

RESOLUTION NO. 33-22

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RICHMOND,
CALIFORNIA DECLINING TO ESTABLISH THE CITY OF RICHMOND
COMMUNITY FACILITIES DISTRICT NO. 2022-1 (POINT MOLATE), AS THERE IS
EVIDENCE THAT SUCH DISTRICT COULD REQUIRE FINANCIAL SUPPORT
FROM THE CITY'S GENERAL FUND AND NO GUARANTEE FROM DEVELOPER
THAT IT WILL NOT; THERE ARE UNCERTAINTIES OVER THE PHASING OF
IMPROVEMENTS AND THE DEVELOPER'S FINANCIAL CAPACITIES AND
PERFORMANCE; AND DEVELOPER HAS NOT PERFORMED ALL ITS
OBLIGATIONS**

WHEREAS, the City of Richmond, California (the "City") is the fee title owner of 100% of the real property (the "Property") described in (i) Exhibit A-1 to that certain Disposition and Development Agreement for Point Molate Mixed-Use Development, by and between the City and Winehaven Legacy LLC, a Delaware limited liability company ("Winehaven"), dated as of September 30, 2020 (the "DDA"), and (ii) Exhibit A to that certain Development Agreement, by and between the City and Winehaven, dated as of October 21, 2020 (the "DA" and together with the DDA, the "Development Agreements") and the attached Exhibit A; and

WHEREAS, the Property was formerly within the boundaries of Point Molate Naval Fuel Depot ("Naval Fuel Depot") prior to its closure and was acquired from the United States, subject to the Point Molate Reuse Plan adopted by the City in 1997, during base closure process through 2002; and

WHEREAS the Naval Fuel Depot closed in 1995 and since disposition to the City, the City has been engaged in various processes to determine how to use the land. One project proposed by the Guidiville Band of Pomo Indians and Upstream Point Molate, LLC (collectively "Upstream") included a Casino and went through environmental review in 2011 but was turned down by the voters in an advisory measure which caused the Council to decline the project and led to litigation. The lawsuit resulted in a settlement ("Amended Judgment") where the City agreed to consider other developers over a period of four years by the "City Sales Deadline", and if approved, City would sell the property and split the proceeds with Upstream. If no sale occurred in that time, Upstream could purchase the property for \$400 and had four years to sell or develop the Property and in such case, it would share proceeds with City. The City Sales Deadline by which Upstream can exercise the Option to purchase begins on May 21, 2022, and if the City does not sell the Property by then; and

WHEREAS, the Development Agreements provide for the establishment of a Community Facilities District ("CFD"), and multiple improvement areas therein, to provide for financing of certain facilities and services described therein, but the DA clearly established that while the City would cooperate with Winehaven in the establishment of one or more CFDs, it stated that the City will not be obligated to pay any cost related to formation or implementation of any Financing Mechanism from its General Fund (at Section 4.2 Assessment Financing); and

WHEREAS, as the DA provides that the City will cooperate with Winehaven by forming a ("CFD") meeting certain parameters, and the DA requires that the Resolution of Formation must be adopted by April 20, 2022, to meet statutory requirements and the City Sales Deadline by which Upstream could acquire the Property. The Council has a meeting set for April 19, 2022. The CFD procedures require thirty (30) days before public hearing on the Resolution of Formation, that the legislative body must call the public hearing adopting a Resolution of Intent. The date for consideration of the Resolution of Intent was set for the City Council's regular meeting of March 15, 2022, and has been continued until March 18, 2022; and

