount of tax-exempt interest received), and is not deductible for federal income tax purposes. The basis reduction as a result of the amortization of Bond premium may result in a Beneficial Owner realizing a taxable gain when a Bond is sold by the Beneficial Owner for an amount equal to or less (under certain circumstances) than the original cost of the Bond to the Beneficial Owner. Purchasers of the Bonds should consult their own tax advisors as to the treatment, computation and collateral consequences of amortizable Bond premium.

The Internal Revenue Service (the "IRS") has initiated an expanded program for the auditing of tax-exempt bond issues, including both random and targeted audits. It is possible that the Bonds will be selected for audit by the IRS. It is also possible that the market value of the Bonds might be affected as a result of such an audit of the Bonds (or by an audit of other similar bonds). No assurance can be given that in the course of an audit, as a result of an audit, or otherwise, Congress or the IRS might not change the Code (or interpretation thereof) subsequent to the issuance of the Bonds to the extent that it adversely affects the exclusion from gross income of interest (and original issue discount) on the Bonds or their market value.

SUBSEQUENT TO THE ISSUANCE OF THE BONDS THERE MIGHT BE FEDERAL, STATE, OR LOCAL STATUTORY CHANGES (OR JUDICIAL OR REGULATORY CHANGES TO OR INTERPRETATIONS OF FEDERAL, STATE, OR LOCAL LAW) THAT AFFECT THE FEDERAL, STATE, OR LOCAL TAX TREATMENT OF THE BONDS INCLUDING THE IMPOSITION OF ADDITIONAL FEDERAL INCOME OR STATE TAXES BEING IMPOSED ON OWNERS OF TAX-EXEMPT STATE OR

LOCAL OBLIGATIONS, SUCH AS THE BONDS. THESE CHANGES COULD ADVERSELY AFFECT THE MARKET VALUE OR LIQUIDITY OF THE BONDS. NO ASSURANCE CAN BE GIVEN THAT SUBSEQUENT TO THE ISSUANCE OF THE BONDS STATUTORY CHANGES WILL NOT BE INTRODUCED OR ENACTED OR JUDICIAL OR REGULATORY INTERPRETATIONS WILL NOT OCCUR HAVING THE EFFECTS DESCRIBED ABOVE. BEFORE PURCHASING ANY OF THE BONDS, ALL POTENTIAL PURCHASERS SHOULD CONSULT THEIR TAX ADVISORS REGARDING POSSIBLE STATUTORY CHANGES OR JUDICIAL OR REGULATORY CHANGES OR INTERPRETATIONS, AND THEIR COLLATERAL TAX CONSEQUENCES RELATING TO THE BONDS.

Bond Counsel's opinions may be affected by actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Bonds. Bond Counsel has not undertaken to determine, or to inform any person, whether any such actions or events are taken or do occur. The Indenture and the Tax Certificate relating to the Bonds permit certain actions to be taken or to be omitted if a favorable opinion of Bond Counsel is provided with respect thereto. Bond Counsel expresses no opinion as to the effect on the exclusion from gross income of interest (and original issue discount) on the Bonds for federal income tax purposes with respect to any Bond if any such action is taken or omitted based upon the advice of counsel other than Stradling Yocca Carlson & Rauth LLP.

Although Bond Counsel will render an opinion that interest (and original issue discount) on the Bonds is excluded from gross income for federal income tax purposes provided that the District and the City continue to comply with certain requirements of the Code, the ownership of the Bonds and the accrual or receipt of interest (and original issue discount) with respect to the Bonds may otherwise affect the tax liability of certain persons. Bond Counsel expresses no opinion regarding any such tax consequences. Accordingly, before purchasing any of the Bonds, all potential purchasers should consult their tax advisors with respect to collateral tax consequences relating to the Bonds.

Should interest on the Bonds (including any original issue discount) become includable in gross income for federal income tax purposes, the Bonds are not subject to early redemption and will remain outstanding until maturity or until redeemed in accordance with the Indenture.

A copy of the proposed form of opinion of Bond Counsel is attached hereto as Appendix C.

LEGAL OPINION

The legal opinion of Bond Counsel approving the validity of the Bonds, in substantially the form set forth as Appendix C hereto, will be made available to purchasers of the Bonds at the time of original delivery of the Bonds. Certain legal matters will be passed upon for the City and the District by its City Attorney, and for the District by Stradling Yocca Carlson & Rauth LLP, Disclosure Counsel, for the Underwriter by Kutak Rock LLP, Irvine, California, and for the Trustee by its counsel. Bond Counsel undertakes no responsibility to the purchasers of the Bonds for the accuracy, completeness or fairness of this Official Statement.

ABSENCE OF LITIGATION

In connection with the issuance of the Bonds, the City Attorney will deliver an opinion to the effect that, to their actual knowledge, after due inquiry and investigation, there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body, pending or threatened, or any unfavorable decision, ruling or finding, against or affecting the District, which would adversely impact the District's ability to complete the transactions described in, or contemplated by, the Indenture or this Official Statement, restrain or enjoin the collection of the Special Taxes, or in any way contest or affect the validity of the Bonds, the Indenture, the Special Taxes, or the transactions described herein.

NO RATING

The District has not made, and does not contemplate making, an application to any rating organization for the assignment of a rating on the Bonds.

UNDERWRITING

The Bonds are being purchased by Piper Sandler & Co. (the "Underwriter"). The Underwriter has agreed to purchase the Bonds at a price of $_____ (being the $_____ aggregate principal amount of the Bonds, less an Underwriter's discount of $_____, [plus/less] [net] original issue [premium/discount] of $_____). The Bond Purchase Agreement relating to the Bonds provides that the Underwriter will purchase all of the Bonds if any are purchased, the obligation to make such purchase being subject to certain terms and conditions set forth in the Bond Purchase Agreement, the approval of certain legal matters by counsel and certain other conditions. The Underwriter's compensation is contingent upon the successful issuance of the Bonds.

Under certain circumstances, the Underwriter may offer and sell the Bonds to certain dealers and others at prices lower or yields higher than those stated on the page immediately following the cover page of this Official Statement. The offering prices may be changed from time to time by the Underwriter.

FINANCIAL INTERESTS

The fees being paid to the Underwriter and its counsel, Bond Counsel, Disclosure Counsel and the Trustee are contingent upon the issuance and delivery of the Bonds. From time to time, Stradling Yocca Carlson & Rauth LLP, represents the Underwriter on matters unrelated to the Bonds.

MUNICIPAL ADVISOR

The District has retained PFM Financial Advisors LLC, San Francisco, California, as Municipal Advisor for the sale of the Bonds. The Municipal Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or to assume any responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement.

PFM Financial Advisors LLC, is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal or other public securities.

MISCELLANEOUS

So far as any statements made in this Official Statement involve matters of opinion, assumptions, projections, anticipated events or estimates, whether or not expressly stated, they are set forth as such and not as presentations of fact, and actual results may differ substantially from those set forth therein. Neither this Official Statement nor any statement that may have been made verbally or in writing is to be construed as a contract with the Owners of the Bonds.

The summaries of certain provisions of the Bonds, statutes and other documents or agreements referred to in this Official Statement do not purport to be complete, and reference is made to each of them for a complete statement of their provisions. Copies are available for review by making requests to the City.

The execution and delivery of this Official Statement by the City Manager of the City has been duly authorized by the City Council of the City acting in its capacity as the legislative body of the District.

CITY OF LINCOLN COMMUNITY FACILITIES DISTRICT NO. 2025-1 (JOINER RANCH EAST)

By: _____
City Manager of the City of Lincoln

APPENDIX A

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX
CITY OF LINCOLN COMMUNITY FACILITIES DISTRICT NO. 2025-1
(JOINER RANCH EAST)

APPENDIX B

CERTAIN ECONOMIC AND DEMOGRAPHIC INFORMATION

The following information relating to the City of Lincoln (the "City"), the County of Placer, California (the "County") and the State of California (the "State") is supplied solely for purposes of information. Neither the City nor the County is obligated in any manner to pay principal of or interest on the Bonds or to cure any delinquency or default on the Bonds. The Bonds are payable solely from the sources described in the Official Statement.

General

The City of Lincoln is located approximately 9 miles north of Roseville and 24 miles northeast of Sacramento. The City incorporated on August 18, 1980 as a general law City. The City has slightly more than 51,000 residents and covers an area of over 20 square miles.

Population

The following table offers population figures for the City, the County and the State for 2021 through 2025.

Area	*2021*	*2022*	*2023*	*2024*	*2025*
City of Lincoln	50,267	51,237	52,286	54,167	54,520
County of Placer	407,282	409,924	410,319	420,436	421,446
State of California	39,369,530	39,179,680	39,228,444	39,420,663	39,529,101

Source: California State Department of Finance, Demographic Research Unit. 2010 Census Benchmark.

Building Activity

The following tables provide summaries of the building permit valuations and the number of new dwelling units authorized in the City and County from 2020 through 2024.

BUILDING PERMIT VALUATIONS
City of Lincoln
2020-2024
(Dollars in Thousands)

	2020	*2021*	*2022*	*2023*	*2024*
Valuation ($000):					
Residential	$150,124	$301,933	$315,089	$376,223	$332,598
Non-residential	17,928	19,747	37,266	55,956	38,177
Total*	$168,052	$321,680	$352,355	$432,179	$370,775
Residential Units:					
Single family	503	969	997	938	733
Multiple family	0	0	0	179	218
Total	503	969	997	1,117	951

* Totals may not add to sums because of rounding.
Source: Construction Industry Research Board.

BUILDING PERMIT VALUATIONS
County of Placer
2020-2024
(Dollars in Thousands)

	2020	*2021*	*2022*	*2023*	*2024*
Residential	$ 900,264	$1,334,297	$1,233,459	$1,294,390	$1,400,072
Non-residential	135,455	126,426	221,344	197,739	151,787
Total*	$1,035,719	$1,460,723	$1,454,803	$1,492,129	$1,551,859
Residential Units:					
Single family	2,552	4,176	3,701	2,937	3,030
Multiple family	540	66	351	629	593
Total	3,092	4,242	4,052	3,566	3,623

* Totals may not add to sums because of rounding.
Source: Construction Industry Research Board.

Employment

The following tables show the largest employers located in the City and County as of June 30, 2024.

LARGEST EMPLOYERS
City of Lincoln
(as of June 30, 2024)

Rank	*Name of Business*	*Employees*	*Type of Business*
1.	Thunder Valley Casino	2500	Casino
2.	Sierra Pacific Lincoln	300	Power Plants
3.	Horizon Charter School	200	Schools
4.	Lowe's Home Improvement	140	Home Centers
5.	City of Lincoln	140	Government Offices
6.	Lincoln Meadows Care Ctr	140	Rehabilitation Services
7.	Lincoln High School	130	Schools
8.	Safeway	120	Grocers-Retail
9.	Home Depot	110	Home Centers

Source: City of Lincoln Annual Comprehensive Financial Report for the fiscal year ended June 30, 2024.

LARGEST EMPLOYERS
County of Placer
(as of June 30, 2024)

Rank	*Name of Business*	*Employees*	*Type of Business*
1.	Sutter Health	6,672	Healthcare
2.	Kaiser Permanente	6,094	Healthcare
3.	County of Placer	2,853	Leisure/Hospitality
4.	Thunder Valley Casino Resort	2,400	Government
5.	Sierra Joint Community College District	1,900	Leisure/Hospitality
6.	Roseville City School District	1,783	Education
7.	City of Roseville	1,386	Government
8.	Palisades Tahoe	1,321	
9.	Safeway	1,217	Grocery Store
10.	Pacific Gas and Electric Co.	1,120	

Source: County of Placer, Annual Comprehensive Financial Report for the fiscal year ended June 30, 2024.

Employment and Industry

Employment data by industry is not separately reported on an annual basis for the City but is compiled for the Sacramento-Roseville-Arden-Arcade Metropolitan Statistical Area (the "MSA"), which includes all of El Dorado, Placer, Sacramento and Yolo Counties. In addition to varied manufacturing employment, the MSA has large and growing commercial and service sector employment, as reflected in the table below.

The following table represents the Annual Average Labor Force and Industry Employment for the period from 2019 through 2023.

SACRAMENTO-ROSEVILLE-ARDEN-ARCADE METROPOLITAN STATISTICAL AREA
(THE "MSA")
INDUSTRY EMPLOYMENT & LABOR FORCE - BY ANNUAL AVERAGE

	2019	*2020*	*2021*	*2022*	*2023*
Civilian Labor Force	1,099,300	1,093,500	1,105,400	1,112,100	1,129,200
Civilian Employment	1,059,200	996,600	1,034,400	1,069,700	1,080,500
Civilian Unemployment	40,100	96,900	71,000	42,400	48,600
Civilian Unemployment Rate	3.7%	8.9%	6.4%	3.8%	4.3%
Total Farm	8,700	8,300	9,000	8,600	9,100
Total Nonfarm	1,022,500	971,400	1,013,000	1,056,800	1,073,900
Total Private	781,100	736,200	772,800	809,900	817,600
Goods Producing	106,700	106,800	113,200	118,200	115,700
Mining, Logging, and Construction	69,900	70,700	75,400	77,700	75,200
Mining and Logging	500	500	500	500	500
Construction	69,400	70,200	74,900	77,100	74,700
Manufacturing	36,800	36,100	37,700	40,600	40,500
Service Providing	915,800	864,700	899,800	938,500	958,200
Trade, Transportation and Utilities	161,300	155,900	165,000	169,500	169,200
Wholesale Trade	28,600	26,600	26,900	28,300	28,500
Retail Trade	100,500	95,100	100,600	100,300	99,000
Transportation, Warehousing and Utilities	32,200	34,300	37,500	40,800	41,600
Information	11,900	10,200	10,100	10,500	9,900
Financial Activities	52,500	51,700	51,800	51,800	49,000
Professional and Business Services	137,200	132,600	137,200	139,700	134,400
Educational and Health Services	166,600	164,000	168,800	175,600	188,700
Leisure and Hospitality	109,600	83,900	93,600	108,700	112,500
Other Services	35,400	31,000	33,300	36,100	38,300
Government	241,400	235,300	240,200	246,800	256,300
Total, All Industries	1,031,200	979,800	1,021,900	1,065,400	1,083,000

Note: Does not include proprietors, self-employed, unpaid volunteers or family workers, domestic workers in households and persons involved in labor-management trade disputes. Employment reported by place of work. Items may not add to total due to independent rounding. The "Total, All Industries" data is not directly comparable to the employment data found in this Appendix B.

Source: State of California, Employment Development Department, March 2023 Benchmark.

The following table summarizes the labor force, employment and unemployment figures for the period from 2017 through 2021 for the City, the County, the State and the nation as a whole.

CITY OF LINCOLN,
COUNTY OF PLACER,
STATE OF CALIFORNIA AND UNITED STATES
Average Annual Civilian Labor Force, Employment and Unemployment

Year and Area	*Labor Force*	*Employment*[(1)]	*Unemployment*[(2)]	*Unemployment Rate (%)*[(3)]
2020				
City of Lincoln	19,100	17,600	1,500	7.8%
County of Placer	186,700	172,600	14,000	7.5
State of California	18,821,200	16,913,100	1,908,100	10.1
United States	160,472,000	147,795,000	12,947,000	8.1
2021				
City of Lincoln	19,200	18,200	1,100	5.5%
County of Placer	188,000	178,700	9,400	5.0
State of California	18,923,200	17,541,900	1,381,200	7.3
United States	161,204,000	152,581,000	8,621,000	5.3
2022				
City of Lincoln	21,200	20,500	700	3.4%
County of Placer	195,200	189,100	6,100	3.1
State of California	19,218,300	18,393,900	824,400	4.3
United States	164,287,000	158,291,000	5,996,000	3.6
2023				
City of Lincoln	22,300	21,500	900	3.9%
County of Placer	201,700	194,400	7,400	3.6
State of California	19,471,000	18,551,800	919,200	4.7
United States	167,116,000	161,037,000	6,080,000	3.6
2024				
City of Lincoln	N/A	N/A	N/A	N/A
County of Placer	204,800	196,300	8,400	4.1
State of California	19,644,100	18,600,900	1,043,100	5.3
United States	168,106,000	161,346	6,761,000	4.0

Note: Data is not seasonally adjusted.
(1) Annual averages, unless otherwise specified.
(2) Includes persons involved in labor-management trade disputes.
(3) The unemployment rate is computed from unrounded data; therefore, it may differ from rates computed from rounded figures in this table.
Source: U.S. Department of Labor – Bureau of Labor Statistics, California Employment Development Department. 2024 Benchmark.

Personal Income

Personal Income is the income that is received by all persons from all sources. It is calculated as the sum of wage and salary disbursements, supplements to wages and salaries, proprietors' income with inventory valuation and capital consumption adjustments, rental income of persons with capital consumption adjustment,

personal dividend income, personal interest income, and personal current transfer receipts, less contributions for government social insurance.

The personal income of an area is the income that is received by, or on behalf of, all the individuals who live in the area; therefore, the estimates of personal income are presented by the place of residence of the income recipients.

Total personal income in Placer County increased by 25% between 2016 and 2020. The following tables summarize personal income for Placer County for 2019 through 2023.

PERSONAL INCOME
Placer County
2019-2023
(Dollars in Thousands)

Year	*Placer County*	*Annual Percent Change*
2019	27,150	N/A
2020	29,728	9.4%
2021	32,806	10.3
2022	33,467	2.0
2023	36,114	7.9

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

The following table summarizes per capita personal income for Placer County, California and the United States for 2019-2023. This measure of income is calculated as the personal income of the residents of the area divided by the resident population of the area.

PER CAPITA PERSONAL INCOME
Placer County, State of California and the United States
2019-2023

Year	*Placer County*	*California*	*United States*
2019	$67,667	$64,219	$55,567
2020	73,235	70,098	59,123
2021	79,424	76,882	64,460
2022	80,052	76,941	66,244
2023	85,265	81,255	69,810

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

APPENDIX C

FORM OF OPINION OF BOND COUNSEL

Upon issuance of the Bonds, Stradling Yocca Carlson & Rauth LLP, Bond Counsel, proposes to render its final approving opinion in substantially the following form:

[Closing Date]

City of Lincoln
Community Facilities District No. 2025-1 (Joiner Ranch East)
Lincoln, California

Re: $_____ *City of Lincoln Community Facilities District No. 2025-1 (Joiner Ranch East) Special Tax Bonds, Series 2025*

Ladies and Gentlemen:

We have examined the Constitution and the laws of the State of California, a certified record of the proceedings of the City of Lincoln (the "City") taken in connection with the formation of City of Lincoln Community Facilities District No. 2025-1 (Joiner Ranch East) (the "District") and the authorization and issuance of the District's Special Tax Bonds, Series 2025 in the aggregate principal amount of $_____ (the "Bonds") and such other information and documents as we consider necessary to render this opinion. In rendering this opinion, we have relied upon certain representations of fact and certifications made by the District, the City, the initial purchasers of the Bonds and others. We have not undertaken to verify through independent investigation the accuracy of the representations and certifications relied upon by us.

The Bonds have been issued pursuant to the Mello-Roos Community Facilities Act of 1982, as amended (comprising Chapter 2.5 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California), a resolution adopted by the City Council of the City, acting in its capacity as the legislative body of the District (the "City Council") on November 18, 2025 (the "Resolution"), and a Bond Indenture (the "Indenture") dated as of December 1, 2025, by and between the District and U.S. Bank Trust Company, National Association, as trustee (the "Trustee"). All capitalized terms not defined herein shall have the meaning set forth in the Indenture.

Based upon our examination of the foregoing, and in reliance thereon and on all matters of fact as we deem relevant under the circumstances, and upon consideration of applicable laws, we are of the opinion that:

(1) The Bonds have been duly and validly authorized by the District and are legal, valid and binding limited obligations of the District, enforceable in accordance with their terms and the terms of the Indenture. The Bonds are limited obligations of the District but are not a debt of the City, the State of California or any other political subdivision thereof within the meaning of any constitutional or statutory limitation, and, except for the Net Taxes, neither the faith and credit nor the taxing power of the City, the State of California, or any of its political subdivisions is pledged for the payment thereof.

(2) The Indenture has been duly executed and delivered by the District. The Indenture creates a valid pledge of, and the Bonds are secured by, the Net Taxes and the amounts on deposit in certain funds and accounts established under the Indenture, as and to the extent provided in the Indenture. The Indenture is enforceable in accordance with its terms; provided, however, we express no opinion as to the enforceability of the covenant of the District contained in the Indenture to levy Special Taxes for the payment of Administrative Expenses or as to indemnification, penalty, contribution, choice of law, choice of forum or waiver provisions contained therein.

(3) Under existing statutes, regulations, rulings and judicial decisions, interest (and original issue discount) on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals; however, with respect to applicable corporations as defined in Section 59(k) of the Internal Revenue Code of 1986, as amended (the "Code"), interest (and original issue discount) with respect to the Bonds might be taken into account in determining adjusted financial statement income for purposes of computing the alternative minimum tax imposed on such corporations.

(4) Interest on the Bonds is exempt from State of California personal income tax.

(5) The difference between the issue price of a Bond (the first price at which a substantial amount of the Bonds of a maturity are to be sold to the public) and the stated redemption price at maturity with respect to such Bond constitutes original issue discount. Original issue discount accrues under a constant yield method, and original issue discount will accrue to an Owner before receipt of cash attributable to such excludable income. The amount of original issue discount deemed received by an Owner will increase the Owner's basis in the applicable Bond.

(6) The amount by which an Owner's original basis for determining loss on sale or exchange in the applicable Bond (generally the purchase price) exceeds the amount payable on maturity (or on an earlier call date) constitutes amortizable Bond premium which must be amortized under Section 171 of the Code; such amortizable Bond premium reduces the Bond Owner's basis in the applicable Bond (and the amount of tax-exempt interest received), and is not deductible for federal income tax purposes. The basis reduction as a result of the amortization of Bond premium may result in an Owner realizing a taxable gain when a Bond is sold by the Owner for an amount equal to or less (under certain circumstances) than the original cost of the Bond to the Owner.

The opinions expressed in paragraphs (3) and (5) above as to the exclusion from gross income for federal income tax purposes of interest (and original issue discount) on the Bonds is subject to the condition that the District and the City comply with all requirements of the Code, that must be satisfied subsequent to the issuance of the Bonds to assure that such interest (and original issue discount) will not become includable in gross income for federal income tax purposes. Failure to comply with such requirements of the Code might cause interest (and original issue discount) on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. The District and the City have covenanted to comply with all such requirements. Except as set forth in paragraphs (3), (4), (5) and (6) above, we express no opinion as to any tax consequences related to the Bonds.

Certain agreements, requirements and procedures contained or referred to in the Indenture, the Tax Certificate executed by the District and the City and other documents related to the Bonds may be changed and certain actions may be taken or omitted, under the circumstances and subject to the terms and conditions set forth in such documents. We express no opinion as to the effect on the exclusion from gross income for federal income tax purposes of interest (and original issue discount) on any Bond if any such change occurs or action is taken or omitted upon advice or approval of bond counsel other than Stradling Yocca Carlson & Rauth LLP.

Our opinion is limited to matters governed by the laws of the State of California and federal law. We assume no responsibility with respect to the applicability or the effect of the laws of any other jurisdiction. We call attention to the fact that the rights and obligations under the Bonds, the Indenture and the Tax Certificate may be limited by bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, by the application of equitable principles and the exercise of judicial discretion in appropriate cases and by the limitations on legal remedies against public agencies in the State of California.

We express no opinion herein as to the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Bonds and expressly disclaim any duty to advise the Owners of the Bonds with respect to matters contained in the Official Statement or other offering material.

The opinions expressed herein are based upon an analysis of existing statutes, regulations, rulings and judicial decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken (or not taken) or events occurring (or not occurring) after the date hereof. We have not undertaken to determine, or to inform any person, whether such actions or events are taken (or not taken) or do occur (or do not occur).

Respectfully submitted,

APPENDIX D

APPRAISAL REPORT

APPENDIX E

SUMMARY OF THE INDENTURE

APPENDIX F

FORM OF DISTRICT CONTINUING DISCLOSURE CERTIFICATE

THIS CONTINUING DISCLOSURE CERTIFICATE (this "Disclosure Certificate") dated as of December 1, 2025 is executed and delivered by City of Lincoln Community Facilities District No. 2025-1 (Joiner Ranch East) (the "District") in connection with the issuance and delivery by the District of its $__ Special Tax Bonds, Series 2025 (the "Bonds"). The Bonds are being issued pursuant to a Resolution of Issuance adopted on November 18, 2025, by the City Council of the City of Lincoln, acting as the legislative body of the District, and the Bond Indenture, dated as of December 1, 2025 (the "Indenture"), by and between the District and U.S. Bank Trust Company, National Association, as trustee. The District covenants as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the District for the benefit of the Owners and Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with the Rule.

Section 2. Definitions. In addition to the definitions set forth in the Indenture and the Rate and Method of Apportionment, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the District pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Beneficial Owner" shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income purposes.

"City" shall mean the City of Lincoln, County of Placer, California.

"Disclosure Representative" shall mean the Finance Director of the City, or his or her designee, or such other officer or employee as the District shall designate in writing to the Dissemination Agent from time to time.

"Dissemination Agent" shall mean, initially, Goodwin Consulting Group, Inc., or any successor Dissemination Agent designated in writing by the District and which has filed with the then current Dissemination Agent a written acceptance of such designation.

"District" shall mean City of Lincoln Community Facilities District No. 2025-1 (Joiner Ranch East).

"EMMA" shall mean the Electronic Municipal Market Access System of the Municipal Securities Rulemaking Board, which can be found at www.emma.msrb.org, or any other repository of disclosure information that may be designated by the Securities and Exchange Commission in the future system of the MSRB.

"Financial Obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"Listed Events" shall mean any of the events listed in Section 5 of this Disclosure Certificate.

"MSRB" shall mean the Municipal Securities Rulemaking Board or any other entity designated or authorized by the Securities and Exchange Commission to receive reports pursuant to the Rule. Until otherwise designated by the MSRB or the Securities and Exchange Commission, filings with the MSRB are to be made through the Electronic Municipal Market Access (EMMA) website of the MSRB, currently located at *http://emma.msrb.org*.

"Official Statement" shall mean that certain Official Statement for the Bonds dated _____, 2025.

"Owners" shall mean the registered owners of the Bonds as set forth in the registration books maintained by the Trustee.

"Participating Underwriter" shall mean Piper Sandler & Co.

"Rate and Method of Apportionment" shall mean that certain Rate and Method of Apportionment for the District approved pursuant to the Resolution of Formation.

"Resolution of Formation" shall mean the resolutions adopted by the City Council pursuant to which the City Council formed the District.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"State" shall mean the State of California.

"Trustee" shall mean U.S. Bank Trust Company, National Association or such other entity appointed by the District pursuant to the Indenture to act as the trustee under the Indenture.

Section 3. Provision of Annual Reports.

(a) Not later than March 31 of each year commencing March 31, 2026, the District shall, or shall cause the Dissemination Agent to provide to EMMA an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. If the Dissemination Agent is other than the District, then not later than 15 business days prior to the date referred to in the prior sentence hereof, the District shall provide the Annual Report (in a form suitable for filing with EMMA) to the Dissemination Agent. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the District, if any exist, may be submitted separately from and later than the balance of the Annual Report if they are not available by the date required above for the filing of the Annual Report.

(b) In the event that the Dissemination Agent is an entity other than the District, then the provisions of this Section 3(b) shall apply. Not later than fifteen (15) Business Days prior to the date specified in subsection (a) for providing the Annual Report, the District shall provide the Annual Report to the Dissemination Agent. If by fifteen (15) Business Days prior to the due date for an Annual Report the Dissemination Agent has not received a copy of the Annual Report, the Dissemination Agent shall contact the District to determine if the District will be filing the Annual Report in compliance with subsection (a). The District shall provide a written certification with each Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished by it hereunder. The Dissemination Agent may conclusively rely upon such certification of the District and shall have no duty or obligation to review such Annual Report.

(c) If the Dissemination Agent is other than the District and if the Dissemination Agent is unable to verify that an Annual Report has been provided to EMMA by the date required in subsection (a), the Dissemination Agent shall send, in a timely manner, a notice to EMMA of the failure to file the Annual Report

in the form required by EMMA. If the District acts as its own Dissemination Agent, it shall file a notice with EMMA no later than the date specified in subsection (a) for filing an Annual Report if the District fails to file the Annual Report by that date.

(d) If the Dissemination Agent is other than the District, the Dissemination Agent shall:

(i) determine each year prior to the date for providing the Annual Report the name and address of the repository if other than the MSRB through EMMA; and

(ii) promptly after receipt of the Annual Report, file a report with the District certifying that the Annual Report has been provided to EMMA and the date it was provided.

(e) Notwithstanding any other provision of this Disclosure Certificate, all filings shall be made in accordance with the MSRB's EMMA system or in another manner approved under the Rule.

Section 4. Content of Annual Reports. The District's Annual Report shall contain or include by reference the following:

(a) Financial Statements. The audited financial statements of the District for the prior fiscal year, if any have been prepared and which, if prepared, shall be prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the District's audited financial statements, if any are prepared, are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) Financial and Operating Data. The Annual Report shall contain or incorporate by reference the following information:

(i) the principal amount of the Bonds outstanding as of the September 2 preceding the filing of the Annual Report;

(ii) the balance in each fund under the Indenture as of the September 2 preceding the filing of the Annual Report;

(iii) the aggregate assessed valuation of the Taxable Property within the District;

(iv) any changes to the Rate and Method of Apportionment of Special Tax for the District approved or submitted to the qualified electors for approval prior to the filing of the Annual Report;

(v) a table setting forth the annual Special Tax delinquency rate within the District at June 30 of each fiscal year for which a delinquency exists, listing for each fiscal year, the total Special Tax levy, the amount delinquent and the percent delinquent;

(vi) an update of the value-to-lien of the property within the District based on the assessed value and the Special Tax levy for the then current fiscal year, which update may be provided in a form similar to Table 3 in the Official Statement; provided that such update need not include overlapping special tax, assessment or general obligation indebtedness; and

(vii) the status of any foreclosure actions being pursued by the District with respect to delinquent Special Taxes within the District.

(c) Any or all of the items listed in (a) or (b) above may be included by specific reference to other documents, including official statements of debt issues of the District or related public entities, which have been submitted to EMMA or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the MSRB through EMMA. The District shall clearly identify each such other document so included by reference.

Section 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the District shall give, or cause the Dissemination Agent to give, notice to EMMA in a timely manner not in excess of ten (10) business days after the occurrence of any of the following events with respect to the Bonds:

1. principal and interest payment delinquencies;

2. unscheduled draws on debt service reserves reflecting financial difficulties;

3. unscheduled draws on credit enhancements reflecting financial difficulties;

4. substitution of credit or liquidity providers, or their failure to perform;

5. adverse tax opinions or the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds;

6. defeasances;

7. tender offers;

8. ratings changes; and

9. bankruptcy, insolvency, receivership or similar proceedings.

Note: for the purposes of the event identified in subparagraph (9), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

10. default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

(b) Additionally, the District shall give or cause the Dissemination Agent to give notice to EMMA in a timely manner not in excess of ten (10) business days after the occurrence of any of the following events with respect to the Bonds, if material:

1. mergers, consolidations, acquisitions, the sale of all or substantially all of the assets of the obligated persons or their termination;

2. appointment of a successor or additional fiscal agent or the change of the name of a fiscal agent;

3. nonpayment related defaults;

4. modifications to the rights of Bondholders;

5. bond calls;

6. release, substitution or sale of property securing repayment of the Bonds; and

7. incurrence of a Financial Obligation of the obligated person, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders.

(c) In the event that the District's fiscal year changes, the District shall report or shall instruct the Dissemination Agent to report such change in the same manner and to the same parties as Listed Events would be reported pursuant to this Section.

(d) The District hereby agrees that the undertaking set forth in this Disclosure Certificate is the responsibility of the District, and the Dissemination Agent, if other than the District, shall not be responsible for determining whether the District's instructions to the Dissemination Agent under this Section comply with the requirements of the Rule.

Section 6. Termination of Reporting Obligation. The obligations of the District and the Dissemination Agent under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the District shall give notice of such termination in the same manner as for a Listed Event under Section 5.

Section 7. Dissemination Agent. The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent, if other than the District, shall not be responsible in any manner for the content of any notice or report prepared by the District pursuant to this Disclosure Certificate. The initial Dissemination Agent shall be Goodwin Consulting Group, Inc. The Dissemination Agent may resign by providing (i) thirty (30) days written notice to the District and the Trustee and (ii) upon appointment of a new Dissemination Agent hereunder.

Section 8. Amendment; Waiver.

(a) This Disclosure Certificate may be amended, by written agreement of the parties, without the consent of the Owners, and any provision of this Disclosure Certificate may be waived, if all of the following conditions are satisfied: (1) such amendment or waiver is made in connection with a change in circumstances that arises from a change in legal (including regulatory) requirements, a change in law, or a change in the identity, nature or status of the District or the type of business conducted thereby, (2) the undertakings in this Disclosure Certificate as so amended or waived would, in the opinion of a nationally recognized bond counsel, have complied with the requirements of the Rule as of the date of this Disclosure Certificate, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances, and (3) the amendment or waiver either (i) is approved by the Owners of the Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of Owners or (ii) does not, in the determination of the District, materially impair the interests of the Owners or Beneficial Owners of the Bonds.

(b) To the extent any amendment to this Disclosure Certificate results in a change in the type of financial information or operating data provided pursuant to this Disclosure Certificate, the first Annual Report provided thereafter shall include a narrative explanation of the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

(c) If an amendment is made to the basis on which financial statements are prepared, the Annual Report for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. Such comparison shall include a quantitative and, to the extent reasonably feasible, qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information.

Section 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the District shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Default. In the event of a failure of the District or the Dissemination Agent to comply with any provision of this Disclosure Certificate, any Owner or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District and/or the Dissemination Agent to comply with their respective obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Indenture, and the sole remedy under this Disclosure Certificate in the event of any failure of the District or the Dissemination Agent to comply with this Disclosure Certificate shall be an action to compel performance.

Section 11. Duties, Immunities and Liabilities of Dissemination Agent. Where an entity other than the District is acting as the Dissemination Agent, the Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the District agrees to indemnify and save the Dissemination Agent and its officers, directors, employees and agents, harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of their powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. Any Dissemination Agent shall be paid (i) compensation by the District for its services provided hereunder in accordance with a schedule of fees to be mutually agreed to; and (ii) all expenses, legal fees and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder. The Dissemination Agent shall have no duty or obligation to review any information provided to it by the District pursuant to this Disclosure Certificate. The obligations of the District under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds. No person shall have any right to commence any action against the Dissemination Agent seeking any remedy other than to compel specific performance of this Disclosure Certificate. The Dissemination Agent shall not be liable under any circumstances for monetary damages to any person for any breach under this Disclosure Certificate.

Section 12. Notices. Any notices or communications to or among any of the parties to this Disclosure Certificate may be given as follows:

District:	Community Facilities District No. 2025-1 (Joiner Ranch East) of the City of Lincoln City of Lincoln 600 6th Street Lincoln, CA 95648 Attn: Finance Director
Underwriter:	Piper Sandler & Co. 3626 Fair Oaks Boulevard, Suite 100 Sacramento, CA 95864 Attn: Public Finance Department

Any person may, by written notice to the other persons listed above, designate a different address or telephone number(s) to which subsequent notice or communications should be sent.

Section 13. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the District, the Trustee, the Dissemination Agent, the Participating Underwriter and Owners and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Section 14. Merger. Any person succeeding to all or substantially all of the Dissemination Agent's business shall be the successor Dissemination Agent without the filing of any paper or any further act.

This Disclosure Certificate is executed as of the date and year first set forth above.

CITY OF LINCOLN COMMUNITY FACILITIES DISTRICT NO. 2025-1 (JOINER RANCH EAST)

By: _____
Finance Director
Disclosure Representative

APPENDIX G

FORMS OF DEVELOPER CONTINUING DISCLOSURE CERTIFICATES

APPENDIX H

BOOK-ENTRY ONLY SYSTEM

The information in this Appendix concerning DTC and DTC's book-entry only system has been obtained from sources that the District and the Underwriter believe to be reliable, but neither the District nor the Underwriter takes any responsibility for the completeness or accuracy thereof. The following description of the procedures and record keeping with respect to beneficial ownership interests in the Bonds, payment of principal, premium, if any, accreted value and interest on the Bonds to DTC Participants or Beneficial Owners, confirmation and transfers of beneficial ownership interests in the Bonds and other related transactions by and between DTC, the DTC Participants and the Beneficial Owners is based solely on information provided by DTC.

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered bond will be issued for each annual maturity of the Bonds, each in the aggregate principal amount of such annual maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants" and together with Direct Participants, "DTC Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its DTC Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or the Trustee, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such DTC Participant and not of DTC, the Trustee, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

A Bond Owner shall give notice to elect to have its Bonds purchased or tendered, through its DTC Participant, to the Trustee, and shall effect delivery of such Bonds by causing the Direct Participant to transfer the DTC Participant's interest in the Bonds, on DTC's records, to the Trustee. The requirement for physical delivery of Bonds in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Bonds to the Trustee's DTC account.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the District or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, physical certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry only transfers through DTC (or a successor securities depository). In that event, bonds will be printed and delivered to DTC.

THE TRUSTEE, AS LONG AS A BOOK-ENTRY ONLY SYSTEM IS USED FOR THE BONDS, WILL SEND ANY NOTICE OF REDEMPTION OR OTHER NOTICES TO OWNERS ONLY TO DTC. ANY FAILURE OF DTC TO ADVISE ANY DTC PARTICIPANT, OR OF ANY DTC PARTICIPANT TO NOTIFY ANY BENEFICIAL OWNER, OF ANY NOTICE AND ITS CONTENT OR EFFECT WILL NOT AFFECT THE VALIDITY OF SUFFICIENCY OF THE PROCEEDINGS RELATING TO THE REDEMPTION OF THE BONDS CALLED FOR REDEMPTION OR OF ANY OTHER ACTION PREMISED ON SUCH NOTICE.

