

Good Faith Estimates: Improvement Area 19C Refunding Bonds

The good faith estimates set forth herein are provided with respect to the Improvement Area 19C Refunding Bonds in accordance with California Government Code Section 5852.1. Such good faith estimates have been provided to the City by Urban Futures, Inc., the City's Municipal Advisor (the "Municipal Advisor"), in consultation with Stifel (the "Original Purchaser").

Principal Amount. The Municipal Advisor has informed the City that, based on the City's financing plan and current market conditions, its good faith estimate of the aggregate principal amount of the Improvement Area 19C Refunding Bonds to be sold is \$5,010,000 (the "Estimated Principal Amount").

True Interest Cost of the Bonds. The Municipal Advisor has informed the City that, assuming that the respective Estimated Principal Amount of the Improvement Area 19C Refunding Bonds is 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 Improvement Area 19C Refunding 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 Improvement Area 19C Refunding Bonds, is 2.33%.

Finance Charge of the Bonds. The Municipal Advisor has informed the City that, assuming that the Estimated Principal Amount of the Improvement Area 19C Refunding Bonds is 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 Improvement Area 19C Refunding Bonds, which means the sum of all fees and charges paid to third parties (or costs associated with the Improvement Area 19C Refunding Bonds), is \$147,930. Additionally, there will be an annual Trustee fee for as long as the Improvement Area 19C Refunding Bonds are outstanding.

Amount of Proceeds to be Received. The Municipal Advisor has informed the City that, assuming the Estimated Principal Amounts of the Improvement Area 19C Refunding Bonds is 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 for the sale of the Improvement Area 19C Refunding Bonds, less the finance charge of the Improvement Area 19C Refunding Bonds, as estimated above, and any reserves or capitalized interest paid or funded with proceeds of the Improvement Area 19C Refunding Bonds, is \$3,647,080.

Total Payment Amount. The Municipal Advisor has informed the City that, assuming that the Estimated Principal Amounts of the Improvement Area 19C Refunding 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 to pay debt service on the Improvement Area 19C Refunding Bonds, plus the finance charge for the Improvement Area 19C Refunding Bonds, as described above, not paid with the respective proceeds of the Improvement Area 19C Refunding Bonds, calculated to the final maturity of the Improvement Area 19C Refunding Bonds, is \$5,812,953.

The foregoing estimates constitute good faith estimates only and are based on market conditions prevailing at the time of preparation of such estimates. The actual principal amount of the Improvement Area 19C Refunding Bonds issued and sold, the true interest cost thereof, the finance charges thereof, the amount of proceeds received therefrom and total payment amount with respect thereto may differ from such good faith estimates due to (a) the actual date of the sale of the Improvement Area 19C Refunding Bonds being different than the date assumed for purposes of such estimates, (b) the actual principal amount of Improvement Area 19C Refunding Bonds sold being different from the respective Estimated Principal Amounts, (c) the actual amortization of the Improvement Area 19C Refunding Bonds being different than the amortization assumed for purposes of such estimates, (d) the actual market interest rates at the time of sale of the Improvement Area 19C Refunding Bonds being different than those estimated for purposes of such estimates, (e) other market conditions, or (f) alterations in the City's financing plan, or a combination of such factors. The actual date of sale of the Improvement Area 19C Refunding Bonds and the actual principal amount of Improvement Area 19C Refunding Bonds sold will be determined by the City based on various factors. The actual interest rates borne by the Improvement Area 19C Refunding Bonds will depend on market interest rates at the time of sale thereof. The actual amortization of the Improvement Area 19C Refunding Bonds will also depend, in part, on market interest rates at the time of sale thereof. Market interest rates are affected by economic and other factors beyond the control of the City.