WHEREAS, pursuant to Section 53318(a) of the Mello-Roos Community Facilities Act of 1982, as amended, commencing with Section 53311 of the Government Code (the "Act"), the City Council of the City (the "City Council") has received a written request from two of its City Councilpersons to commence proceedings to form a community facilities district with boundaries coterminous with the Property to be known as the "City of Richmond Community Facilities District No. 2022-1 (Point Molate)" (the "Community Facilities District" or "CFD No. 2022-1"), and to designate three improvement areas therein, to finance (1) the purchase, construction, expansion, improvement or rehabilitation of the facilities described in **Exhibit B**

hereto (which attachment is incorporated herein by this reference) (collectively, the “Facilities”), including, but not limited to, those facilities to be owned and operated by the City or utility companies, including all furnishings, equipment and supplies related thereto (collectively, the “City Facilities”), (2) the services described in **Exhibit B** hereto (collectively the “Services”) and (3) the incidental expenses to be incurred in connection with financing the Facilities and/or Services, and forming the Community Facilities District and designating the three improvement areas therein, and administering the Community Facilities District, and the three improvement areas therein (the “Incidental Expenses”); and

WHEREAS, the City Council has had numerous studies and presentations on the formation of the CFD, including on its regular agendas and at a special study session held on February 24, 2022, and has studies presented by Winehaven’s financial consultant, the City’s finance team, and even studies done by independent private parties—with significant conflicting information. This information has been discussed with Winehaven and led to several changes in Winehaven’s proposals. Issues have included the projected costs of the infrastructure to be built, projections as to the possible value of the different housing products, what is a reasonable time to project the possible construction and sales of the units (“absorption”), what the values will be, what inflation costs and revenue escalator should be used, what the City’s operational costs would be in operating fire and police facilities necessary to protect public health and safety, and similar issues. There have been significant differences in opinion on these and other issues; and

WHEREAS, due to the pending City Sales Deadline stemming from the Amended Judgment in the Upstream matter, the City needs to adopt a Resolution of Intent no later than March 18, 2022, but the adoption of a Resolution of Intent does not compel the Council to adopt a Resolution of Formation on April 19 as it is a public hearing matter where evidence can be presented. In that vein, the City Council is free to consider all the variables in determining if the CFD as established has the potential to impact the General Fund, but also has the ability to consider other related matters such as the likelihood that Winehaven can perform its obligations under the DA, the performance to date of all provisions of the DA, Winehaven’s financial sources and all other information relevant to the carrying out and performance of the DA, the DDA and the other obligations of Winehaven; and

WHEREAS, the CFD proposed by Winehaven is to finance the Facilities, Services and the Incidental Expenses through the formation of the Community Facilities District, and the three improvement areas therein, and the sale of bonds (excluding the Services) in an amount not to exceed \$292,000,000, consisting of \$61,000,000 for Improvement Area No. 1 of the Community Facilities District, \$47,000,000 for Improvement Area No. 2 of the Community Facilities District and \$184,000,000 for Improvement Area No. 3 of the Community Facilities District (collectively, the “Obligations”) and the levy of a special tax in each improvement area to finance Facilities directly and to pay debt service on the Obligations relating to the applicable improvement area, provided that the aggregate bond authorization and special tax levy are approved at an election to be held for each improvement area therein; and

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF RICHMOND THAT:

Section 1. Recitals. Each of the above recitals is true and correct and made a part hereof, and is a part of the findings hereunder.

Section 2. Purposes of Development Agreement as Pertaining to CFD. As the DA states in its recitals, the purpose of the DA was to bring higher certainty to the development process, but this was in the context and with the expectation that: (i) the Project would not impact or require contribution from the General Fund or subsidy from other Richmond taxpayers (the “No General Fund Impact” condition), (ii) would not excessively burden the new residents for funding, (iii) Winehaven would have the financial capacity to perform, and (iv) Winehaven could be trusted to meet the obligations under the DA, DDA and other obligations and agreements it had entered into. For the reasons stated herein, the City Council finds Winehaven has failed in each of these areas.

