

Stephen G. White, MAI



Real Estate Appraiser

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October 6, 2017

Sulphur Springs Union School District
27000 Weyerhauser Way
Santa Clarita, CA 91351

Re: Proposal for Appraisal of
CFD No. 2006-1(Aliento)

Attn: Dr. Catherine Kawaguchi
Superintendent

Dear Dr. Kawaguchi:

In accordance with the request of Khushroo Gheyara at CFW Inc., I have given consideration to the taxable properties to be appraised within the above-referenced CFD for the purpose of estimating the fee and timing to complete an appraisal thereof. Per information provided by Chris Cole at Development Planning & Financing Group, Inc., the taxable properties within the CFD comprise four product types of single-family detached homes with a total of 403 lots. These four product types are described as follows, with the status of building permit, sales and closings being as of September 22:

- Lucera (TRI Pointe Homes): 67 lots; 50' x 100' or 5,000 s.f. typical size; homes range from 2,062 s.f. to 2,566 s.f. with pricing from \$651,000 to \$677,250; 45 permits issued, 22 sales, 6 closings.
- Tierno (TRI Pointe Homes): 157 lots; 55' x 100' or 5,500 s.f. typical size; homes range from 2,410 s.f. to 2,952 s.f. with pricing from \$687,750 to \$714,000; 52 permits, 27 sales, 5 closings.
- Arista (Pardee Homes): 112 lots; 60' x 105' or 6,300 s.f. typical size; homes range from 2,530 s.f. to 3,477 s.f. with pricing from \$735,000 to \$782,250; 47 permits, 28 sales, 0 closings.
- Cresta (Pardee Homes): 67 lots; 70' x 105' or 7,350 s.f. typical size; homes to range from about 3,500 s.f. to 4,000 s.f. with pricing from \$845,250 to \$897,750; permits for 3 models due to be pulled in October 2017 and permits for 7 Phase 1 production homes to be pulled in February 2018.

An appraisal of these taxable properties is needed as part of the planned CFD bond issuance, and I have arrived at the following conclusions:

SCOPE OF ASSIGNMENT: Complete an appraisal of the subject properties in order to estimate the aggregate market value of the as is condition of each of the four separate product types as of the date of value of the appraisal. The as is condition of the properties within each product type would reflect the status of the completed-sold homes (closed builder sales), completed-unsold homes (including models), homes under construction and vacant lots as of the date of value.

The appraisal will reflect separate aggregate values per product type, and the valuation will primarily be based on the Sales Comparison Approach, considering recent sales of homes as well as recent sales of reasonably comparable residential land. In addition, a residual approach may be used in the analysis of the vacant lots, and the Cost Approach will be used

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to estimate a cost allocation to homes that are under construction. In addition, if needed the values will be allocated to Developed Property (parcels/lots with a building permit as of a certain cut-off date) and Undeveloped Property (parcels/lots without a builder permit as of the certain cut-off date).

The appraisal will be submitted in a summary-type Appraisal Report with adequate detail as to the pertinent property data and valuation analyses, first distributed to the financing team in draft form, and then completed and distributed in final form after comments have been received and any necessary revisions made. I will also sign the certificate of the appraiser as needed for the closing of the bond issuance.

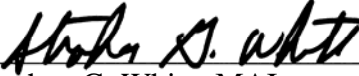
APPRAISAL FEE: The fee to complete the appraisal work as described above will be \$18,000. A retainer of \$6,000 is requested, and the final billing for the balance will be made upon completion of the final report. (Note: If an aerial photo is desired, the cost will be an additional \pm \$750, or based on actual cost.)

TIMING: Discussion with Mr. Gheyara pertained to completion of the draft appraisal report in the late November/early December 2017 time frame, and most likely by the end of the first week of December. The date of value for the appraisal would be approximately 2 weeks prior to completion of the draft report. The final report can be completed shortly after receiving comments from the financing team.

NEEDED INFORMATION: It is anticipated that the needed information for the appraisal will be provided by the appropriate parties on the financing team.

If the foregoing terms and conditions meet with your approval, please sign and return a copy of this letter, or provide other written authorization referencing this letter and the terms herein, together with the retainer. If you have any questions, please give me a call.

Sincerely,



Stephen G. White, MAI
(State Certified General Real Estate
Appraiser No. AG013311)

Signature

Date