$_____
CITY OF LINCOLN COMMUNITY FACILITIES DISTRICT NO. 2025-1
(JOINER RANCH EAST)
SPECIAL TAX BONDS, SERIES 2025

BOND PURCHASE AGREEMENT

_____, 2025

City of Lincoln
Community Facilities District No. 2025-1
(Joiner Ranch East)
600 6th Street
Lincoln, California 95648

Ladies and Gentlemen:

Piper Sandler & Co., as underwriter (the "**Underwriter**"), acting not as a fiduciary or agent for you, but on behalf of itself, offers to enter into this Bond Purchase Agreement (this "**Purchase Agreement**") with the City of Lincoln Community Facilities District No. 2025-1 (Joiner Ranch East) (the "**Community Facilities District**"), which upon acceptance will be binding upon the Underwriter and the Community Facilities District. The agreement of the Underwriter to purchase the Bonds (as hereinafter defined) is contingent upon the Community Facilities District satisfying all of the obligations imposed upon them under this Purchase Agreement. This offer is made subject to the Community Facilities District's acceptance by the execution of this Purchase Agreement and its delivery to the Underwriter at or before 11:59 P.M., local time, on the date hereof, and, if not so accepted, will be subject to withdrawal by the Underwriter upon notice delivered to the Community Facilities District at any time prior to the acceptance hereof by the Community Facilities District. All capitalized terms used herein, which are not otherwise defined, shall have the meaning provided for such terms in that certain Bond Indenture, dated as of December 1, 2025 (the "**Indenture**"), by and between the District and U.S. Bank Trust Company, National Association, as trustee (the "Trustee").

1. Purchase, Sale and Delivery of the Bonds.

Subject to the terms and conditions and in reliance upon the representations, warranties and agreements set forth herein: (i) the Underwriter hereby agrees to purchase from the Community Facilities District and the Community Facilities District hereby agrees to sell to the Underwriter all (but not less than all) of the $_____ aggregate principal amount of the City of Lincoln Community Facilities District No. 2025-1 (Joiner Ranch East) Special Tax Bonds, Series 2025 (the "**Bonds**"), dated the Closing Date (as hereinafter defined), bearing interest at the rates and maturing on the dates and in the principal amounts set forth in Exhibit A hereto.

The purchase price for the Bonds shall be $_____ (being 100% of the aggregate principal amount thereof, plus a net original issue premium of $_____ and less an Underwriter's discount of $_____).

The Underwriter agrees to make a bona fide public offering of all of the Bonds initially at the public offering prices (or yields) set forth in Exhibit A attached hereto and incorporated herein by reference. Subsequent to the initial public offering, the Underwriter reserves the right to change the public offering prices (or yields) as it deems necessary in connection with the marketing of the Bonds subject to Section 2 hereof, provided that the Underwriter shall not change the interest rates set forth in Exhibit A. The Bonds may be offered and sold to certain dealers at prices lower than such initial offering prices.

The Bonds shall be substantially in the form described in, shall be issued and secured under the provisions of, and shall be payable from the Net Taxes as provided in the Indenture, the Preliminary Official Statement (as hereinafter defined), and the Mello-Roos Community Facilities Act of 1982, as amended (Section 53311 *et seq*. of the Government Code of the State of California) (the "**Community Facilities District Act**"). The issuance of the Bonds has been duly authorized by the City Council of the City of Lincoln (the "**City**"), as the legislative body for the Community Facilities District, pursuant to a resolution (the "**Community Facilities District Resolution of Issuance**") adopted on _____, 2025.

The proceeds of the Bonds will be used to: (i) finance certain public improvements needed with respect to the development of property located within the Community Facilities District to be owned by the City; (ii) fund an escrow fund with respect to Escrow Term Bonds (as defined in the Official Statement referenced below) which includes amounts for capitalized interest on the Escrow Term Bonds through _____ 1, 20__, (iii) fund a reserve subaccount for the Bonds; (iv) pay capitalized interest on the Bonds which are not Escrow Term Bonds through September 1, 2026; and (v) pay costs of issuance for the Bonds.

The Bonds shall be substantially in the form described in, shall be issued and secured under the provisions of, and shall be payable from special taxes as provided in the Indenture (the "**Special Taxes**").

A. The Community Facilities District hereby acknowledges that the Underwriter is entering into this Purchase Agreement in reliance on the representations, warranties and agreements made by the Community Facilities District herein, and the Community Facilities District shall take all action necessary to enforce its rights hereunder for the benefit of the Underwriter and shall immediately notify the Underwriter if it becomes aware that any representation, warranty or agreement made by the Community Facilities District herein is incorrect in any material respect.

The Community Facilities District acknowledges and agrees that (i) the purchase and sale of the Bonds pursuant to this Purchase Agreement is an arm's-length commercial transaction between the Community Facilities District and the Underwriter, (ii) in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of such transaction, the Underwriter is and has been acting solely as principal and not as the agent or fiduciary of the Community Facilities District, (iii) the Underwriter has not assumed an advisory or fiduciary responsibility in favor of the Community Facilities District with respect to (a) the offering of the Bonds or the process leading thereto (whether or not the Underwriter, or any affiliate of the Underwriter, has advised or is currently advising the Community Facilities District on other matters) or (b) any other obligations to the Community Facilities District with respect to the offering contemplated hereby, except the obligations expressly set forth in this Purchase Agreement or otherwise imposed by law, (iv) the Underwriter has financial interests that differ from those of the Community Facilities District and (v) the Community Facilities District has consulted with their own legal, financial and other

advisors to the extent they have deemed appropriate in connection with this transaction. The Community Facilities District acknowledges that it has previously provided the Underwriter with an acknowledgement of receipt of the required Underwriter disclosure under Rule G-17 of the Municipal Securities Rulemaking Board ("**MSRB**"). The Community Facilities District acknowledges and represents that it has engaged PFM Financial Advisors LLC as its municipal advisor (the "**Municipal Advisor**") (as defined in Securities and Exchange Commission Rule 15Ba1) and will rely solely on the financial advice of PFM Financial Advisors LLC with respect to the Bonds.

B. Pursuant to the authorization of the Community Facilities District, the Underwriter has distributed copies of the Preliminary Official Statement dated [POS Date], relating to the Bonds, which, together with the cover page, inside cover page and appendices thereto is herein called the "**Preliminary Official Statement**." By its acceptance of this Purchase Agreement, the Community Facilities District hereby ratifies the use by the Underwriter of the Preliminary Official Statement, and the Community Facilities District agrees to execute a final official statement relating to the Bonds (including any supplements and/or amendments thereto, the "**Official Statement**") which will consist of the Preliminary Official Statement with such changes as may be made thereto, with the approval of Stradling Yocca Carlson & Rauth LLP, Bond Counsel ("**Bond Counsel**"), Stradling Yocca Carlson & Rauth LLP, Disclosure Counsel ("**Disclosure Counsel**"), and the Underwriter, and to provide copies thereof to the Underwriter as set forth herein. The Community Facilities District hereby authorizes and requires the Underwriter to use and promptly distribute, in connection with the offer and sale of the Bonds, the Preliminary Official Statement, the Official Statement and any supplement or amendment thereto. The Community Facilities District further authorizes the Underwriter to use and distribute, in connection with the offer and sale of the Bonds, the Indenture, the Continuing Disclosure Certificate executed by the Community Facilities District in connection with the Bonds (the "**Continuing Disclosure Certificate**"), this Purchase Agreement and all information contained herein, and all other documents, certificates and statements furnished by or on behalf of the Community Facilities District to the Underwriter in connection with the transactions contemplated by this Purchase Agreement.

C. To assist the Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b)(5) (the "**Rule**"), the Community Facilities District will undertake pursuant to the Continuing Disclosure Certificate, in the form attached as an appendix to the Official Statement, to provide annual reports and notices of certain enumerated events. A description of this undertaking is set forth in the Preliminary Official Statement and will also be set forth in the Official Statement.

D. Except as the Underwriter and the Community Facilities District may otherwise agree, the Community Facilities District will deliver to the Underwriter, at the offices of Bond Counsel in Newport Beach, California, or at such other location as may be mutually agreed upon by the Underwriter and the Community Facilities District, the documents hereinafter mentioned; and the Community Facilities District will deliver to the Underwriter through the facilities of The Depository Trust Company ("**DTC**"), the Bonds, in definitive form (all Bonds bearing CUSIP numbers), duly executed by the Community Facilities District and authenticated by the Trustee in the manner provided for in the Indenture and the Community Facilities District Act at 8:00 a.m. California time, on [Closing Date] (the "**Closing Date**"), and the Underwriter will accept such delivery and pay the purchase price of the Bonds as set forth in Section 1 hereof by wire transfer, payable in federal or other immediately available funds (such delivery and payment being herein referred to as the "**Closing**"). The Bonds shall be in fully registered book-entry form (which may be typewritten) and shall be registered in the name of Cede & Co., as nominee of DTC.

2. Establishment of Issue Price.

A. The Underwriter agrees to assist the Community Facilities District in establishing the issue price of the Bonds and shall execute and deliver to the Community Facilities District at Closing an "issue price" or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit B, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the Community Facilities District and Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Bonds.

B. Except as otherwise set forth in Exhibit A attached hereto, the Community Facilities District will treat the first price at which 10% of each maturity of the Bonds (the "**10% test**"), identified under the column "10% Test Satisfied" in Exhibit A, is sold to the public as the issue price of that maturity (if different interest rates apply within a maturity, each separate CUSIP number within that maturity will be subject to the 10% test). At or promptly after the execution of this Purchase Agreement, the Underwriter shall report to the Community Facilities District the price or prices at which it has sold to the public each maturity of Bonds. If at that time the 10% test has not been satisfied as to any maturity of the Bonds, the Underwriter agrees to promptly report to the Community Facilities District the prices at which it sells the unsold Bonds of that maturity to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until the 10% test has been satisfied as to the Bonds of that maturity or until all Bonds of that maturity have been sold to the public.

C. The Underwriter confirms that it has offered the Bonds to the public on or before the date of this Purchase Agreement at the offering price or prices (the "**initial offering price**"), or at the corresponding yield or yields, set forth in Exhibit A attached hereto. Exhibit A also sets forth, as of the date of this Purchase Agreement, the maturities, if any, of the Bonds for which the Underwriter represents that (i) the 10% test has been satisfied (assuming orders are confirmed by the close of the business day immediately following the date of this Purchase Agreement) and (ii) the 10% test has not been satisfied and for which the Community Facilities District and the Underwriter agree that the restrictions set forth in the next sentence shall apply, which will allow the Community Facilities District to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the "**hold-the-offering-price rule**"). So long as the hold-the-offering-price rule remains applicable to any maturity of the Bonds, the Underwriter will neither offer nor sell unsold Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

1. the close of the fifth (5th) business day after the sale date; or

2. the date on which the Underwriter has sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The Underwriter shall promptly advise the Community Facilities District when it has sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5th) business day after the sale date.

D. The Underwriter confirms that:

(i) any selling group agreement and any third-party distribution agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will

contain language obligating each dealer who is a member of the selling group and each broker-dealer that is a party to such third-party distribution agreement, as applicable:

(A)(i) to report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the Underwriter that the 10% test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Underwriter and (ii) to comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Underwriter,

(B) to promptly notify the Underwriter of any sales of Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below), and

(C) to acknowledge that, unless otherwise advised by the dealer or broker-dealer, the Underwriter shall assume that each order submitted by the dealer or broker-dealer is a sale to the public.

(ii) any selling group agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the Underwriter or the dealer that the 10% test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Underwriter or the dealer, and (B) comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Underwriter or the dealer and as set forth in the related pricing wires.

E. The Community Facilities District acknowledges that, in making the representation set forth in this section, the Underwriter will rely on (i) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in a selling group agreement and the related pricing wires, and (ii) in the event that a third-party distribution agreement was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in the third-party distribution agreement and the related pricing wires.

F. The Underwriter acknowledges that sales of any Bonds to any person that is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below) shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

1. "public" means any person other than an underwriter or a related party;

2. "underwriter" means (A) any person that agrees pursuant to a written contract with the Community Facilities District (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the public);

3. a purchaser of any of the Bonds is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other); and

4. "sale date" means the date of execution of this Purchase Agreement by all parties.

3. Representations, Warranties and Covenants of the Community Facilities District. The Community Facilities District represents, warrants and covenants to the Underwriter on behalf of itself and the City that:

A. The City is duly organized and validly existing as a general law city under the Constitution and laws of the State of California and has duly authorized the formation of the Community Facilities District pursuant to resolutions duly adopted by the City Council (the "**Community Facilities District Formation Resolution**" and, together with the Community Facilities District Resolution of Issuance, the "**Community Facilities District Resolutions**") and the Community Facilities District Act. The City Council, as the legislative body of the City and the Community Facilities District, has duly adopted the Community Facilities District Formation Resolution, and has caused to be recorded in the real property records of the County of Placer, notice of special tax lien, and any required amendments thereof (collectively, the "**Notice of Special Tax Lien**") (the Community Facilities District Formation Resolution and Notice of Special Tax Lien being collectively referred to herein as the "**Formation Documents**"), and has duly adopted a Community Facilities District Resolution of Issuance. Each of its Formation Documents remains in full force and effect as of the date hereof and has not been amended. The Community Facilities District is duly organized and validly existing as a Community Facilities District under the laws of the State of California. The Community Facilities District has, and at the Closing Date will have, as the case may be, full legal right, power and authority: (i) to execute, deliver and perform its obligations under this Purchase Agreement, the Continuing Disclosure Certificate and the Indenture, and to carry out all transactions contemplated by each of such agreements; (ii) to issue, sell and deliver the Bonds as provided herein; and (iii) to carry out, give effect to and consummate the transactions contemplated by the Formation Documents, the Indenture, the Bonds, the Continuing Disclosure Certificate, this Purchase Agreement and the Official Statement.

This Purchase Agreement, the Indenture, the Bonds and the Continuing Disclosure Certificate are collectively referred to herein as the "**Community Facilities District Documents**."

B. The Community Facilities District and the City, as applicable, have each complied, and will at the Closing Date be in compliance in all material respects, with the Formation Documents and the Community Facilities District Documents, and any immaterial noncompliance by the Community Facilities District and the City, if any, will not impair the ability of the Community Facilities District and the City, as applicable, to carry out, give effect to or consummate the transactions contemplated by the foregoing. From and after the date of issuance of the Bonds, the Community Facilities District will continue to comply with the covenants of the Community Facilities District contained in the Community Facilities District Documents.

C. The information in the Preliminary Official Statement and in the Official Statement relating to the Community Facilities District and the Bonds (other than information under the captions "PROPERTY OWNERSHIP AND THE DEVELOPMENT," CONTINUING DISCLOSURE — Developer Continuing Disclosure and "UNDERWRITING," Appendices D, G and H, information provided by D.R. Horton and the Master Developer (as such terms are defined below), the Appraiser and the Special Tax Consultant (as such terms are defined herein) and statements pertaining to the book entry system, as to which no view is expressed), is true and correct in all material respects and does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; and, upon delivery and up to and including 25 days after the End of the Underwriting Period (as defined in paragraph (D) below), the Official Statement will be amended and supplemented so as to contain no misstatement of any material fact or omission of any statement necessary to make the statements contained therein, in the light of the circumstances in which such statements were made, not misleading.

D. Up to and including 25 days after the End of the Underwriting Period (as defined below), the Community Facilities District will advise the Underwriter promptly of any proposal to amend or supplement the Official Statement and will not effect or consent to any such amendment or supplement without the consent of the Underwriter, which consent will not be unreasonably withheld. The Community Facilities District will advise the Underwriter promptly of the institution of any proceedings known to it by any governmental agency prohibiting or otherwise materially affecting the use of the Official Statement in connection with the offering, sale or distribution of the Bonds. As used herein, the term "End of the Underwriting Period" means the later of such time as: (i) the Bonds are delivered to the Underwriter; or (ii) the Underwriter does not retain, directly or as a member of an underwriting syndicate, an unsold balance of the Bonds for sale to the public. Unless the Underwriter gives notice to the contrary, the End of the Underwriting Period shall be deemed to be the Closing Date. Any notice delivered pursuant to this provision shall be written notice delivered to the Community Facilities District at or prior to the Closing Date and shall specify a date (other than the Closing Date) to be deemed the "End of the Underwriting Period."

E. Except as described in the Preliminary Official Statement and Official Statement, the Community Facilities District is not, in any respect material to the transactions referred to herein or contemplated hereby, in breach of or in default under, any law or administrative rule or regulation of the State of California, the United States of America, or of any department, division, agency or instrumentality of either thereof, or under any applicable court or administrative decree or order, or under any loan agreement, note, resolution, indenture, contract, agreement or other instrument to which the Community Facilities District is a party or is otherwise subject or bound, and the

performance of its obligations under the Community Facilities District Documents and compliance with the provisions of each thereof, or the performance of the conditions precedent to be performed by the Community Facilities District pursuant to this Purchase Agreement, will not conflict with or constitute a breach of or default under any applicable law or administrative rule or regulation of the State, the United States of America, or of any department, division, agency or instrumentality of either thereof, or under any applicable court or administrative decree or order, or under any loan agreement, note, resolution, indenture, contract, agreement or other instrument to which the Community Facilities District is a party or is otherwise subject or bound, in any manner which would materially and adversely affect the performance by the Community Facilities District of its obligations under the Community Facilities District Documents or the performance of the conditions precedent to be performed by the Community Facilities District pursuant to this Purchase Agreement.

F. Except as may be required under the "blue sky" or other securities laws of any jurisdiction, all approvals, consents, authorizations, elections and orders of, or filings or registrations with, any governmental authority, board, agency or commission having jurisdiction which would constitute a condition precedent to, or the absence of which would materially adversely affect, the performance by the Community Facilities District of its obligations under the Community Facilities District Documents, and the performance of the conditions precedent to be performed by the Community Facilities District pursuant to this Purchase Agreement, have been or will be obtained at the Closing Date and are or will be in full force and effect at the Closing Date.

G. The Community Facilities District Documents conform as to form and tenor to the descriptions thereof contained in the Official Statement.

H. The Bonds are payable from the Special Tax of the Community Facilities District, as set forth in the Indenture, the levy of which has been duly and validly authorized pursuant to the Community Facilities District Act and the Community Facilities District will covenant in the Indenture to levy the Special Taxes within the Community Facilities District in an amount which, together with other available funds, is required for the payment of the principal of, and interest on, the Bonds when due and payable, all as provided in the Indenture.

I. The Indenture creates a valid pledge of, first lien upon and security interest in, the Net Taxes, and in the moneys in the Special Tax Fund (other than the Administrative Expense Account) established pursuant to the Indenture, on the terms and conditions set forth in the Indenture.

J. Except as disclosed in the Preliminary Official Statement, there are, to the best of the Community Facilities District's knowledge, no entities with outstanding assessment or special tax liens against any of the properties within the Community Facilities District or which are senior to or on a parity with the Special Taxes of the Community Facilities District referred to in paragraph (I) hereof.

K. The Preliminary Official Statement was deemed final by a duly authorized officer of the Community Facilities District prior to its delivery to the Underwriter, except for the omission of such information as is permitted to be omitted in accordance with paragraph (b)(1) of the Rule. The Community Facilities District hereby covenants and agrees that, within seven (7) business days from the date hereof, or upon reasonable written notice from the Underwriter within sufficient time to accompany any confirmation requesting payment from any customers of the Underwriter, the Community Facilities District shall cause a final printed form of the Official Statement to be delivered

to the Underwriter in sufficient quantity to comply with paragraph (b)(4) of the Rule and Rules G-12, G-15, G-32 and G-36 of the Municipal Securities Rulemaking Board.

L. At the time of acceptance hereof there is and as of the Closing there will be no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body (collectively and individually, an "**Action**") pending (notice of which has been served on the Community Facilities District) or to the best knowledge of the Community Facilities District or the City threatened, in which any such Action: (i) in any way questions the existence of the Community Facilities District or the titles of the officers of the Community Facilities District to their respective offices; (ii) affects, contests or seeks to prohibit, restrain or enjoin the issuance or delivery of the Bonds or the payment or collection of Special Taxes or any amounts pledged or to be pledged to pay the principal of and interest on the Bonds, or in any way contests or affects the validity of the Community Facilities District Documents or the consummation of the transactions on the part of the Community Facilities District contemplated thereby; (iii) contests the exemption of interest on the Bonds from federal or State income taxation or contests the powers of the Community Facilities District which may result in any material adverse change relating to the financial condition of the Community Facilities District; or (iv) contests the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto or asserts that the Preliminary Official Statement or the Official Statement contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; and as of the time of acceptance hereof there is and, as of the Closing Date, there will be no basis for any action, suit, proceeding, inquiry or investigation of the nature described in clauses (i) through (iv) of this sentence.

M. Any certificate signed on behalf of the Community Facilities District by any officer or employee of the Community Facilities District authorized to do so shall be deemed a representation and warranty by the Community Facilities District to the Underwriter on behalf of itself and the Community Facilities District as to the statements made therein.

N. At or prior to the Closing the Community Facilities District will have duly authorized, executed and delivered the Continuing Disclosure Certificate in substantially the form attached as Appendix F to the Official Statement. Based upon a review of its previous undertakings, and except as disclosed in the Preliminary Official Statement, the Community Facilities District, the City and its related entities have not failed to comply in all respects with any previous undertakings with regard to the Rule to provide annual reports or notices of enumerated events in the last five years.

O. The Community Facilities District will apply the proceeds of the Bonds in accordance with the Indenture and as described in the Official Statement.

P. Until such time as moneys have been set aside in an amount sufficient to pay all then outstanding Bonds at maturity or to the date of redemption if redeemed prior to maturity, plus unpaid interest thereon and premium, if any, to maturity or to the date of redemption if redeemed prior to maturity, the Community Facilities District will faithfully perform and abide by all of the covenants, undertakings and provisions contained in the Indenture.

Q. Between the date of this Purchase Agreement and the date of Closing, the Community Facilities District will not offer or issue any bonds, notes or other obligations for borrowed money not previously disclosed to the Underwriter.

The Community Facilities District hereby approves the preparation and distribution of the Official Statement, consisting of the Preliminary Official Statement with such changes as are noted thereon and as may be made thereto, with the approval of Bond Counsel, Disclosure Counsel and the Underwriter, from time to time prior to the Closing Date.

The execution and delivery of this Purchase Agreement by the Community Facilities District shall constitute a representation by the Community Facilities District to the Underwriter that the representations and warranties contained in this Section 3 with respect to the Community Facilities District are true as of the date hereof.

4. Conditions to the Obligations of the Underwriter. The obligation of the Underwriter to accept delivery of and pay for the Bonds on the Closing Date shall be subject, at the option of the Underwriter, to the accuracy in all material respects of the representations and warranties on the part of the Community Facilities District contained herein, to the accuracy in all material respects of the statements of the officers and other officials of the Community Facilities District made in any certificates or other documents furnished pursuant to the provisions hereof, to the performance by the Community Facilities District of their obligations to be performed hereunder at or prior to the Closing Date, and in reliance upon the representations and covenants of D.R. Horton CA2, Inc., a California corporation ("**D.R. Horton**") and JEN California 24 LLC, a California limited liability company (the "**Master Developer**") contained in the certificates delivered prior to or as of the Closing Date, and to the following additional conditions:

A. At the Closing Date, the Community Facilities District Resolutions and the Community Facilities District Documents shall be in full force and effect, and shall not have been amended, modified or supplemented, except as may have been agreed to in writing by the Underwriter, and there shall have been taken in connection therewith, with the issuance of the Bonds and with the Bonds, and with the transactions contemplated thereby, and by this Purchase Agreement, all such actions as, in the opinion of Bond Counsel, shall be necessary and appropriate.

B. At the Closing Date, except as described in the Official Statement, the City shall not be, in any respect material to the transactions referred to herein or contemplated hereby, in breach of or in default under, any law or administrative rule or regulation of the State of California, the United States of America, or of any department, division, agency or instrumentality of either thereof, or under any applicable court or administrative decree or order, or under any loan agreement, note, resolution, indenture, contract, agreement or other instrument to which the City is a party or is otherwise subject or bound, and the performance of the conditions precedent to be performed hereunder will not conflict with or constitute a breach of or default under any applicable law or administrative rule or regulation of the State of California, the United States of America, or of any department, division, agency or instrumentality of either thereof, or under any applicable court or administrative decree or order, or under any loan agreement, note, resolution, indenture, contract, agreement or other instrument to which the City is a party or is otherwise subject or bound, in any manner which would materially and adversely affect the performance of the conditions precedent to be performed by the City hereunder.

C. At the Closing Date, except as described in the Official Statement, the Community Facilities District shall not be, in any respect material to the transactions referred to herein or contemplated hereby, in breach of or in default under, any law or administrative rule or regulation of the State of California, the United States of America, or of any department, division, agency or instrumentality of either thereof, or under any applicable court or administrative decree or order, or

under any loan agreement, note, resolution, indenture, contract, agreement or other instrument to which the Community Facilities District is a party or is otherwise subject or bound, and the performance by the Community Facilities District of its obligations under the Bonds, the Community Facilities District Resolutions, the Indenture, and any other instruments contemplated by any of such documents, and compliance with the provisions of each thereof, or the performance of the conditions precedent to be performed hereunder, will not conflict with or constitute a breach of or default under any applicable law or administrative rule or regulation of the State of California, the United States of America, or of any department, division, agency or instrumentality of either thereof, or under any applicable court or administrative decree or order, or under any loan agreement, note, resolution, indenture, contract, agreement or other instrument to which the Community Facilities District is a party or is otherwise subject or bound, in any manner which would materially and adversely affect the performance by the Community Facilities District of its obligations under the Indenture, the Bonds or the performance of the conditions precedent to be performed by the Community Facilities District hereunder.

D. The information contained in the Official Statement is, as of the Closing Date and as of the date of any supplement or amendment thereto pursuant hereto, true and correct in all material respects and does not, as of the Closing Date or as of the date of any supplement or amendment thereto, contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

E. Between the date hereof and the Closing Date, the market price or marketability, at the initial offering prices set forth on the inside cover page of the Official Statement, of the Bonds or the ability of the Underwriter to enforce contracts for the sale of the Bonds, shall not have been materially adversely affected, in the judgment of the Underwriter (evidenced by a written notice to the Community Facilities District terminating the obligation of the Underwriter to accept delivery of and pay for the Bonds), by reason of any of the following:

1. Legislation introduced in or enacted (or resolution passed) by the Congress of the United States of America or recommended to the Congress by the President of the United States, the Department of the Treasury, the Internal Revenue Service, or any member of Congress, or favorably reported for passage to either House of Congress by any committee of such House to which such legislation had been referred for consideration, or a decision rendered by a court established under Article III of the Constitution of the United States of America or by the Tax Court of the United States of America, or an order, ruling, regulation (final, temporary or proposed), press release or other form of notice issued or made by or on behalf of the Treasury Department of the United States of America or the Internal Revenue Service, with the purpose or effect, directly or indirectly, of imposing federal income taxation upon such interest as would be received by any owners of the Bonds beyond the extent to which such interest is subject to taxation as of the date hereof; or

2. Legislation introduced in or enacted (or resolution passed) by the Congress or an order, decree or injunction issued by any court of competent jurisdiction, or an order, ruling, regulation (final, temporary or proposed), press release or other form of notice issued or made by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction of the subject matter, to the effect that obligations of the general character of the Bonds, including any or all underlying arrangements, are not exempt from registration under or other requirements of the Securities Act of 1933, as amended, or that the Indenture is not exempt from qualification under or other requirements of the Trust Indenture Act of 1939, as amended, or that the issuance, offering or sale of obligations of the general character of the Bonds, including any or all

underlying arrangements, as contemplated hereby or by the Official Statement or otherwise is or would be in violation of the federal securities laws as amended and then in effect; or

3. A general suspension of trading on the New York Stock Exchange or other major exchange shall be in force, or minimum or maximum prices for trading shall have been fixed and be in force, or maximum ranges for prices for securities shall have been required and be in force on any such exchange, whether by virtue of determination by that exchange or by order of the SEC or any other governmental authority having jurisdiction; or

4. The introduction, proposal or enactment of any amendment to the Federal or California Constitution or any action by any Federal or California court, legislative body, regulatory body or other authority materially adversely affecting the tax status of the Community Facilities District, its property, income, securities (or interest thereon), the validity or enforceability of Special Taxes, or the ability of the Community Facilities District to issue the Bonds as contemplated by the Indenture and the Official Statement; or

5. Any event occurring, or information becoming known which, in the judgment of the Underwriter, makes untrue in any material respect any statement or information contained in the Preliminary Official Statement or in the Official Statement, or has the effect that the Preliminary Official Statement or the Official Statement contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; or

6. Any national securities exchange, the Comptroller of the Currency, or any other governmental authority, shall impose as to the Bonds, or obligations of the general character of the Bonds, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of, the Underwriter; or

7. There shall have occurred (1) an outbreak or escalation of hostilities or the declaration by the United States of a national emergency or war or (2) any other calamity or crisis in the financial markets of the United States or elsewhere or the escalation of such calamity or crisis; or

8. Except as disclosed in or contemplated by the Official Statement, any material adverse change in the affairs of the City or Community Facilities District shall have occurred; or

9. Any event or circumstance shall exist that either makes untrue or incorrect in any material respect any statement or information in the Official Statement (other than any statement provided by the Underwriter) or is not reflected in the Official Statement but should be reflected therein in order to make the statements therein, in the light of the circumstances under which they were made, not misleading and, in either such event, the Community Facilities District refuses to permit the Official Statement to be supplemented to supply such statement or information, or the effect of the Official Statement as so supplemented is to materially adversely affect the market price or marketability of the Bonds or the ability of the Underwriter to enforce contracts for the sale of the Bonds; or

10. A general banking moratorium shall have been declared by federal or State authorities having jurisdiction and be in force; or

11. A material disruption in securities settlement, payment or clearance services affecting the Bonds shall have occurred; or

12. Any new restriction on transactions in securities materially affecting the market for securities (including the imposition of any limitation on interest rates) or the extension of credit by, or a charge to the net capital requirements of, underwriters shall have been established by the New York Stock Exchange, the SEC, any other federal or State agency or the Congress of the United States, or by Executive Order; or

13. A decision by a court of the United States shall be rendered, or a stop order, release, regulation or no-action letter by or on behalf of the SEC or any other governmental agency having jurisdiction of the subject matter shall have been issued or made, to the effect that the issuance, offering or sale of the Bonds, including the underlying obligations as contemplated by this Purchase Agreement or by the Official Statement, or any document relating to the issuance, offering or sale of the Bonds, is or would be in violation of any provision of the federal securities laws at the Closing Date, including the Securities Act, the Exchange Act and the Trust Indenture Act; or

14. Any proceeding shall have been commenced or be threatened in writing by the Securities and Exchange Commission against the City or the Community Facilities District; or

15. The commencement of any Action.

F. At or prior to the Closing Date, the Underwriter shall have received a counterpart original or certified copy of the following documents, in each case satisfactory in form and substance to the Underwriter:

1. The Official Statement, executed on behalf of the Community Facilities District by an authorized officer;

2. The Indenture, duly executed and delivered by the Community Facilities District and the Trustee;

3. The Community Facilities District Resolutions, the Community Facilities District Documents and the Formation Documents, together with a certificate dated as of the Closing Date of the City Clerk to the effect that the Community Facilities District Resolutions are true, correct and complete copies of the ones duly adopted by the City Council;

4. The Continuing Disclosure Certificate executed and delivered by an authorized officer the Community Facilities District;

5. An unqualified approving opinion for the Bonds, dated the Closing Date and addressed to the Community Facilities District, of Bond Counsel, to the effect that the Bonds are the valid, legal and binding obligations of the Community Facilities District and that the interest thereon is excluded from gross income for federal income tax purposes and exempt from personal income taxes of the State of California, in substantially the form included as Appendix C to the Official Statement, together with a letter of Bond Counsel, dated the Closing Date and addressed to the

Underwriter, to the effect that such opinion addressed to the Community Facilities District may be relied upon by the Underwriter to the same extent as if such opinion was addressed to it;

6. A supplemental opinion or opinions, dated the Closing Date and addressed to the Underwriter, of Bond Counsel, to the effect that:

(i) this Purchase Agreement and the Continuing Disclosure Certificate have been duly authorized, executed and delivered by the Community Facilities District and, assuming due authorization, execution and delivery by the other parties thereto, as applicable, constitutes the legal, valid and binding obligations of the Community Facilities District and are enforceable in accordance with their terms, except to the extent that enforceability may be limited by moratorium, bankruptcy, reorganization, insolvency or other similar laws affecting creditors' rights generally or by the exercise of judicial discretion in accordance with general principles of equity or otherwise in appropriate cases and by limitations on legal remedies against public agencies in the State;

(ii) the Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Indenture is exempt from qualification under the Trust Indenture Act of 1939, as amended;

(iii) the information contained in the Official Statement on the cover and under the captions "THE BONDS" (other than the caption "Debt Service Schedule"), "SOURCES OF PAYMENT FOR THE BONDS," "TAX EXEMPTION" AND "LEGAL OPINION" and in Appendices C and E to the Official Statement, are accurate insofar as such statements purport to summarize certain provisions of the Bonds, the Indenture, Bond Counsel's final approving opinion, and the Community Facilities District Act.

7. The letter of Disclosure Counsel, dated the Closing Date and addressed to the Community Facilities District and to the Underwriter, to the effect that, without having undertaken to determine independently the accuracy or completeness of the statements contained in the Official Statement, but on the basis of their participation in conferences with representatives of the Community Facilities District, the Special Tax Consultant and others, and their examination of certain documents, nothing has come to their attention which has led them to believe that the Preliminary Official Statement as of its date and the Official Statement as of its date and as of the Closing Date contained or contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading (except that no opinion or belief need be expressed as to any financial statements or other financial, statistical or engineering data or forecasts, numbers, charts, estimates, projections, assumptions, or expressions of opinion, any information about valuation, appraisals, absorption, archeological or environmental matters, or any information with respect to the City, or any information with respect to prior compliance by D.R. Horton and the Master Developer with continuing disclosure undertakings under the Rule or about DTC or the book-entry-only system);

8. A certificate dated the Closing Date and signed by an authorized representative of the Community Facilities District or an authorized designee, on behalf of the Community Facilities District to the effect that: (i) the representations and warranties made by the Community Facilities District contained herein are true and correct in all material respects on and as of the Closing Date with the same effect as if made on the Closing Date; (ii) to the best knowledge of such officer, no event has occurred since the date of the Official Statement which should be disclosed in the Official Statement for the purpose for which it is to be used or which it is necessary to disclose

therein in order to make the statements and information therein not misleading in any material respect; and (iii) the Community Facilities District has complied with all the agreements and satisfied all the conditions on its part to be satisfied under this Purchase Agreement, the Community Facilities District Resolutions, and the Community Facilities District Documents at or prior to the Closing Date;

9. An opinion of the City Attorney dated the date of Closing and addressed to the Underwriter and the City, to the effect that:

(i) The City is a municipal corporation and general law city, duly organized and existing under the Constitution and laws of the State of California;

(ii) The Community Facilities District Resolutions have been duly adopted at meetings of the City Council, which were called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout, and the Community Facilities District Resolutions are in full force and effect and have not been modified, amended, rescinded or repealed since the respective dates of their adoption;

(iii) The Community Facilities District Documents and the Official Statement have been duly authorized, executed and delivered by the City and the Community Facilities District Documents constitute the legal, valid and binding obligations of the Community Facilities District enforceable against the Community Facilities District in accordance with their terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights, to the application of equitable principles where equitable remedies are sought and to the exercise of judicial discretion in appropriate cases;

(iv) Except as may be stated in the Official Statement, there is no action, suit, proceeding or investigation before or by any court, public board or body pending (notice of which has been served on the City or the Community Facilities District) or, to such counsel's knowledge, threatened wherein an unfavorable decision, ruling or finding would: (a) affect the creation, organization, existence or powers of the City, or the titles of its members and officers to their respective offices; or (b) affect the validity of the Community Facilities District Documents or restrain or enjoin the repayment of the Bonds or in any way contest or affect the validity of the Community Facilities District Documents or contest the authority of the Community Facilities District to enter into or perform its obligations under any of the Community Facilities District Documents, questions the right of the Community Facilities District to use Special Taxes levied within the Community Facilities District for the repayment of the Bonds or affects in any manner the right or ability of the Community Facilities District to collect the Special Taxes or pledge the Net Taxes levied within the Community Facilities District for the repayment of the Bonds;

10. A certificate dated the Closing Date from NBS to the effect that: (i) that the Special Taxes, if levied in accordance with the Rate and Method (as defined in the Official Statement) and collected will annually yield sufficient revenue to make timely payments of the Annual Debt Service on the Bonds, and annual Administrative Expenses related to the levy and collection of the Special Taxes and the expenses of the Trustee for the Bonds (no representation is made as to the actual amounts that will be collected in future years); (ii) that the Special Tax, if collected in the maximum amounts permitted pursuant to the Rate and Method on the Closing Date, after payment of annual Administrative Expenses related to the levy and collection of the Special Taxes and the expenses of the Trustee for the Bonds, would annually generate at least 110% of the Annual Debt Service payable with respect to the Bonds payable from such Special Taxes assuming the debt service

schedule shown in the Official Statement is true and correct; and (iii) the statements in the Official Statement provided by NBS concerning Special Taxes in the Community Facilities District and all information supplied by it for use in the Official Statement were as of the date of the Official Statement and are as of the Closing Date true and correct, and do not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading;

11. A certificate dated the Closing Date from Integra Realty Resources (the "**Appraiser**") to the effect that: (i) the statements in the Official Statement provided by the Appraiser and all information supplied by it for use in the Official Statement were as of the date of the Official Statement and are as of the Closing Date true and correct, and do not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading and (ii) no events or occurrences have been ascertained by the Appraiser or have come to the Appraiser's attention that would materially change the opinion set forth in the Appraisal;

12. Certified copies of the general resolution of the Trustee authorizing the execution and delivery of certain documents by certain officers of the Trustee, which resolution authorizes the execution of the Indenture and the authentication of the Bonds;

13. A certificate of the Trustee, dated the Closing Date, to the effect that: (i) the Trustee is authorized to carry out corporate trust powers, and have full power and authority to perform its duties under the Indenture; (ii) the Trustee is duly authorized to execute and deliver the Indenture, to accept the obligations created by the Indenture and to authenticate the Bonds pursuant to the terms of the Indenture; (iii) no consent, approval, authorization or other action by any governmental or regulatory authority having jurisdiction over the Trustee that has not been obtained is or will be required for the authentication of the Bonds or the consummation by the Trustee of the other transactions contemplated to be performed by the Trustee in connection with the authentication of the Bonds and the acceptance and performance of the obligations created by the Indenture; and (iv) to the best of its knowledge, compliance with the terms of the Indenture will not conflict with, or result in a violation or breach of, or constitute a default under, any loan agreement, indenture, bond, note, resolution or any other agreement or instrument to which the Trustee is a party or by which it is bound, or any law or any rule, regulation, order or decree of any court or governmental agency or body having jurisdiction over the Trustee or any of its activities or properties;

14. An opinion of counsel to the Trustee dated the Closing Date, addressed to the Underwriter, and the Community Facilities District to the effect that the Trustee is a national banking association duly organized and validly existing under the laws of the United States having full power and being qualified to enter into, accept and agree to the provisions of the Indenture, and that such document has been duly authorized, executed and delivered by the Trustee, and, assuming due execution and delivery by the other parties thereto, constitutes the legal, valid and binding obligation of the Trustee, enforceable in accordance with its terms, subject to bankruptcy, insolvency, reorganization, moratorium and other laws affecting the enforcement of creditors' rights in general and except as such enforceability may be limited by the application of equitable principles if equitable remedies are sought;

15. A certificate of the Community Facilities District dated the Closing Date, in a form acceptable to Bond Counsel and the Underwriter, that the Bonds are not arbitrage bonds within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended;

16. An opinion of Kutak Rock LLP, counsel to the Underwriter ("**Underwriter's Counsel**"), dated the date of Closing and addressed to the Underwriter in form and substance acceptable to the Underwriter; and

17. Opinions of counsel to D.R. Horton, dated the date of the Closing, addressed to the Underwriter and the Community Facilities District, in form and substance acceptable to the Underwriter and Bond Counsel;

18. Opinions of counsel to the Master Developer, dated the date of the Closing, addressed to the Underwriter and the Community Facilities District, in form and substance acceptable to the Underwriter and Bond Counsel;

19. Prior to and in connection with printing and distribution of the Preliminary Official Statement, an executed certificate of D.R. Horton in substantially the form attached hereto as Exhibit C or as such certificate may be modified with the approval of the Underwriter and Disclosure Counsel;

20. Prior to and in connection with printing and distribution of the Preliminary Official Statement, an executed certificate of the Master Developer in substantially the form attached hereto as Exhibit C or as such certificate may be modified with the approval of the Underwriter and Disclosure Counsel

21. A closing certificate of D.R. Horton in the form attached as Appendix A to D.R. Horton's Certificate attached hereto as Exhibit C or as such closing certificate may be modified with the approval of the Underwriter and Disclosure Counsel;

22. A closing certificate of the Master Developer in the form attached as Appendix A to the Master Developer's Certificate attached hereto as Exhibit C or as such closing certificate may be modified with the approval of the Underwriter and Disclosure Counsel;

23. The Developer Continuing Disclosure Certificate executed and delivered by D.R. Horton in substantially the form attached as Appendix G to the Official Statement;

24. The Developer Continuing Disclosure Certificate executed and delivered by the Master Developer in substantially the form attached as Appendix G to the Official Statement; and

25. Such additional legal opinions, certificates, instruments and other documents as the Underwriter may reasonably request to evidence the truth and accuracy, as of the date hereof and as of the Closing Date, of the material representations and warranties of the Community Facilities District contained herein, and of the statements and information contained in the Official Statement and the due performance or satisfaction by the Community Facilities District at or prior to the Closing of all agreements then to be performed and all conditions then to be satisfied by the Community Facilities District in connection with the transactions contemplated hereby and by the Indenture and the Official Statement.