Section 3. CFD Provisions of DA. The DA provided in Section 4.5 contains extensive provisions concerning how the CFD would work including (i) the total effective tax rate for the parcels within the CFD being 2% of the expected value of the parcel with the planned vertical improvements thereon; (ii) having a service tax for maintenance collected in perpetuity

and a service tax to fund the infrastructure; (iii) bond assessment limits; (iv) a bond term of up to 40 years; (v) assessments escalating at 2%. The proposed CFD would have been consistent with these criteria but does not provide adequate assurances to meet the “No General Fund” condition.

Section 4. Facilities and Services Intended to be Financed by the Community Facilities District. The Facilities proposed to be provided within the Community Facilities District were facilities authorized by the Act. The City is authorized by law to construct, acquire, own, and operate the City Facilities and to provide the services described in **Exhibit B** hereto for the benefit of the Community Facilities District. Although the City Facilities serve the Project and the services are provided for the Project, the continuing tax levy would be approximately one-third more the level of other residents in the City. However, the services provided would be comparable to the services provided in the rest of the City, and thus inequitable for the new residents.

Section 5. CFD Potential for General Fund Impact

(a) DA Requirements: Notwithstanding the provisions of Section 3 hereof explaining that the DA envisioned formation of a CFD, these provisions were subordinate to Section 4.2.3 of the DA titled Financing Parameters which expressly stated “City’s general fund shall not be pledged to the repayment of any public financing”, nor to even any “initial” or annual administrative costs related to any Financing Mechanism.

(b) Financial Studies. As stated in the Recitals, numerous reports were submitted to the Council. They looked at projected costs of the Facilities and each dealt with various uncertainties and made assumptions. Such uncertainties included: on the cost side when construction should commence, phasing of construction, operational costs and staffing of Facilities, and escalation of such costs over time in current 8% inflation environment; as well as revenue uncertainties including the housing mix, current values of product including single family, condominium, townhouses, and rental and commercial product and looking for comparable product in assorted market areas (making allowance for marine, hillside, limited access, open space, refinery presence, and other factors). With such a range of factors, there was considerable variety in the assumptions and conclusions. Absorption variables were generally at 7- (Developer projection), 15- and 30-years in other projection models (207 units per year yielded 7-year absorption, 97 units per year for 15-years, and 48 units per year for 30-years).

(c) Variables. For example, one study showed break even (General Fund repaid) at 20 years. Another showed negative at 30 years (General Fund Impact). One suggested the \$22.5M paid as purchase price had to be used to prevent a General Fund Impact. Attached as **Exhibit C** is a model showing a set of assumptions necessary to eliminate General Fund impact. Sales at prices below these values or at the slower pace some of the models project could produce General Fund Impact. In light of the DA provision that there cannot be a General Fund impact, even as to “initial” administrative cost, the City Council can reasonably conclude there is a risk of General Fund Impact. Moreover, there are mechanisms by which the developer could commit to building the infrastructure and use the CFD for reimbursement, which would alleviate General Fund Impact. Winhaven has not offered a guarantee or such security mechanism.

Section 6. Unfair Burden on New Residents. The City Financial Team has projected costs and bonding capacity at approximately One Hundred Fifty Million Dollars (\$150M). Notwithstanding this, Developer has insisted that the bonding capacity be almost double that. The reasonably expected maximum aggregate principal amount of the Obligations is Two Hundred Ninety-Two Million Dollars (\$292,000,000), consisting of Sixty-One Million Dollars (\$61,000,000) for Improvement Area No. 1 of the Community Facilities District, Forty-Seven Million Dollars (\$47,000,000) for Improvement Area No. 2 of the Community Facilities District and One Hundred Eighty-Four Million Dollars (\$184,000,000) for Improvement Area No. 3 of the Community Facilities District. The Financing Plan in the DA originally suggested a cap of \$129M. The cap now proposed has increased more than 126% and given the limitations on the CFD, this cap does not appear realistic and would maximize taxation of the property. The actual police and fire services provided in the Project are similar to that provided to all other residents of Richmond. However, the Project residents will pay far more. The residents of the Project are likely to feel unjustly abused by excessive taxes when they come to realize the disparity between themselves and other Richmond residents.

Section 7. Developer Financial Capacity. The City Council finds it is reasonable not to establish a CFD for financing purposes unless it is assured that Developer has the financial resources to proceed with the Project, including to pay the \$45M for the land. City finds it has reasonable doubt on this issue as follows:

- (a) Purchase Price. The DDA provides that prior to closing Developer shall show sources of funding and the ability to pay the \$45M purchase price. City pursuant to its due diligence in establishing the CFD has on numerous occasions requested such evidence to go forward with the CFD. Winehaven has declined to provide it at this time.
- (b) Shell Entities. Developer's parent entity is SunCal Realty Group Inc. a large-scale experienced development entity. However, pursuant to the SunCal business model operating through limited liability partnerships, the Project is being developed by Winehaven, a limited liability shell corporation established so that its failure would not affect the parent entity. This is further grounds attributing to the uncertainty of Winehaven's financial capacity, or of any guarantees to mitigate possible impact to the General Fund it could provide the City.
- (c) Bankruptcy History. SunCal and its affiliated entities of which Winehaven is one have had many prior financial challenges (See **Exhibit D**).
- (d) Developer Guarantee. During the course of presentations made on the General Fund Impact, as differing ideas were presented to alleviate the potential impact such as using the \$22.5M purchase price as a security fund, Winehaven made various offers such as to provide \$2M per year for 5 years payment for operational costs, and later \$6M per year payment to cover the initial operating cost losses, but the escalator was capped at 6% when inflation is now at 8%. This showed consciousness on the part of Winehaven that there was a reasonable risk of triggering the General Fund Impact. Moreover, Winehaven in the discussions never offered any guarantee or enforceable commitment to provide alternative funding necessary to relieve the possibility of the City needing to utilize General Fund monies.
- (e) Infrastructure Cost Escalation. Winehaven has cited that they have no obligation, based upon DDA Section 5.5.8, to maintain Stenmark Drive public improvements, both within the project property limits as well as "offsite", i.e. outside of the property limits. These improvements include landscaping, irrigation, sidewalks and street lights within the public right-of-way. Additionally, there is no provision to maintain the sewer forcemain from the project pump station to the connection to the existing collection system located in Point Richmond. To mitigate the initial impact of maintenance of the landscape/lighting, Winehaven has offered to extend the warranty and maintenance period for all public improvements from the standard one-year after city acceptance to three years. An analysis has not been conducted to determine the operations and maintenance costs of the landscaping/lighting improvements beyond the 3-year period, even though funding for maintenance of the various parks and open space areas are included in the CFD. Additionally, the Developer has not included the lifecycle costs associated with the sewer forcemain into the CFD services model. The City would need to conduct such a cost analysis and implementation strategy as the basis of a sewer user fee study and rate structure specific to the Point Molate development. Thus, infrastructure costs are not fully understood or resolved, including life cycle costs.

Section 8. Developer Defaults. The final reason for the City to not proceed with the CFD is the Developer's performance under the DA, the most significant defaults include:

- (a) Deposit Agreement. The Developer was required to fund the effort to form the CFD and a Deposit Agreement dated August 25, 2021, was prepared but Winehaven has not signed it or made any deposit despite being asked to do so. City is working with various consultants on the CFD including Stradling Yocca, NHA Advisors, Willdan, RGS, and Integra Realty Resources. City has not received all invoices for these services at this time. Work has been ongoing for many months and contract expenses are at least \$279,000.

(b) Litigation Expense. Likewise, in Section 8.5 of the DA, Developer is required to indemnify and hold harmless the City from litigation. City’s counsel, Downey Brand, has incurred \$1,001,062.50 through February 28, 2022, in litigation related to Point Molate. To date, the City has been paid only approximately \$250,000 from Winehaven.