If the Community Facilities District shall be unable to satisfy the conditions to the obligations of the Underwriter to purchase, accept delivery of and pay for the Bonds contained in this Purchase Agreement, or if the obligations of the Underwriter to purchase, accept delivery of and pay for the

Bonds shall be terminated for any reason permitted by this Purchase Agreement, this Purchase Agreement shall terminate and neither the Community Facilities District nor the Underwriter shall be under any further obligation hereunder, except that the respective obligations of the Underwriter and the Community Facilities District set forth in Section 5 hereof shall continue in full force and effect.

5. Expenses. Whether or not the transactions contemplated by this Purchase Agreement are consummated, the Underwriter shall be under no obligation to pay, and the Community Facilities District shall pay only from the proceeds of the Bonds, or any other legally available funds of the City, or the Community Facilities District, but only as the Community Facilities District and such other party providing such services may agree, all expenses and costs of the Community Facilities District incident to the performance of its obligations in connection with the authorization, execution, sale and delivery of the Bonds to the Underwriter, including, without limitation, printing costs, rating agency fees and charges, initial fees of the Trustee, including fees and disbursements of its counsel, if any, fees and disbursements of Bond Counsel, Disclosure Counsel and other professional advisors employed by the City, costs of preparation, printing, signing, transportation, delivery and safekeeping of the Bonds and for expenses (included in the expense component of the spread) incurred by the Underwriter on behalf of the City's employees which are incidental to implementing this Purchase Agreement, including, but not limited to, meals, transportation, lodging, and entertainment of those employees. The Underwriter shall pay all out-of-pocket expenses of the Underwriter, including, without limitation, advertising expenses, the California Debt and Investment Advisory Commission fee, CUSIP Services Bureau charges, regulatory fees imposed on new securities issuers and any and all other expenses incurred by the Underwriter in connection with the public offering and distribution of the Bonds, including fees and disbursements of Underwriter's Counsel. Any meals in connection with or adjacent to meetings, rating agency presentations, pricing activities or other transaction-related activities shall be considered an expense of the transaction and included in the expense component of the Underwriter's discount.

6. Notices. Any notice of other communication to be given to the Community Facilities District under this Purchase Agreement may be given by delivering the same in writing to such entity, at the addresses set forth on the cover page hereof; any notice or other communication to be given to the Underwriter under this Purchase Agreement may be given by delivering the same in writing to Piper Sandler & Co., 2321 Rosecrans Avenue, Suite 3200, El Segundo, California 90245, Attention: Public Finance.

7. Parties In Interest. This Purchase Agreement is made solely for the benefit of the Community Facilities District and Underwriter (including any successors or assignees of the Underwriter) and no other person shall acquire or have any right hereunder or by virtue hereof.

8. Survival of Representations and Warranties. The representations and warranties of the Community Facilities District under this Purchase Agreement shall not be deemed to have been discharged, satisfied or otherwise rendered void by reason of the Closing and regardless of any investigations made by or on behalf of the Underwriter (or statements as to the results of such investigations) concerning such representations and statements of the Community Facilities District and regardless of delivery of and payment for the Bonds.

9. Execution in Counterparts. This Purchase Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

10. Effective. This Purchase Agreement shall become effective and binding upon the respective parties hereto upon the execution of the acceptance hereof by the Community Facilities District and shall be valid and enforceable as of the time of such acceptance.

11. No Prior Agreements. This Purchase Agreement supersedes and replaces all prior negotiations, agreements and understanding among the parties hereto in relation to the sale of the Bonds by the Community Facilities District.

12. Governing Law. This Purchase Agreement shall be governed by the laws of the State of California.

13. Effective Date. This Purchase Agreement shall become effective and binding upon the respective parties hereto upon the execution of the acceptance hereof by the Community Facilities District and shall be valid and enforceable as of the time of such acceptance.

Very truly yours,

PIPER SANDLER & CO.

By: _____
Its: Authorized Officer

The foregoing is hereby agreed to and accepted as of the date first above written:

CITY OF LINCOLN COMMUNITY FACILITIES DISTRICT NO. 2025-1 (JOINER RANCH EAST)

By: _____
Authorized Officer

Time of Execution: _____ p.m. California time

EXHIBIT A

CITY OF LINCOLN COMMUNITY FACILITIES DISTRICT NO. 2025-1
(JOINER RANCH EAST)
SPECIAL TAX BONDS, SERIES 2025

MATURITY SCHEDULE

Maturity (September 1)	Principal Amount	Interest Rate	Yield	Price	10% Test Satisfied*	10% Test Not Satisfied	Subject to Hold-The-Offering-Price Rule
2026							
2027							
2028							
2029							
2030							
2031							
2032							
2033							
2034							
2035							
20__ (T)							
20__ (T)							
20__ (T)							
20__ (T)							

(T) Term Bond.
(ET) Escrow Term Bond.
(C) Priced to optional call at [par] on September 1, 20__.
*At the time of execution of this Purchase Agreement and assuming orders are confirmed by the close of the business day immediately following the date of this Purchase Agreement.

EXHIBIT B

$_____
CITY OF LINCOLN COMMUNITY FACILITIES DISTRICT NO. 2025-1
(JOINER RANCH EAST)
SPECIAL TAX BONDS, SERIES 2025

FORM OF ISSUE PRICE CERTIFICATE

The undersigned, on behalf of Piper Sandler & Co. ("Piper Sandler") hereby certifies as set forth below with respect to the sale and issuance of the above-captioned bonds (the "Bonds").

1. ***Sale of the General Rule Maturities***. As of the date of this certificate, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity was sold to the Public is the respective price listed in Schedule A.

2. ***Initial Offering Price of the Hold-the-Offering-Price Maturities***.

(a) Piper Sandler offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the "Initial Offering Prices") on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B.

(b) As set forth in the Bond Purchase Agreement, dated [BPA Date], by and between Piper Sandler and the City of Lincoln Community Facilities District No. 2025-1 (Joiner Ranch East) (the "District"), Piper Sandler has agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the "hold-the-offering-price rule"), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.

3. ***Defined Terms***.

(a) *General Rule Maturities* means those Maturities of the Bonds listed in Schedule A hereto as the "General Rule Maturities."

(b) *Hold-the-Offering-Price Maturities* means those Maturities of the Bonds listed in Schedule A hereto as the "Hold-the-Offering-Price Maturities."

(c) *Holding Period* means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date, or (ii) the date on which Piper Sandler has sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.

(d) *Issuer* means the City of Lincoln Community Facilities District No. 2025-1 (Joiner Ranch East).

(e) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(f) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(g) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is [BPA Date].

(h) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents Piper Sandler's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Stradling Yocca Carlson & Rauth LLP in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

PIPER SANDLER & CO.

By:_____

Name:_____

Dated: [Closing Date]

SCHEDULE A

SALE PRICES OF THE GENERAL RULE MATURITIES AND INITIAL OFFERING PRICES OF THE HOLD-THE-OFFERING-PRICE MATURITIES

[TO BE ATTACHED AT CLOSING]

SCHEDULE B

PRICING WIRE OR EQUIVALENT COMMUNICATION

[TO BE ATTACHED AT CLOSING]

EXHIBIT C

FORM OF DEVELOPER CERTIFICATE

CITY OF LINCOLN COMMUNITY FACILITIES DISTRICT NO. 2025-1
(JOINER RANCH EAST)
SPECIAL TAX BONDS, SERIES 2025

CERTIFICATE OF
[D.R. HORTON CA2, INC.] [JEN CALIFORNIA 24 LLC]

[POS Date]

Piper Sandler & Co.
El Segundo, California

City of Lincoln Community Facilities District No. 2025-1
(Joiner Ranch East)
Lincoln, California

Ladies and Gentlemen:

This Certificate of [D.R. Horton CA2, Inc., a California corporation] [JEN California 24 LLC, a California limited liability company] (the "**Certificate**") is delivered to each of you by [D.R. Horton CA2, Inc., a California corporation] [JEN California 24 LLC, a California limited liability company] (the "**Developer**") pursuant to, and in satisfaction of Section 4(F)[(19)][20] of that certain Bond Purchase Agreement (the "**Bond Purchase Agreement**") to be executed by and between City of Lincoln Community Facilities District No. 2025-1 (Joiner Ranch East) (the "**Community Facilities District**") and Piper Sandler & Co. (the "**Underwriter**") with respect to the City of Lincoln Community Facilities District No. 2025-1 (Joiner Ranch East) Special Tax Bonds, Series 2025 (the "**Bonds**"). Capitalized terms not otherwise defined herein have the meaning ascribed to them in the Bond Purchase Agreement.

As used herein, the phrase "**Actual Knowledge of the Developer**" shall mean the knowledge that the undersigned has or has obtained through (i) interviews with such current officers and responsible employees of the Developer and its Relevant Entities as the undersigned has determined are reasonably likely, in the ordinary course of their respective duties, to have knowledge of the matters set forth in this Certificate, and/or (ii) inspection of documents in the possession of the Developer that were reasonably available to the undersigned and which the undersigned has determined are necessary for the undersigned to sign this Certificate. With your permission, the undersigned has not conducted any additional or extraordinary inspection or inquiry other than such inspections and inquiries as are prudent and customary in connection with the ordinary course of the Developer's business and operations. Individuals who are no longer employed by the Developer or its Relevant Entities have not been contacted.

As used herein, "**Relevant Entity**" means, with respect to the Developer, any other person or entity (i) who directly, or indirectly through one or more intermediaries, is currently controlling, controlled by or under common control with the Developer, and (ii) for whom information, including financial information or operating data, concerning such person or entity is material to an evaluation of the Community Facilities District and investment decision regarding the Bonds (i.e. such person or entity's assets or funds would materially affect the Developer's ability to develop its Property (defined herein) as described in the Preliminary Official Statement or to pay its Special Taxes on the Property (prior to delinquency) to the extent the responsibility of the Developer.

The undersigned certifies that he or she is familiar with the facts herein certified and is authorized and qualified to certify the same as an authorized officer or representative of the Developer, and the undersigned, on behalf of the Developer, further certifies as follows:

1. The Developer is duly formed, validly existing and in good standing under the laws of the State of California, and has all requisite [corporate] [limited liability company] right, power, and authority: (i) to execute and deliver the Developer Continuing Disclosure Certificate at Closing (the "**Disclosure Certificate**"), and perform its obligations thereunder, and (ii) to own and develop the Property as described in the Preliminary Official Statement.

2. The Developer agrees to execute at Closing, the Disclosure Certificate substantially in the form attached as part of Appendix G to the Preliminary Official Statement relating to the Bonds (the "**Preliminary Official Statement**"), with such additional changes as may be agreed upon by the Developer.

3. To the Actual Knowledge of the Developer, the execution and delivery of the Disclosure Certificate, and the performance by the Developer of its obligations under the Disclosure Certificate, will not conflict with or constitute a breach of or default under any loans, lines of credit, credit agreements, or other material contractual or financial obligations of the Developer, or any applicable law, regulation, judgment or decree.

4. As set forth in the Preliminary Official Statement, certain property within the Community Facilities District is held in the name of the Developer (herein the "**Property**").

5. Except as disclosed in the Preliminary Official Statement, to the Actual Knowledge of the Developer, the Developer has not violated any applicable law or administrative rule or regulation of the State of California or the United States of America, or of any department, division, agency or instrumentality of either thereof, which violation could reasonably be expected to materially and adversely affect the Developer's ability to develop the Property as described in the Preliminary Official Statement or to pay the applicable Special Tax due with respect to the Property (to the extent the responsibility of the Developer) prior to delinquency.

6. Except as disclosed in the Preliminary Official Statement, to the Actual Knowledge of the Developer, (a) the Developer is not in breach of or in default under any or under any applicable court or administrative judgment or decree or any loan agreement, line of credit, note, bond, indenture, fiscal agent agreement, development agreement (including mitigation agreements or joint community facilities agreements) (collectively, the "**Material Agreements**") to which the Developer is a party or is otherwise subject or bound, which breach

or default could reasonably be expected to materially and adversely affect the ability of the Developer to perform its obligations under the Disclosure Certificate, to develop the Property as described in the Preliminary Official Statement or to pay the applicable Special Tax due with respect to the Property (to the extent the responsibility of the Developer) prior to delinquency and (b) no event has occurred and is continuing that with the passage of time or giving of notice, or both, would constitute such a breach of or default under any Material Agreement which could reasonably be expected to materially and adversely affect the ability of the Developer to perform its obligations under the Disclosure Certificate, to develop the Property as described in the Preliminary Official Statement or to pay the applicable Special Tax due with respect to the Property (to the extent the responsibility of the Developer) prior to delinquency.

7. Except as disclosed in the Preliminary Official Statement, to the Actual Knowledge of the Developer, there are no material loans outstanding and unpaid and no material lines of credit of the Developer or its Relevant Entities that are secured by an interest in the Property. To the Actual Knowledge of the Developer, the Developer is not currently in default on any loans, lines of credit or other financial obligation, the result of which could reasonably be expected to materially and adversely affect the Developer's ability to complete the development of the Property as described in the Preliminary Official Statement.

8. To the Actual Knowledge of the Developer, the Developer is not currently delinquent in any material amount in the payment of *ad valorem* property taxes, special assessments or special taxes on the Property. Except as disclosed in the Preliminary Official Statement, to the Actual Knowledge of the Developer, the Developer has not been delinquent in the last five years in the payment of special assessments or special taxes on property in California owned by the Developer during the period of its ownership included within the boundaries of a community facilities district or assessment district within California that caused a draw on a reserve fund relating to such assessment district or community facilities district financing.

9. As of the date hereof, to the Actual Knowledge of the Developer, the statements in the Preliminary Official Statement solely with respect to the Developer, the Property and the proposed development of the Property as described under the captions entitled "PROPERTY OWNERSHIP AND THE DEVELOPMENT— [The Master Developer] [D.R. Horton]" and "CONTINUING DISCLOSURE— Developer Continuing Disclosure – [*Master Developer's Prior Continuing Disclosure Compliance*] [*D.R. Horton's Prior Continuing Disclosure Compliance*]" (but, in all cases under all captions excluding (i) information regarding the appraisal, market value ratios and annual special tax ratios, (ii) information which is identified as having been provided by a source other than the Developer, and (iii) information about valuation, appraisals, market absorption, archaeological or environmental matters), are true and correct in all material respects and do not contain any untrue statement of any material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

10. Except as disclosed in the Preliminary Official Statement, no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory agency, or public board or body is pending against the Developer (with proper service of process to the Developer having been accomplished), or to the Actual Knowledge of the Developer, is overtly threatened in writing against the Developer, (i) in any way questioning the due formation and valid existence of the Developer, (ii) in any way seeking to challenge or affect the validity

and enforceability of any governmental agreements or approvals necessary for the development of the Property, or seeking to restrain or enjoin continuation and/or completion of the development of the Property as described in the Preliminary Official Statement, (iii) in any way seeking to invalidate or set aside any material agreement relating to the development of the Property, (iv) in any way seeking to restrain or to enjoin the issuance, sale or delivery of the Bonds, the application of the proceeds thereof in accordance with the Indenture, or the collection or application of the Special Taxes pledged or to be pledged to pay the principal of and interest on the Bonds, or the pledge thereof, (v) in any way contesting or affecting the validity or enforceability of the Bonds, the Resolution or the Indenture, or (vi) in any way contesting the completeness or accuracy of the Preliminary Official Statement, or (vii) in any way contesting the validity or enforceability of the Disclosure Certificate, or the power and authority of the Developer to enter into and perform its obligations under the Disclosure Certificate.

11. To the Actual Knowledge of the Developer, the Developer is able to pay its bills as they become due and no legal proceedings are pending against the Developer (with proper service of process to the Developer having been accomplished) or, to the Actual Knowledge of the Developer, overtly threatened in writing, in which the Developer may be adjudicated as bankrupt or discharged from any and all of its debts or obligations, or granted an extension of time to pay its debts or obligations, or be allowed to reorganize or readjust its debts.

12. The Developer covenants that, while the Bonds or any refunding obligations related thereto are outstanding, the Developer and its Relevant Entities which it controls will not bring any action, suit, proceeding, inquiry or investigation at law or in equity, before any court, regulatory agency, public board or body which seeks to challenge or overturn the formation or existence of the Community Facilities District, the authorization of the Special Taxes or the validity of the Bonds or the pledge and assignment of the Special Taxes to secure payment of the Bonds or the proceedings taken for their issuance. The foregoing covenant shall not prevent the Developer from bringing any action, suit, proceeding, inquiry or investigation at law or in equity, before any court, regulatory agency, public board or body, (a) contending that the Special Taxes have not been levied in accordance with the methodologies contained in the Rate and Method of Apportionment of Special Taxes for the Community Facilities District pursuant to which the Special Taxes are levied, (b) with respect to the application or use of the Special Taxes levied and collected, or (c) enforcing the obligations of the Community Facilities District or the City under the formation resolutions or any agreement including without limitation, the Resolution of Formation, the Indenture, the Disclosure Certificate, the Bond Purchase Agreement, or any other agreements between or among the Developer, its Relevant Entities, the Community Facilities District, and/or the City or to which the Developer or its Relevant Entities is a party or beneficiary.

13. To the Actual Knowledge of the Developer, there are no claims, disputes, lawsuits, or actions pending against the Developer (with proper service of process to the Developer having been accomplished) or overtly threatened in writing against the Developer, nor, to the Actual Knowledge of the Developer, are there any contingent liabilities of, among, by or between the Developer or any Relevant Entity, in each such case which is reasonably expected to materially and adversely affect the ability of the Developer to develop the Property as described in the Preliminary Official Statement, or, when executed, to comply with its obligations under the Disclosure Certificate.

14. Except as disclosed in the Preliminary Official Statement, to the Actual Knowledge of the Developer, the Developer is not aware of any State of California or federally classified hazardous substances located on the Property and does not believe that such a current liability exists with respect to any portion of the Property owned by the Developer.

15. Except as disclosed in the Preliminary Official Statement, the Developer has not submitted an application for, nor received actual notice of, (a) the formation or authorization of any assessment district or community facilities district which would include any portion of the Property, or (b) the authorization or issuance of any debt secured by a special tax or assessment to be levied on any portion of the Property.

16. Except as disclosed in the Preliminary Official Statement, to the Actual Knowledge of the Developer, the Developer is not aware of any material failures by it to comply in all material respects with previous continuing disclosure undertakings in a written certificate or agreement executed by it to provide periodic continuing disclosure reports or notices of material events respecting securities offerings in California within the past five years.

17. The Developer agrees to deliver a Closing Certificate dated the date of the Closing Date, in substantially the form attached as Appendix A. If any event related to or affecting the Developer, its Relevant Entities or the development and sale of the Property occurs, as a result of which it is necessary to modify the form or Closing Certificate, the Developer agrees to deliver at the time of issuance of the bonds a new form of Closing Certificate revised to reflect such event.

18. An appraisal of the taxable properties within the Community Facilities District, dated October 13, 2025 (the "**Appraisal Report**"), with a date of value of October 1, 2025 (the "**Date of Value**"), was prepared by Integra Realty Resources (the "**Appraiser**"). The Appraisal Report estimates the market value of the appraised taxable properties within the Community Facilities District as of the Date of Value. To Actual Knowledge of the Developer, all information submitted by, or on behalf of and authorized by, the Developer to the Appraiser and contained in the sections of the Appraisal Report highlighted in yellow or circled in Appendix B attached hereto, was true and correct in all material respects as of the Date of Value.

19. The Developer has received a copy of the Bond Purchase Agreement and acknowledges and agrees that the representations and covenants on its part contained in this Certificate are given as a condition to the issuance of the Bonds by the Community Facilities District and the underwriting of the Bonds by the Underwriter, and that the Community Facilities District and the Underwriter would not so issue and so underwrite the Bonds, respectively, without the representations and covenants contained herein.

The undersigned has executed this Certificate solely in his or her capacity as an authorized officer or representative of the Developer and he or she will have no personal liability, individually or collectively, arising from or relating to this Certificate. Any liability arising from or relating to this Certificate may only be asserted against the Developer.

This Certificate has been executed as of the date first written above.

[D.R. HORTON CA2, INC., a California corporation] [JEN CALIFORNIA 24 LLC, a California limited liability company]

By: _____
Name: _____
Title: _____

APPENDIX A

CITY OF LINCOLN COMMUNITY FACILITIES DISTRICT NO. 2025-1
(JOINER RANCH EAST)
SPECIAL TAX BONDS, SERIES 2025

CLOSING CERTIFICATE OF
[D.R. HORTON CA2, INC.] [JEN CALIFORNIA 24 LLC]

[Closing Date]

Piper Sandler & Co.
El Segundo, California

City of Lincoln Community Facilities District No. 2025-1
(Joiner Ranch East)
Lincoln, California

Ladies and Gentlemen:

Reference is made to the City of Lincoln Community Facilities District No. 2025-1 (Joiner Ranch East) Special Tax Bonds, Series 2025 (the "**Bonds**") and to the Bond Purchase Agreement (the "**Bond Purchase Agreement**") executed by and between City of Lincoln Community Facilities District No. 2025-1 (Joiner Ranch East) (the "**Community Facilities District**") and Piper Sandler & Co. (the "**Underwriter**"), entered into in connection therewith. This Closing Certificate of [D.R. Horton CA2, Inc.] [JEN California 24 LLC] (the "**Closing Certificate**") is delivered by [D.R. Horton CA2, Inc., a California corporation] [JEN California 24 LLC, a California limited liability company] (the "**Developer**") pursuant to the Bond Purchase Agreement. Capitalized terms used herein and not otherwise defined have the meanings ascribed to them in the Certificate of [D.R. Horton CA2, Inc.] [JEN California 24 LLC], dated [POS Date] (the "**Certificate**"), delivered by the Developer.

The undersigned certifies that he or is familiar with the facts herein certified and is authorized and qualified to certify the same as an authorized officer or representative of the Developer, and the undersigned, on behalf of the Developer, further certifies as follows:

1. The Developer has received the final Official Statement relating to the Bonds, dated [BPA Date] (the "**Official Statement**"). Each statement, representation and warranty made in the Certificate is true and correct in all material respects on and as of the date hereof with the same effect as if made on the date hereof, except that all references therein to the Preliminary Official Statement shall be deemed to be references to the Official Statement.

2. To the Actual Knowledge of the Developer, no event has occurred since the date of the Preliminary Official Statement affecting the statements and information contained in the Sections of the Official Statement described in Paragraph 9 of the Certificate relating to the Developer, the Property and the proposed development of the Property, which should be disclosed in the Official Statement for the purposes for which it is to be used in order to make such statements and information contained in the Official Statement not misleading in any material respect.

3. For the period through 25 days after the "**End of the Underwriting Period**" as referenced in Section 3(D) of the Bond Purchase Agreement (provided the Developer may assume the End of the Underwriting Period is the Closing Date (as defined in the Bond Purchase Agreement), unless it receives written notice from the Underwriter that the End of the Underwriting Period is later than the Closing Date), if any event relating to or affecting the Developer, its Relevant Entities, or the development of the Property shall occur as a result of which it is necessary, in the opinion of the Underwriter or counsel to the Community Facilities District, to amend or supplement the Official Statement in order to make the information under the sections of the Official Statement indicated in Paragraph 9 of the Certificate (and subject to limitations and exclusions contained in Paragraph 9 of the Certificate) not misleading in the light of the circumstances under which they were made, the Developer shall reasonably cooperate with the Community Facilities District and the Underwriter in the preparation of a supplement or amendment to the information described under the sections of the Official Statement indicated in Paragraph 9 of the Certificate (and subject to the limitations and exclusions contained in Paragraph 9 of the Certificate) in form and substance satisfactory to the Underwriter and counsel to the Community Facilities District, which will amend or supplement the Official Statement so that it will not contain an untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

4. The Developer has duly executed and delivered the Disclosure Certificate.

[Remainder of Page Intentionally Left Blank; Signature Page Follows]

The undersigned has executed this Closing Certificate solely in his or her capacity as an authorized officer or representative of the Developer and he or she will have no personal liability, individually or collectively, arising from or relating to this Closing Certificate. Any liability arising from or relating to this Closing Certificate may only be asserted against the Developer.

This Closing Certificate has been executed as of the date first written above.

[D.R. HORTON CA2, INC., a California corporation] [JEN CALIFORNIA 24 LLC, a California limited liability company]

By: _____
Name: _____
Title: _____

APPENDIX B

CITY OF LINCOLN COMMUNITY FACILITIES DISTRICT NO. 2025-1
(JOINER RANCH EAST)
SPECIAL TAX BONDS, SERIES 2025

DEVELOPER PROVIDED INFORMATION IN APPRAISAL REPORT

See attached

Integra Realty Resources
Sacramento

Appraisal of Real Property

City of Lincoln CFD No. 2025-1 (Joiner Ranch East)
Residential Subdivision
SEC of Nicolaus Road & Joiner Parkway
Lincoln, Placer County, California 95648

Prepared For:
City of Lincoln

Date of the Report:
October 13, 2025

Report Format:
Appraisal Report

IRR - Sacramento
File Number: 193-2025-0374



Subject Photographs





City of Lincoln CFD No. 2025-1 (Joiner Ranch East)
SEC of Nicolaus Road & Joiner Parkway
Lincoln, California

Integra Realty Resources
Sacramento

516 Gibson Drive
Suite 290
Roseville, CA 95678

T 916.435.3883
F 916.435.4774
www.irr.com

October 13, 2025

Nita Wracker
MBA CPA - Finance Director
City of Lincoln
600 Sixth Street
Lincoln, CA 95648

SUBJECT: Market Value Appraisal
City of Lincoln CFD No. 2025-1 (Joiner Ranch East)
SEC of Nicolaus Road & Joiner Parkway
Lincoln, Placer County, California 95648
IRR - Sacramento File No. 193-2025-0374

Dear Ms. Wracker:

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

The City of Lincoln Community Facilities District No. 2025-1 (Joiner Ranch East) ("CFD No. 2025-1") is generally located at the southeast corner of Nicolaus Road and Joiner Parkway, within the city of Lincoln, Placer County, California. CFD No. 2025-1 is comprised of 198 residential lots with a typical lot size of 3,600 square feet and is being developed by DR Horton. The subject offers four floor plans ranging in size from 1,547 to 2,311 square feet in a community called Jasper by DR Horton. As of the effective date of value, October 1, 2025, the subject consists of partially-improved lots, finished lots, homes under construction, and completed homes. A more detailed legal and physical description of the subject property is contained within the attached report.

The appraisal conforms to the Uniform Standards of Professional Appraisal Practice (USPAP), the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute, and applicable state appraisal regulations. The Appraisal Report is also prepared in

accordance with the Appraisal Standards for Land Secured Financing published by the California Debt and Investment Advisory Commission (CDIAC) (2004).

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

Based on the valuation analysis in the accompanying Appraisal Report, and subject to the hypothetical condition, definitions, assumptions, and limiting conditions expressed in the report, the concluded opinions of value, as of the date of value, October 1, 2025, is as follows:

Market Value by Component

	Lots/Parcels /Homes	Lot/Home Value	Remaining Site Development Costs	Permits and Fees	Value per Component	Market Value (Rd.)	
DR Horton CA2 Inc. (Jasper-Lincoln L.P.)							
Finished Lots	64	$195,000	-	-	$195,000	$12,480,000	
Homes Under Construction	26	$195,000	-	$52,100	$247,100	$6,425,000	
Completed Homes	10	$480,000	-	-	$480,000	$4,800,000	(Not-Less-Than)
Aggregate Value - DR Horton CA2 Inc. (Jasper-Lincoln L.P.)	**100**					**$23,705,000**	
JEN California 24 LLC							
Partially-Improved Lots	97	$195,000	($5,627)	-	$189,373	$18,369,000	
Bulk Market Value - JEN California 24 LLC	**97**					**$18,369,000**	
Individual Homeowner							
Completed Homes	1	$480,000	-	-	$480,000	$480,000	(Not-Less-Than)
Market Value - Individual Homeowner	**1**					**$480,000**	
Aggregate Value, subject to a hypothetical condition	**198**					**$42,554,000**	

Extraordinary Assumptions and Hypothetical Conditions

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

(None)

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

1. The value derived herein is based on the hypothetical condition that certain impact fees and public improvements to be reimbursed by the CFD No. 2025-1 Revenue Bonds, Series 2025, have been paid.

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

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

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

Respectfully submitted,

Integra Realty Resources - Sacramento

Blake Fassler
California Certified General Real Estate
Appraiser #3007274
Telephone: 916-435-3883
Email: bfassler@irr.com

Kevin Ziegenmeyer, MAI
California Certified General Real Estate
Appraiser #AG013567
Telephone: 916.435.3883, ext. 224
Email: kziegenmeyer@irr.com

Noah Kauffman, MAI, R/W-AC
California Certified General Real Estate
Appraiser #3004618
Telephone: 916.302.2305
Email: nkauffman@irr.com

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Addenda
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Land Sales

Executive Summary

Property Name	City of Lincoln CFD No. 2025-1 (Joiner Ranch East)
Address	SEC of Nicolaus Road & Joiner Parkway Lincoln, Placer County, California 95648
Property Type	Land - Single Family Development Land
Owner of Record	DR Horton CA2 Inc., Jasper-Lincoln L.P., JEN California 24 LLC, and an Individual Homeowner
Tax ID	009-410-001 through -114 and 009-420-001 through -084
Land Area	26.78 acres; 1,166,580 SF
Zoning Designation	PD-MDR, Planned Development - Medium Density Residential
Highest and Best Use	Residential use
Exposure Time; Marketing Period	9-12 months; 9-12 months
Effective Date of the Appraisal	October 1, 2025
Date of the Report	October 13, 2025
Property Interest Appraised	Fee Simple

Value Conclusion

Value Type & Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Aggregate Value, subject to a hypothetical condition	Fee Simple	October 1, 2025	$42,554,000

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 City of Lincoln and its associated finance team may use or rely on the information, opinions, and conclusions contained in the report. It is assumed that the users of the report have read the entire report, including all of the definitions, assumptions, and limiting conditions contained therein.

Extraordinary Assumptions and Hypothetical Conditions

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

(None)

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

1. The value derived herein is based on the hypothetical condition that certain impact fees and public improvements to be reimbursed by the CFD No. 2025-1 Revenue Bonds, Series 2025, have been paid.

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

Identification of the Appraisal Problem

Subject Description

The City of Lincoln Community Facilities District No. 2025-1 (Joiner Ranch East) ("CFD No. 2025-1") is generally located at the southeast corner of Nicolaus Road and Joiner Parkway, within the city of Lincoln, Placer County, California. CFD No. 2025-1 is comprised of 198 residential lots with a typical lot size of 3,600 square feet and is being developed by DR Horton. The subject offers four floor plans ranging in size from 1,547 to 2,311 square feet in a community called Jasper by DR Horton. As of the effective date of value, October 1, 2025, the subject consists of partially-improved lots, finished lots, homes under construction, and completed homes. A legal description of the property is provided in the addenda.

Property Identification	
Property Name	City of Lincoln CFD No. 2025-1 (Joiner Ranch East)
Address	SEC of Nicolaus Road & Joiner Parkway Lincoln, California 95648
Tax ID	009-410-001 through -114 and 009-420-001 through -084
Owner of Record	DR Horton CA2 Inc., Jasper-Lincoln L.P., JEN California 24 LLC, and an Individual Homeowner

Sale History

The subject property is being sold in two takedowns from JEN California 24 LLC to DR Horton CA2 Inc. The first takedown of 101 lots occurred in the first quarter of 2025 with the second takedown of the 97 lots anticipated in March of 2026. Due to the ongoing transaction, DR Horton has asked to keep the remaining terms and price of the deal confidential. We were provided with the pertinent information of the transaction, and the bulk lot sale of the subject property is generally consistent with market value at the time it was negotiated. The purchase is an arm's-length transaction with no unusual motivations. The previous sale of the subject property is not consistent with current market value, given changing market conditions as well as the hypothetical condition noted.

DR Horton is utilizing a land bank, Jasper – Lincoln, L.P., as a financing mechanism to acquire the lots over time pursuant to a takedown schedule, which is relatively commonplace for transactions involving national homebuilders. This transaction is not considered an arm's length transfer of the subject lots, as defined; thus, no further consideration is warranted. For purposes of analysis herein, there is no delineation between Jasper – Lincoln, L.P. and DR Horton in the determination of market value, in bulk, of the properties held by the master developer.

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

Pending Transactions

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

Appraisal Purpose

The purpose of this Appraisal Report is to estimate the market value (fee simple estate), by Assessor's parcel, and the cumulative, or aggregate value of the appraised properties comprising City of Lincoln CFD No. 2025-1 (Joiner Ranch East), subject to the hypothetical condition certain proceeds from the 2025 Special Tax Bonds will be available to reimburse the master developer for various public improvements and/or impact fees, as of the effective date of the appraisal, October 1, 2025. The date of the report is October 13, 2025. The appraisal is valid only as of the stated effective date. The home values are based on a "not-less-than" value for the smallest floor plan, without consideration for upgrades and lot premiums. Further, we have been asked to exclude any contributory value of unfinished homes, but consider the value of permits and impact fees paid for lots with either construction underway or not yet begun.

Value Type Definitions

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

Market Value

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

1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised, and acting in what they consider their own best interests;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. [1]

Property Rights Definitions

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

[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

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

Intended Use

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

Applicable Requirements

This appraisal report conforms to the following requirements and regulations:

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

Report Format

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

Prior Services

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

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

Appraiser Competency

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

Scope of Work

Introduction

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

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

Research and Analysis

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

Subject Property Data Sources

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

Inspection

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

Property Inspection

Party	Inspection Type	Inspection Date
Blake Fassler	On-site	October 2, 2025
Kevin Ziegenmeyer, MAI	On-site	October 1, 2025
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:

Approaches to Value

Approach	Applicability to Subject	Use in Assignment
Cost Approach	Not Applicable	Not Utilized
Sales Comparison Approach	Applicable	Utilized
Income Capitalization Approach	Applicable	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 at the subject.

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

The market value 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. Our analysis excluded a typical cost approach since the subject property represents land. However, costs associated with home construction were taken into consideration as part of the land residual analysis and determination of financial feasibility.

Economic Analysis

Placer County Area Analysis

Placer County is part of the four-county Sacramento Metropolitan Area, along with the counties of Sacramento, Yolo and El Dorado. The county is 1,407 square miles in size and has a population density of 300 persons per square mile. It is located in the north-central part of California, approximately 100 miles northeast of San Francisco, 250 miles south of Oregon, and 80 miles west of Lake Tahoe. Placer County lies along the I-80 corridor northeast of Sacramento and blends fast-growing suburban hubs (Roseville, Rocklin, Lincoln) with foothill towns and resort communities around North Lake Tahoe. The southernmost part of Placer County consists of a valley commonly referred to as South Placer, while the remainder of the county is divided into the Gold Country, where parts of Auburn and Colfax are located, and the High Country, which encompasses Tahoe City and Kings Beach along Lake Tahoe.

Placer County is developed with a mix of urban and rural uses. Roseville and Rocklin are the largest cities and are primarily urban, while smaller communities, such as Loomis, Newcastle and Colfax, have remained rural. Auburn and Lincoln both exhibit a combination of urban and rural settings. However, in recent years the city of Lincoln has experienced dramatic growth and development and has become one of the fastest-growing cities in California.

The local economy is anchored by healthcare, professional and business services, education, government, construction, retail, and tourism. Major retail concentrations cluster around the Westfield Galleria and the Highway 65 corridor, while Class A office inventory is centered in Roseville/ Rocklin and light industrial/warehouse space extends along Highways 65 and 80. The county benefits from access to Sacramento International Airport, regional rail to Auburn, and goods movement supported by direct interstate connectivity. Quality-of-life amenities—trail systems, lakes, and year-round recreation—support in-migration and household formation.

Population

Placer County has an estimated 2025 population of 422,203, which represents an average annual 0.8% increase over the 2020 census of 404,739. Placer County added an average of 3,493 residents per year over the 2020-2025 period, and its growth in population contrasts with the State of California which had a 0.3% average annual decrease in population over this time.

Looking forward, Placer County's population is projected to increase at a 0.4% annual rate from 2025-2030, equivalent to the addition of an average of 1,820 residents per year. Placer County's growth contrasts with California, which is projected to decline at a 0.1% rate.