(c) Phasing Plan. As a part of Section 4.22, Developer was required to prepare a detailed phasing plan to permit the development of the Financing Plan for any facilities to be financed. The plans provided were always at a very general level making it difficult for the Financing Team and Council to have high confidence in the projections of development of the infrastructure as well as the sales of the housing units.

Section 9. Conclusion. For the reasons stated in Section 2 above, these being (i) Winehaven has not provided adequate assurance of no General Fund Impact and has offered no guarantee against such impact, (ii) Winehaven seeks a level of taxation which would unfairly burden residents and property owners in the Property, (iii) Winehaven has not offered adequate financial assurances that it can carry out its obligations through the shell corporation of Winehaven, and (iv) Winehaven has failed to pay monies owed to the City despite the clear obligation to make such payments. As all of such assertions are documented above, the City Council finds and concludes that it cannot go forward with the formation of the proposed Community Services District at this time and under these circumstances.

Section 10. Effective Date. This Resolution shall be effective upon its adoption.

PASSED AND ADOPTED at a special meeting of the City Council of the City of Richmond held on the 18th day of March, 2022.

I certify that the foregoing resolution was passed and adopted by the City Council of the City of Richmond at a special meeting thereof held March 18, 2022, by the following vote:

AYES: Councilmembers Jimenez, McLaughlin, Willis, and Vice Mayor Martinez.

NOES: None.

ABSTENTIONS: None.

ABSENT: Councilmembers Bates, Johnson III, and Mayor Butt.

PAMELA CHRISTIAN
CLERK OF THE CITY OF RICHMOND
(SEAL)

Approved:

THOMAS K. BUTT
Mayor

Approved as to form:

DAVE ALESHIRE
Interim City Attorney

State of California }
County of Contra Costa } : ss.
City of Richmond }

I certify that the foregoing is a true copy of **Resolution No. 33-22**, finally passed and adopted by the City Council of the City of Richmond at a special meeting held on March 18, 2022.