Population Trends					
	Population			Compound Ann. % Chng	
	2020 Census	2025 Estimate	2030 Projection	2020 - 2025	2025 - 2030
Placer County	404,739	422,203	431,305	0.8%	0.4%
California	39,538,223	38,870,482	38,763,700	-0.3%	-0.1%

Source: Claritas

Employment

Total employment in Placer County was estimated at 187,149 jobs at year-end 2024. Between year-end 2014 and 2024, employment rose by 42,512 jobs, equivalent to a 29.4% increase over the entire period. There were gains in employment in nine out of the past ten years. Placer County's rate of employment growth over the last decade surpassed that of California, which experienced an increase in employment of 13.3% or 2,140,994 jobs over this period.

Employment Trends						
	Total Employment (Year End)				Unemployment Rate (Ann. Avg.)	
Year	Placer County	% Change	California	% Change	Placer County	California
2014	144,637		16,089,814		6.3%	7.6%
2015	151,854	5.0%	16,606,038	3.2%	5.1%	6.2%
2016	157,499	3.7%	16,930,563	2.0%	4.5%	5.5%
2017	164,379	4.4%	17,263,084	2.0%	3.9%	4.8%
2018	170,473	3.7%	17,573,378	1.8%	3.2%	4.3%
2019	174,216	2.2%	17,857,719	1.6%	3.2%	4.1%
2020	163,680	-6.0%	16,401,290	-8.2%	7.5%	10.2%
2021	177,646	8.5%	17,641,250	7.6%	5.1%	7.3%
2022	181,852	2.4%	18,066,913	2.4%	3.1%	4.3%
2023	184,700	1.6%	18,146,497	0.4%	3.7%	4.7%
2024	187,149	1.3%	18,230,808	0.5%	4.1%	5.3%
Overall Change 2014-2024	42,512	29.4%	2,140,994	13.3%		
Avg Unemp. Rate 2014-2024					4.5%	5.8%
Unemployment Rate - April 2025					3.8%	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.

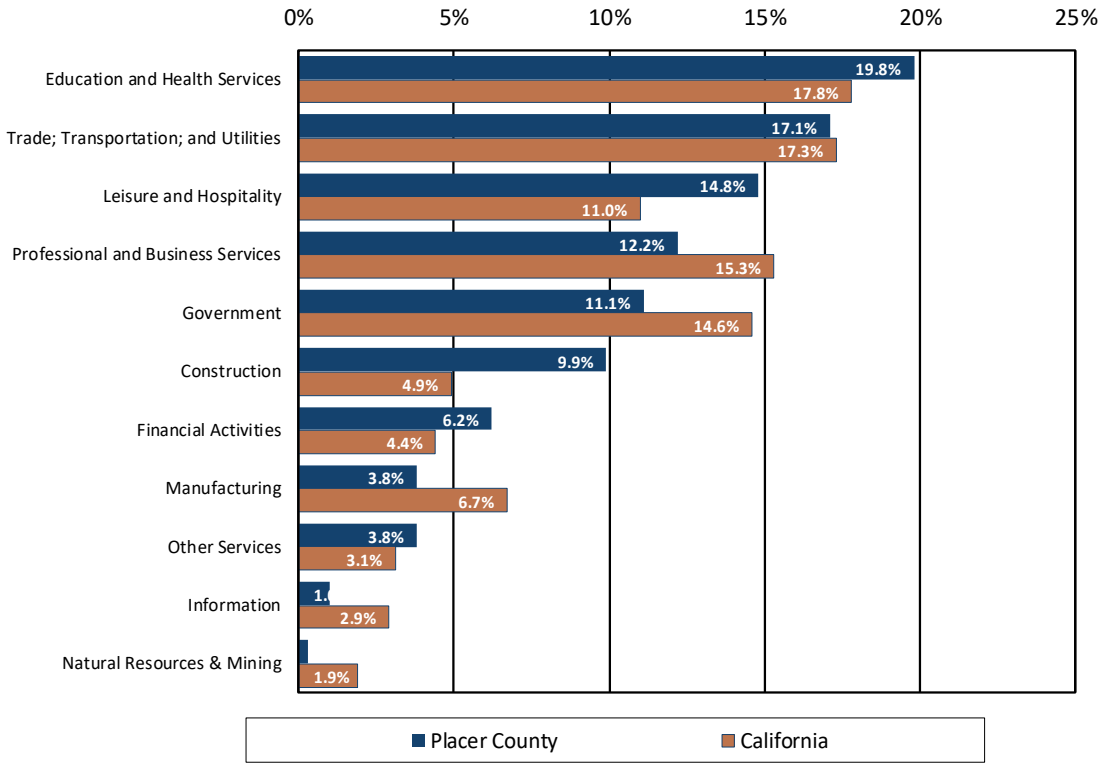
A comparison of unemployment rates is another way of gauging an area's economic health. Over the past decade, the Placer County unemployment rate has been consistently lower than that of California, with an average unemployment rate of 4.5% in comparison to a 5.8% rate for California.

Recent data shows that the Placer County unemployment rate is 3.8% in comparison to a 5.0% rate for California, a positive sign that is consistent with the fact that Placer County has outperformed California in the rate of job growth over the past two years.

Employment Sectors

The composition of the Placer 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 Placer County jobs in each category.

Employment Sectors - 2024



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

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

1. Education and Health Services, representing 19.8% of the Placer 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. Leisure and Hospitality, representing 14.8% of the Placer 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. Construction, representing 9.9% of the Placer County payroll employment compared to 4.9% for California as a whole. This sector includes construction of buildings, roads, and utility systems.

Placer County is underrepresented in the following sectors:

1. Professional and Business Services, representing 12.2% of the Placer 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. Government, representing 11.1% of the Placer 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 Placer County are shown in the following table.

Major Employers - Placer County

	Name	Number of Employees
1	Sutter Health	6,672
2	Kaiser Permanente - Roseville	6,094
3	Placer County	2,669
4	Thunder Valley Casino Resort	2,400
5	Sierra Joint Community College District	1,900
6	Roseville City School District	1,783
7	City of Roseville	1,386
8	Palisades Tahoe	1,321
9	Safeway	1,217
10	Pacific Gas & Electric Co	1,120

Source: Sacramento Business Journal, The List: Employers - Placer County, July 5, 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 somewhat higher in Placer County than California overall during the past decade. Placer County has grown at a 3.7% average annual rate while the State of California has grown at a 3.3% rate. However, Placer County has recently underperformed California. GDP for Placer County rose by 1.4% in 2023 while California's GDP rose by 2.0%.

Placer County has a per capita GDP of $63,643, which is 23% less than California's GDP of $82,877. This means that Placer County industries and employers are adding relatively less value to the economy than their counterparts in California.

Gross Domestic Product				
Year	($,000s) Placer County	% Change	($,000s) California	% Change
2013	18,730,154	–	2,340,335,300	–
2014	19,256,016	2.8%	2,428,675,700	3.8%
2015	20,477,469	6.3%	2,545,979,500	4.8%
2016	21,401,555	4.5%	2,623,711,700	3.1%
2017	21,945,008	2.5%	2,740,550,300	4.5%
2018	23,346,285	6.4%	2,850,970,300	4.0%
2019	23,942,196	2.6%	2,969,609,000	4.2%
2020	23,905,563	-0.2%	2,933,320,200	-1.2%
2021	26,026,237	8.9%	3,154,188,600	7.5%
2022	26,650,663	2.4%	3,184,007,800	0.9%
2023	27,022,666	1.4%	3,248,656,600	2.0%
Compound % Chg (2013-2023)		3.7%		3.3%
GDP Per Capita 2023	$63,643		$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

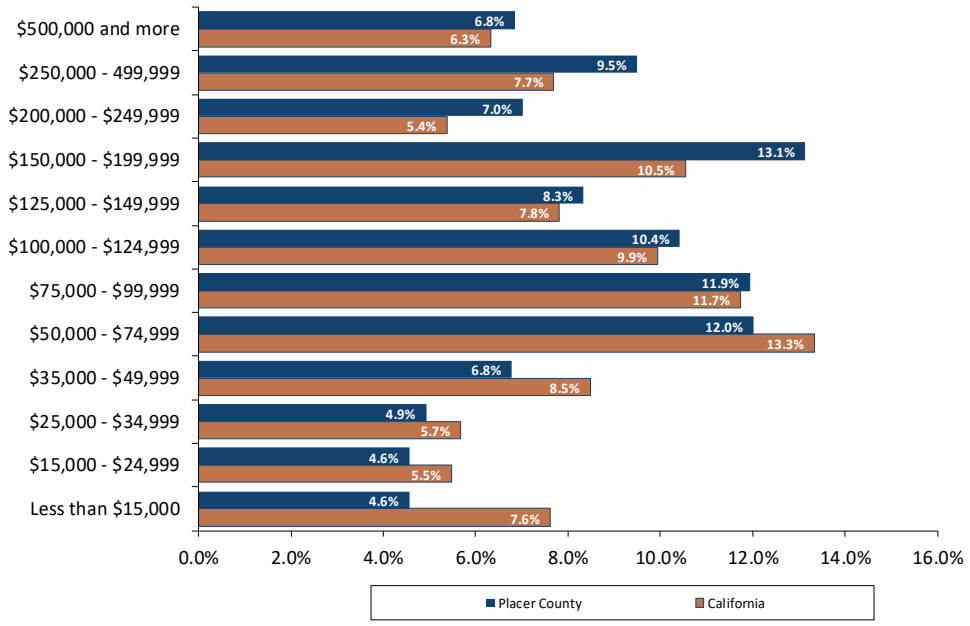
Placer County is more affluent than California. Median household income for Placer County is $112,036, which is 18.2% greater than the corresponding figure for California.

Median Household Income - 2025	
	Median
Placer County	$112,036
California	$94,758
Comparison of Placer County to California	+ 18.2%

Source: Claritas

The following chart shows the distribution of households across twelve income levels. Placer County has a greater concentration of households in the higher income levels than California. Specifically, 36% of Placer County households are at the $150,000 or greater levels in household income as compared to 30% of California households. A lesser concentration of households is apparent in the lower income levels, as 21% of Placer County households are below the $50,000 level in household income versus 27% of California households.

Household Income Distribution - 2025

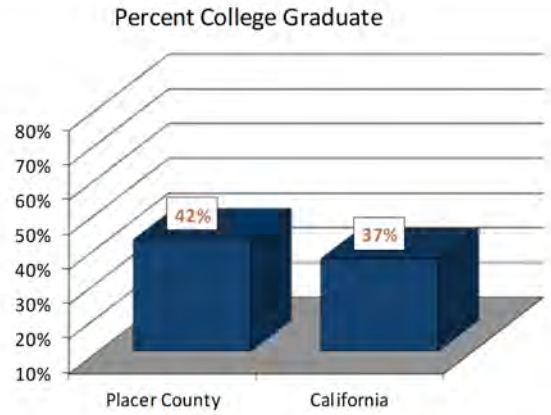


Source: Claritas

Education Levels

Residents of Placer County have a higher level of educational attainment than those of California. An estimated 42% of Placer County residents are college graduates with four-year degrees, versus 37% of California residents.

Education Levels - 2025



Source: Claritas

Transportation

Interstate 80, State Highway 65 and State Highway 193 are the major routes traversing Placer County. Major urban arterials in the southern part of the county include Douglas Boulevard, Roseville Parkway, Pleasant Grove Boulevard, Foothills Boulevard, Sunrise Avenue, Auburn-Folsom Road, Sierra College Boulevard, Sunset Boulevard, Rocklin Road and Stanford Ranch Road.

In addition to roadways within the county limits, South Placer County enjoys proximity to many of the Sacramento region's freeways that provide access to the San Francisco Bay Area to the west, Central and Southern California to the south, Northern California and Oregon to the north, and Nevada to the east. Sacramento International Airport is situated about 10 miles west of the county border. The county is also home to a couple of small private airports. The region has good railroad service, including the transcontinental Union Pacific Railroad and Amtrak. The Capitol Corridor system provides high-speed commuter rail service from Roseville to San Jose and Placer County Transit provides seven fixed routes servicing areas from Colfax down to Watt Avenue in Sacramento.

Recreation & Community Services

Placer County has ample community services and recreational opportunities. The County, cities and various park districts operate numerous public parks, golf courses, aquatic centers, libraries and community centers. Many private golf courses are located in the region, and several ski resorts are located in the mountains. Within the county lies a portion of the Folsom Lake State Recreation Area, a boating, fishing, and swimming retreat.

In terms of higher education, Placer County is home to Sierra College in Rocklin, a two-year community college offering a wide range of day and evening classes serving over 25,000 students. Sierra College also has an extension campus located in the Vernon District in Roseville and two additional campuses – the Nevada County and Tahoe-Truckee campuses. In 2004, William Jessup University, a private Christian college, moved from San Jose to a new facility in Rocklin. Additional university campuses within the county includes Brandman University located in Roseville.

The region offers good health services, including hospitals and medical office facilities. Two hospitals are located in Roseville – the Sutter Roseville Medical Center and Kaiser Permanente. In addition to the hospital, construction was completed at the end of 2019 for a new state-of-the-art, 194,000 square foot Kaiser Permanente medical campus to replace their existing campus on Riverside Avenue. The city of Auburn is home to Sutter Auburn Faith Hospital, Sutter Medical Center-Auburn, UC Davis Medical Center, Foundation Medical Clinic and Heritage Medical Center Complex. The city of Lincoln contains medical offices/clinics operated by Sutter, UC Davis, Kaiser and Catholic Healthcare West. In addition to these institutional health care facilities, the county is home to a large and growing number of private physicians, dentists, clinics and other medical specialists.

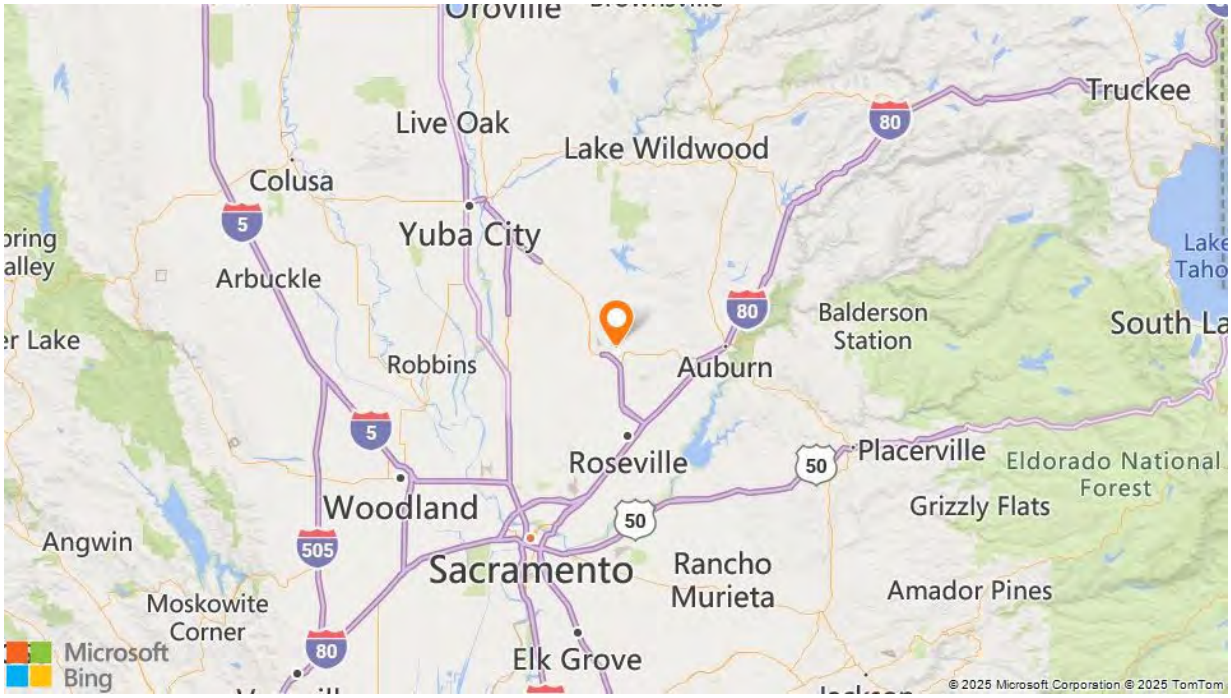
The city of Roseville is South Placer's hub for fine dining and entertainment. Several upscale restaurants are situated along Eureka Road, Roseville Parkway and Galleria Boulevard. Roseville and Rocklin both offer two multi-screen movie theatres, and Auburn has one theatre. Shopping centers are widespread, the largest of which are the Galleria at Roseville, a regional shopping mall that opened in 2000 and was expanded in 2008-2009, and the Fountains at Roseville, an outdoor lifestyle center that opened in June 2008.

Conclusion

Placer County encompasses a diverse area, with growing cities, small towns and rural areas, and an abundance of open space. The area has a number of positive attributes, including seismic stability, a well-educated work force, good transportation systems, relative affordability and availability of housing compared to the Bay Area, and an excellent level of community services.

Placer County is positioned for continued long-term growth, supported by a strong demographic profile, diversified employment base, and high quality of life that attracts both households and businesses. Risks tied to wildfire and insurance pressures in the foothills, seasonal volatility in the Tahoe submarket, and broader macroeconomic uncertainty remain important considerations. Overall, however, the county's outlook points to steady, incremental expansion with investment and leasing activity concentrated in growth corridors and sectors aligned with regional population and employment trends.

Area Map


Live Oak
Lake Wildwood
Truckee
Colusa
Yuba City
Arbuckle
Balderson
Station
Robbins
Auburn
Roseville
Placerville
Eldorado National
Forest
Grizzly Flats
Woodland
Angwin
Sacramento
Rancho
Murieta
Amador Pines
Moskowite
Corner
Elk Grove
Microsoft
Bing
© 2025 Microsoft Corporation © 2025 TomTom

Surrounding Area Analysis

Location

The subject property is located within the city of Lincoln, in Placer County. The subject's neighborhood boundaries can generally be defined as the Lincoln city limits to the north and south, Lincoln Boulevard to the east and Aviation Boulevard/Nelson Lane to the west. The subject property is located within the Lincoln submarket area.

The subject's immediate neighborhood contains mostly single-family residential development, with retail and office development nearby. The Lincoln area has experienced significant urbanization over the past several years. Increased residential development has led to the expanded construction of retail, office, and industrial properties.

Access and Linkages

The subject property has access from Nicolaus Road and Joiner Parkway, which represents a north-south, four-lane neighborhood thoroughfare through the city of Lincoln and connecting to the neighboring city of Rocklin to the south. It also provides access to State Highway 65 to the south via Ferrari Ranch Road and Lincoln Boulevard. State Highway 65 can also be accessed via Nelson Lane to the west of the subject. State Highway 65 is a north-south freeway that extends through Downtown Lincoln, Wheatland and the Marysville/Yuba City area to the north. To the south, State Highway 65 intersects with Interstate 80, a major east-west freeway that provides access to the Sacramento Central Business District, before continuing on to Davis, Vacaville, Fairfield and the San Francisco Bay Area. Approximately 80 miles to the east, Interstate 80 provides access to Reno, Nevada. Commute time from Lincoln to the Sacramento Central Business District is estimated at 30 to 45 minutes.

Demographics

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

Surrounding Area Demographics

2025 Estimates	3-Mile Radius	5-Mile Radius	10-Mile Radius	95648 (Lincoln, CA)	Placer County, CA
Population 2020	38,038	58,728	242,566	54,402	404,739
Population 2025	40,547	63,781	259,467	58,630	422,203
Population 2030	42,371	66,899	268,951	61,049	431,305
Compound % Change 2020-2025	1.3%	1.7%	1.4%	1.5%	0.8%
Compound % Change 2025-2030	0.9%	1.0%	0.7%	0.8%	0.4%
Households 2020	13,488	21,716	88,455	20,556	152,101
Households 2025	14,236	23,225	93,766	21,869	158,079
Households 2030	14,834	24,209	96,898	22,666	161,327
Compound % Change 2020-2025	1.1%	1.4%	1.2%	1.2%	0.8%
Compound % Change 2025-2030	0.8%	0.8%	0.7%	0.7%	0.4%
Median Household Income 2025	$103,453	$109,081	$117,604	$105,405	$112,036
Average Household Size	2.8	2.7	2.8	2.7	2.6
College Graduate %	31%	38%	43%	36%	42%
Owner Occupied %	78%	81%	73%	82%	72%
Renter Occupied %	22%	19%	27%	18%	28%
Median Owner Occupied Housing Value	$643,845	$691,499	$705,428	$685,724	$711,487
Median Year Structure Built	2003	2004	2001	2004	1994
Average Travel Time to Work in Minutes	30	30	30	31	29

Source: Claritas

As shown above, the current population within a 5-mile radius of the subject is 63,781, and the average household size is 2.7. Population in the area has grown since the 2020 census, and this trend is projected to continue over the next five years. Compared to Placer County overall, the population within a 5-mile radius is projected to grow at a faster rate.

Median household income is $109,081, which is slightly lower than the household income for Placer County. Residents within a 5-mile radius have a slightly lower level of educational attainment than those of Placer County, while median owner-occupied home values are also slightly lower.

Land Use

Most of the land uses in Lincoln are residential, with supporting commercial, industrial, and community uses. Generally, older construction is situated at the core of the city, and new construction is concentrated in the southern and western parts of the city. Thousands of new homes have been built in the past decade in southern Lincoln, in the master-planned communities of Lincoln Crossing, Sun City Lincoln Hills (age-restricted community), and Twelve Bridges.

Originally, most commercial development in the city of Lincoln was concentrated in the Downtown area, situated along both sides of State Highway 65/G Street between First and Ninth Streets. This area is characterized by a variety of brick, wood-frame and corrugated metal structures. Land uses in the Downtown area include commercial, public, industrial, service, and residential uses. This area also contains City Hall and municipal offices. Some older buildings in the Downtown area have recently been renovated and/or converted to new uses.

The subject is located in an area primarily of single-family residential development with a large amount of vacant land, planned for a mix of commercial and additional residential development.

The bulk of the commercial development within the Lincoln area is located southeast of subject, along Lincoln Boulevard. Specifically, the Sterling Pointe Shopping Center, located at southeast quadrant of Joiner Parkway and Lincoln Boulevard, and represents a 144,000 square foot retail center anchored by a Raley's supermarket. This center has several strip retail buildings as well as freestanding buildings, occupied by tenants such as Wells Fargo Bank, Chase Bank, Bank of America, KFC/A&W, and Taco Bell. Tenants of the strip retail buildings include Sterling Café, California Sun Centers, Baskin Robbins, a dental office, Ninja Sushi, Casa Ramos, and Jamba Juice. The Villages at Sterling Pointe, located just south of this center, includes shops, restaurants and professional office buildings, and will total approximately 179,800 square feet at completion. Other tenants of the Villages at Sterling Pointe include Schools Financial Credit Union, BBVA Compass, Lincoln Medical Supply, Fantastic Sam's, and Century 21 Real Estate, to name a few.

North of the Villages at Sterling Pointe, is a 21-acre, retail project identified as Parkway Plaza. This center is anchored by Lowe's and includes additional tenants such as McDonalds, Red Robin Gourmet Burger, Big 5 Sporting Goods, and Dollar Tree. Across State Highway 65, at Ferrari Ranch Road and Joiner Parkway, Home Depot opened for business in October 2005. The Home Depot is part of the Lincoln Crossing Marketplace, a 368,615 square-foot retail center that also features several big-box retailers such as Target, T.J. Maxx, Ross, and Petsmart. Other occupants of this power center include Starbucks, Philly Nail & Spa, GNC, Kobe, Panda Express, Carl's Jr., O'Reilly Auto Parts, and Holiday Inn. Additionally, In-N-Out is also located at the corner of Ferrari Ranch Road and Groveland Lane.

Just south of the Lincoln city limits is Thunder Valley Casino, located along Athens Avenue at Industrial Avenue. This gaming facility opened in 2003 and offers slot machines, table games, and restaurants. An expansion of the casino, which included the development of a multi-story hotel tower and event theatre, was completed in July 2010.

Community Uses

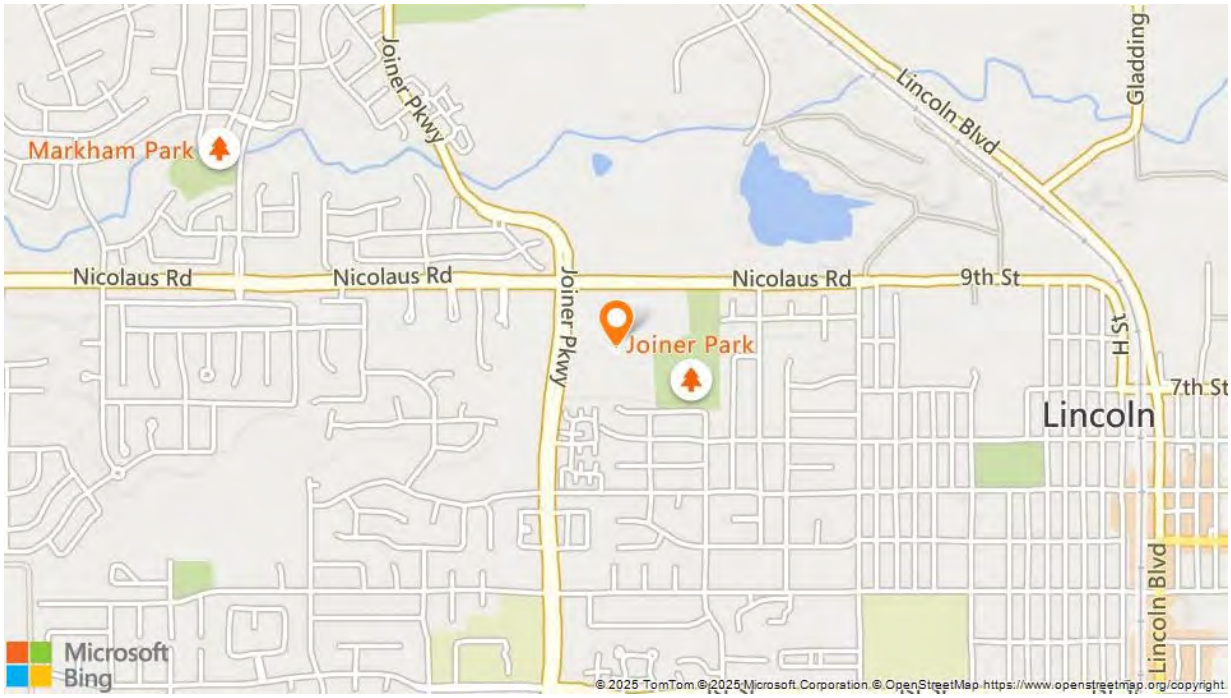
The neighborhood is served by various community uses including schools, parks, religious facilities, libraries, and golf courses. Foskett Regional Park is located less than one-mile northwest of the subject property along Joiner Parkway. This 42-acre park includes a four-diamond lighted softball complex, four lighted soccer fields, concessions, pedestrian and bike path and three different children's play equipment areas. Lincoln Hills Golf Course is located southeast of the subject property within the Sun City development, and Catta Verdera Country Club is further south. Turkey Creek Golf Course is located just northeast of the city limits, along State Highway 193. Just west of the subject is the Lincoln Regional Airport, which accommodates a wide scope of private, corporate and executive aircraft.

Outlook and Conclusions

The subject is located within a balanced neighborhood developed primarily with residential and limited commercial uses in the immediate area. The Lincoln area experienced rapid growth over the last expansionary period. The subject property benefits from good transportation characteristics, including good freeway access and its location along a major neighborhood thoroughfare. The

characteristics of the subject neighborhood relative to other locales in the region are average, and demand for residential development is projected over the long term.

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.

Homebuilders are seeing the signs of slowing pace of sales nationally; however, California has been a bright spot for many national homebuilders. Orange County as well as Sacramento region have been the best performing areas in California. Specifically, south Placer County has been the best performing area in the region as home prices and absorption have remained steady.

Submarket Overview

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

Single-Family Building Permits

Single-family building permits for the city of Lincoln as well as Placer 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 Lincoln	% Change	County of Placer	% Change
2015	233	--	1,996	--
2016	217	-6.87%	2,107	5.56%
2017	181	-16.59%	2,500	18.65%
2018	92	-49.17%	1,881	-24.76%
2019	260	182.61%	2,045	8.72%
2020	546	110.00%	2,627	28.46%
2021	1,016	86.08%	4,073	55.04%
2022	826	-18.70%	3,506	-13.92%
2023	627	-24.09%	2,852	-18.65%
2024	585	-6.70%	2,828	-0.84%

Source: SOCDS Building Permits Monthly Request

Single-Family Building Permits: 2025 Preliminary Data

Month	City of Lincoln	County of Placer
January	17	166
February	18	215
March	27	243
April	59	252
May	47	167
June	36	236
Total	204	1,279

Source: SOCDS Building Permits Monthly Request

New Home Pricing and Sales

The Gregory Group surveys active new home projects in California and Nevada. Below we present a table containing indicators for active single-family residential projects in the subject's County for the past three years. The data include both attached and detached projects, but the vast majority of units are detached homes.

New Home Sales History

Quarter	Average Price	% Change Average Price	Average Home Size (SF)	Avg. Price / Avg. SF	% Change Price / SF	Quarter Sold	Number of Projects	Sold per Project per Month
1Q 2023	$736,396	--	2,452	$300.32	--	778	78	3.32
2Q 2023	$755,823	2.64%	2,470	$306.00	1.89%	683	76	3.00
3Q 2023	$773,593	2.35%	2,508	$308.45	0.80%	732	78	3.13
4Q 2023	$766,227	-0.95%	2,454	$312.24	1.23%	378	71	1.77
1Q 2024	$792,792	3.47%	2,511	$315.73	1.12%	719	78	3.07
2Q 2024	$805,069	1.55%	2,509	$320.87	1.63%	617	76	2.71
3Q 2024	$803,843	-0.15%	2,478	$324.39	1.10%	481	72	2.23
4Q 2024	$800,134	-0.46%	2,440	$327.92	1.09%	451	68	2.21
1Q 2025	$799,155	-0.12%	2,444	$326.99	-0.29%	580	69	2.80
2Q 2025	$806,945	0.97%	2,497	$323.17	-1.17%	447	72	2.07

Source: The Gregory Group

In terms of the number of home sales in Placer County, over the last 12 months, the average was 2.33 sales per month per project, which was slightly down from the average for the prior 12-month period of 2.67 sales per month per project.

Active New Home Projects Pricing and Absorption

There are 21 active projects in the market area of Lincoln. These projects are considered to be most competitive with the subject property given their locations and lot sizes. These projects are summarized in the tables on the following page, based on data from the Second Quarter of 2025.

Active Projects (as of 2Q 2025)

Project Name	Master Plan	Community	Age Restricted	Developer	Average Price	Avg. Home Size (SF)	Average Price/SF	Typical Lot Size (SF)	Units Planned	Units Offered	Units Sold	Units Unsold
Aurora Heights	Twelve Bridges	Lincoln	No	KB Home	$457,977	1,612	$284.10	1,855	224	81	77	4
Copper Ridge	No	Lincoln	No	KB Home	$655,776	2,035	$322.25	5,500	281	148	143	5
Esplanade -- Classic	Turkey Creek	Lincoln	Yes	Taylor Morrison Homes	$607,666	1,792	$339.10	5,500	246	153	148	5
Esplanade -- Cottages	Turkey Creek	Lincoln	Yes	Taylor Morrison Homes	$517,666	1,529	$338.57	4,500	181	96	93	3
Esplanade -- Estates	Turkey Creek	Lincoln	Yes	Taylor Morrison Homes	$843,999	2,747	$307.24	7,000	175	132	127	5
Esplanade -- Premier	Turkey Creek	Lincoln	Yes	Taylor Morrison Homes	$689,666	2,262	$304.89	6,000	263	150	144	6
Freedom 40 Collection	Bickford Ranch	Lincoln	Yes	Shea Homes	$523,499	1,535	$341.04	5,000	144	23	10	13
Freedom 45 Collection	Bickford Ranch	Lincoln	Yes	Shea Homes	$653,666	2,041	$320.27	5,500	312	23	8	15
Freedom 50 Collection	Bickford Ranch	Lincoln	Yes	Shea Homes	$721,999	2,236	$322.90	6,825	110	18	10	8
Freedom 60 Collection	Bickford Ranch	Lincoln	Yes	Shea Homes	$956,999	2,698	$354.71	7,350	93	36	27	9
Havenwood	No	Lincoln	No	Cresleigh Homes	$734,750	2,809	$261.57	6,600	83	80	71	9
Jasper	None	Lincoln	No	D.R. Horton Homes	$583,490	1,836	$317.81	5,500	198	4	0	4
Jubilee	Independence	Lincoln	No	Tri Pointe Homes	$599,902	1,934	$310.19	3,600	90	45	39	6
Magnolia Village	No	Lincoln	No	Williams Homes	$419,433	1,604	$261.49	Attached	32	22	15	7
Millau	Twelve Bridges	Lincoln	No	Century Communities	$575,323	1,934	$297.48	2,600	105	48	39	9
Monument	Independence	Lincoln	No	Tri Pointe Homes	$650,258	2,570	$253.02	4,000	159	34	26	8
Mountaingate	Bickford Ranch	Lincoln	No	Tri Pointe Homes	$862,713	3,264	$264.31	4,500	65	13	6	7
Rialto	Twelve Bridges	Lincoln	No	Century Communities	$587,495	2,022	$290.55	2,860	79	42	39	3
Ridgeline	Bickford Ranch	Lincoln	No	Toll Brothers	$1,135,245	3,625	$313.17	8,250	103	56	34	22
Turkey Creek Estates	Turkey Creek	Lincoln	No	Elliott Homes	$1,048,750	3,046	$344.30	9,750	240	112	98	14
Velare	Twelve Bridges	Lincoln	No	LGI Homes	$534,400	1,550	$344.77	2,275	159	130	125	5
				Minimum	$419,433	1,529	$253.02	1,855				
				Maximum	$1,135,245	3,625	$354.71	9,750				
				Average	$683,842	2,223	$309.23	5,248				

Source: The Gregory Group

Absorption

Project Name	Master Plan	Community	Age Restricted	Developer	Avg. Home Price (2Q 2025 Only)	Avg. Home Size (2Q 2025 Only)	Typical Lot Size (SF)	2Q 2025	1Q 2025	4Q 2024	3Q 2024	12-Month Total	Average per Quarter	Average per Month
Aurora Heights	Twelve Bridges	Lincoln	No	KB Home	$457,977	1,612	1,855	16	13	11	8	48	12.0	**4.0**
Copper Ridge	No	Lincoln	No	KB Home	$655,776	2,035	5,500	0	2	-1	5	6	1.5	**0.5**
Esplanade -- Classic	Turkey Creek	Lincoln	Yes	Taylor Morrison Homes	$607,666	1,792	5,500	4	13	5	14	36	9.0	**3.0**
Esplanade -- Cottages	Turkey Creek	Lincoln	Yes	Taylor Morrison Homes	$517,666	1,529	4,500	8	4	5	11	28	7.0	**2.3**
Esplanade -- Estates	Turkey Creek	Lincoln	Yes	Taylor Morrison Homes	$843,999	2,747	7,000	3	9	5	7	24	6.0	**2.0**
Esplanade -- Premier	Turkey Creek	Lincoln	Yes	Taylor Morrison Homes	$689,666	2,262	6,000	2	14	7	12	35	8.8	**2.9**
Freedom 40 Collection	Bickford Ranch	Lincoln	Yes	Shea Homes	$523,499	1,535	5,000	3	0	2	-1	4	1.0	**0.3**
Freedom 45 Collection	Bickford Ranch	Lincoln	Yes	Shea Homes	$653,666	2,041	5,500	2	-1	0	-1	0	0.0	**0.0**
Freedom 50 Collection	Bickford Ranch	Lincoln	Yes	Shea Homes	$721,999	2,236	6,825	1	1	1	2	5	1.3	**0.4**
Freedom 60 Collection	Bickford Ranch	Lincoln	Yes	Shea Homes	$956,999	2,698	7,350	6	4	0	5	15	3.8	**1.3**
Havenwood	No	Lincoln	No	Cresleigh Homes	$734,750	2,809	6,600	6	6	0	5	17	4.3	**1.4**
Jasper	None	Lincoln	No	D.R. Horton Homes	$583,490	1,836	5,500	0	-	-	-	0	0.0	**0.0**
Jubilee	Independence	Lincoln	No	Tri Pointe Homes	$599,902	1,934	3,600	8	8	6	8	30	7.5	**2.5**
Magnolia Village	No	Lincoln	No	Williams Homes	$419,433	1,604	Attached	6	4	5	-	15	5.0	**1.7**
Millau	Twelve Bridges	Lincoln	No	Century Communities	$575,323	1,934	2,600	10	10	6	7	33	8.3	**2.8**
Monument	Independence	Lincoln	No	Tri Pointe Homes	$650,258	2,570	4,000	3	6	6	5	20	5.0	**1.7**
Mountaingate	Bickford Ranch	Lincoln	No	Tri Pointe Homes	$862,713	3,264	4,500	2	3	0	1	6	1.5	**0.5**
Rialto	Twelve Bridges	Lincoln	No	Century Communities	$587,495	2,022	2,860	11	11	6	5	33	8.3	**2.8**
Ridgeline	Bickford Ranch	Lincoln	No	Toll Brothers	$1,135,245	3,625	8,250	13	8	6	7	34	8.5	**2.8**
Turkey Creek Estates	Turkey Creek	Lincoln	No	Elliott Homes	$1,048,750	3,046	9,750	4	0	5	9	18	4.5	**1.5**
Velare	Twelve Bridges	Lincoln	No	LGI Homes	$534,400	1,550	2,275	15	16	21	-	52	17.3	**5.8**
							Total	123	131	96	109			
							No. of Active Projects	21	20	20	18			
							Quarterly Pro-Rata	5.9	6.6	4.8	6.1			
							Monthly Pro-Rata	**2.0**	**2.2**	**1.6**	**2.0**			
											1.9	**Average Monthly Pro-Rata**		

Source: The Gregory Group

Note the typical lot size reported by Gregory Group is not consistent with the subject's actual typical lot sizes. Copper Ridge, Jubilee, and Monument are considered to be most similar to the subject with respect to home and lot size. In the last four quarters, Copper Ridge, Jubilee, and Monument averaged 0.50, 2.50, and 1.70 sales per month, respectively. Copper Ridge has a lower absorption rate compared to the other projects in the region because the project is nearing selling out and absorption typically slows as the project sells out. Jasper, the subject property, has just begun selling homes at

the very end of the second quarter. Historical trends for these three communities as well as the subject community, are further detailed in the following tables.

PROJECT INFORMATION

Project Name	Copper Ridge	Average Price	$655,776	Qtr Sold	0
Region	Sacramento	Average Sq Ft	2,035	Qtr WSR	0.00
County	Placer	Total Inventory	138	Tot WSR	0.77
Community	Lincoln	Standing Inventory	0	Avg Incentives	$25,000
Master Plan	No	Open Date	12/01/21	Survey Date	7/1/25
Age Restricted	No	Developer Name	KB Home	Special Tax per Month	$0.00
Project Phone	(916) 581-6170	Developer Phone		HOA per Month	$0.00
Sales Office Hours	N/A	Product Type	Detached	Broker Coop	2.5%
Type Description	Traditional	Special Incentives	$0		
GPS Coordinates	N : 38.902140 W : 121.268780	Lot Size	5,500	Project Density	
Cross Street		Lot Dimension	55 x 100	Model/Trailer	N/A
Finished Lots	N/A	Blue Top Lots	N/A		

AT A GLANCE

PLAN DETAILS

Plan	Home Size	Base Price	Price Sq Ft	Incentives	Net Price	Net Price/Sq Ft	Bed	Bath	Levels	Garage	Other Room
1	1,608	$612,410	$380.85	$25,000	$587,410	$365.30	3	2	1	2	None
2	1,862	$639,415	$343.40	$25,000	$614,415	$329.98	4	2	1	2	None
3	2,050	$642,035	$313.19	$25,000	$617,035	$300.99	4	2	1	2	Den
4	2,622	$729,245	$278.13	$25,000	$704,245	$268.59	4	2.5	2	2	Den, Loft

SURVEY INFORMATION

Survey Per	Units Planned	Units Offered	Units Sold	Qtr Sold	Tot Inv	Unoffrd Inv	Unsold Inv	Wkly Traffic	Tot WSR	Qtr WSR	Avg Price	% Change
Qtr 2/25	281	148	143	0	138	133	5		0.77	0.00	$655,776	0.00
Qtr 1/25	148	148	143	2	5	0	5	5	0.83	0.15	$655,776	0.00
Qtr 4/24	148	146	141	-1	7	2	5	5	0.88	-0.08	$655,776	0.00
Qtr 3/24	148	146	142	5	6	2	4	5	0.97	0.38	$655,776	6.68
Qtr 2/24	148	144	137	13	11	4	7	15	1.02	1.00	$614,740	1.86
Qtr 1/24	129	126	124	31	5	3	2	15	1.02	2.38	$603,490	7.67
Qtr 4/23	94	94	93	4	1	0	1	15	0.86	0.31	$560,490	-0.71
Qtr 3/23	94	91	89	15	5	3	2	10	0.94	1.15	$564,490	3.29
Qtr 2/23	79	75	74	14	5	4	1	15	0.90	1.08	$546,490	2.29
Qtr 1/23	79	58	57	14	22	21	1	15	0.83	1.08	$534,240	-1.20
Qtr 4/22	79	46	43	8	36	33	3	10	0.77	0.62	$540,740	0.56
Qtr 3/22	79	38	35	5	44	41	3	5	0.81	0.38	$537,740	-15.08
Qtr 2/22	79	32	30	8	49	47	2	10	1.00	0.62	$633,240	1.73
Qtr 1/22	79	22	22	14	57	57	0	10	1.29	1.08	$622,490	3.92
Qtr 4/21	79	8	8	8	71	71	0	10	2.00	0.62	$598,990	0.00

PROJECT INFORMATION

Project Name	Jasper	Average Price	$583,490	Qtr Sold	0
Region	Sacramento	Average Sq Ft	1,836	Qtr WSR	0.00
County	Placer	Total Inventory	198	Tot WSR	0.00
Community	Lincoln	Standing Inventory	0	Avg Incentives	$37,500
Master Plan	None	Open Date	06/15/25	Survey Date	7/1/25
Age Restricted	No	Developer Name	D.R. Horton Homes	Special Tax per Month	$262.00
Project Phone	N/A	Developer Phone		HOA per Month	$0.00
Sales Office Hours	N/A	Product Type	Detached	Broker Coop	
Type Description	Traditional	Special Incentives	$0		
GPS Coordinates	N : 0.000000 W : 0.000000	Lot Size	5,500	Project Density	
Cross Street		Lot Dimension	55 x 100	Model/Trailer	N/A
Finished Lots	N/A	Blue Top Lots	N/A		

AT A GLANCE

PLAN DETAILS

Plan	Home Size	Base Price	Price Sq Ft	Incentives	Net Price	Net Price/Sq Ft	Bed	Bath	Levels	Garage	Other Room
1	1,547	$555,990	$359.40	$37,500	$518,490	$335.16	3	2.5	2	2	None
2	1,678	$567,990	$338.49	$37,500	$530,490	$316.14	4	2.5	2	2	None
3	1,811	$583,990	$322.47	$37,500	$546,490	$301.76	4	2.5	2	2	None
4	2,311	$625,990	$270.87	$37,500	$588,490	$254.65	5	3	2	2	Loft

SURVEY INFORMATION

Survey Per	Units Planned	Units Offered	Units Sold	Qtr Sold	Tot Inv	Unoffrd Inv	Unsold Inv	Wkly Traffic	Tot WSR	Qtr WSR	Avg Price	% Change
Qtr 2/25	198	4	0	0	198	194	4	0	0.00	0.00	$583,490	0.00

PROJECT INFORMATION

Project Name	Jubilee	Average Price	$599,902	Qtr Sold	8
Region	Sacramento	Average Sq Ft	1,934	Qtr WSR	0.62
County	Placer	Total Inventory	51	Tot WSR	0.62
Community	Lincoln	Standing Inventory	0	Avg Incentives	$30,000
Master Plan	Independence	Open Date	04/15/24	Survey Date	7/1/25
Age Restricted	No	Developer Name	Tri Pointe Homes	Special Tax per Month	$170.00
Project Phone	N/A	Developer Phone		HOA per Month	$0.00
Sales Office Hours	N/A	Product Type	Detached	Broker Coop	
Type Description	Small Lot, Detached	Special Incentives	$0		
GPS Coordinates	N : 0.000000 W : 0.000000	Lot Size	3,600	Project Density	
Cross Street		Lot Dimension	40 x 90	Model/Trailer	N/A
Finished Lots	N/A	Blue Top Lots	N/A		

PLAN DETAILS

Plan	Home Size	Base Price	Price Sq Ft	Incentives	Net Price	Net Price/Sq Ft	Bed	Bath	Levels	Garage	Other Room
1	1,752	$569,547	$325.08	$30,000	$539,547	$307.96	3	2.5	2	2	None
2	1,923	$579,672	$301.44	$30,000	$549,672	$285.84	3	2.5	2	2	Loft
3	2,129	$650,486	$305.54	$30,000	$620,486	$291.44	4	3	2	2	Loft

SURVEY INFORMATION

Survey Per	Units Planned	Units Offered	Units Sold	Qtr Sold	Tot Inv	Unoffrd Inv	Unsold Inv	Wkly Traffic	Tot WSR	Qtr WSR	Avg Price	% Change
Qtr 2/25	90	45	39	8	51	45	6		0.62	0.62	$599,902	4.06
Qtr 1/25	90	39	31	8	59	51	8	10	0.62	0.62	$576,506	2.00
Qtr 4/24	90	32	23	6	67	58	9	10	0.62	0.46	$565,195	-2.77
Qtr 3/24	90	24	17	8	73	66	7	15	0.71	0.62	$581,280	2.66
Qtr 2/24	90	14	9	9	81	76	5	15	0.82	0.69	$566,243	0.00

PROJECT INFORMATION

Project Name	Monument	Average Price	$650,258	Qtr Sold	3
Region	Sacramento	Average Sq Ft	2,570	Qtr WSR	0.23
County	Placer	Total Inventory	133	Tot WSR	0.41
Community	Lincoln	Standing Inventory	0	Avg Incentives	$40,000
Master Plan	Independence	Open Date	04/15/24	Survey Date	7/1/25
Age Restricted	No	Developer Name	Tri Pointe Homes	Special Tax per Month	$192.00
Project Phone	N/A	Developer Phone		HOA per Month	$0.00
Sales Office Hours	N/A	Product Type	Detached	Broker Coop	
Type Description	Traditional	Special Incentives	$0		
GPS Coordinates	N : 0.000000 W : 0.000000	Lot Size	4,000	Project Density	
Cross Street		Lot Dimension	50 x 80	Model/Trailer	N/A
Finished Lots	N/A	Blue Top Lots	N/A		

PLAN DETAILS

Plan	Home Size	Base Price	Price Sq Ft	Incentives	Net Price	Net Price/Sq Ft	Bed	Bath	Levels	Garage	Other Room
1	2,158	$599,000	$277.57	$40,000	$559,000	$259.04	3	2.5	2	2	Office
2	2,481	$652,319	$262.93	$40,000	$612,319	$246.80	4	3	2	2	Flex
3	2,721	$662,583	$243.51	$40,000	$622,583	$228.81	4	3	2	2	Loft
4	2,921	$687,131	$235.24	$40,000	$647,131	$221.54	5	3	2	2	Loft

SURVEY INFORMATION

Survey Per	Units Planned	Units Offered	Units Sold	Qtr Sold	Tot Inv	Unoffrd Inv	Unsold Inv	Wkly Traffic	Tot WSR	Qtr WSR	Avg Price	% Change
Qtr 2/25	159	34	26	3	133	125	8		0.41	0.23	$650,258	-0.41
Qtr 1/25	159	30	23	6	136	129	7	5	0.46	0.46	$652,910	4.21
Qtr 4/24	159	26	17	6	142	133	9	10	0.46	0.46	$626,563	-3.26
Qtr 3/24	159	19	11	5	148	140	8	15	0.46	0.38	$647,665	0.87
Qtr 2/24	159	12	6	6	153	147	6	15	0.55	0.46	$642,074	0.00

Resale Pricing

The following table shows historical resale data for more recently built homes (2020 and newer) in the city of Lincoln. We restricted our search to lot sizes with less than 8,000 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)
1342 Donner Ln	5/6/2025	1,651	$549,900	$549,900	$333	100.00%	2024	90	4,225
1375 Carson River Loop	5/8/2025	1,651	$549,999	$549,999	$333	100.00%	2024	41	4,643
2161 Hunter Creek Dr	5/15/2025	2,050	$641,499	$634,900	$313	101.04%	2024	7	6,451
3087 Ridgecrest Dr	5/23/2025	1,820	$661,000	$669,000	$363	98.80%	2021	3	5,532
1524 Citrus St	5/29/2025	1,630	$515,000	$515,000	$316	100.00%	2021	1	2,812
557 Blair Bridge Rd	6/3/2025	1,953	$650,000	$650,000	$333	100.00%	2020	9	5,018
601 Tower Ct	6/17/2025	2,321	$715,000	$710,000	$308	100.70%	2022	23	7,231
570 Chiselville Ln	6/18/2025	2,527	$668,250	$675,000	$264	99.00%	2021	4	5,009
1687 Carson River Loop	6/20/2025	1,529	$575,000	$579,000	$376	99.31%	2022	15	4,003
696 Riley Way	6/26/2025	2,266	$830,000	$849,000	$366	97.76%	2021	158	6,159
1337 Esplanade Ln	7/3/2025	2,157	$775,000	$799,900	$359	96.89%	2022	19	7,240
841 Lincolnshire Cir	7/8/2025	2,118	$539,888	$539,888	$255	100.00%	2020	38	3,537
504 Kadel Ct	7/11/2025	1,910	$587,000	$575,000	$307	102.09%	2021	21	6,599
3233 America Dr	7/15/2025	1,811	$555,000	$569,900	$306	97.39%	2021	29	3,554
303 Amelia Ct	7/18/2025	3,312	$720,000	$740,000	$217	97.30%	2023	72	6,835
412 Confederation Ct	7/18/2025	2,783	$880,000	$889,000	$316	98.99%	2022	74	7,540
2166 Hunter Creek Dr	7/29/2025	1,862	$571,031	$569,900	$307	100.20%	2024	45	6,090
2857 Bedell St	8/4/2025	1,802	$569,900	$569,900	$316	100.00%	2024	269	2,275
708 Chiselville Ln	8/8/2025	1,606	$610,000	$610,000	$380	100.00%	2020	8	4,792
672 Chiselville Ln	8/19/2025	1,606	$554,000	$559,000	$345	99.11%	2020	69	4,321
686 Papermill Rd	8/21/2025	2,833	$675,000	$675,000	$238	100.00%	2020	10	4,578
805 Lincolnshire Cir	8/22/2025	2,237	$543,000	$548,000	$243	99.09%	2020	16	3,123
2812 Declaration Ave	8/22/2025	2,409	$654,500	$659,900	$272	99.18%	2022	49	4,657
829 Lincolnshire Cir	9/2/2025	1,630	$500,000	$494,000	$307	101.21%	2020	151	3,507
403 Confederation Ct	9/2/2025	2,344	$755,000	$759,900	$322	99.36%	2022	33	7,105
1639 Carson River Loop	9/3/2025	1,651	$575,000	$575,000	$348	100.00%	2022	101	4,069
3068 Le Bourget Ln	9/4/2025	1,252	$505,000	$499,000	$403	101.20%	2021	20	3,598
932 Brooke Stream Ct	9/8/2025	1,608	$555,000	$575,000	$345	96.52%	2022	15	6,926
1192 Alpine Way	9/9/2025	1,792	$699,000	$699,000	$390	100.00%	2024	7	4,809
Total Sales	**29**	**2,004 (avg.)**	**$626,861 (avg.)**	**$630,658 (avg.)**	**$320 (avg.)**	**99.49% (avg.)**	**2022 (avg.)**	**48 (avg.)**	**5,043 (avg.)**

Source: Local Multiple Listing Service (MLS)

Ability to Pay

The Developer is constructing four floor plans ranging in size from 1,547 to 2,311 square feet. In this section, we will examine the ability to pay among prospective buyers for a representative price point for an estimated average home on the subject of $540,000 , based on the indicators from the competing projects. First, we will estimate the required annual household income based on typical mortgage parameters in the subject's market area. Specifically, we will employ a loan-to-value ratio of 80% (down payment of 20%), mortgage interest rate of 6.50%, 360 monthly payments, and a 40% ratio for the housing costs as a percent of monthly income (inclusive of principal, interest, all taxes and insurance). Property tax payments are accounted for in the analysis as well as homeowner's

insurance. The following table shows the estimate of the annual household income that would be required to afford homes priced at the representative price point.

Income Required		
Home Price	$540,000	
Loan % of Price (Loan to Value)	80%	
Loan Amount	$432,000	
Interest Rate	6.50%	
Mortgage Payment	$2,731	
Property Taxes	$549	Based on 1.050573% and direct charges of $918
City of Lincoln CFD No. 2025-1 (Joiner Ranch East)	$304	
Property Insurance	$113	
Total Monthly Obligation	$3,696	
Mortgage Payment % of Income	40%	
Monthly Income	$9,241	
Annual Income	$110,889	

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

Household Ability

Household Income	Households	Percent of Households	Percent Able to Pay	Households	Households Able to Pay
< $15,000	12,110	12.1%	0.0%	0	0.0%
$15,000 - $24,999	4,025	4.0%	0.0%	0	0.0%
$25,000 - $34,999	3,674	3.7%	0.0%	0	0.0%
$35,000 - $49,999	3,981	4.0%	0.0%	0	0.0%
$50,000 - $74,999	5,603	5.6%	0.0%	0	0.0%
$75,000 - $99,999	11,193	11.2%	0.0%	0	0.0%
$100,000 - $124,999	11,238	11.3%	56.4%	6,343	6.4%
$125,000 - $149,999	9,940	10.0%	100.0%	9,940	10.0%
$150,000 - $199,999	8,152	8.2%	100.0%	8,152	8.2%
$200,000 - $249,999	13,283	13.3%	100.0%	13,283	13.3%
$250,000 - $499,999	7,151	7.2%	100.0%	7,151	7.2%
$500,000+	9,347	9.4%	100.0%	9,347	9.4%
	99,697	100.0%		54,216	54.4%

Conclusions

Demand for homes in the subject's market area is considered to be dynamic at the current time as indicated by the overall trend of building permit activity, new home sales prices and activity in recent quarters as well as the absorption rate within new home projects in the subject's area. Current interest rates for new home loans continues to challenge new home buyers and builders. Builders are adjusting continuously their sales programs and incentive offerings to either maintain or add momentum to their sales pace. The predominate expectation from knowledgeable market participants is that market conditions will be steady over the near term.

Property Analysis

Land Description and Analysis

Location and Project Details

The subject is generally located at the southeast corner of Nicolaus Road and Joiner Parkway, within the city of Lincoln, Placer County, California. Along the southeast boundary of the subject is Joiner Park, which is a 13-acre park with a wetland area and ball fields.

The subject is comprised of Assessor's Parcel Numbers 009-410-001 through -114 and 009-420-001 through -084. Note there are also common area parcels throughout the community, but they are not a part of the appraised property. The subject has a final map in place comprising 198 residential lots which have a total land area of 26.78 acres. The subject lots range in size from 2,940 to 5,820 square feet with a typical lot size of 3,600 square feet.

Shape and Dimensions

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

Topography

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

Drainage

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

Flood Hazard Status

The following table provides flood hazard information.

Flood Hazard Status	
Community Panel Number	06061C-0718H
Date	November 2, 2018
Zone	X
Description	Outside of 500-year floodplain
Insurance Required?	No

Seismic Hazards

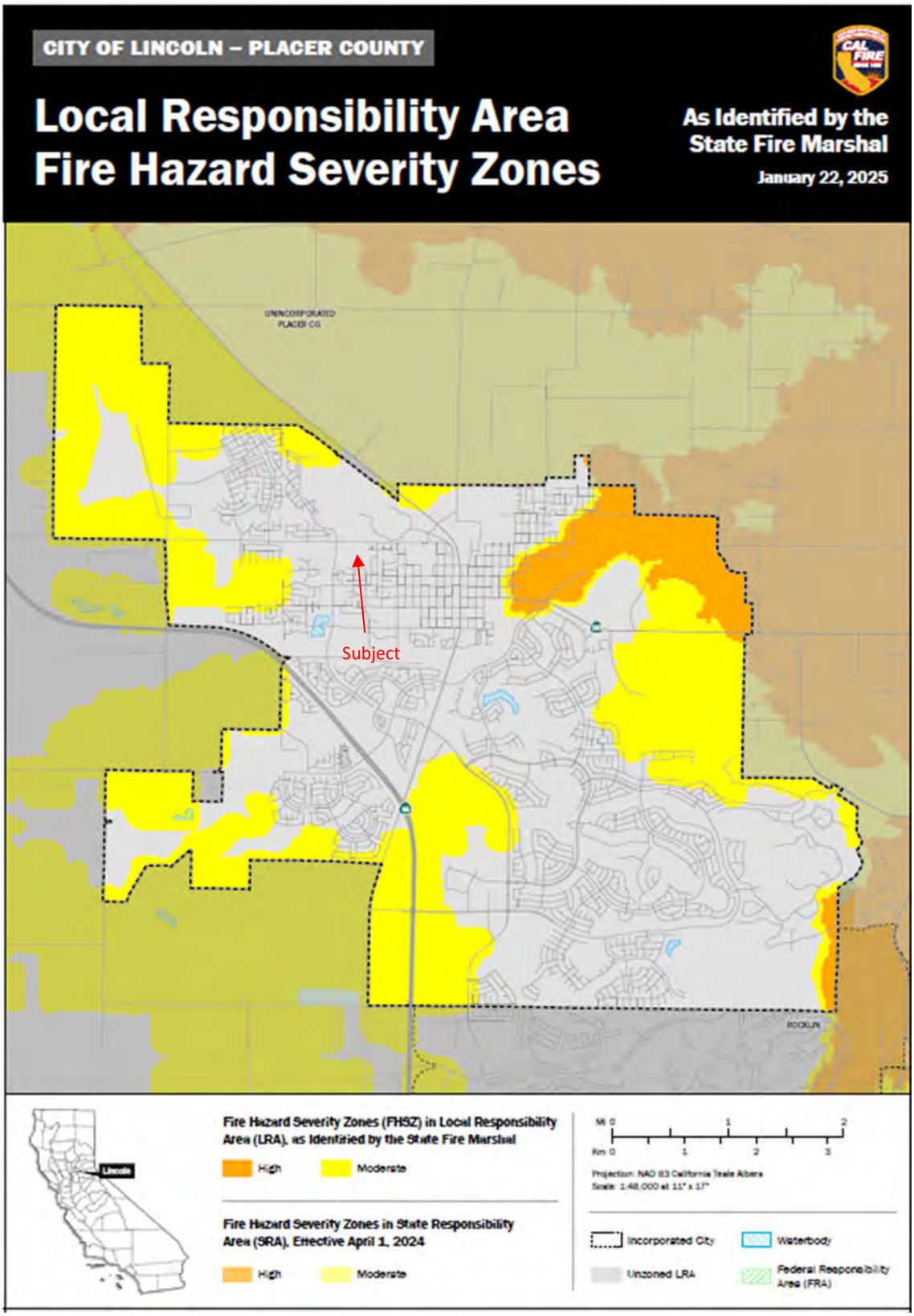
All properties in California are subject to some degree of seismic risk. The Alquist-Priolo Earthquake Fault Zoning Act was enacted by the State of California in 1972 to regulate development near active

earthquake faults. The Act required the State Geologist to delineate “Earthquake Fault Zones” (formerly known as “Special Studies Zones”) along known active faults in California. Cities and counties affected by the identified zones must limit certain development projects within the zones unless geologic investigations demonstrate that the sites are not threatened by surface displacement from future faulting.

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

Fire Hazard Risk

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


CITY OF LINCOLN – PLACER COUNTY
Local Responsibility Area
Fire Hazard Severity Zones
As Identified by the
State Fire Marshal
January 22, 2025
UNINCORPORATED
PLACER CO.
Subject
ROCKLIN
Lincoln
Fire Hazard Severity Zones (FHSZ) in Local Responsibility Area (LRA), as Identified by the State Fire Marshal
High
Moderate
Fire Hazard Severity Zones in State Responsibility Area (SRA), Effective April 1, 2024
High
Moderate
Mi 0 1 2
Km 0 1 2 3
Projection: NAD 83 California Teale Albers
Scale: 1:48,000 at 11" x 17"
Incorporated City
Waterbody
Unzoned LRA
Federal Responsibility Area (FRA)

Environmental Hazards

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

Ground Stability

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

Utilities

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

Utilities

Service	Provider
Water	City of Lincoln
Sewer	City of Lincoln
Electricity	Pacific Gas & Electric (PG&E)
Natural Gas	Pacific Gas & Electric (PG&E)
Local Phone	Various providers

Zoning

The subject is zoned PD-MDR, Planned Development - Medium Density Residential, by City of Lincoln Planning Department. The following table summarizes our understanding and interpretation of the zoning requirements that affect the subject.

Zoning Summary

Zoning Jurisdiction	City of Lincoln Planning Department
Zoning Designation	PD-MDR
Description	Planned Development - Medium Density Residential
Legally Conforming?	Appears to be legally conforming
Zoning Change Likely?	No
Permitted Uses	Residential uses

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

Other Land Use Regulations

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

Easements, Encroachments and Restrictions

We have reviewed several preliminary title reports prepared by First American Title dated March 11, 2025, and June 11, 2025. The report identifies exceptions to title, which include various utility and access easements that are typical for a property of this type. Such exceptions would not appear to have an adverse effect on value. Our valuation assumes no adverse impacts from easements, encroachments or restrictions and further assumes that the subject has clear and marketable title.

Development/Construction Status

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

Appraised Property Summary by Ownership

Ownership	Partially-Improved SFR Lots	Finished SFR Lots	Partially Completed Homes	Completed Homes*	Homes Sold to Individuals*	Total
DR Horton CA2 Inc. (Jasper-Lincoln L.P.)	-	64	26	10	1	**101**
JEN California 24 LLC	97	-	-	-	-	**97**
TOTAL	**97**	**64**	**26**	**10**	**1**	**198**

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

Permits and Fees

Based on information provided by the developer, permits and fees due at building permit are approximately $67,900 per lot. This figure is consistent with fees at other projects in the area. The project also has fee credits totaling $15,818 per lot associated with the master developer's construction of public improvements. All of the lots within the subject are eligible to be offset by these fee credits. The calculation of net permits and fees are shown in the following table.

Permits and Fees due at Building Permit

Gross Permits and Fees		$67,900	per unit
Less: Fee Credits		($15,818)	per unit
Net Permits and Fees		$52,082	per unit
	Rd.	**$52,100**	per unit

Site Development Costs

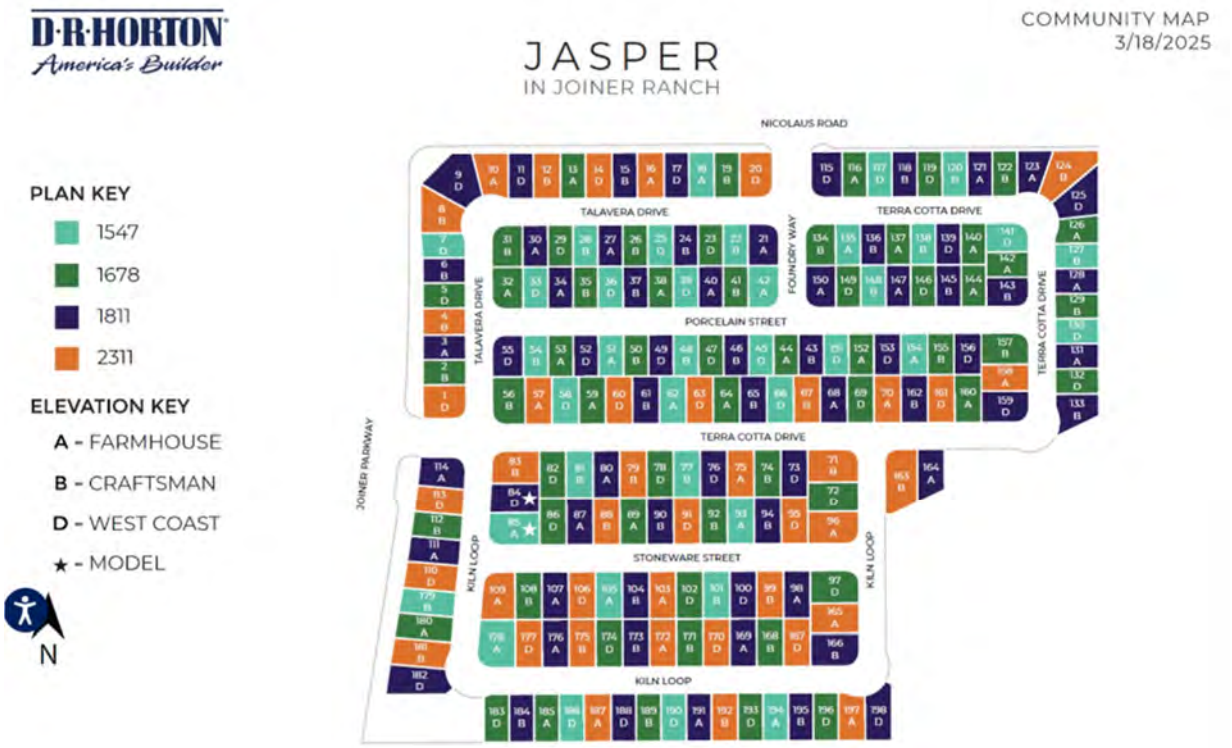
Construction of horizontal improvements is substantially complete at the subject. According to the budget provided by the developer, development costs are anticipated to total $19,162,780 or $96,782 per lot, for both infrastructure and intract construction, which is generally similar to other projects in the area. The developer estimates they have spent $18,642,994 or $94,157 per lot, as of the effective

date of value. Therefore, there is an estimated $519,786 in remaining site development costs. The remaining costs will be accounted for within the *Market Value by Ownership* section.

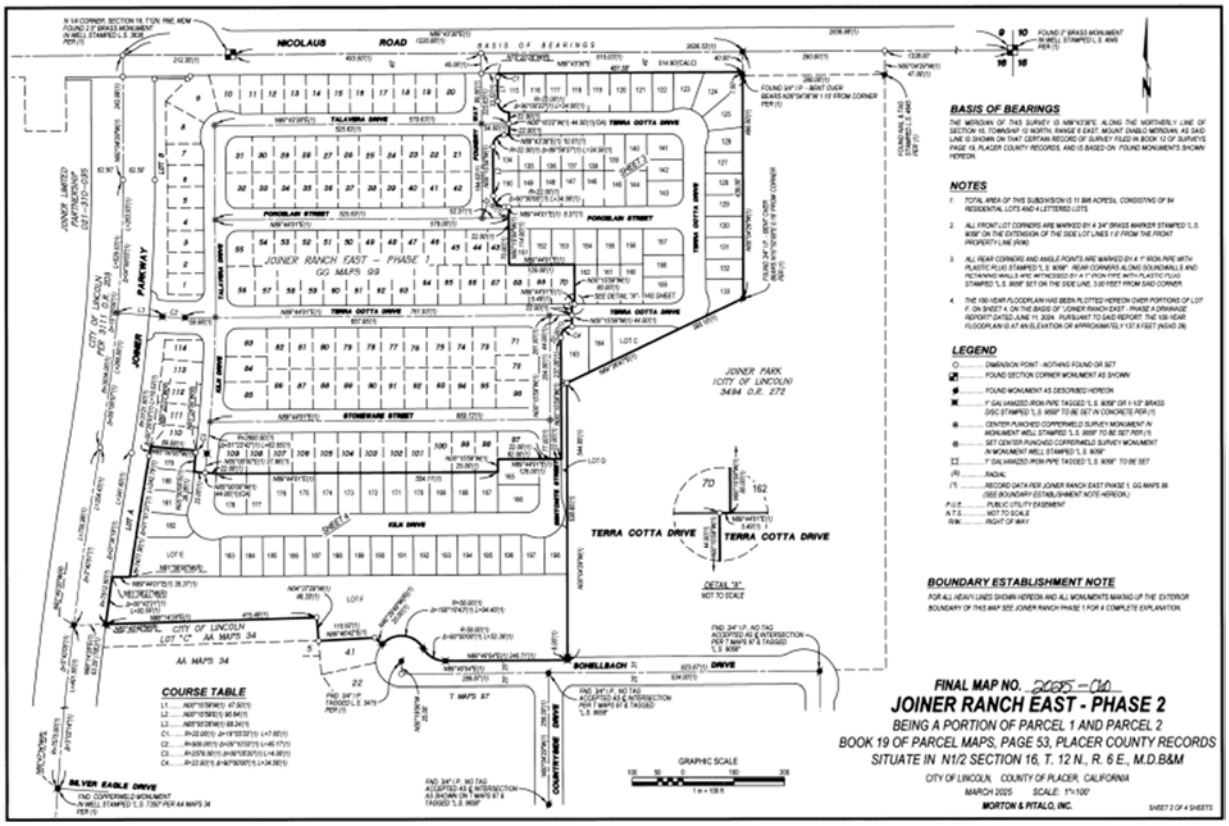
Conclusion of Site Analysis

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

Site Plan


D·R·HORTON
America's Builder
JASPER
IN JOINER RANCH
COMMUNITY MAP
3/18/2025
PLAN KEY
1547
1678
1811
2311
ELEVATION KEY
A - FARMHOUSE
B - CRAFTSMAN
D - WEST COAST
★ - MODEL
N
NICOLAUS ROAD
TALAVERA DRIVE
TERRA COTTA DRIVE
FOUNDRY WAY
PORCELAIN STREET
TERRA COTTA DRIVE
TERRA COTTA DRIVE
JOINER PARKWAY
KILN LOOP
STONEWARE STREET
KILN LOOP
KILN LOOP

Parcel Map


NICOLAUS ROAD
BASIS OF BEARINGS
JOINER RANCH EAST – PHASE 1
GG MAPS 99
TERRA COTTA DRIVE
PORCELAIN STREET
STONEWARE STREET
KILN DRIVE
JOINER PARK
(CITY OF LINCOLN)
3494 O.R. 272
CITY OF LINCOLN
LOT "C" AA MAPS 34
AA MAPS 34
T MAPS 97
BOHLBACH DRIVE
SILVER EAGLE DRIVE
COUNTRY SIDE DRIVE
COURSE TABLE
BASIS OF BEARINGS
NOTES
LEGEND
BOUNDARY ESTABLISHMENT NOTE
FINAL MAP NO. 2025-010
JOINER RANCH EAST - PHASE 2
BEING A PORTION OF PARCEL 1 AND PARCEL 2
BOOK 19 OF PARCEL MAPS, PAGE 53, PLACER COUNTY RECORDS
SITUATE IN N1/2 SECTION 16, T. 12 N., R. 6 E., M.D.B&M
CITY OF LINCOLN, COUNTY OF PLACER, CALIFORNIA
MARCH 2025 SCALE: 1"=100'
MORTON & PITALO, INC.
GRAPHIC SCALE

Aerial



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

Proposed Improvements Description

Overview

The subject property is being developed by DR Horton and details of the community is presented in the following table.

Floor Plan Summary

Floor Plan	Living Area (SF)	Bedroom	Bathroom	Stories	Garage	Typical Lot Size (SF)	Developer's Base Price
Jasper by DR Horton							
Plan 1547	1,547	3	2.5	Two	2-Car	3,600	$497,990
Plan 1678	1,678	4	2.5	Two	2-Car	3,600	$531,990
Plan 1811	1,811	4	2.5	Two	2-Car	3,600	$552,990
Plan 2311	2,311	5	3.0	Two	2-Car	3,600	$595,815

The interior finish profile is considered to be of a typical quality for the area, which is generally average to good overall quality. There is no homeowner's association (HOA) encumbering the subject. The subject's floor plans can be seen on the developer's website.





































Real Estate Taxes

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

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

Ad Valorem Taxes

The existing ad valorem taxes are of nominal consequence in this appraisal, primarily due to the fact these taxes will be adjusted substantially as the remaining property improvements are completed and in consideration of the definition of market value employed in this appraisal, which assumes a sale of the appraised properties. According to the Placer County Treasurer-Tax Collector's Office, the subject has a tax rate of 1.050573% for tax year 2025-2026 (latest available), based on assessed value. In addition, the appraised properties are subject to direct charges. Based on information provided by the developer's representative, it is estimated the subject would have direct charges of approximately $918 per lot.

Special Assessments

All of the appraised properties are encumbered by the Special Tax Lien of City of Lincoln CFD No. 2025-1 (Joiner Ranch East) 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 for tax year 2025-2026:

Special Tax Table (Fiscal Year 2025-2026)

Land Use Category	Square Footage Category	Assigned Special Tax
Single-Family Detached Property	Less than 1,625 SF	$3,464 per unit
Single-Family Detached Property	1,625 - 1,725 SF	$3,544 per unit
Single-Family Detached Property	1,726 - 2,000 SF	$3,648 per unit
Single-Family Detached Property	Greater than 2,000 SF	$4,016 per unit
Final Map Property	N/A	$4,016 per unit
Other Property	N/A	$61,120 per acre

Source: Rate and Method of Apportionment of Special Taxes

Highest and Best Use

Process

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

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

Highest and Best Use As If Vacant

Legally Permissible

The site is zoned PD-MDR, Planned Development - Medium Density Residential. Permitted uses include residential uses. To our knowledge, there are no legal restrictions such as easements or deed restrictions that would effectively limit the use of the property. The subject property has an approved final map for 198 single-family homes on individual lots and associated improvements. The subject's present entitlements are the result of significant planning and review, and any rezone or land use different than currently approved is unlikely. Given prevailing land use patterns in the area, only residential use is given further consideration in determining highest and best use of the site, as though vacant.

Physically Possible

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

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

Financially Feasible

Financial feasibility depends on supply and demand influences. With respect to financial feasibility of single-family residential development, in recent months merchant builders have acquired unimproved lots for near term construction, and there are multiple active projects in the area that demonstrate

demand for new homes. Finished lots are transferring for prices that exceed the sum of unimproved lots and site development costs, which reflects completion of site development is financially feasible.

Maximally Productive

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

As Improved (Proposed)

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

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

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

Most Probable Buyer

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

Valuation

Valuation Methodology

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

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

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

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

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

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

The methodology employed in this assignment is summarized as follows:

Approaches to Value

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

Market Valuation – Floor Plans

The market value of the subject's smallest floor plan is estimated in this section. The objective of the analysis is to estimate the base price, net of incentives, upgrades and lot premiums. Incentives can take the form of direct price reductions or non-price incentives such as upgrades, interest rate buydowns, or non-recurring closing costs. The sales comparison approach to value is employed in order to provide an opinion of market value for smallest floor plan offered in the community.

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

The proper application of this approach requires obtaining recent sales data for comparison with the appraised properties. In order to assemble the comparable sales, we searched public records and other data sources for leads, then confirmed the raw data obtained with parties directly related to the transactions (primarily brokers, buyers and sellers). Attempts were made to obtain comparable sales from surrounding communities; however, only one of those attempts were returned. Further, we searched the Multiple Listing Service (MLS) for resales of comparable properties. The comparables utilized in the following analysis are from sales from the subject property and surrounding communities. The floor plans within the community are shown in the following table.

Floor Plan Summary

Floor Plan	Living Area (SF)	Bedroom	Bathroom	Stories	Garage	Typical Lot Size (SF)	Developer's Base Price
Jasper by DR Horton							
Plan 1547	1,547	3	2.5	Two	2-Car	3,600	$497,990
Plan 1678	1,678	4	2.5	Two	2-Car	3,600	$531,990
Plan 1811	1,811	4	2.5	Two	2-Car	3,600	$552,990
Plan 2311	2,311	5	3.0	Two	2-Car	3,600	$595,815

The comparable sales are summarized in the following table.

Comparable Home Sale Summary

No.	Address	Contract Date	Sale Price	Close of Escrow	Living Area (SF)	Bedroom	Bathroom	Garage	Year Built	Lot Size (SF)
1	3031 United Drive	7/13/2025	$584,387	Pending	1,752	3	2.5	2-Car	2025	3,600
2	3067 United Drive	5/17/2025	$585,380	6/18/2025	1,752	3	2.5	2-Car	2025	3,600
3	3090 Paine Street	3/18/2025	$579,841	4/22/2025	1,752	3	2.5	2-Car	2025	3,800
4	1812 Talavera Drive	8/25/2025	$578,865	9/19/2025	1,678	4	2.5	2-Car	2025	3,234
5	1797 Talavera Drive	9/2/2025	$596,665	10/3/2025	1,811	4	2.5	2-Car	2025	3,516

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

Adjustment Factor	Accounts For	Comments
		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 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.	As demonstrated in the previous market analysis section, new home pricing on a dollar per square foot basis has been fluctuating over the past several quarters in the subject's market area, as well as within the region overall. Home pricing over the past several months has moderated and/or remained steady as homebuilders have adjusted to shifting demand; as such, no adjustments are warranted for market conditions.
Location	Location is a very important factor to consider when making comparisons. The comparables need not be in the same neighborhood but should be in neighborhoods that offer the same advantage and have, in general, the same overall desirability to the most probable buyer or user.	The subject and all of the comparables are located in a similar location and no adjustments are warranted.
Community Appeal	Community characteristics that may influence sale prices include a gated amenity or the condition of surrounding development.	The subject and all of the comparables have similar community appeal and do not require adjustments.
Lot Size	The lot size adjustment pertains to the differences between the subject's average lot size and comparables with either larger or smaller lots. It does not include any lot premium adjustments, which are adjusted for separately. The amount of the adjustment used in the comparison of the base lot sizes comes from a survey of premiums paid for larger lots.	Considering the average lot size adjustment factors indicated by the comparable sales utilized in this analysis, lot size adjustment factor of $12.00 /SF is considered reasonable for the subject's residential lots. This figure is supported by observations of sales in the subject's market area.