Pamela Christian, Clerk of the City of Richmond

Exhibit A

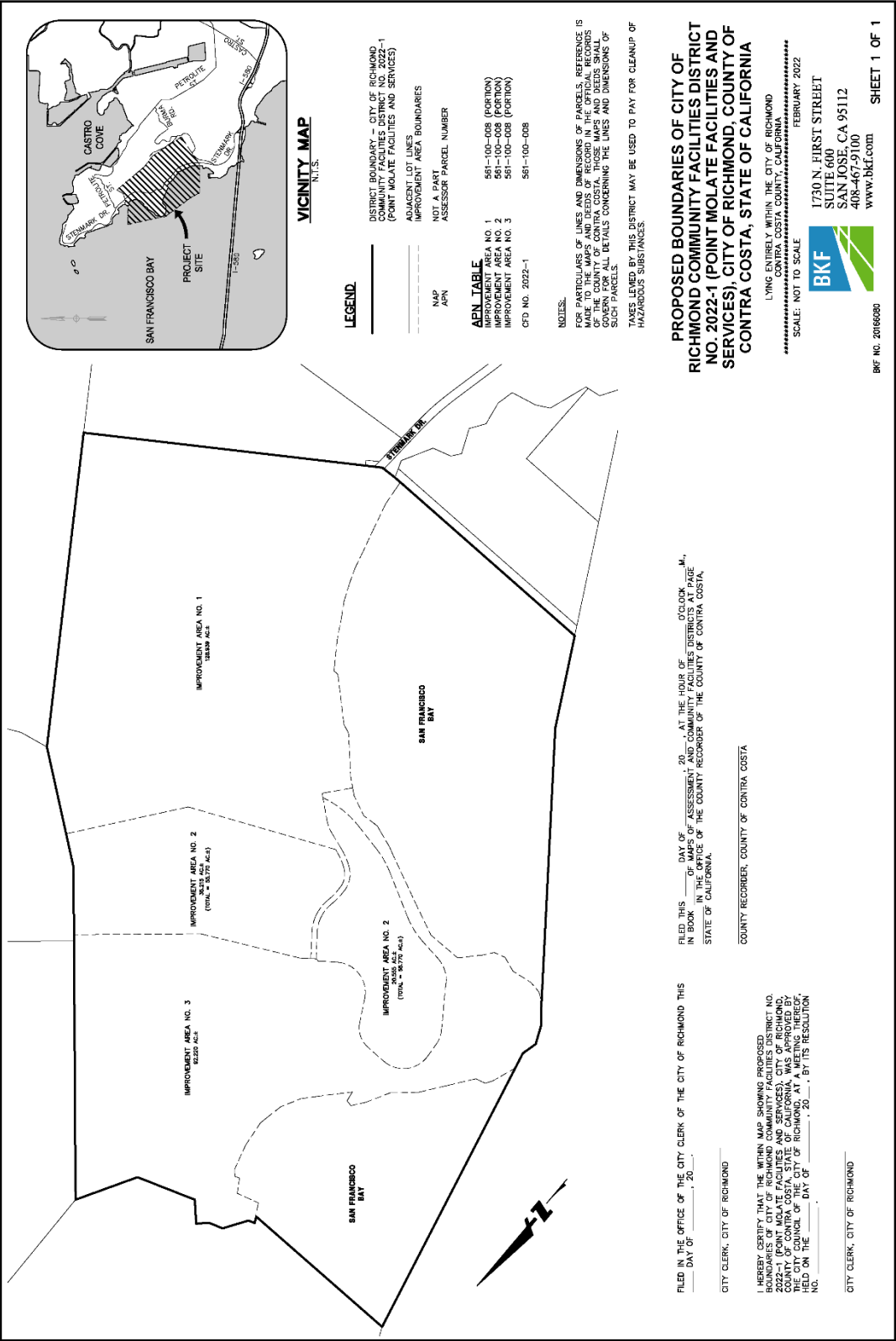


EXHIBIT B

DESCRIPTION OF THE FACILITIES, SERVICES AND INCIDENTAL EXPENSES

TYPES OF FACILITIES

CFD No. 2022-1, on behalf of itself and each improvement area thereof, is hereby authorized to finance the costs of the purchase, construction, expansion, improvement, or rehabilitation of facilities permitted under the Mello-Roos Act from the proceeds of special taxes and bonds issued by CFD No. 2022-1, including, without limitation:

CITY FACILITIES

The types of City Facilities that are proposed to be financed by CFD No. 2022-1 with the proceeds of special taxes and bonds issued by CFD No. 2022-1 consist of backbone infrastructure needed for new and existing development (both within the project limits as well as offsite improvements), such as roadway, bridge, sewer, dry utilities, storm drain, sea wall, street and parkway landscaping, curb and gutter, medians, median landscaping, traffic signals, entry signage, parks, trails, police facilities, fire facilities, and appurtenances and appurtenant work.

The description of City Facilities is general in nature. The final nature and location of the City Facilities will be determined upon preparation of final plans and specifications. Addition, deletion or modification of descriptions of the City Facilities may be made consistent with the requirements of the City Council of the City, CFD No. 2022-1 and the Act.

EAST BAY MUNICIPAL UTILITIES DISTRICT ("EBMUD") FACILITIES

The proposed EBMUD Facilities include the construction, purchase, modification, expansion, improvement and/or rehabilitation of public facilities to be owned and operated by EBMUD including, without limitation, water system facilities and acquisition of water system capacity.

The EBMUD Facilities listed herein are representative of the types of facilities authorized to be financed by CFD No. 2022-1. Detailed scope and limits of specific projects will be determined as appropriate, consistent with the standards of the EBMUD. Addition, deletion or modification of descriptions of the EBMUD Facilities may be made consistent with the requirements of the governing board of the EBMUD, CFD No. 2022-1 and the Act. The Facilities are necessary for CFD No. 2022-1 (and each improvement area thereof) and are generally intended to comply with the requirements of the City.

The description of Facilities is general in nature. The final nature and location of the Facilities will be determined upon preparation of final plans and specifications.

Any Facility authorized to be financed by CFD No. 2022-1 may be financed through the construction and acquisition of the Facility or through the payment of fees for such Facility.

The Facilities constructed or acquired may be located within or outside CFD No. 2022-1.

The Facilities to be financed shall include all hard and soft costs associated with the Facilities, including the costs of the acquisition of land and rights-of-way, the costs of design,

engineering and planning, the costs of any environmental or traffic studies, surveys or other reports, costs related to landscaping and irrigation, soils testing, permits, plan check, and inspection fees, insurance, legal and related overhead costs, coordination and supervision and any other costs or appurtenances related to any of the foregoing as may be further defined in one or more acquisition agreements with the developer of the property in CFD No. 2022-1.

TYPES OF SERVICES

The types of Services that are proposed to be provided by CFD No. 2022-1 and funded with the proceeds of special taxes levied by CFD No. 2022-1 consist of services permitted to be financed under the Mello-Roos Community Facilities Act of 1982 including, without limitation, police and fire protection, ambulance and paramedic services, street sweeping, traffic signal maintenance and the maintenance of City-owned parks, parkways and open spaces, lighting, flood and storm protection services and the operation of storm drainage systems. All of the services to be financed must be in addition to those provided within the boundaries of CFD No. 2022-1 before CFD No. 2022-1 is created, and shall not supplant services already available within that territory when CFD No. 2022-1 is created.

TYPES OF INCIDENTAL EXPENSES

The Incidental Expenses to be paid from bond proceeds and/or special taxes include:

All costs associated with the creation of CFD No. 2022-1, the issuance of the Obligations, the determination of the amount of special taxes to be levied, costs incurred in order to carry out the authorized purposes of CFD No. 2022-1, including legal fees, fees of consultants, engineering, planning, designing and the annual costs to administer CFD No. 2022-1 and any Obligations.

Exhibit C

TABLE 2
Point Molate Fiscal Impact Analysis
Land Use and Assumptions

	SQ.FT.	UNITS	ASSESSED VALUE			VACANCY		PEOPLE		
			EPS	DPFG	TOTAL	RATE	UNITS	PPH	POPULATION	SERVED
Owner-Occupied										
LDR		185	\$1,400,000	\$576,000	\$106,560,000	5.0%	176	-	495	495
MDR		0	\$0	\$0	\$0	5.0%	0	-	0	0
HDR/Townhomes		173	\$1,175,000	\$432,000	\$74,736,000	5.0%	164	-	461	461
HDR/Condo		802	\$1,250,000	\$416,000	\$333,632,000	5.0%	762	-	2,141	2,141
Subtotal		1,160			\$514,928,000					
Renter-Occupied										
HDR/Townhomes		68	\$400,000	\$128,000	\$8,704,000	5.0%	65	-	183	183
HDR/Condo		157	\$450,000	\$144,000	\$22,608,000	5.0%	149	-	419	419
Affordable		67		\$0	\$0	5.0%	64	-	180	180
Subtotal		292			\$31,312,000					
Residential Subtotal		1,452			\$546,240,000					
Nonresidential										
Historic Retail	20,000	-	\$300	\$300	\$6,000,000	10.0%	18,000	250	72	36
Historic Office	352,580	-	\$350	\$350	\$123,403,000	10.0%	317,322	250	1,269	635
New Retail	35,000	-	\$300	\$300	\$10,500,000	10.0%	31,500	250	126	63
New Office	31,194	-	\$350	\$350	\$10,917,900	10.0%	28,075	400	70	35
New Public	15,000	-	\$0	\$0	\$0	10.0%	13,500	0	0	0
Subtotal	453,774				\$150,820,900				1,537	769
Subtotal Residential & Nonresidential		1,452			\$697,060,900				5,416	4,648
Other Land Uses										
P/QP	-	-								
PR	-	-								
OS	-	-								
NAPOTS	-	-								
Preserve/Avoidance	-	-								
ROW	-	-								
Subtotal										
Total		1,452								