Adjustment Factor	Accounts For	Comments
Lot Premiums/ Discounts	Properties sometimes achieve premiums for corner or cul-de-sac positioning, or proximity to open space or views. Adjustments for lot position premiums would be in addition to lot size adjustments previously considered.	Appropriate adjustments are applied based upon lot placement and configuration within their respective projects.
Design and Appeal	Design and appeal of a floor plan is consumer specific. One exterior may appeal to one buyer, while another appeals to a different buyer. These types of features for new homes with similar functional utility are not typically noted in the base sales prices.	All of the comparables are similar to the subject in regard to design and appeal.
Quality of Construction	Construction quality can differ from slightly to substantially between projects and is noted in the exterior and interior materials and design features of a standard unit. In terms of quality of construction, the subject represents good construction quality.	All of the comparable sales feature similar construction quality and do not require adjustments. However, slight adjustments are made to those comparables with superior or inferior quality finishes.
Age/Condition	When comparing resale to resale, the market generally reflects a difference of 1% per year of difference in effective age.	All of the comparables represent new construction; thus, no adjustments are required.
Functional Utility	Ability to adequately provide for its intended purpose.	The appraised properties and comparables represent traditional detached single-family residential construction on similar lot size categories as the subject. Adjustments for this factor do not apply.
Room Count	For similar size units the differences between room count is a buyer preference. One buyer might prefer two bedrooms and a den versus a three-bedroom unit. Extra rooms typically result in additional building area and are accounted for in the size adjustment. Therefore, no adjustments are made for number of total rooms or bedrooms.	Because bathrooms are a functional item for each floor plan and add substantial cost due to the number of plumbing fixtures, an adjustment is made for the difference in the number of fixtures between the subject and the comparable sales. The adjustment is based on an amount of $10,000 per fixture (or half-bath) and is supported by cost

Adjustment Factor	Accounts For	Comments
		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 $10,000 per fixture, or half-bath, is supported. Consequently, a factor of $20,000 per full bath is also applied in our analysis.
Unit Size/Living Area	Units similar (in the same development), except for size, were compared to derive the applicable adjustment for unit size. Those used for comparison purposes, are units within similar projects. Units within the same project were used since they have a high degree of similarity in quality, workmanship, design and appeal. Other items such as a single level or two-story designs, number of bathrooms and number of garage spaces were generally similar in these comparisons, in order to avoid other influences in price per square foot. Where differences exist, they are minor and do not impact the overall range or average concluded.	The typical range indicated by the paired units in this analysis generally demonstrated a value range from approximately $50 to upwards of $100 per square foot. Considering the information cited above, a factor of $85.00 per square foot is concluded to be appropriate and reasonable for the difference in living area between the subject and the comparables, given the quality of the product.
Number of Stories	For similar size units, the differences between the number of stories is typically a buyer preference. One buyer might prefer a single-story versus a two-story unit.	In current market conditions, single story floor plans typically demand a slight premium. However, the subject and all of the comparables have a similar number of stories and no adjustment is warranted.
Parking/Garage	Number of garage spaces	The subject and all of the comparables offer a 2-Car garage. Therefore, no adjustment is warranted for parking/garage.
Landscaping	Included landscaping	The subject and all of the

Adjustment Factor	Accounts For	Comments
		comparables include only front yard landscaping. Therefore, no adjustment is warranted for landscaping.

Adjustment Grids

The following pages include grids reflecting the aforementioned adjustments.

Plan 1547

Project Information	Subject Property	Comparable 1		Comparable 2		Comparable 3		Comparable 4		Comparable 5	
Project Name	Jasper	Jubilee at Independence		Jubilee at Independence		Jubilee at Independence		Jasper		Jasper	
Plan	Plan 1547	Plan 1		Plan 1		Plan 1		Plan 1678		Plan 1811	
Address/Lot Number		3031 United Drive		3067 United Drive		3090 Paine Street		1812 Talavera Drive		1797 Talavera Drive	
City/Area	Lincoln	Lincoln		Lincoln		Lincoln		Lincoln		Lincoln	
Price	N/Ap		$584,387		$585,380		$579,841		$578,865		$596,665
Price Per SF	N/Ap	$333.55		$334.12		$330.96		$344.97		$329.47	
Special Taxes (12-year hold at 5.5%)	$29,855		$25,007		$25,007		$25,007		$30,544		$31,440
Adjustment			*-$4,848*		*-$4,848*		*-$4,848*		*$689*		*$1,586*
Adjusted Price (Including Bonds)			***$579,539***		***$580,532***		***$574,993***		***$579,554***		***$598,251***
Total Consideration per SF		$330.79		$331.35		$328.19		$345.38		$330.34	
Data Source		Project sales agent		Project sales agent		Project sales agent		Project sales agent		Project sales agent	
Incentives	N/Ap	Yes	($50,434)	Yes	($68,877)	Yes	($60,879)	Yes	($73,865)	Yes	($60,000)
Upgrades	Base	Yes	($45,397)	Yes	($44,390)	Yes	($42,851)	Yes	($4,875)	Yes	($4,675)
Effective Base Sales Price			**$483,708**		**$467,265**		**$471,263**		**$500,814**		**$533,576**

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		10/1/2025	7/13/2025		5/17/2025		3/18/2025		8/25/2025		9/2/2025	
Project Location		Lincoln	Lincoln		Lincoln		Lincoln		Lincoln		Lincoln	
Community Appeal		Average	Similar		Similar		Similar		Similar		Similar	
Lot Size	$12.00	3,600	3,600	$0	3,600	$0	3,800	($2,400)	3,234	$4,392	3,516	$1,008
Lot Premium		N/Ap	Similar		Similar		Similar		Similar		Similar	
Design and Appeal		Average	Similar		Similar		Similar		Similar		Similar	
Quality of Construction		Good	Similar		Similar		Similar		Similar		Similar	
Age (Total/Effective)		New	Similar		Similar		Similar		Similar		Similar	
Condition		Good/New	Similar		Similar		Similar		Similar		Similar	
Functional Utility		Average	Similar		Similar		Similar		Similar		Similar	
Room Count												
Bedrooms		3	3		3		3		4		4	
Baths	$20,000	2.5	2.5	$0	2.5	$0	2.5	$0	2.5	$0	2.5	$0
Living Area (SF)	$85.00	1,547	1,752	($17,425)	1,752	($17,425)	1,752	($17,425)	1,678	($11,135)	1,811	($22,440)
Number of Stories		Two	Two		Two		Two		Two		Two	
Heating/Cooling		Central/Forced	Similar		Similar		Similar		Similar		Similar	
Garage	$20,000	2-Car	2-Car		2-Car		2-Car		2-Car		2-Car	
Landscaping		Front	Similar		Similar		Similar		Similar		Similar	
Pool/Spa		None	Similar		Similar		Similar		Similar		Similar	
Patios/Decks		Patio	Similar		Similar		Similar		Similar		Similar	
Fencing		Rear	Similar		Similar		Similar		Similar		Similar	
Kitchen Equipment		Average	Similar		Similar		Similar		Similar		Similar	
Other		None	Similar		Similar		Similar		Similar		Similar	
Gross Adjustments				$17,425		$17,425		$19,825		$15,527		$23,448
Net Adjustments				**($17,425)**		**($17,425)**		**($19,825)**		**($6,743)**		**($21,432)**
Adjusted Retail Value				**$466,283**		**$449,840**		**$451,438**		**$494,071**		**$512,144**

Concluded Retail Value	**$480,000**
Indicated Value Per SF	**$310.28**

Adjustments were necessary to account for differences between these homes and the subject's floor plan. The sales provide a range of indicators of $449,840 to $512,144 . Primary emphasis is placed on the two comparable sales within the subject property. However, we placed some reliance on the remaining comparables as there has yet to be a sale of the subject floor plan. An estimate slightly greater than the midpoint of the comparables is considered to be reasonable. We have concluded an estimate of value of $480,000 for Plan 1547 for Jasper by DR Horton.

Conclusion of Home Values

Based on the analysis herein, the market value conclusion for the homes is summarized in the following table.

Floor Plan Value Conclusions

Floor Plan	Living Area (SF)	Bedroom	Bathroom	Stories	Garage	Typical Lot Size (SF)	**Concluded Base Retail Value**
Plan 1547	1,547	3	2.5	Two	2-Car	3,600	**$480,000**

Sales Comparison Approach

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

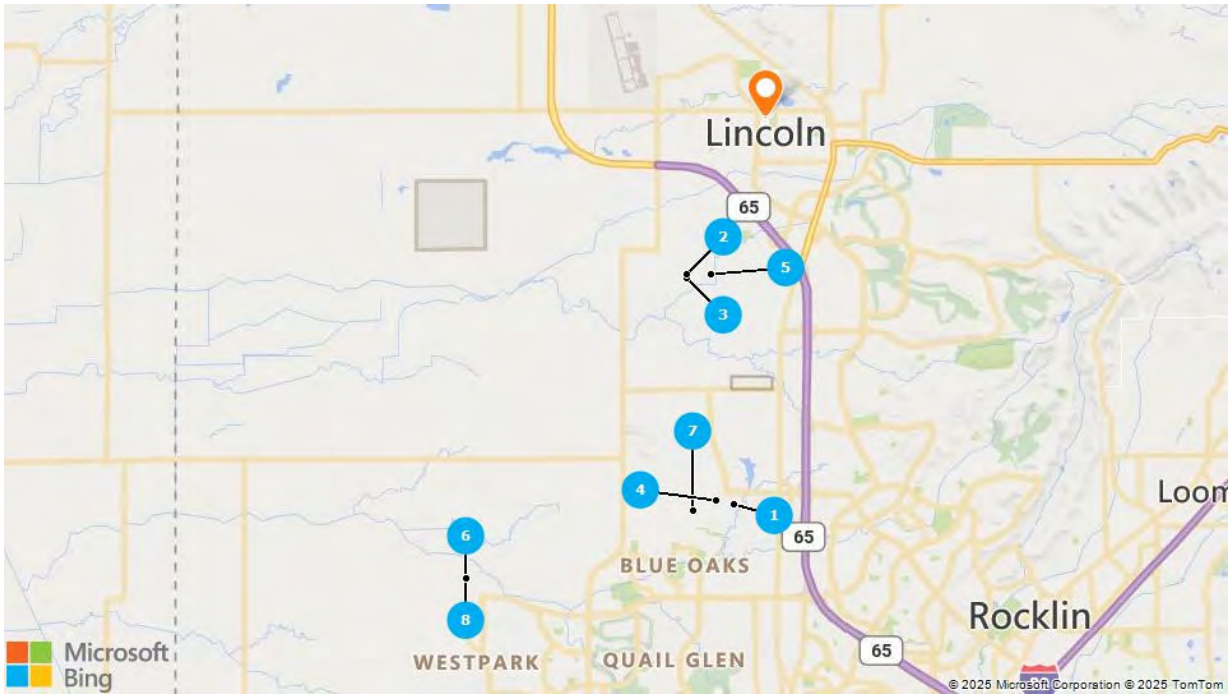
- Location: Lincoln and surrounding areas
- Typical Lot Size: 2,500 to 5,000 square feet
- Number of Lots: 40 to 250 lots
- Transaction Date: 2023 or later

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

Summary of Comparable Land Sales

No.	Name/Address	Sale Date; Status	Sale Price; Bond Consideration/Lot	Typical Lot Size	Number of Lots	$/Lot	Expenditures After Purchase
1	Village 15/16 - Phase 1C Placer One Sunset Blvd. Placer County Placer County	May-25 Closed	$25,746,975 $6,200	3,102	201	$128,094	$136,806
	Comments: 201 residential lots with a typical lot size of 3,102 square feet sold in bluetop condition for $128,094 per lot. The site development costs to bring the lots to finished condition is estimated at $64,906 per lot. Permits and fees are estimated at $71,900 per lot. We were not provided with an estimated bond encumbrance. Therefore, based on a survey of surrounding properties, it is estimated the subject would have a bond encumbrance of $3,000 per lot. The purchase price is in addition to a Master Marketing Fee of 0.50% of the purchase price in connection with the closing of each individual home.						
2	Freedom at Liberty Tribute Ln. Lincoln Placer County	Jan-25 Closed	$14,960,000 $6,700	3,825	88	$170,000	$70,694
	Comments: This is a sale of 88 finished lots with a typical lot size of 3,825 square feet within Liberty at Lincoln. Permits and fees are estimated at $70,694 per lot, while special taxes are estimated at $3,100 per lot per year. The community is located proximate to the City of Lincoln Wastewater Treatment Plant.						
3	Noble at Liberty Liberty Pky. Lincoln Placer County	Jan-25 Closed	$9,900,000 $6,800	4,250	60	$165,000	$69,708
	Comments: This is the first phase of the transaction of 60 finished lots with a typical lot size of 4,250 at Liberty at Lincoln. The second phase consists of nine lots and will transfer upon completion of dry-utility improvements and final map recordation. Permits and fees are estimated at $69,708 per lot, while special taxes are estimated at $3,350 per lot per year. The community is located proximate to the City of Lincoln Wastewater Treatment Plant.						
4	Placer One - Village 14 Sunset Blvd. Placer County Placer County	Jan-25 Closed	$11,700,000 $6,122	3,255	156	$75,000	$182,594
	Comments: 156 alley-loaded residential lots with a typical lot size of 3,255 square feet sold in bluetop condition for $75,000 per lot. The site development costs to bring the lots to finished condition is estimated at $100,894 per lot. Permits and fees are estimated at $81,700 per lot. Special taxes are estimated at $2,671 per lot. The purchase price is in addition to a Master Marketing Fee of 0.50% of the purchase price in connection with the closing of each individual home.						
5	Legacy at Liberty Liberty Pky. Lincoln Placer County	Dec-24 Closed	$15,750,000 $6,000	4,400	96	$164,063	$72,326
	Comments: This is a sale of 96 finished lots with a typical lot size of 4,400 square feet within Liberty at Lincoln. Permits and fees are estimated at $72,326 per lot, while special taxes are estimated at $3,400 per lot per year. The community is located proximate to the City of Lincoln Wastewater Treatment Plant.						
6	Winding Creek - Villages C-6 & C-8 E/O Westbrook Blvd., N/O Blue Oaks Blvd. Roseville Placer County	Nov-24 Closed	$15,280,000 $3,142	4,050	80	$191,000	$92,423
	Comments: This comparable represents the sale of 80 finished lots with a typical lot size of 4,050 square feet. Permits & fees average $92,423 per lot and annual special assessments are $3,237 per lot. The purchase price is in addition to a Master Marketing Fee of 0.75% of HUD Purchase Price which is to be paid in connection with each home closing.						
7	Placer One - Villages 8 through 11 Momentum Dr. Placer County Placer County	Sep-24 Closed	$23,591,500 $6,474	5,153	253	$93,247	$191,547
	Comments: This is a sale of 253 bluetop lots consisting of Villages 8 through 11 in Placer One. Village 8 consists of 82 residential lots with an estimated 3,600 square foot typical lot size and have a four-pack configuration. The remaining villages have a traditional lot configuration. The remaining site development costs were estimated at $105,347 per lot, while permits and fees are estimated at $86,200 per lot. Based on other projects in the area, the special taxes are estimated at $3,061 per lot. The purchase price is in addition to a Master Marketing Fee of 0.50% of the purchase price in connection with the closing of each individual home.						
8	Winding Creek - Village C-20 W/O Westbrook Blvd., N/O Blue Oaks Blvd. Roseville Placer County	Sep-24 Closed	$12,127,500 $5,094	2,800	77	$157,500	$86,286
	Comments: This comparable represents the sale of 77 finished MDR lots with a typical lot size of 2,800 square feet (35'x80'). Permits & fees are $86,286 per lot and annual special assessments are $2,547 per lot. The purchase price is in addition to a Master Marketing Fee of 0.75% of HUD Purchase Price which is to be paid in connection with each home closing. The lots are located in RCSD/RJUHSD.						
	Subject City of Lincoln CFD No. 2025-1 (Joiner Ranch East) Lincoln, CA			3,600	198		

Comparable Land Sales Map



Loaded Lot Analysis

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

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

Adjustment Factors

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

Adjustment Factor	Accounts For	Comments
Real Property Rights	Fee simple, leased fee, leasehold, partial interest, etc.	All the comparables represent fee simple estate transactions. Therefore, adjustments for property rights are not necessary.
Financing Terms	Seller financing, or assumption of existing financing, at non-market terms.	All of the comparables are all cash or cash to seller transactions and do not warrant an adjustment.
Conditions of Sale	Extraordinary motivation of buyer or seller, assemblage, forced sale.	All of the comparables are market transactions and do not warrant an adjustment for conditions of sale.
Market Conditions	Changes in the economic environment over time that affect the appreciation and depreciation of real estate.	Home values increased significantly leading up to the first quarter of 2022, when mortgage interest rates began a steady increase from historical lows (below 3%) to over 7%. While some price appreciation was offset by rising construction costs (materials) and labor shortages during the pandemic, construction costs have since moderated. As the inventory of available new homes continues to deplete, and demand remains strong, despite the higher mortgage interest rates, home prices appear

Adjustment Factor	Accounts For	Comments
		to be stabilizing; though, increased incentives towards financing costs (interest rate buy-downs) remains prevalent in the market. Market participants have noted that current market values are similar to late First Quarter 2022, which represented the top of the market with land values subsequently declining due to the rising interest rates and other economic conditions. This has been short-lived, as recent market interviews suggest merchant builders were very active leading up to the beginning of 2025, but have been more cautious as homebuilders are reacting to shifting demand from homebuyers. Comparables that transferred in the beginning of 2024 and prior warrant an upward adjustment unless the contract was negotiated in the first quarter of 2022. Several sales were negotiated prior to the dates of sale. The contract dates of each sale were accounted for in this analysis. For more information of the sales comparables, please refer to the addenda of the report.
Location/Community Appeal	Market or submarket area influences on sale price; surrounding land use influences.	The subject is located in the city of Lincoln. Comparables 1, 4, 6, 7, and 8 are located in superior locations compared to the subject and warrant downward adjustments. Conversely, Comparables 2, 3, and 5 are located in a slightly inferior location in the city of Lincoln given their location proximate to the City of Lincoln Wastewater Treatment Plant.

Adjustment Factor	Accounts For	Comments
Number of Lots	Generally, there is an inverse relationship between the number of lots and price per lot such that larger projects (with a greater number of lots) achieve a lower price per lot.	Typically, variances in per lot prices, all else being equal, are not observed in transactions between 40 and 250 lots. Comparable 7 transacted with a greater number of lots than a typical transaction and warrants an upward adjustment. No further adjustments for the number of lots is required.
Lot Size	Adjustments for differences in lot size between the comparables and subject are considered.	Those comparables with discernably larger lot sizes relative to the subject's typical lot size of 3,600 square feet, are adjusted downward. Conversely, comparables with smaller lot sizes are adjusted upward.
Site Utility	Differences in contour, drainage, soil conditions, as well as project design, can affect the utility and therefore, the market value of the properties.	The subject property is considered to have average utility. Comparable 4 has an alley-loaded lot configuration, which is considered to be inferior to a traditional configuration and warrants an upward adjustment. Each of the comparables are considered to offer similar site utility as the subject and no additional adjustment for this characteristic are required.
Lot Premiums/ Discounts	Primary physical factors that affect desirability of lots.	The subject has average lot premiums/discounts. All of the comparables have similar lot premiums/discounts and no adjustments are warranted.

The following table summarizes the adjustments we make to the comparable sales.

Land Sales Adjustment Grid

	Subject	Comparable 1	Comparable 2	Comparable 3	Comparable 4	Comparable 5	Comparable 6	Comparable 7	Comparable 8
Name	City of Lincoln CFD No. 2025-1 (Joiner Ranch East)	Village 15/16 - Phase 1C Placer One	Freedom at Liberty	Noble at Liberty	Placer One - Village 14	Legacy at Liberty	Winding Creek - Villages C-6 & C-8	Placer One - Villages 8 through 11	Winding Creek - Village C-20
City	Lincoln	Placer County	Lincoln	Lincoln	Placer County	Lincoln	Roseville	Placer County	Roseville
County	Placer	Placer	Placer	Placer	Placer	Placer	Placer	Placer	Placer
Sale Date		May-25	Jan-25	Jan-25	Jan-25	Dec-24	Nov-24	Sep-24	Sep-24
Sale Status		Closed	Closed	Closed	Closed	Closed	Closed	Closed	Closed
Sale Price		$25,746,975	$14,960,000	$9,900,000	$11,700,000	$15,750,000	$15,280,000	$23,591,500	$12,127,500
Number of Lots	198	201	88	60	156	96	80	253	77
Price per Lot		$128,094	$170,000	$165,000	$75,000	$164,063	$191,000	$93,247	$157,500
Expenditures After Purchase		$136,806	$70,694	$69,708	$182,594	$72,326	$92,423	$191,547	$86,286
Bond Consideration		$6,000	$6,200	$6,700	$5,342	$6,800	$6,474	$6,122	$5,094
Price per Lot (Loaded)		**$270,900**	**$246,894**	**$241,408**	**$262,936**	**$243,189**	**$289,897**	**$290,916**	**$248,880**
Property Rights		Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Ranking		–	–	–	–	–	–	–	–
Financing Terms		Cash to seller	Cash to seller	Cash to seller	Cash to seller	Cash to seller	Cash to seller	Cash to seller	Cash to seller
Adjustment		–	–	–	–	–	–	–	–
Conditions of Sale		Market	Market	Market	Market	Market	Market	Market	Market
Adjustment		–	–	–	–	–	–	–	–
Market Conditions	10/1/2025	May-25	Jan-25	Jan-25	Jan-25	Dec-24	Nov-24	Sep-24	Sep-24
Adjustment		–	–	–	–	–	–	Inferior	–
Property Adjustments									
Location/Community	Lincoln	Placer County	Lincoln	Lincoln	Placer County	Lincoln	Roseville	Placer County	Roseville
Adjustment		Superior	Inferior	Inferior	Superior	Inferior	Superior	Superior	Superior
Number of Lots	198	201	88	60	156	96	80	253	77
Adjustment		–	–	–	–	–	–	Inferior	–
Typical Lot Size	3,600	3,102	3,825	4,250	3,255	4,400	4,050	5,153	2,800
Adjustment		Inferior	–	Superior	–	Superior	Superior	Superior	Inferior
Site Utility	Average	Average	Average	Average	Alley-Loaded	Average	Average	Average	Average
Adjustment		–	–	–	Inferior	–	–	–	–
Lot Premiums/Discounts	Average	Average	Average	Average	Average	Average	Average	Average	Average
Adjustment		–	–	–	–	–	–	–	–
Overall Ranking		**Superior**	**Inferior**	**Inferior**	**Superior**	**Inferior**	**Superior**	**Superior**	**Similar**

Land Value Conclusion

The comparables reflect a range of sales prices of $75,000 to $191,000 per lot. The wide disparity in the unadjusted range is largely attributable to lot condition at time of sale (unimproved lots, partially improved lots and improved lots), as well as differences in permits and fees and bonds encumbrances. After accounting for remaining site development costs, permits and fees and bond encumbrances, the comparables exhibit a loaded lot range of $241,408 to $290,916 per loaded lot. The following table summarizes the loaded lot values (unadjusted) and our conclusion of loaded lot value for the subject property.

Bulk Lot Ranking Summary

Comparable	Sale Date	$/ Loaded Lot (Unadjusted)	Net Adjustment
7	Sep-24	$290,916	Superior
6	Nov-24	$289,897	Superior
1	May-25	$270,900	Superior
4	Jan-25	$262,936	Superior
Subject	--	$250,000	--
8	Sep-24	$248,880	Similar
2	Jan-25	$246,894	Inferior
5	Dec-24	$243,189	Inferior
3	Jan-25	$241,408	Inferior
Estimated Unit Value		$250,000	

In addition to the previously analyzed sales, we are aware of four pending bulk lot transactions in the Creekview master planned community in Roseville. Each of the transactions were either negotiated downward or cancelled by the buyers. The transactions that were cancelled were then back filled by another national homebuilder at a lower price. The contracts were adjusted downward anywhere from 5.0% to 7.50%. While we are aware of the details of the pending transactions, we do not have all the information necessary to utilize the comparables within our analysis.

Primary reliance is placed on the Comparables 1 and 2 as they are considered to be the best indicators of value. The remaining comparables are considered to be good indicators of value and support the conclusion of finished lot value for the subject.

A loaded lot indicator of $250,000 per lot appears reasonable. Deducting the subject's net permits and fees due at building permit ($52,100 per lot), which is reflective of the impact fees to be financed by the proposed Bonds, yields a lot value for the subject property of $197,900 ($198,000 per lot, rounded), as calculated below.

Conclusion of Value: Sales Comparison Approach

Concluded Loaded Lot Value	$250,000
Less: Permits & Fees	($52,100)
Estimated Finished Lot Value	$197,900
Rounded	$198,000

Land Residual Analysis

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

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

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

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

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

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

Revenue

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

The subject has 198 lots with a typical lot size of 3,600 square feet. The subject is being developed as one community; however, given the number of lots within the subject, a homebuilder would likely offer two product lines that have a wider variety of homes to capture a greater buyer pool. Therefore, for the purposes of this analysis, we will analyze the subject as if two product lines are being developed on the subject property.

Based on the Residential Market Analysis section of this report and considering current asking prices, we estimate a typical average-sized home on the subject would contain approximately 1,900 square feet and would have a corresponding base price of $540,000. These estimates will be utilized in the analysis.

Closing Projections

The typical time required for the construction of units has been approximately three to six months from start to closing. It is assumed that initial closings will occur within three to six months of the date of sale. The premise is that the builder constructs efficiently as homes are sold. These assumptions are reflected in the projected construction schedule shown in the land residual models at the end of this

section. Since the land residual analysis is conducted on a quarterly basis, closings are reflected in the following period, as most construction will be substantially completed prior to initiation of sales.

Changes in Market Conditions (Price Increases or Decreases)

The subject's market area has experienced rapid market appreciation in home prices for the past few years; however, 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. The fed-funds rate currently ranges between 4.00% to 4.25%, which has resulted in a substantial rise in mortgage interest rates, which are now approximately 6.50% and have moderated from 8.0% in October of 2023. The rise in mortgage interest rates has impacted the affordability of homes for a certain segment of the homebuyer market, which may impact pricing in the near term. Consequently, under current market conditions, forecasting home appreciation during the absorption period is speculative, and several homebuilders surveyed indicate they typically do not trend/forecast home appreciation during the sell-off period. Therefore, for purposes of this analysis, the home price revenue will be held constant during the sell-off period.

Absorption

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

Based on the typical marketing and absorption rate data presented in the Residential Market overview, we estimate an absorption rate of 2.50 units per month for each product line or 5.0 units per month or 15.0 units per quarter. Home sales begin in Period 1, and the subject lots sell out in Period 14, with Period 15 needed to complete construction and close escrow. Our disposition period for the subject lots is over the course of 3.75 years. Market conditions are anticipated to remain stable over this time.

Expense Projections

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

Subdivision Budgets

Developer Classification	Municipality	Budget Date	No. of Units	Quality	Avg. Home Size (SF)	Typical Lot Size	G & A % of Revenue	Mkt & Sales % of Revenue	Direct Costs/SF	Indirect Costs/SF	Indirect % of Direct Costs	Site Costs/Lot	Permits & Fees/Unit	Cost per Model	Profit % of Revenue	IRR	Projected Sales/Mo.
National	Manteca	2025	172	Average	2,537	6,147	0.2%	0.4%	N/Av	N/Av	N/Av	$94,186	$66,600	N/Av	14.50%	25.0%	5
National	Rancho Cordova	2025	55	Average	3,131	6,300	N/Av	N/Av	$89.90	N/Av	N/Av	$72,436	$82,900	N/Av	N/Av	N/Av	3
National	Folsom	2025	211	Good	3,267	5,546	3.3%	1.0%	N/Av	N/Av	10.0%	$166,943	$56,500	N/Av	26.00%	N/Av	4
National	Placer County	2024	107	Good	3,626	9,000	2.0%	1.0%	$104.58	N/Av	N/Av	N/Av	$89,819	N/Av	N/Av	20.0%	N/Av
National	Lincoln	2024	862	Average	2,056	5,280	N/Av	N/Av	$99.56	N/Av	N/Av	$161,203	$60,400	N/Av	N/Av	N/Av	2.8
National	Stockton	2024	236	Average	1,500	5,940	6.0%	6.0%	$119.00	N/Av	N/Av	$131,355	$42,660	N/Av	N/Av	25.0%	6
National	Lincoln	2024	184	Average	2,098	2,746	4.5%	4.5%	$92.00	$11.44	12.43%	$98,293	$28,400	N/Av	19.00%	7.0%	N/Av
National	Roseville	2024	120	Average	2,170	3,825	3.5%	3.5%	$129.00	N/Av	N/Av	$88,501	$63,700	N/Av	13.00%	N/Av	4
National	Dixon	2024	85	Average	2,147	4,800	N/Av	4.5%	$95.47	$9.78	10.24%	N/Av	$96,000	N/Av	N/Av	N/Av	3
National	Elk Grove	2023	606	Average	2,267	5,784	N/Av	N/Av	$109.88	N/Av	N/Av	$145,000	$50,798	N/Av	N/Av	N/Av	N/Av
National	Elk Grove	2023	435	Average	2,779	6,096	N/Av	N/Av	$100.15	N/Av	N/Av	$120,000	$84,203	N/Av	N/Av	N/Av	N/Av
Local	Carmichael	2023	46	Average	1,411	3,400	N/Av	N/Av	$130.00	$18.00	13.85%	$94,565	$38,000	N/Av	N/Av	N/Av	N/Av
National	Roseville	2023	63	Average	2,200	3,995	2.0%	5.0%	N/Av	N/Av	N/Av	$66,480	$60,883	N/Av	10.0%	N/Av	4
National	Elk Grove	2023	85	Average	1,844	3,000	N/Av	N/Av	$96.00	N/Av	N/Av	$65,855	$48,588	N/Av	N/Av	N/Av	N/Av
Regional	Elk Grove	2023	52	Average	2,607	6,200	N/Av	5.80%	$101.86	$6.86	6.73%	$164,076	$73,595	N/Av	10.06%	N/Av	4
National	Rancho Cordova	2023	573	Average	2,327	5,232	N/Av	N/Av	$99.86	N/Av	2.50%	$126,003	$98,422	N/Av	20.00%	N/Av	3
National	Folsom	2022	919	Good	1,877	4,782	3.0%	3.0%	$143.00	N/Av	N/Av	N/Av	$78,522	N/Av	N/Av	25.0%	4
National	Lincoln	2022	159	Average	1,575	2,275	N/Av	N/Av	$145.64	N/Av	N/Av	$41,811	$54,100	N/Av	28.0%	25.0%	6
National	Lincoln	2022	65	Average	3,447	5,200	N/Av	N/Av	$110.00	N/Av	N/Av	N/Av	$71,290	N/Av	N/Av	N/Av	N/Av

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

General and Administrative

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

Marketing and Sale

These expenses typically consist of advertising and promotion, closing costs, sales operations, and sales commissions. The expenses are expressed as a percentage of the gross sales revenue. The range of marketing and sales expenses typically found in projects within the subject's market area is 5.0% to 6.5%. A figure of 5.0%, or 2.50% for marketing and 2.50% for sales, is estimated in the marketing and sales expense category.

Property Taxes (Ad Valorem and Special Taxes)

The subject is located within an area with an effective tax rate of 1.0506%. This amount is applied to the estimated market values and divided by the total number of units to yield an estimate of ad valorem taxes/unit/year for each phase. The tax amounts are applied to unclosed inventory over the sell-off period. Property taxes are increased by 2% per year.

The subject is within the boundary of the City of Lincoln CFD No. 2025-1 (Joiner Ranch East). Special Taxes associated with the District, for the most recently available tax year amount to $3,648 per unit, which is utilized in the analysis, in addition to $918 of additional direct charges per unit. The total tax expense is gradually reduced over the absorption period, as the land components are sold off.

HOA

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

Permits and Fees

Based on the information provided, the estimate of net permits and fees for the subject are estimated at $52,100 per lot.

Direct and Indirect Construction Costs

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

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

comparables, and considering the product line under development, a direct cost estimate of $85.00 per square foot is applied the estimated home. This estimate is generally consistent with comparables in the market.

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

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

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

Model Complex

The developer has constructed two model homes to service the subject property; however, given the number of lots comprising the subject, it is estimated a developer would construct four model homes to service the subject property. Model upgrade expenses can vary widely depending upon construction quality, targeted market and anticipated length of time on the market. These upgrades, exterior and interior, including furniture, can range from $20,000 per model to over $250,000 per model for executive homes.

Based on the quality of the subject's proposed improvements and the targeted buyer segment, a model upgrade cost of $50,000 per model is considered reasonable for the subject's lots. Of this amount approximately 40% will be recaptured with the sale of the models reflecting a recapture of $20,000 per model. Model costs will be incurred in the first period while the recapture amount will be applied evenly over the disposition period.

Summary

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

Revenue & Expense Summary

REVENUE SUMMARY

Floor Plan		No. of Units	Unit Size (SF)	$/SF	Base Retail Value Per Unit	Extension
Average Unit		198	1,900	$284	$540,000	$106,920,000
Model Recapture	(@ 40% of cost)					$80,000
		198	1,900 (weighted avg.)			

Total Revenue Before Appreciation: $ 107,000,000
$540,404 /unit

Total Revenue After Appreciation: $ 107,000,000
$540,404 /unit

EXPENSES SUMMARY

			Total Over Sell-Off Period	
General and Administrative	3.0%	of total revenue	$ 3,210,000	
Marketing and Sales	5.0%	of total revenue	$ 5,350,000	
Ad Valorem Taxes	$1,906	/unit/year	$ 684,439	(from cash flow)
Direct Charges	$918	/unit/year	$ 329,578	(from cash flow)
Special Taxes/Assessments	$3,648	/unit/year	$ 1,309,698	(from cash flow)
Homeowner's Association Fees	$0	/unit/month	$ -	(from cash flow)
Model Costs	4	models	$ 200,000	$50,000 (per model)
Permits and Fees			$ 10,315,800	$52,100 (per unit)
Subtotal:			$ 21,399,515	

Direct Construction Costs (Before Appreciation)	SF	Units	Cost/SF	Extension	
Average/Typical Floor Plan	1,900	198	$85.00	$ 31,977,000	$161,500 /unit
Indirect Construction Costs	12%	of Direct Costs		$ 3,837,240	$19,380 /unit
Subtotal:				$ 35,814,240	

Total Expenses Before Appreciation: $ 57,213,755

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 9.00% for developer’s incentive, results in an implied internal rate of return (IRR) of 15.45%.

California/Pacific Islands: Subdivisions & PUDs

	Actual Rates			Pro-Forma Rates		
	Min	Max	Avg	Min	Max	Avg
Site-Built Residential	18.29%	38.75%	26.92%	17.56%	38.14%	25.84%
-100 Units	18.29%	33.41%	25.74%	17.56%	32.88%	24.71%
100-500 Units	18.74%	36.75%	27.08%	18.00%	36.17%	26.00%
500+ Units	19.20%	38.42%	27.54%	18.43%	37.81%	26.44%
Mixed Use	19.66%	38.75%	27.32%	18.87%	38.14%	26.23%
Manufactured Housing	18.87%	42.32%	28.88%	18.12%	41.65%	27.73%
-100 Units	18.87%	36.80%	27.74%	18.12%	36.22%	26.63%
100-500 Units	19.35%	40.48%	29.21%	18.57%	39.84%	28.04%
500+ Units	19.82%	42.32%	29.71%	19.02%	41.65%	28.52%
Business Parks	18.83%	40.48%	28.01%	18.07%	39.84%	26.88%
-100 Acres	18.83%	35.20%	26.91%	18.07%	34.64%	25.83%
100-500 Acres	19.30%	38.72%	28.31%	18.53%	38.10%	27.18%
500+ Acres	19.77%	40.48%	28.79%	18.98%	39.84%	27.64%
Industrial Parks	18.91%	34.20%	25.14%	18.16%	33.66%	24.13%
-100 Acres	18.91%	29.74%	24.20%	18.16%	29.27%	23.24%
100-500 Acres	19.38%	32.71%	25.40%	18.61%	32.19%	24.39%
500+ Acres	19.86%	34.20%	25.81%	19.06%	33.66%	24.78%

*2nd Quarter 2025 Data

Realty Rates Developers Survey 2025 Q3

California/Pacific Islands: CA, Guam, HI

The survey above is primarily focused on raw land development; whereas, the subject property is analyzed herein as if improved (finished lot, or improved site, condition), which carries less risk. Furthermore, the implied IRR for the subject is just below the range presented by the RealtyRates survey. The implied IRR is considered to be reasonable given the dynamic market with homebuilders renegotiating bulk lot transfers in the region and likely having to accept a slightly lower implied IRR.