Table 10
Point Molate Fiscal Impact Analysis
Cash Flow

	Assumption ¹	Year 1	Year 2	Year 3	Year 4	Year 5	Buildout
Units		100	350	438	850	1,100	1,452
Persons Served		320	1,120	1,402	2,721	3,521	4,648
Revenues	\$10,380 per unit	\$422,149	\$1,477,521	\$1,849,012	\$3,588,265	\$4,643,637	\$6,129,601
Plus CFD (\$2M each of first two years)	\$10,380 per unit plus \$2M (Year 1 & 2)	\$2,422,149	\$3,477,521	\$1,849,012	\$3,588,265	\$4,643,637	\$6,129,601
Expenses	\$4,252 per unit	\$425,150	\$1,488,026	\$1,862,158	\$3,613,777	\$4,676,653	\$6,173,182
Full Police Year 1 (all other expenses per unit)	\$2,090,945 plus \$2,811 per unit	\$2,372,091	\$3,074,955	\$3,322,364	\$4,480,684	\$5,183,549	\$6,173,182
Full Fire Year 1 (all other expenses per unit)	\$3,264,037 plus \$2,004 per unit	\$3,464,391	\$3,965,277	\$4,141,589	\$4,967,049	\$5,467,935	\$6,173,182
<hr/>							
<u>Surplus/Deficit w/Base Revenues</u>							
Expenses per Unit		(\$3,001)	(\$10,505)	(\$13,146)	(\$25,512)	(\$33,016)	(\$43,581)
Full Police Year 1 (all other expenses per unit)		(\$1,949,942)	(\$1,597,434)	(\$1,473,352)	(\$892,419)	(\$539,911)	(\$43,581)
Full Fire Year 1 (all other expenses per unit)		(\$3,042,242)	(\$2,487,756)	(\$2,292,577)	(\$1,378,784)	(\$824,297)	(\$43,581)
<u>Surplus/Deficit w/Base Revenues PLUS CFD</u>							
Expenses per Unit		\$1,996,999	\$1,989,495	(\$13,146)	(\$25,512)	(\$33,016)	(\$43,581)
Full Police Year 1 (all other expenses per unit)		\$50,058	\$402,566	(\$1,473,352)	(\$892,419)	(\$539,911)	(\$43,581)
Full Fire Year 1 (all other expenses per unit)		(\$1,042,242)	(\$487,756)	(\$2,292,577)	(\$1,378,784)	(\$824,297)	(\$43,581)

Footnotes:

¹See Table 9.

Exhibit D

PARTIAL HISTORY OF FINANCIAL SUNCAL FINANCIAL INCIDENTS:

Financial Incidents. Links to some of the reported incidents are:

1. Albuquerque, Westland DevCo

<https://www.reuters.com/article/westlanddevco/albuquerque-developer-files-for-bankruptcy-idUSN0519094320100405>

2. SunCal-Lehman Brothers 2008 crash

SunCal's financial backing was inadequately diversified, so when Lehman collapsed, SunCal declared bankruptcy in 20-23 projects (tallies vary in news reports)

Specific examples:

- a. Oak Knoll

<https://www.oakknollcoalition.org/history>

- b. Marblehead

<https://www.sanclementetimes.com/marblehead-bankruptcy-now-what/>

- c. Palmdale

[ORDERED PUBLISHED - Ninth Circuit Court of Appeals](http://cdn.ca9.uscourts.gov)
<http://cdn.ca9.uscourts.gov> › Palmdale-09-1100

- d. 14 bankruptcies in Orange County

<https://www.ocregister.com/2008/11/10/14-projects-by-oc-developer-file-bankruptcy/>