Conclusion

The land residual analysis is presented as follows:

Land Residual Analysis

Quarter:		0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	Total
ABSORPTION																		
Sales			15	15	15	15	15	15	15	15	15	15	15	15	15	3	0	198
Close of Escrow (COE)			0	15	15	15	15	15	15	15	15	15	15	15	15	15	3	198
Unsold Inventory		198	183	168	153	138	123	108	93	78	63	48	33	18	3	0	0	
Sales Revenue (Before Appreciation)			$ 8,106,061	$ 8,106,061	$ 8,106,061	$ 8,106,061	$ 8,106,061	$ 8,106,061	$ 8,106,061	$ 8,106,061	$ 8,106,061	$ 8,106,061	$ 8,106,061	$ 8,106,061	$ 8,106,061	$ 1,621,212	$ -	
Annual Appreciation Factor	0%		1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	
Sales Revenue (After Appreciation)			$ 8,106,061	$ 8,106,061	$ 8,106,061	$ 8,106,061	$ 8,106,061	$ 8,106,061	$ 8,106,061	$ 8,106,061	$ 8,106,061	$ 8,106,061	$ 8,106,061	$ 8,106,061	$ 8,106,061	$ 1,621,212	$ -	$ 107,000,000
Total Sales Revenue (at Close of Escrow)		**$**	**- $ 8,106,061**	**$ 8,106,061**	**$ 8,106,061**	**$ 8,106,061**	**$ 8,106,061**	**$ 8,106,061**	**$ 8,106,061**	**$ 8,106,061**	**$ 8,106,061**	**$ 8,106,061**	**$ 8,106,061**	**$ 8,106,061**	**$ 8,106,061**	**$ 1,621,212**		**$ 107,000,000**
EXPENSES AND CASH FLOWS																		
General and Administrative	3.0%	$ (214,000)	$ (214,000)	$ (214,000)	$ (214,000)	$ (214,000)	$ (214,000)	$ (214,000)	$ (214,000)	$ (214,000)	$ (214,000)	$ (214,000)	$ (214,000)	$ (214,000)	$ (214,000)	$ (214,000)	$ (214,000)	$ (3,210,000)
Marketing and Sales	5.0%	$ -	$ (405,303)	$ (405,303)	$ (405,303)	$ (405,303)	$ (405,303)	$ (405,303)	$ (405,303)	$ (405,303)	$ (405,303)	$ (405,303)	$ (405,303)	$ (405,303)	$ (405,303)	$ (405,303)	$ (81,061)	$ (5,350,000)
Ad Valorem Taxes ($/unit/yr)	$1,906	$ (94,368)	$ (87,655)	$ (80,872)	$ (74,020)	$ (67,097)	$ (60,103)	$ (53,037)	$ (45,899)	$ (38,688)	$ (31,405)	$ (24,047)	$ (16,615)	$ (9,108)	$ (1,526)	$ -	$ -	$ (684,439)
Direct Charges ($/unit/yr)	$918	$ (45,441)	$ (42,208)	$ (38,943)	$ (35,643)	$ (32,309)	$ (28,941)	$ (25,539)	$ (22,102)	$ (18,630)	$ (15,122)	$ (11,579)	$ (8,001)	$ (4,386)	$ (735)	$ -	$ -	$ (329,578)
Special Taxes/Assessments ($/unit/yr)	$3,648	$ (180,576)	$ (167,730)	$ (154,752)	$ (141,640)	$ (128,392)	$ (115,009)	$ (101,488)	$ (87,829)	$ (74,032)	$ (60,094)	$ (46,015)	$ (31,793)	$ (17,429)	$ (2,919)	$ -	$ -	$ (1,309,698)
Homeowner's Association Fees ($/unit/mo)	$0	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Model Costs		$ (200,000)		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (200,000)
Permits and Fees		$ (781,500)	$ (781,500)	$ (781,500)	$ (781,500)	$ (781,500)	$ (781,500)	$ (781,500)	$ (781,500)	$ (781,500)	$ (781,500)	$ (781,500)	$ (781,500)	$ (781,500)	$ (781,500)	$ (156,300)	$ -	$ (10,315,800)
Subtotal:		$ (1,515,885)	$ (1,698,397)	$ (1,675,370)	$ (1,652,105)	$ (1,628,601)	$ (1,604,856)	$ (1,580,867)	$ (1,556,633)	$ (1,532,153)	$ (1,507,424)	$ (1,482,444)	$ (1,457,212)	$ (1,431,725)	$ (780,783)	$ (295,061)	$ (21,399,515)	
Direct Construction Costs		$ (1,211,250)	$ (2,422,500)	$ (2,422,500)	$ (2,422,500)	$ (2,422,500)	$ (2,422,500)	$ (2,422,500)	$ (2,422,500)	$ (2,422,500)	$ (2,422,500)	$ (2,422,500)	$ (2,422,500)	$ (2,422,500)	$ (2,422,500)	$ (1,453,500)	$ (242,250)	
Annual Appreciation Factor	0%		1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	
Direct Construction Costs (Appreciated)		$ (1,211,250)	$ (2,422,500)	$ (2,422,500)	$ (2,422,500)	$ (2,422,500)	$ (2,422,500)	$ (2,422,500)	$ (2,422,500)	$ (2,422,500)	$ (2,422,500)	$ (2,422,500)	$ (2,422,500)	$ (2,422,500)	$ (2,422,500)	$ (1,453,500)	$ (242,250)	$ (31,977,000)
Indirect Construction Costs	12%	$ (145,350)	$ (290,700)	$ (290,700)	$ (290,700)	$ (290,700)	$ (290,700)	$ (290,700)	$ (290,700)	$ (290,700)	$ (290,700)	$ (290,700)	$ (290,700)	$ (290,700)	$ (290,700)	$ (174,420)	$ (29,070)	$ (3,837,240)
Subtotal:		$ (1,356,600)	$ (2,713,200)	$ (2,713,200)	$ (2,713,200)	$ (2,713,200)	$ (2,713,200)	$ (2,713,200)	$ (2,713,200)	$ (2,713,200)	$ (2,713,200)	$ (2,713,200)	$ (2,713,200)	$ (2,713,200)	$ (2,713,200)	$ (1,627,920)	$ (271,320)	$ (35,814,240)
Total Expenses		**$ (2,872,485)**	**$ (4,411,597)**	**$ (4,388,570)**	**$ (4,365,305)**	**$ (4,341,801)**	**$ (4,318,056)**	**$ (4,294,067)**	**$ (4,269,833)**	**$ (4,245,353)**	**$ (4,220,624)**	**$ (4,195,644)**	**$ (4,170,412)**	**$ (4,144,925)**	**$ (2,408,703)**	**$ (566,381)**	**$ (57,213,755)**	
NET INCOME BEFORE DEVELOPER'S INCENTIVE		**$ (2,872,485)**	**$ 3,694,464**	**$ 3,717,491**	**$ 3,740,755**	**$ 3,764,260**	**$ 3,788,005**	**$ 3,811,994**	**$ 3,836,227**	**$ 3,860,708**	**$ 3,885,437**	**$ 3,910,417**	**$ 3,935,649**	**$ 3,961,135**	**$ 5,697,358**	**$ 1,054,832**	**$ 49,786,245**	
Developers Incentive	9.00%	$ -	$ (729,545)	$ (729,545)	$ (729,545)	$ (729,545)	$ (729,545)	$ (729,545)	$ (729,545)	$ (729,545)	$ (729,545)	$ (729,545)	$ (729,545)	$ (729,545)	$ (729,545)	$ (145,909)	$ (9,630,000)	
NET INCOME BEFORE DISCOUNTING		**$ (2,872,485)**	**$ 2,964,918**	**$ 2,987,945**	**$ 3,011,210**	**$ 3,034,714**	**$ 3,058,460**	**$ 3,082,448**	**$ 3,106,682**	**$ 3,131,162**	**$ 3,155,891**	**$ 3,180,871**	**$ 3,206,103**	**$ 3,231,590**	**$ 4,967,813**	**$ 908,922**	**$ 40,156,245**	
Present Value Factors																		
Discount Rate	5.00%		0.98765	0.97546	0.96342	0.95152	0.93978	0.92817	0.91672	0.90540	0.89422	0.88318	0.87228	0.86151	0.85087	0.84037	0.82999	
Discounted Cash Flow		$ (2,837,022)	$ 2,892,162	$ 2,878,641	$ 2,865,239	$ 2,851,955	$ 2,838,785	$ 2,825,729	$ 2,812,785	$ 2,799,950	$ 2,787,223	$ 2,774,602	$ 2,762,086	$ 2,749,672	$ 4,174,791	$ 754,399	$ 35,930,998	
Net Present Value (Rounded)																	**$ 35,930,000**	
																	per unit:	$181,465
Implied Internal Rate of Return (IRR)	15.450%																	

Reconciliation of Lot Value

The concluded estimates of lot value via each approach are shown on the following table. In our opinion the land residual analysis is primarily a supportive indicator for the results of sales comparison approach given the extended disposition period for the subject lots. We will rely on the indication of the sales comparison approach and conclude a finished lot value as follows:

Reconciliation of Finished Lot Value		
Sales Comparison Approach	$198,000	per finished lot
Land Residual Analysis	$181,465	per finished lot
% Difference	9.11%	
Average	$189,732	
Concluded Finished Lot Value	$195,000	per finished lot

Market Value by Ownership

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

Appraised Property Summary by Ownership

Ownership	Partially-Improved SFR Lots	Finished SFR Lots	Partially Completed Homes	Completed Homes*	Homes Sold to Individuals*	Total
DR Horton CA2 Inc. (Jasper-Lincoln L.P.)	-	64	26	10	1	**101**
JEN California 24 LLC	97	-	-	-	-	**97**
TOTAL	**97**	**64**	**26**	**10**	**1**	**198**

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

To arrive at the market value by ownership, we apply the previously concluded finished lot value to the homes under construction because we do not consider any contributory value related to structural improvements. However, we do add the value of the permits and fees that have been incurred for the homes under construction.

As noted, there are remaining site development costs estimated at $519,786. These costs will be allocated and deducted from the master developers holdings, which totals 97 lots. We take into account total remaining site development costs, as well as a profit factor of 5% of costs. The profit factor is applied to provide an incentive for a prospective buyer to oversee the remaining site development of the subject property. The 5% profit, based on the remaining costs, is estimated at $25,989 (5% x $519,786). Therefore, the total remaining site development costs inclusive of profit is estimated at $545,775 or $5,627 per lot ($545,775 / 97 lots). We will deduct the remaining costs from the master developer's holding and there are no remaining costs deducted from the other ownership groups.

Based on the previous analyses, the estimates of market value, by ownership, subject to the impact of the Lien of the Special Tax securing the City of Lincoln CFD No. 2025-1 (Joiner Ranch East), Series 2025 bonds, as of the date of value, October 1, 2025, are presented in the following table.

Market Value by Component

	Lots/Parcels /Homes	Lot/Home Value	Remaining Site Development Costs	Permits and Fees	Value per Component	Market Value (Rd.)	
DR Horton CA2 Inc. (Jasper-Lincoln L.P.)							
Finished Lots	64	$195,000	-	-	$195,000	$12,480,000	
Homes Under Construction	26	$195,000	-	$52,100	$247,100	$6,425,000	
Completed Homes	10	$480,000	-	-	$480,000	$4,800,000	(Not-Less-Than)
Aggregate Value - DR Horton CA2 Inc. (Jasper-Lincoln L.P.)	**100**					**$23,705,000**	
JEN California 24 LLC							
Partially-Improved Lots	97	$195,000	($5,627)	-	$189,373	$18,369,000	
Bulk Market Value - JEN California 24 LLC	**97**					**$18,369,000**	
Individual Homeowner							
Completed Homes	1	$480,000	-	-	$480,000	$480,000	(Not-Less-Than)
Market Value - Individual Homeowner	**1**					**$480,000**	
Aggregate Value, subject to a hypothetical condition	**198**					**$42,554,000**	

Extraordinary Assumptions and Hypothetical Conditions

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

(None)

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

1. The value derived herein is based on the hypothetical condition that certain impact fees and public improvements to be reimbursed by the CFD No. 2025-1 Revenue Bonds, Series 2025, have been paid.

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

Exposure Time

Exposure time is the length of time the subject property would have been exposed for sale in the market had it sold on the effective valuation date at the concluded market value. Exposure time is always presumed to precede the effective date of the appraisal. Based on our review of recent sales transactions for similar properties and our analysis of supply and demand in the local residential land market, it is our opinion that the probable exposure time for the subject at the concluded market value stated previously is 9-12 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 9-12 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. Blake Fassler and Kevin Ziegenmeyer, MAI, made a personal inspection of the property that is the subject of this report. 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.

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

15. As of the date of this report, Blake Fassler, has completed the Standards and Ethics Education Requirements for Candidates/Practicing Affiliates of the Appraisal Institute.



Blake Fassler
Certified General Real Estate Appraiser
California Certificate # 3007274



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



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 – Sacramento, Integra Realty Resources, Inc., Integra Strategic Ventures, Inc. and/or any of their respective officers, owners, managers, directors, agents, subcontractors or employees (the "Integra Parties"), shall not be responsible for any such environmental conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because we are not experts in the field of environmental conditions, the appraisal report cannot be considered as an environmental assessment of the subject property.

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

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

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

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

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

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

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

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

28. The appraisal is also subject to the following:

Extraordinary Assumptions and Hypothetical Conditions

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

(None)

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

1. The value derived herein is based on the hypothetical condition that certain impact fees and public improvements to be reimbursed by the CFD No. 2025-1 Revenue Bonds, Series 2025, have been paid.

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

Addendum A

Appraiser Qualifications

Blake Fassler

Experience

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

Licenses

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

Education

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

Appraisal Courses Completed are as follows:

Basic Appraisal Principles
Basic Appraisal Procedures
General Appraiser Market Analysis & Highest and Best Use
(USPAP), Uniform Standards of Professional Appraisal Practice
General Appraiser Report Writing and Case Studies
General Appraiser Site Valuation and Cost Approach
General Appraiser Sales Comparison Approach
General Appraiser Income Approach Part 1
General Appraiser Income Approach Part 2
4-Hour Federal and California Statutory and Regulator Laws

Integra Realty Resources - Sacramento

516 Gibson Drive
Suite 290
Roseville, CA 95678

irr.com

bfassler@irr.com - 916-435-3883

Business, Consumer Services & Housing Agency

BUREAU OF REAL ESTATE APPRAISERS

REAL ESTATE APPRAISER LICENSE

Blake A. Fassler

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

"Certified General Real Estate Appraiser"

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

BREA APPRAISER IDENTIFICATION NUMBER: 3007274

Effective Date: February 26, 2024
Date Expires: February 25, 2026

Angela Jemmott

Angela Jemmott, Bureau Chief, BREA

3074925

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

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Kevin Ziegenmeyer, MAI

Experience

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

Licenses

California, California Certified General Real Estate Appraiser, AG013567, Expires June 2027

Education

Academic:
Bachelor of Science in Accounting, Azusa Pacific University, California

Appraisal and Real Estate Courses:
Standards of Professional Practice, Parts A, B & C
Basic Valuation Procedures
Real Estate Appraisal Principles
Capitalization Theory and Techniques, Part A
Advanced Income Capitalization
Report Writing and Valuation Analysis
Advanced Applications
IRS Valuation Summit I & II
2008, 2009, 2010 & 2011 Economic Forecast
Business Practices and Ethics
Contemporary Appraisal Issues with Small Business Administration Financing
General Demonstration Appraisal Report Writing Seminar
7-Hour National USPAP Update Course
Valuation of Easements and Other Partial Interests
2009 Summer Conference
Uniform Appraisal Standards for Federal Land Acquisitions (Yellowbook)
2008 Economic Update
Valuation of Conservation Easements

kziegenmeyer@irr.com - 916.435.3883 x224

Integra Realty Resources - Sacramento

516 Gibson Drive
Suite 290
Roseville, CA 95678

T 916.435.3883
F 916.435.4774

irr.com

Kevin Ziegenmeyer, MAI

Education (Cont'd)

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

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Suite 290
Roseville, CA 95678

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F 916.435.4774

irr.com

kziegenmeyer@irr.com - 916.435.3883 x224

Business, Consumer Services & Housing Agency

BUREAU OF REAL ESTATE APPRAISERS

REAL ESTATE APPRAISER LICENSE

Kevin K. Ziegenmeyer

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

"Certified General Real Estate Appraiser"

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

BREA APPRAISER IDENTIFICATION NUMBER: AG 013567

Effective Date: June 5, 2025
Date Expires: June 4, 2027

Angela Jemmott, Bureau Chief, BREA

3081689

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

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. After completing his bachelor's degree at the University of California, Davis, he began his career in real estate appraisal with House Agricultural Consultants on agricultural and rural property appraisals. He subsequently joined the firm in 2014 and has been writing narrative appraisal reports for a variety of commercial and agricultural properties. He is now involved in appraisal assignments covering right of way, land, multifamily residential, industrial, office, retail and mixed use properties. 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 Income Capitalization
Advanced Market Analysis & Highest and Best Use
Advanced Concepts & Case Studies
Quantitative Analysis
The Valuation of Partial Acquisitions
Farm and Rural Resources Appraisal
Laws and Regulations for California Appraisers
Uniform Standards of Professional Appraisal Practice
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
Basic Appraisal Principles
Basic Appraisal Procedures
Problems in the Valuation of Partial Acquisitions
The Uniform Act Executive Summary
Uniform Appraisal Standards for Federal Land Acquisitions: Practical Applications

Integra Realty Resources - Sacramento

516 Gibson Drive
Suite 290
Roseville, CA 95678

T 916.435.3883
F 916.435.4774

irr.com

nkauffman@irr.com - 916.773.3258

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 Jemmott

Angela Jemmott, Bureau Chief, BREA

3081417

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

About IRR

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

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

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

Local Expertise...Nationally!

irr.com

Addendum B

Definitions

Definitions

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

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

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

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

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

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

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

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

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

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

Exposure Time

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

Fee Simple Estate

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

Floor Area Ratio (FAR)

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

Highest and Best Use

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

Investment Value

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

Lease

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

Leased Fee Interest

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

Leasehold Interest

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

Liquidation Value

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

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

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

Marketing Time

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

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

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

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

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

Addendum C

Preliminary Title Report

First American Title™

First American Title Company

California Department of Insurance License No. 2549-4

Escrow Officer: Aaron Capili
Phone: (916)677-8383
Fax No.: (866)648-7806
E-Mail: aacapili@firstam.com

Title Officer: Jeanne Salm
Phone: (714)250-1072
Fax No.: (925)671-9437
E-Mail: jesalm@firstam.com

E-Mail Loan Documents to: Lenders please contact the Escrow Officer for email address for sending loan documents.

Buyer: Jasper - Lincoln, L.P.
Owner: JEN California 24, LLC
Property: Lots 1-11, 30-42, 48-83, 86-101, 110-114 Final Map 2024-218, oiner Ranch East - Phase 1
Lincoln, 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 March 11, 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:

JEN CALIFORNIA 24, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY

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. General and special taxes for the fiscal year 2024-2025, are unsegregated at this time.

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 No. 2018-1 (City Maintenance Services), as disclosed by Notice of Special Tax Lien recorded October 10, 2018 as Instrument No. 2018-0073309 of Official Records.

   The terms and provisions contained in the document entitled "Notice of Special Tax Lien (Annexation)" recorded October 09, 2024 as Instrument No. 2024-0053736 of Official Records.

4. The lien of special tax assessed pursuant to Chapter 2.5 commencing with Section 53311 of the California Government Code for Community Facilities District No. 2018-2 (Public Services), as disclosed by Notice of Special Tax Lien recorded October 10, 2018 as Instrument No. 2018-0073310 of Official Records.

   The terms and provisions contained in the document entitled "Notice of Special Tax Lien (Annexation)" recorded October 09, 2024 as Instrument No. 2024-0053738 of Official Records.

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 recorded November 17, 1989, in Book 3762, Page 519 of Official Records.

7. An option in favor of D.R. HORTON CA2, INC., a California corporation as contained in or disclosed by a document recorded September 6, 2023 as Instrument No. 2023-0047459-00 of Official Records.

8. A Deed of Trust to secure an original indebtedness of $4,606,463.00 recorded September 6, 2023 as Instrument No. 2023-0047460-00 of Official Records.

Dated:	September 6, 2023
Trustor:	JEN CALIFORNIA 24, LLC, a California limited liability company
Trustee:	FIRST AMERICAN TITLE COMPANY
Beneficiary:	D.R. HORTON CA2, INC., a California corporation
Affects:	The land and other property.

a. If this deed of trust is to be eliminated in the policy or policies contemplated by this report/commitment, the company will require the following for review prior to the recordation of any documents or the issuance of any policy of title insurance:
   i. Original note and deed of trust.
   ii. Payoff demand statement signed by all present beneficiaries.
   iii. Request for reconveyance or substitution of trustee and full reconveyance must be signed by all present beneficiaries and must be notarized by a First American approved notary.

b. If the payoff demand statement or the request for reconveyance is to be signed by a servicer, we will also require a full copy of the loan servicing agreement executed by all present beneficiaries.

c. If any of the beneficial interest is presently held by trustees under a trust agreement, we will require a certification pursuant to Section 18100.5 of the California Probate Code in a form satisfactory to the Company.

9. The terms and provisions contained in the document entitled "Frontage/Public Improvement Agreement" recorded August 01, 2024 as Instrument No. 2024-0040606 of Official Records.

10. An easement for nuisance and incidental purposes, recorded November 20, 2024 as Instrument No. 2024-0063252 of Official Records.

In Favor of:	SIERRA PACIFIC INDUSTRIES, a California corporation
Affects:	as described therein

Terms and provisions contained in the above document.

11. An easement shown or dedicated on the Map as referred to in the legal description

For: Public utility and incidental purposes.

12. The following matters shown or disclosed by the filed or recorded map referred to in the legal description:
The following is a dedication to the City Of Lincoln for Underground Water Rights:

    We hereby relinquish and waive our priority to any and all Underground Water Rights associated with the real property within all Lots as shown within this Subdivision boundary.

13. The terms and provisions contained in the document entitled "Joiner Ranch East (Phase 1) Subdivision Improvement Agreement" recorded November 20, 2024 as Instrument No. 2024-0063254 of Official Records.

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

15. Rights of parties in possession.

16. Any facts, rights, interests or claims which would be disclosed by a correct ALTA/NSPS survey.

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

17. With respect to JEN CALIFORNIA 24, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY:
    a. A copy of its operating agreement or similar document and any amendments thereto;
    b. A official copy of its articles of organization or similar incorporation document and any corrections, amendments or restatements thereto;
    c. Evidence that the limited liability company is properly formed and is in good standing in the state of its domicile;
    d. Other requirements which the Company may impose following its review of the material required herein and other information which the Company may require.

18. An ALTA/NSPS survey of recent date which complies with the current minimum standard detail requirements for ALTA/NSPS land title surveys.

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

First Installment:	$10,105.04, PAID
Penalty:	$0.00
Second Installment:	$10,105.04, PAID
Penalty:	$0.00
Tax Rate Area:	003006
A. P. No.:	021-310-075-000

(Affects a portion of land and other property)

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

First Installment:	$54,397.22, PAID
Penalty:	$0.00
Second Installment:	$54,397.22, PAID
Penalty:	$0.00
Tax Rate Area:	003002
A. P. No.:	021-310-077-000

(Affects a portion of land and other property)

3. Supplemental taxes for the year 2023-2024 assessed pursuant to Chapter 3.5 commencing with Section 75 of the California Revenue and Taxation Code.

First Installment:	$9,251.90, PAID
Penalty:	$0.00
Second Installment:	$8,410.82, PAID
Penalty:	$0.00
Tax Rate Area:	003006
A. P. No.:	021-310-075-000

(Affects a portion of land and other property)

4. Supplemental taxes for the year 2023-2024 assessed pursuant to Chapter 3.5 commencing with Section 75 of the California Revenue and Taxation Code.

First Installment:	$45,236.58, PAID
Penalty:	$0.00
Second Installment:	$45,236.58, PAID
Penalty:	$0.00
Tax Rate Area:	003002

A. P. No.: 021-310-077-000

(Affects a portion of land and other property)

5. The property covered by this report is vacant land.

6. According to the public records, there has been no conveyance of the land within a period of twenty four months prior to the date of this report, except as follows:

A document recorded August 30, 2023 as INSTRUMENT NO. 2023-0046395 of Official Records.

From: JAMES S. JOINER, AS SUCCESSOR TRUSTEE OF THE KATHLEEN JOINER SWIFT IRREVOCABLE TRUST DATED DECEMBER 28, 2012
To: JOINER LIMITED PARTNERSHIP, A CALIFORNIA LIMITED PARTNERSHIP

A document recorded August 30, 2023 as INSTRUMENT NO. 2023-0046396 of Official Records.

From: JAMES S. JOINER, AS SUCCESSOR TRUSTEE OF SIERRA TRUST DATED MAY 2, 1977
To: THE JOINER LIMITED PARTNERSHIP, A CALIFORNIA LIMITED PARTNERSHIP

A document recorded August 30, 2023 as INSTRUMENT NO. 2023-0046397 of Official Records.

From: JAMES S. JOINER, AS SUCCESSOR TRUSTEE OF THE RICHARD JOINER IRREVOCABLE TRUST DATED DECEMBER 28, 2012
To: JOINER LIMITED PARTNERSHIP, A CALIFORNIA LIMITED PARTNERSHIP

A document recorded August 30, 2023 as INSTRUMENT NO. 2023-0046398 of Official Records.

From: JAMES S. JOINER, AS SUCCESSOR TRUSTEE OF THE PAUL JOINER IRREVOCABLE TRUST DATED DECEMBER 28, 2012
To: JOINER LIMITED PARTNERSHIP, A CALIFORNIA LIMITED PARTNERSHIP

A document recorded August 30, 2023 as INSTRUMENT NO. 2023-0046399 of Official Records.

From: JAMES S. JOINER, AS SUCCESSOR TRUSTEE OF THE JAMES S. JOINER IRREVOCABLE TRUST DATED DECEMBER 28, 2012
To: JOINER LIMITED PARTNERSHIP, A CALIFORNIA LIMITED PARTNERSHIP

A document recorded August 30, 2023 as INSTRUMENT NO. 2023-0046400 of Official Records.

From: JOINER LIMITED PARTNERSHIP, A CALIFORNIA LIMITED PARTNERSHIP
To: JEN CALIFORNIA 24, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY

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.

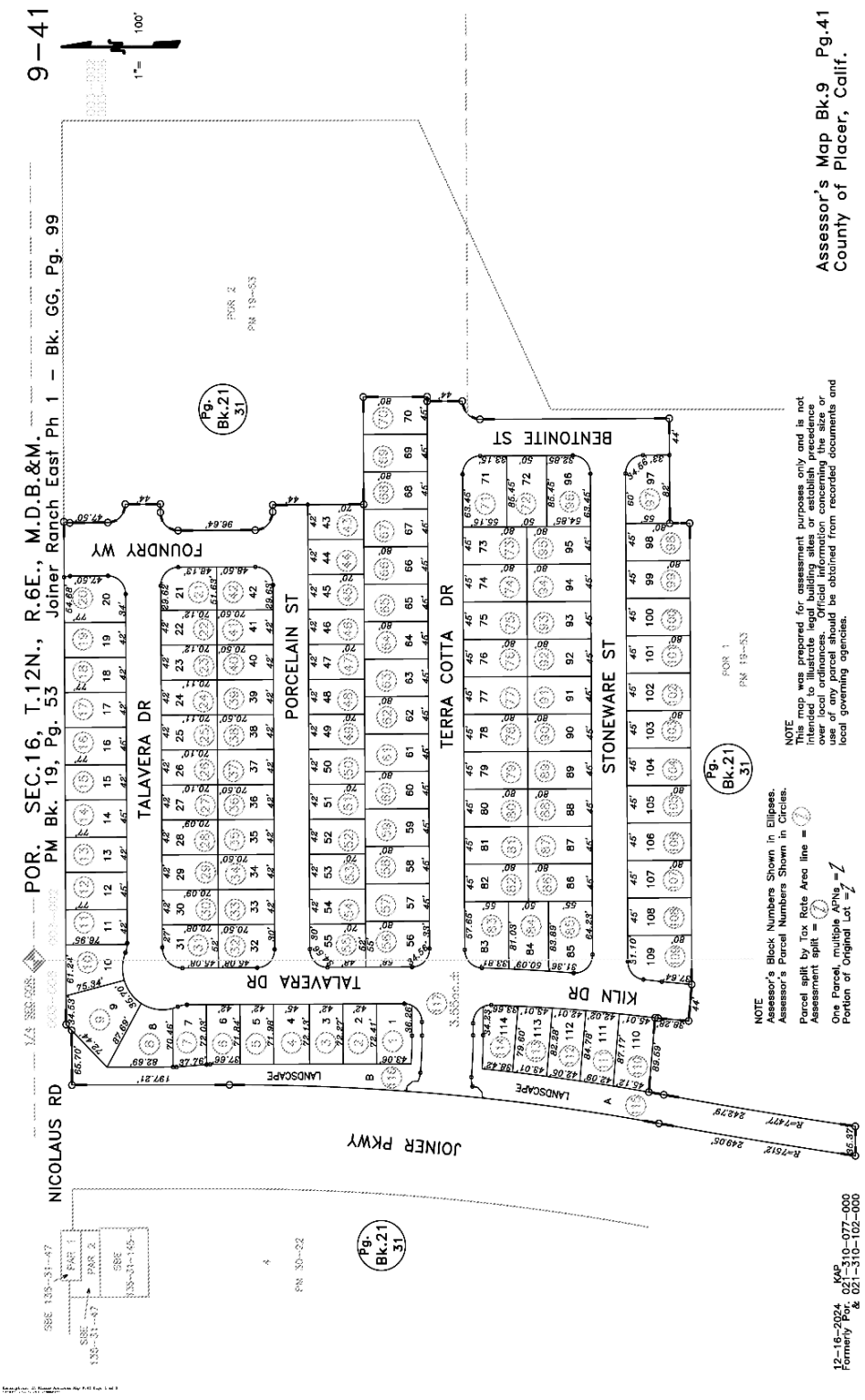
LEGAL DESCRIPTION

Real property in the City of Lincoln, County of Placer, State of California, described as follows:

Lots 1 through 11, 30 through 42, 48 through 83, 86 through 101 and 110 through 114, inclusive, as shown on the map entitled "Final Map No. 2024-218 ", JOINER RANCH EAST - PHASE 1, filed for record on November 20, 2024 in Book GG of Maps, at Page 99, Placer County Records.

APN: Portions of 021-310-075-000 and 021-310-077-000 (Underlying APN's);

009-410-001-000 through 009-410-011-000 (Lots 1 through 11), 009-410-030-000 through 009-410-042-000 (Lots 30 through 42), 009-410-048-000 through 009-410-083-000 (Lots 48 through 83), 009-410-086-000 through 009-410-101-000 (Lots 86 through 101), 009-410-110-000 through 009-410-114-000 (Lots 110 through 114)(New APN's, Not yet assessed).


9-41
1"= 100'
POR. SEC.16, T.12N., R.6E., M.D.B.&M.
PM Bk. 19, Pg. 53
Joiner Ranch East Ph 1 - Bk. GG, Pg. 99
Assessor's Map Bk.9 Pg.41
County of Placer, Calif.
NICOLAUS RD
JOINER PKWY
FOUNDRY WY
TALAVERA DR
PORCELAIN ST
TERRA COTTA DR
BENTONITE ST
STONEWARE ST
KILN DR
LANDSCAPE
PAR 1
PAR 2
PM 19-53
PM 30-22
Pg. Bk.21 31
NOTE
Assessor's Block Numbers Shown in Ellipses.
Assessor's Parcel Numbers Shown in Circles.
Parcel split by Tax Rate Area line = (1)
Assessment split = (1)
One Parcel, multiple APNs = 1
Portion of Original Lot = 1
NOTE
This map was prepared for assessment purposes only and is not intended to illustrate legal building sites or establish precedence over local ordinances. Official information concerning the size or use of any parcel should be obtained from recorded documents and local governing agencies.
12-16-2024
Formerly Por. 021-310-077-000 & 021-310-102-000
MAP

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:

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

California Department of Insurance License No. 2549-4

Escrow Officer: Aaron Capili
Phone: (916)677-8383
Fax No.: (866)648-7806
E-Mail: aacapili@firstam.com

Title Officer: Jeanne Salm
Phone: (714)250-1072
Fax No.: (925)671-9437
E-Mail: jesalm@firstam.com

E-Mail Loan Documents to: Lenders please contact the Escrow Officer for email address for sending loan documents.

Buyer: D.R. Horton CA2, Inc.
Owner: JEN California 24, LLC
Property: Lots 12-29, 84 & 85, Final Map 2024-218 Joiner Ranch, East - Phase 1
Lincoln, 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 March 11, 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:

JEN CALIFORNIA 24, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY

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. General and special taxes for the fiscal year 2024-2025, are unsegregated at this time.

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 No. 2018-1 (City Maintenance Services), as disclosed by Notice of Special Tax Lien recorded October 10, 2018 as Instrument No. 2018-0073309 of Official Records.

   The terms and provisions contained in the document entitled "Notice of Special Tax Lien (Annexation)" recorded October 09, 2024 as Instrument No. 2024-0053736 of Official Records.

4. The lien of special tax assessed pursuant to Chapter 2.5 commencing with Section 53311 of the California Government Code for Community Facilities District No. 2018-2 (Public Services), as disclosed by Notice of Special Tax Lien recorded October 10, 2018 as Instrument No. 2018-0073310 of Official Records.

   The terms and provisions contained in the document entitled "Notice of Special Tax Lien (Annexation)" recorded October 09, 2024 as Instrument No. 2024-0053738 of Official Records.

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 recorded November 17, 1989, in Book 3762, Page 519 of Official Records.

7. An option in favor of D.R. HORTON CA2, INC., a California corporation as contained in or disclosed by a document recorded September 6, 2023 as Instrument No. 2023-0047459-00 of Official Records.

8. A Deed of Trust to secure an original indebtedness of $4,606,463.00 recorded September 6, 2023 as Instrument No. 2023-0047460-00 of Official Records.

Dated:	September 6, 2023
Trustor:	JEN CALIFORNIA 24, LLC, a California limited liability company
Trustee:	FIRST AMERICAN TITLE COMPANY
Beneficiary:	D.R. HORTON CA2, INC., a California corporation
Affects:	The land and other property.

a. If this deed of trust is to be eliminated in the policy or policies contemplated by this report/commitment, the company will require the following for review prior to the recordation of any documents or the issuance of any policy of title insurance:
   i. Original note and deed of trust.
   ii. Payoff demand statement signed by all present beneficiaries.
   iii. Request for reconveyance or substitution of trustee and full reconveyance must be signed by all present beneficiaries and must be notarized by a First American approved notary.

b. If the payoff demand statement or the request for reconveyance is to be signed by a servicer, we will also require a full copy of the loan servicing agreement executed by all present beneficiaries.

c. If any of the beneficial interest is presently held by trustees under a trust agreement, we will require a certification pursuant to Section 18100.5 of the California Probate Code in a form satisfactory to the Company.

9. The terms and provisions contained in the document entitled "Frontage/Public Improvement Agreement" recorded August 01, 2024 as Instrument No. 2024-0040606 of Official Records.

10. An easement for nuisance and incidental purposes, recorded November 20, 2024 as Instrument No. 2024-0063252 of Official Records.

In Favor of:	SIERRA PACIFIC INDUSTRIES, a California corporation
Affects:	as described therein

The location of the easement cannot be determined from record information.

Terms and provisions contained in the above document.

11. An easement shown or dedicated on the Map as referred to in the legal description

For: Public Utility and incidental purposes.

12. The following matters shown or disclosed by the filed or recorded map referred to in the legal description:
The following is a dedication to the City of Lincoln for underground water rights:

We hereby relinquish and waive our priority to any and all underground water rights associated with the real property within all Lots as shown within this subdivision boundary.

13. The terms and provisions contained in the document entitled "Joiner Ranch East (Phase 1) Subdivision Improvement Agreement" recorded November 20, 2024 as Instrument No. 2024-0063254 of Official Records.

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

15. Any facts, rights, interests or claims which would be disclosed by a correct ALTA/NSPS survey.

16. Rights of parties in possession.

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

17. With respect to JEN CALIFORNIA 24, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY:
    a. A copy of its operating agreement or similar document and any amendments thereto;
    b. A official copy of its articles of organization or similar incorporation document and any corrections, amendments or restatements thereto;
    c. Evidence that the limited liability company is properly formed and is in good standing in the state of its domicile;
    d. Other requirements which the Company may impose following its review of the material required herein and other information which the Company may require.

18. An ALTA/NSPS survey of recent date which complies with the current minimum standard detail requirements for ALTA/NSPS land title surveys.

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

First Installment:	$10,105.04, PAID
Penalty:	$0.00
Second Installment:	$10,105.04, PAID
Penalty:	$0.00
Tax Rate Area:	003006
A. P. No.:	021-310-075-000

(Affects Portion of the land and other property)

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

First Installment:	$54,397.22, PAID
Penalty:	$0.00
Second Installment:	$54,397.22, PAID
Penalty:	$0.00
Tax Rate Area:	003002
A. P. No.:	021-310-077-000

(Affects Portion of the land and other property)

3. Supplemental taxes for the year 2023-2024 assessed pursuant to Chapter 3.5 commencing with Section 75 of the California Revenue and Taxation Code.

First Installment:	$9,251.90, PAID
Penalty:	$0.00
Second Installment:	$8,410.82, PAID
Penalty:	$0.00
Tax Rate Area:	003006
A. P. No.:	021-310-075-000

(Affects Portion of the land and other property)

4. Supplemental taxes for the year 2023-2024 assessed pursuant to Chapter 3.5 commencing with Section 75 of the California Revenue and Taxation Code.

First Installment:	$45,236.58, PAID
Penalty:	$0.00
Second Installment:	$45,236.58, PAID
Penalty:	$0.00
Tax Rate Area:	003002

A. P. No.: 021-310-077-000

(Affects Portion of the land and other property)

5. The property covered by this report is vacant land.

6. According to the public records, there has been no conveyance of the land within a period of twenty four months prior to the date of this report, except as follows:

A document recorded August 30, 2023 as INSTRUMENT NO. 2023-0046395 of Official Records.

From: JAMES S. JOINER, AS SUCCESSOR TRUSTEE OF THE KATHLEEN JOINER SWIFT IRREVOCABLE TRUST DATED DECEMBER 28, 2012
To: JOINER LIMITED PARTNERSHIP, A CALIFORNIA LIMITED PARTNERSHIP

A document recorded August 30, 2023 as INSTRUMENT NO. 2023-0046396 of Official Records.

From: JAMES S. JOINER, AS SUCCESSOR TRUSTEE OF SIERRA TRUST DATED MAY 2, 1977
To: THE JOINER LIMITED PARTNERSHIP, A CALIFORNIA LIMITED PARTNERSHIP

A document recorded August 30, 2023 as INSTRUMENT NO. 2023-0046397 of Official Records.

From: JAMES S. JOINER, AS SUCCESSOR TRUSTEE OF THE RICHARD JOINER IRREVOCABLE TRUST DATED DECEMBER 28, 2012
To: JOINER LIMITED PARTNERSHIP, A CALIFORNIA LIMITED PARTNERSHIP

A document recorded August 30, 2023 as INSTRUMENT NO. 2023-0046398 of Official Records.

From: JAMES S. JOINER, AS SUCCESSOR TRUSTEE OF THE PAUL JOINER IRREVOCABLE TRUST DATED DECEMBER 28, 2012
To: JOINER LIMITED PARTNERSHIP, A CALIFORNIA LIMITED PARTNERSHIP

A document recorded August 30, 2023 as INSTRUMENT NO. 2023-0046399 of Official Records.

From: JAMES S. JOINER, AS SUCCESSOR TRUSTEE OF THE JAMES S. JOINER IRREVOCABLE TRUST DATED DECEMBER 28, 2012
To: JOINER LIMITED PARTNERSHIP, A CALIFORNIA LIMITED PARTNERSHIP

A document recorded August 30, 2023 as INSTRUMENT NO. 2023-0046400 of Official Records.

From: JOINER LIMITED PARTNERSHIP, A CALIFORNIA LIMITED PARTNERSHIP
To: JEN CALIFORNIA 24, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY

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.

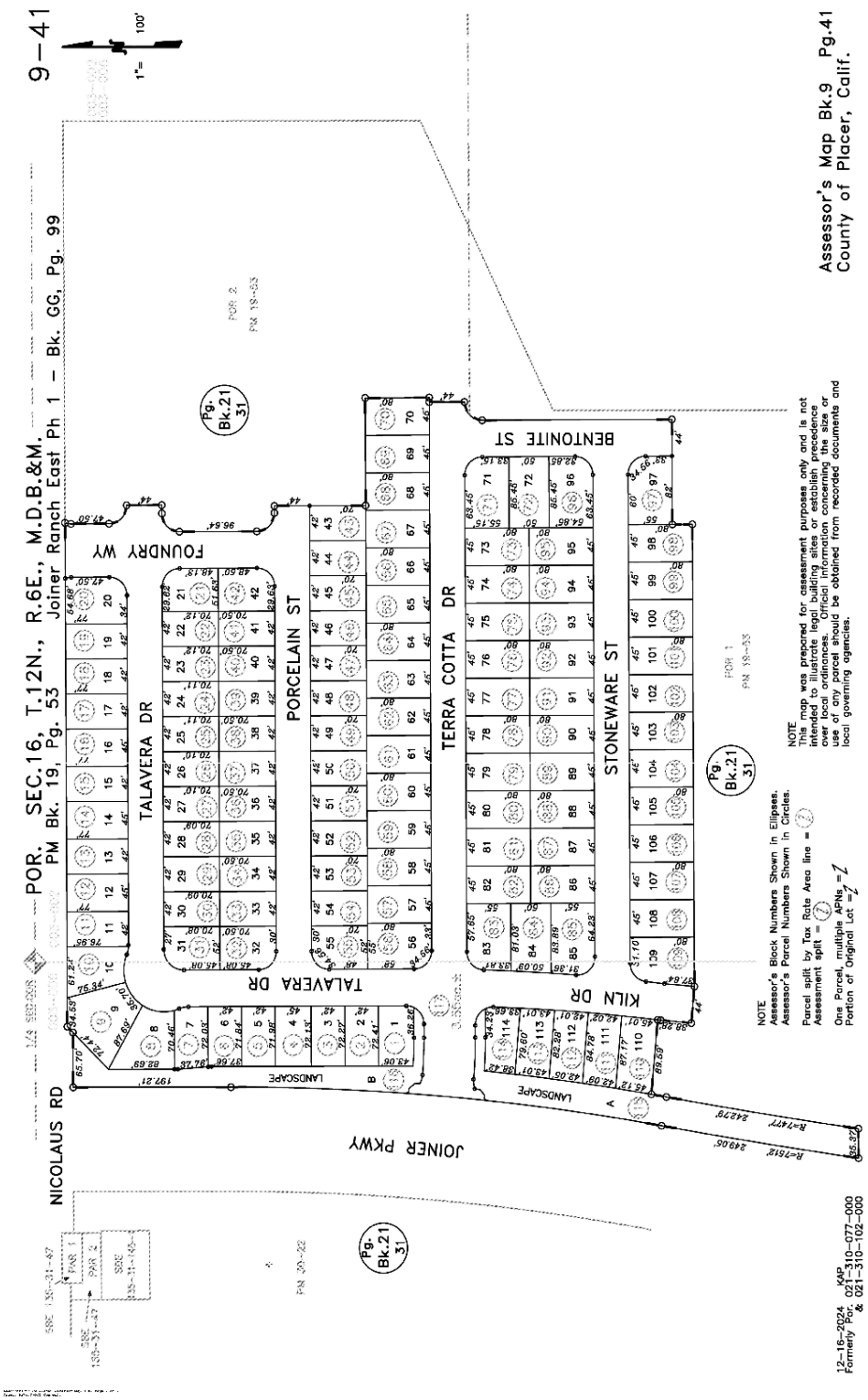
LEGAL DESCRIPTION

Real property in the City of Lincoln, County of Placer, State of California, described as follows:

Lots 12 through 29, inclusive, 84 and 85 as shown on the map entitled "FINAL MAP NO. 2024-218 ", JOINER RANCH EAST - PHASE 1, filed for record on November 20, 2024 in Book GG of Maps, at Page 99, Placer County Records.

APN: Portions of 021-310-075-000 and 021-310-077-000 (Underlying APN), Portion of 021-310-102-000 (New Underlying APN, not yet assessed);

009-410-012-000 through 009-410-029-000 (Lots 12 through 29), 009-410-084-000 (Lot 84) and 009-410-085-000 (Lot 85) (New APNs, not yet assessed)


9-41
1"= 100'
POR. SEC.16, T.12N., R.6E., M.D.B.&M.
PM Bk. 19, Pg. 53
Joiner Ranch East Ph 1 - Bk. GG, Pg. 99
Assessor's Map Bk.9 Pg.41
County of Placer, Calif.
FOUNDRY WY
TALAVERA DR
PORCELAIN ST
TERRA COTTA DR
BENTONITE ST
STONEWARE ST
KILN DR
NICOLAUS RD
JOINER PKWY
LANDSCAPE
POR. 2
PM 19-53
POR. 1
PM 19-53
Pg. Bk.21 31
NOTE
This map was prepared for assessment purposes only and is not intended to illustrate legal building sites or establish precedence over local ordinances. Official information concerning the size or use of any parcel should be obtained from recorded documents and local governing agencies.
Assessor's Block Numbers Shown in Ellipses.
Assessor's Parcel Numbers Shown in Circles.
Parcel split by Tax Rate Area line =
Assessment split =
One Parcel, multiple APNs =
Portion of Original Lot =
12-16-2024
Formerly Por. 021-310-077-000
& 021-310-102-000
MAP

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:

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

California Department of Insurance License No. 2549-4

Escrow Officer: Aaron Capili
Phone: (916)677-8383
Fax No.: (866)648-7806
E-Mail: aacapili@firstam.com

Title Officer: Jeanne Salm
Phone: (714)250-1072
Fax No.: (925)671-9437
E-Mail: jesalm@firstam.com

E-Mail Loan Documents to: Lenders please contact the Escrow Officer for email address for sending loan documents.

Buyer: D.R. Horton CA2, Inc.
Owner: JASPER - LINCOLN, L.P.
Property: Lots 3-11, 30-35 & 53-55, Final Map 2024-218 Joiner Ranch, East - Phase 1
Lincoln, 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 11, 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:

JASPER - LINCOLN, L.P., A DELAWARE LIMITED PARTNERSHIP

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. General and special taxes for the fiscal year 2024-2025, are unsegregated at this time.

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 No. 2018-1 (City Maintenance Services), as disclosed by Notice of Special Tax Lien recorded October 10, 2018 as Instrument No. 2018-0073309 of Official Records.

   The terms and provisions contained in the document entitled "Notice of Special Tax Lien (Annexation)" recorded October 09, 2024 as Instrument No. 2024-0053736 of Official Records.

4. The lien of special tax assessed pursuant to Chapter 2.5 commencing with Section 53311 of the California Government Code for Community Facilities District No. 2018-2 (Public Services), as disclosed by Notice of Special Tax Lien recorded October 10, 2018 as Instrument No. 2018-0073310 of Official Records.

   The terms and provisions contained in the document entitled "Notice of Special Tax Lien (Annexation)" recorded October 09, 2024 as Instrument No. 2024-0053738 of Official Records.

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 recorded November 17, 1989, in Book 3762, Page 519 of Official Records.

7. Intentionally Deleted

8. Intentionally Deleted

9. The terms and provisions contained in the document entitled "Frontage/Public Improvement Agreement" recorded August 01, 2024 as Instrument No. 2024-0040606 of Official Records.

10. An easement for nuisance and incidental purposes, recorded November 20, 2024 as Instrument No. 2024-0063252 of Official Records.

In Favor of:	Sierra Pacific Industries, a California corporation
Affects:	as described therein

Terms and provisions contained in the above document.

11. An easement shown or dedicated on the Map as referred to in the legal description

For: public utility and incidental purposes.

12. The following matters shown or disclosed by the filed or recorded map referred to in the legal description:

The following is a dedication to the City of Lincoln for Underground Water Rights:

We hereby relinquish and waive our priority to any and all Underground Water Rights associated with the real property within all Lots as shown within this Subdivision boundary.

13. The terms and provisions contained in the document entitled "Joiner Ranch East (Phase 1) Subdivision Improvement Agreement" recorded November 20, 2024 as Instrument No. 2024-0063254 of Official Records.

13a. An option in favor of D.R. Horton CA2, Inc., a California Corporation as contained in or disclosed by a document recorded April 8, 2025 as Instrument No. 2025-0018886 of Official Records.

13b. A Deed of Trust to secure an original indebtedness of $1,888,388.00 recorded April 8, 2025 as Instrument No. 2025-0018887 of Official Records.

Dated:	April 8, 2025
Trustor:	Jasper - Lincoln, L.P., a delaware limited partnership
Trustee:	First American Title Company
Beneficiary:	D.R. Horton CA2, Inc., a California Corporation

Affects: The land and other property.

a. If this deed of trust is to be eliminated in the policy or policies contemplated by this report/commitment, the company will require the following for review prior to the recordation of any documents or the issuance of any policy of title insurance:
   i. Original note and deed of trust.
   ii. Payoff demand statement signed by all present beneficiaries.
   iii. Request for reconveyance or substitution of trustee and full reconveyance must be signed by all present beneficiaries and must be notarized by a First American approved notary.

b. If the payoff demand statement or the request for reconveyance is to be signed by a servicer, we will also require a full copy of the loan servicing agreement executed by all present beneficiaries.

c. If any of the beneficial interest is presently held by trustees under a trust agreement, we will require a certification pursuant to Section 18100.5 of the California Probate Code in a form satisfactory to the Company.

13c. The terms and provisions contained in the document entitled "Construction License and Indemnity Agreement" recorded April 8, 2025 as Instrument No. 2025-0018888 of Official Records.

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

15. Any facts, rights, interests or claims which would be disclosed by a correct ALTA/NSPS survey.

16. Rights of parties in possession.

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

17. Intentionally Deleted

17a. With respect to JASPER - LINCOLN, L.P., a Delaware limited partnership:

a. That a certified copy of the application for registration, foreign limited partnership (form LP-5) and any amendments thereto (form LP-6) be recorded in the public records;
b. A full copy of the partnership agreement and any amendments;
c. Satisfactory evidence of the consent of a majority in interest of the limited partners to the contemplated transaction;
d. Other requirements which the Company may impose following its review of the material required herein and other information which the Company may require.

18. An ALTA/NSPS survey of recent date which complies with the current minimum standard detail requirements for ALTA/NSPS land title surveys.

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

First Installment:	$10,105.04, PAID
Penalty:	$0.00
Second Installment:	$10,105.04, PAID
Penalty:	$0.00
Tax Rate Area:	003006
A. P. No.:	021-310-075-000

(Affects Portion of land and other property)

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

First Installment:	$54,397.22, PAID
Penalty:	$0.00
Second Installment:	$54,397.22, PAID
Penalty:	$0.00
Tax Rate Area:	003002
A. P. No.:	021-310-077-000

(Affects Portion of land and other property)

3. Supplemental taxes for the year 2023-2024 assessed pursuant to Chapter 3.5 commencing with Section 75 of the California Revenue and Taxation Code.

First Installment:	$9,251.90, PAID
Penalty:	$0.00
Second Installment:	$8,410.82, PAID
Penalty:	$0.00
Tax Rate Area:	003006
A. P. No.:	021-310-075-000

(Affects Portion of land and other property)

4. Supplemental taxes for the year 2023-2024 assessed pursuant to Chapter 3.5 commencing with Section 75 of the California Revenue and Taxation Code.

First Installment:	$45,236.58, PAID
Penalty:	$0.00
Second Installment:	$45,236.58, PAID
Penalty:	$0.00
Tax Rate Area:	003002

A. P. No.: 021-310-077-000

(Affects Portion of land and other property)

5. The property covered by this report is vacant land.

6. According to the public records, there has been no conveyance of the land within a period of twenty four months prior to the date of this report, except as follows:

A document recorded August 30, 2023 as INSTRUMENT NO. 2023-0046395 of Official Records.

From: JAMES S. JOINER, AS SUCCESSOR TRUSTEE OF THE KATHLEEN JOINER SWIFT IRREVOCABLE TRUST DATED DECEMBER 28, 2012
To: JOINER LIMITED PARTNERSHIP, A CALIFORNIA LIMITED PARTNERSHIP

A document recorded August 30, 2023 as INSTRUMENT NO. 2023-0046396 of Official Records.

From: JAMES S. JOINER, AS SUCCESSOR TRUSTEE OF SIERRA TRUST DATED MAY 2, 1977
To: THE JOINER LIMITED PARTNERSHIP, A CALIFORNIA LIMITED PARTNERSHIP

A document recorded August 30, 2023 as INSTRUMENT NO. 2023-0046397 of Official Records.

From: JAMES S. JOINER, AS SUCCESSOR TRUSTEE OF THE RICHARD JOINER IRREVOCABLE TRUST DATED DECEMBER 28, 2012
To: JOINER LIMITED PARTNERSHIP, A CALIFORNIA LIMITED PARTNERSHIP

A document recorded August 30, 2023 as INSTRUMENT NO. 2023-0046398 of Official Records.

From: JAMES S. JOINER, AS SUCCESSOR TRUSTEE OF THE PAUL JOINER IRREVOCABLE TRUST DATED DECEMBER 28, 2012
To: JOINER LIMITED PARTNERSHIP, A CALIFORNIA LIMITED PARTNERSHIP

A document recorded August 30, 2023 as INSTRUMENT NO. 2023-0046399 of Official Records.

From: JAMES S. JOINER, AS SUCCESSOR TRUSTEE OF THE JAMES S. JOINER IRREVOCABLE TRUST DATED DECEMBER 28, 2012
To: JOINER LIMITED PARTNERSHIP, A CALIFORNIA LIMITED PARTNERSHIP

A document recorded August 30, 2023 as INSTRUMENT NO. 2023-0046400 of Official Records.

From: JOINER LIMITED PARTNERSHIP, A CALIFORNIA LIMITED PARTNERSHIP
To: JEN CALIFORNIA 24, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY

A document recorded April 8, 2025 as INSTRUMENT NO. 2025-0018885-00 of Official Records.

From: JEN CALIFORNIA 24, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY
To: JASPER - LINCOLN, L.P., A DELAWARE LIMITED PARTNERSHIP

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

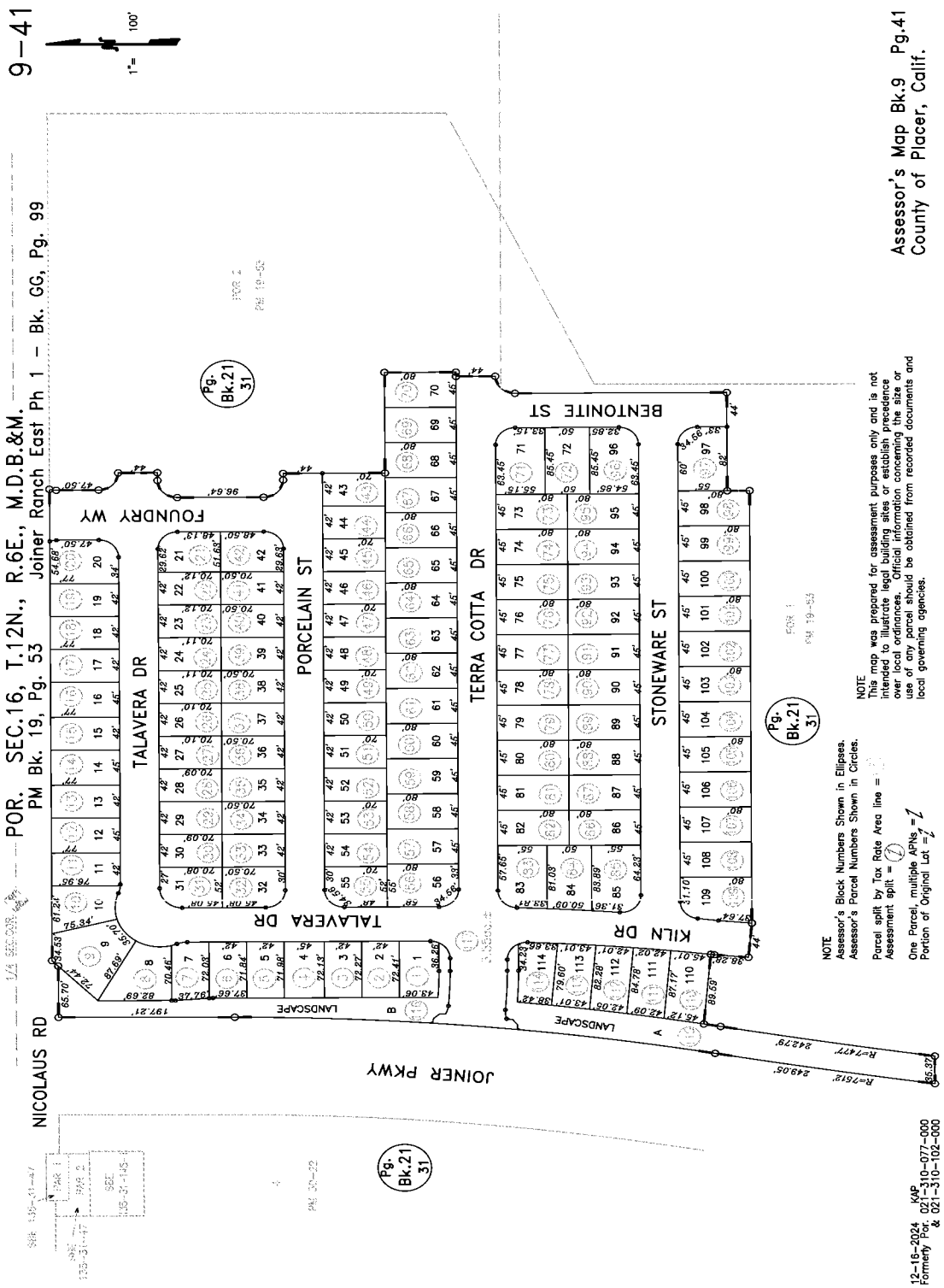
Real property in the City of Lincoln, County of Placer, State of California, described as follows:

Lots 3 through 11, inclusive, Lots 30 through 35, inclusive, Lots 53 through 55, inclusive, as shown on the map entitled "FINAL MAP NO. 2024-218", JOINER RANCH EAST - PHASE 1, filed for record on November 20, 2024 in Book GG of Maps, at Page 99, Placer County Records.

APN: Portions of 021-310-075-000 and 021-310-077-000 (Underlying APN's); Portion of 021-310-102-000 (New Underlying APN, not yet assessed);

New APN's, Not Yet Assessed as follows:

009-410-003-000 through 009-410-011-000 (Lots 3 through 11)
009-410-030-000 through 009-410-035-000 (Lots 30 through 35)
009-410-053-000 through 009-410-055-000 (Lots 53 through 55)


9-41
1"= 100'
Assessor's Map Bk.9 Pg.41
County of Placer, Calif.
POR. SEC.16, T.12N., R.6E., M.D.B.&M.
PM Bk. 19, Pg. 53
Joiner Ranch East Ph 1 - Bk. GG, Pg. 99
NICOLAUS RD
JOINER PKWY
FOUNDRY WY
TALAVERA DR
PORCELAIN ST
TERRA COTTA DR
STONEWARE ST
BENTONITE ST
KILN DR
LANDSCAPE
Pg. Bk.21 31
NOTE
This map was prepared for assessment purposes only and is not intended to illustrate legal building sites or establish precedence over local ordinances. Official information concerning the size or use of any parcel should be obtained from recorded documents and local governing agencies.
NOTE
Assessor's Block Numbers Shown in Ellipses.
Assessor's Parcel Numbers Shown in Circles.
Parcel split by Tax Rate Area line =
Assessment split =
One Parcel, multiple APNs =
Portion of Original Lot =
12-16-2024 KAP
Formerly Por. 021-310-077-000
& 021-310-102-000

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:

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

Addendum D

Comparable Data

Land Sales

Land Sale Profile

Sale No. 1

Location & Property Identification

Property Name:	Village 15/16 - Phase 1C Placer One
Sub-Property Type:	Residential, Single Family Development Land
Address:	Sunset Blvd.
City/State/Zip:	Placer County, CA 95747
County:	Placer
Market Orientation:	Suburban
IRR Event ID:	3360329



Sale Information

Sale Price:	$25,746,975
Effective Sale Price:	$25,746,975
Sale Date:	05/27/2025
Contract Date:	02/10/2025
Sale Status:	Closed
$/Acre(Gross):	$914,635
$/Land SF(Gross):	$21.00
$/Building SF:	$8,300.12
$/Unit (Potential):	$128,094 /Unit
Grantor/Seller:	Jen CA Placer Ranch, LLC
Grantee/Buyer:	Taylor Morrison of California LLC
Assets Sold:	Real estate only
Property Rights:	Fee Simple
% of Interest Conveyed:	100.00
Financing:	Cash to seller
Conditions of Sale:	Arm's-length
Document Type:	Deed
Verified By:	Blake Fassler
Verification Date:	05/12/2025
Verification Type:	Confirmed-Seller

Sale Analysis

Expenditures After Purchase:	$136,806
Expenditures Description:	Site development and permits and fees
Other Adjustment:	$3,000
Adjustment Comments:	Estimated bond encumbrance

Improvement and Site Data

Legal/Tax/Parcel ID:	017-500-018
Acres(Gross):	28.15
Land-SF(Gross):	1,226,214
Potential Building SF:	3,102
No. of Units (Potential):	201
Zoning Code:	SPL-PRSP
Zoning Desc.:	Medium Density Residential
Source of Land Info.:	Public Records

Comments

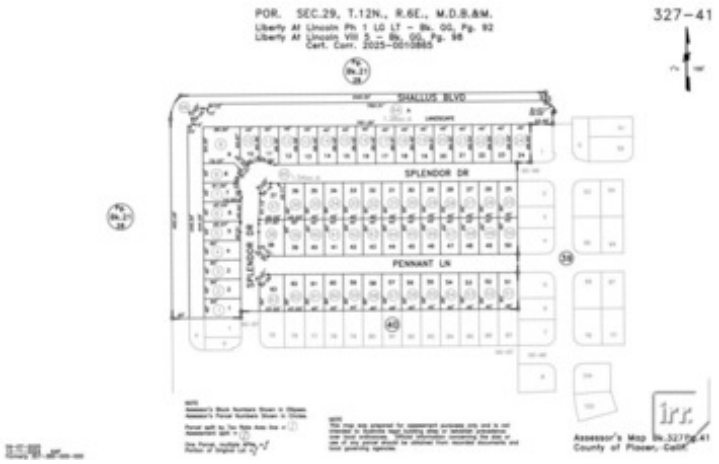
201 residential lots with a typical lot size of 3,102 square feet sold in bluetop condition for $128,094 per lot. The site development costs to bring the lots to finished condition is estimated at $64,906 per lot. Permits and fees are estimated at $71,900 per lot. We were not provided with an estimated bond encumbrance. Therefore, based on a survey of surrounding properties, it is estimated the subject would have a bond encumbrance of $3,000 per lot. The purchase price is in addition to a Master Marketing Fee of 0.50% of the purchase price in connection with the closing of each individual home.

Land Sale Profile

Sale No. 2

Location & Property Identification

Property Name:	Freedom at Liberty
Sub-Property Type:	Residential, Single Family Development Land
Address:	Tribute Ln.
City/State/Zip:	Lincoln, CA 95648
County:	Placer
Market Orientation:	Suburban
IRR Event ID:	3400258



Sale Information

Sale Price:	$14,960,000
Effective Sale Price:	$14,960,000
Sale Date:	01/22/2025
Contract Date:	06/14/2024
Sale Status:	Closed
$/Acre(Gross):	$14,960,000
$/Land SF(Gross):	$343.43
$/Building SF:	$3,911.11
$/Unit (Potential):	$170,000 /Unit
Grantor/Seller:	Lincoln Land Holdings LLC (Lewis Group)
Grantee/Buyer:	Woodside O5N LP
Assets Sold:	Real estate only
Property Rights:	Fee Simple
% of Interest Conveyed:	100.00
Financing:	Cash to seller
Conditions of Sale:	Arm's-length
Document Type:	Deed
Verified By:	Blake Fassler
Verification Date:	08/26/2025
Verification Type:	Confirmed-Seller

Sale Analysis

Expenditures After Purchase:	$70,694
Expenditures Description:	Permits and fees
Other Adjustment:	$3,100
Adjustment Comments:	Bond encumbrance

Improvement and Site Data

Legal/Tax/Parcel ID:	327-410-001 through -063, 327-400-001, -075 through -087
Acres(Gross):	1.00
Land-SF(Gross):	43,560
Potential Building SF:	3,825
No. of Units (Potential):	88
Zoning Code:	VMDR
Zoning Desc.:	Village Medium Density Residential
Source of Land Info.:	Public Records

Comments

This is a sale of 88 finished lots with a typical lot size of 3,825 square feet within Liberty at Lincoln. Permits and fees are estimated at $70,694 per lot, while special taxes are estimated at $3,100 per lot per year. The community is located proximate to the City of Lincoln Wastewater Treatment Plant.

Land Sale Profile

Sale No. 3

Location & Property Identification

Property Name:	Noble at Liberty
Sub-Property Type:	Residential, Single Family Development Land
Address:	Liberty Pky.
City/State/Zip:	Lincoln, CA 95648
County:	Placer
Market Orientation:	Suburban
IRR Event ID:	3400252



Sale Information

Sale Price:	$9,900,000
Effective Sale Price:	$9,900,000
Sale Date:	01/17/2025
Contract Date:	07/15/2024
Sale Status:	Closed
$/Acre(Gross):	$9,900,000
$/Land SF(Gross):	$227.27
$/Building SF:	$2,329.41
$/Unit (Potential):	$165,000 /Unit
Grantor/Seller:	Lincoln Land Holdings LLC (Lewis Group)
Grantee/Buyer:	Richmond American Homes of Maryland Inc
Assets Sold:	Real estate only
Property Rights:	Fee Simple
% of Interest Conveyed:	100.00
Financing:	Cash to seller
Conditions of Sale:	Arm's-length
Document Type:	Deed
Verified By:	Blake Fassler
Verification Date:	08/26/2025
Verification Type:	Confirmed-Seller

Sale Analysis

Expenditures After Purchase:	$69,708
Expenditures Description:	Permits and fees
Other Adjustment:	$3,350
Adjustment Comments:	Bond encumbrance

Improvement and Site Data

Legal/Tax/Parcel ID:	327-390-001
Acres(Gross):	1.00
Land-SF(Gross):	43,560
Potential Building SF:	4,250
No. of Units (Potential):	60
Zoning Code:	VMDR
Zoning Desc.:	Village Medium Density Residential
Source of Land Info.:	Public Records

Comments

This is the first phase of the transaction of 60 finished lots with a typica lot size of 4,250 at Liberty at Lincoln. The second phase consists of nine lots and will transfer upon completion of dry-utility improvements and final map recordation. Permits and fees are estimated at $69,708 per lot, while special taxes are estimated at $3,350 per lot per year. The community is located proximate to the City of Lincoln Wastewater Treatment Plant.

Land Sale Profile

Sale No. 4

Location & Property Identification

Property Name:	Placer One - Village 14
Sub-Property Type:	Residential, Single Family Development Land
Address:	Sunset Blvd.
City/State/Zip:	Placer County, CA 95747
County:	Placer
Market Orientation:	Suburban
IRR Event ID:	3412990



Sale Information

Sale Price:	$11,700,000
Effective Sale Price:	$11,700,000
Sale Date:	01/03/2025
Contract Date:	05/22/2024
Sale Status:	Closed
$/Acre(Gross):	$503,442
$/Land SF(Gross):	$11.56
$/Building SF:	$3,594.47
$/Unit (Potential):	$75,000 /Unit
Grantor/Seller:	JEN CA Placer Ranch, LLC
Grantee/Buyer:	KB Homes of Sacramento Inc.
Assets Sold:	Real estate only
Property Rights:	Fee Simple
% of Interest Conveyed:	100.00
Financing:	Cash to seller
Conditions of Sale:	Arm's-length
Document Type:	Deed
Verified By:	Blake Fassler
Verification Date:	09/29/2025
Verification Type:	Confirmed-Buyer

Sale Analysis

Expenditures After Purchase:	$182,594
Expenditures Description:	Site development costs and permits and fees
Other Adjustment:	$2,671
Adjustment Comments:	Bond encumbrance

Improvement and Site Data

Legal/Tax/Parcel ID:	017-500-016 and -017
Acres(Gross):	23.24
Land-SF(Gross):	1,012,334
Potential Building SF:	3,255
No. of Units (Potential):	156
Zoning Code:	SPL-PRSP
Zoning Desc.:	Placer Ranch Specific Plan
Source of Land Info.:	Public Records

Comments

156 alley-loaded residential lots with a typical lot size of 3,255 square feet sold in bluetop condition for $75,000 per lot. The site development costs to bring the lots to finished condition is estimated at $100,894 per lot. Permits and fees are estimated at $81,700 per lot. Special taxes are estimated at $2,671 per lot. The purchase price is in addition to a Master Marketing Fee of 0.50% of the purchase price in connection with the closing of each individual home.

Land Sale Profile

Sale No. 5

Location & Property Identification

Property Name:	Legacy at Liberty
Sub-Property Type:	Residential, Single Family Development Land
Address:	Liberty Pky.
City/State/Zip:	Lincoln, CA 95648
County:	Placer
Market Orientation:	Suburban
IRR Event ID:	3399667



Sale Information

Sale Price:	$15,750,000
Effective Sale Price:	$15,750,000
Sale Date:	12/04/2024
Contract Date:	08/28/2024
Sale Status:	Closed
$/Acre(Gross):	$15,750,000
$/Land SF(Gross):	$361.57
$/Building SF:	$3,579.55
$/Unit (Potential):	$164,063 /Unit
Grantor/Seller:	Lincoln Land Holdings LLC (Lewis Group)
Grantee/Buyer:	Meritage Homes of California, Inc.
Assets Sold:	Real estate only
Property Rights:	Fee Simple
% of Interest Conveyed:	100.00
Financing:	Cash to seller
Conditions of Sale:	Arm's-length
Document Type:	Deed
Verified By:	Blake Fassler
Verification Date:	08/25/2025
Verification Type:	Confirmed-Seller

Sale Analysis

Expenditures After Purchase:	$72,326
Expenditures Description:	Permits and fees
Other Adjustment:	$3,400
Adjustment Comments:	Bond encumbrance

Improvement and Site Data

Legal/Tax/Parcel ID:	327-380-008 and -009
Acres(Gross):	1.00
Land-SF(Gross):	43,560
Potential Building SF:	4,400
No. of Units (Potential):	96
Zoning Code:	VLDR
Zoning Desc.:	Village Low Density Residential
Source of Land Info.:	Public Records

Comments

This is a sale of 96 finished lots with a typical lot size of 4,400 square feet within Liberty at Lincoln. Permits and fees are estimated at $72,326 per lot, while special taxes are estimated at $3,400 per lot per year. The community is located proximate to the City of Lincoln Wastewater Treatment Plant.

Land Sale Profile

Sale No. 6

Location & Property Identification

Property Name:	Winding Creek - Villages C-6 & C-8
Sub-Property Type:	Residential, Single Family Development Land
Address:	E/O Westbrook Blvd., N/O Blue Oaks Blvd.
City/State/Zip:	Roseville, CA 95747
County:	Placer
Market Orientation:	Suburban
IRR Event ID:	3315170



Sale Information

Sale Price:	$15,280,000
Effective Sale Price:	$15,280,000
Sale Date:	11/04/2024
Contract Date:	07/16/2024
Sale Status:	Closed
$/Acre(Gross):	$1,115,328
$/Land SF(Gross):	$25.60
$/Building SF:	$3,772.84
$/Unit (Potential):	$191,000 /Approved Lot
Grantor/Seller:	Anthem United Creekview Development, LP.
Grantee/Buyer:	Beazer Home Holdings, LLC.
Portfolio Sale:	No
Assets Sold:	Real estate only
Property Rights:	Fee Simple
% of Interest Conveyed:	100.00
Financing:	Cash to seller
Conditions of Sale:	Arm's-length
Document Type:	Deed
Recording No.:	2024.61804
Verified By:	Kari Tatton
Verification Date:	01/09/2025
Confirmation Source:	Purchase Agreement/Public Records
Verification Type:	Confirmed-Seller

Sale Analysis

Expenditures After Purchase:	$92,423
Expenditures Description:	Permits & Fees
Other Adjustment:	$3,237
Adjustment Comments:	Special taxes
Sale Price Includes FF&E?	No

Improvement and Site Data

MSA:	Sacramento--Roseville--Arden-Arcade, CA
Legal/Tax/Parcel ID:	496-620-001, -003
Acres(Gross):	13.70
Land-SF(Gross):	596,772
Potential Building SF:	4,050
No. of Units (Potential):	80
Shape:	Irregular
Topography:	Level
Corner Lot:	No
Zoning Code:	RS/DS
Zoning Desc.:	Small lot residential
Easements:	No
Environmental Issues:	No
Flood Zone Designation:	X (Shaded)

Improvement and Site Data (Cont'd)

Source of Land Info.: Past Appraisal

Comments

This comparable represents the sale of 80 finished lots with a typical lot size of 4,050 square feet. Permits & fees average $92,423 per lot and annual special assessments are $3,237 per lot. The purchase price is in addition to a Master Marketing Fee of 0.75% of HUD Purchase Price which is to be paid in connection with each home closing.

Land Sale Profile

Sale No. 7

Location & Property Identification

Property Name:	Placer One - Villages 8 through 11
Sub-Property Type:	Residential, Single Family Development Land
Address:	Momentum Dr.
City/State/Zip:	Placer County, CA 95747
County:	Placer
Market Orientation:	Suburban
IRR Event ID:	3399197



Sale Information

Sale Price:	$23,591,500
Effective Sale Price:	$23,591,500
Sale Date:	09/17/2024
Contract Date:	01/24/2024
Sale Status:	Closed
$/Acre(Gross):	$502,910
$/Land SF(Gross):	$11.55
$/Building SF:	$4,578.21
$/Unit (Potential):	$93,247 /Unit
Grantor/Seller:	Jen CA Placer Ranch, LLC
Grantee/Buyer:	KB Home Sacramento Inc.
Assets Sold:	Real estate only
Property Rights:	Fee Simple
% of Interest Conveyed:	100.00
Financing:	Cash to seller
Conditions of Sale:	Arm's-length
Document Type:	Deed
Verified By:	Blake Fassler
Verification Date:	08/22/2025
Verification Type:	Confirmed-Seller

Sale Analysis

Expenditures After Purchase:	$191,547
Expenditures Description:	Site development costs and permits and fees
Other Adjustment:	$3,061
Adjustment Comments:	Estimated bond encumbrance

Improvement and Site Data

Legal/Tax/Parcel ID:	017-500-015, 017-500-007, 017-500-006, 017-500-008
Acres(Gross):	46.91
Land-SF(Gross):	2,043,400
Potential Building SF:	5,153
No. of Units (Potential):	253
Zoning Code:	MDR & LDR
Zoning Desc.:	Medium and Low Density Residential
Source of Land Info.:	Public Records

Comments

This is a sale of 253 bluetop lots consisting of Villages 8 through 11 in Placer One. Village 8 consists of 82 residential lots with an estimated 3,600 square foot typical lot size and have a four-pack configuration. The remaining villages have a traditional lot configuration. The remaining site development costs were estimated at $105,347 per lot, while permits and fees are estimated at $86,200 per lot. Based on other projects in the area, the special taxes

Comments (Cont'd)

are estimated at $3,061 per lot. The purchase price is in addition to a Master Marketing Fee of 0.50% of the purchase price in connection with the closing of each individual home.

Land Sale Profile

Sale No. 8

Location & Property Identification

Property Name:	Winding Creek - Village C-20
Sub-Property Type:	Residential, Single Family Development Land
Address:	W/O Westbrook Blvd., N/O Blue Oaks Blvd.
City/State/Zip:	Roseville, CA 95747
County:	Placer
Market Orientation:	Suburban
IRR Event ID:	3315157



Sale Information

Sale Price:	$12,127,500
Effective Sale Price:	$12,127,500
Sale Date:	09/12/2024
Contract Date:	07/08/2024
Sale Status:	Closed
$/Acre(Gross):	$1,393,966
$/Land SF(Gross):	$32.00
$/Building SF:	$4,331.25
$/Unit (Potential):	$157,500 /Approved Lot
Grantor/Seller:	Anthem United Creekview Development, LP.
Grantee/Buyer:	Dragonfly-Roseville LP (DR Horton)
Portfolio Sale:	No
Assets Sold:	Real estate only
Property Rights:	Fee Simple
% of Interest Conveyed:	100.00
Financing:	Cash to seller
Conditions of Sale:	Arm's-length
Document Type:	Deed
Recording No.:	2024.49092
Verified By:	Kari Tatton
Verification Date:	10/23/2023
Confirmation Source:	Brian Moore - Anthem United
Verification Type:	Confirmed-Seller

Sale Analysis

Expenditures After Purchase:	$86,286
Expenditures Description:	Permits & Fees
Other Adjustment:	$2,547
Adjustment Comments:	Annual Special Assessments
Sale Price Includes FF&E?	No

Improvement and Site Data

MSA:	Sacramento--Roseville--Arden-Arcade, CA
Legal/Tax/Parcel ID:	496-620-005
Acres(Gross):	8.70
Land-SF(Gross):	378,972
Potential Building SF:	2,800
No. of Units (Potential):	77
Shape:	Irregular
Topography:	Level
Corner Lot:	No
Zoning Code:	RS/DS
Zoning Desc.:	Small lot residential
Easements:	No
Environmental Issues:	No
Flood Zone Designation:	X (Shaded)

Improvement and Site Data (Cont'd)

Source of Land Info.: Past Appraisal

Comments

This comparable represents the sale of 77 finished MDR lots with a typical lot size of 2,800 square feet (35'x80'). Permits & fees are $86,286 per lot and annual special assessments are $2,547 per lot. The purchase price is in addition to a Master Marketing Fee of 0.75% of HUD Purchase Price which is to be paid in connection with each home closing. The lots are located in RCSD/RJUHSD.