

NEW ISSUE – BOOK-ENTRY ONLY

INSURED RATING: S&P: “AA”  
UNDERLYING RATING: S&P: “A”  
(See “RATINGS”)

*In the opinion of Nixon Peabody LLP, Bond Counsel, under existing law and assuming compliance with the tax covenants described herein, and the accuracy of certain representations and certifications made by the Authority and Norris School District (“Norris”), as applicable, described herein, interest on the 2024A Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”). Bond Counsel is also of the opinion that such interest is not treated as a preference item in calculating the alternative minimum tax imposed under the Code. Bond Counsel is further of the opinion that, interest on the 2024A Bonds is exempt from personal income taxes of the State of California (the “State”) under present State law. See “TAX MATTERS” herein regarding certain other tax considerations.*

**\$10,665,000\***  
**RNR SCHOOL FINANCING AUTHORITY**  
**COMMUNITY FACILITIES DISTRICT NO. 92-1**  
**(COUNTY OF KERN, CALIFORNIA)**  
**SPECIAL TAX REFUNDING BONDS**  
**2024 SERIES A**

**Dated: Date of Delivery**

**Due: September 1, as shown on the inside cover**

THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. IT IS NOT A SUMMARY OF THIS ISSUE. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION.

The RNR School Financing Authority Community Facilities District No. 92-1 (the “District”) is issuing its Special Tax Refunding Bonds, 2024 Series A in the aggregate principal amount of \$10,665,000\* (the “2024A Bonds”). The 2024A Bonds are being issued in accordance with the Mello-Roos Community Facilities Act of 1982, as amended (being Section 53311 *et seq.* of the California Government Code), and pursuant to a resolution of the Board of Commissioners (the “Board”) of the RNR School Financing Authority (the “Authority”), acting as the legislative body of the District, and the Fiscal Agent Agreement, dated as of October 1, 1995, as amended and supplemented (collectively, the “Fiscal Agent Agreement”), by and between the Authority, acting as the legislative body of the District, and Zions Bancorporation, National Association (or its predecessors-in-interest), as fiscal agent (the “Fiscal Agent”). See “THE 2024A BONDS” and “APPENDIX C – Summary of Certain Provisions of the Fiscal Agent Agreement as Supplemented by the First Through Nineteenth Supplemental Fiscal Agent Agreements.”

Proceeds from the sale of the 2024A Bonds will be used to: (i) refund all or a portion of the District’s \$14,335,000 Subordinate Special Tax Refunding Bonds, 2014 Series B (the “2014B Bonds”), of which \$11,320,000 is currently outstanding, (ii) purchase a reserve surety to be deposited into the reserve account for the 2024A Bonds, and (iii) pay certain costs associated with the issuance and delivery of the 2024A Bonds. See “PLAN OF REFUNDING,” “THE 2024A BONDS” and “ESTIMATED SOURCES AND USES OF FUNDS.”

The 2024A Bonds are payable on a parity basis to certain outstanding Bonds (as defined herein) from the revenues generated by a Special Tax (as defined herein) to be levied on the taxable real property within the District. The Special Tax will be levied in accordance with the Rate and Method of Apportionment of Special Tax approved by the Board and the qualified electors within the District. See “THE 2024A BONDS,” “SECURITY AND SOURCE OF PAYMENT FOR THE 2024A Bonds – Special Tax,” and “APPENDIX A – Rate and Method of Apportionment of Special Tax for RNR School Financing Authority Community Facilities District No. 92-1.”

Interest on the 2024A Bonds is payable semiannually on each March 1 and September 1, commencing March 1, 2025\*. The 2024A Bonds will be issued in fully registered form and will be registered in the name of Cede & Co., as nominee for The Depository Trust Company (“DTC”), Brooklyn, New York. Purchases of beneficial interests in the 2024A Bonds will be made in book-entry form only in the denominations of \$5,000 and any integral multiple thereof. Purchasers of beneficial interests in the 2024A Bonds will not receive certificates representing their interests in the 2024A Bonds. Payments of principal of, premium, if any, and interest on the 2024A Bonds will be made by the Fiscal Agent by wire transfer directly to DTC or its nominee, Cede & Co., so long as DTC or Cede & Co. is the sole registered owner of the 2024A Bonds. Disbursement of such payments to DTC’s Participants (as defined herein) is the responsibility of DTC and disbursement of such payments to the Beneficial Owners (as defined herein) is the responsibility of the Participants, as more fully described herein. See “THE 2024A BONDS” and “BOOK-ENTRY ONLY SYSTEM.”

In the event that the 2024A Bonds are not registered in the name of Cede & Co., as nominee of DTC, or another eligible depository as described above, the principal of each Bond will be payable only upon surrender of such Bond to the corporate trust office of the Fiscal Agent in Los Angeles, California, or such other office as may be designated by the Fiscal Agent.

**The 2024A Bonds are subject to mandatory sinking fund redemption prior to maturity, as described under “THE 2024A BONDS – Redemption of 2024A Bonds.”**

The scheduled payment of principal of and interest on the 2024A Bonds maturing on September 1 of the years \_\_\_\_ through \_\_\_\_, inclusive, with the CUSIP numbers shown on the inside cover page hereof (collectively, the “Insured Bonds”) when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the 2024A Bonds by BUILD AMERICA MUTUAL ASSURANCE COMPANY (“BAM”). See “BOND INSURANCE” herein.



**MATURITY SCHEDULE**  
On Inside Cover

NEITHER THE FULL FAITH AND CREDIT OF THE AUTHORITY, THE DISTRICT, THE SCHOOL DISTRICTS (AS DEFINED HEREIN), THE COUNTY OF KERN (THE “COUNTY”), THE STATE, OR ANY POLITICAL SUBDIVISION OF THE STATE NOR, EXCEPT WITH RESPECT TO THE SPECIAL TAXES, IS THE TAXING POWER OF THE DISTRICT, THE SCHOOL DISTRICTS, THE COUNTY, THE STATE, OR ANY POLITICAL SUBDIVISION OF THE STATE PLEDGED TO THE PAYMENT OF THE 2024A BONDS. THE AUTHORITY HAS NO TAXING POWER. THE 2024A BONDS ARE NOT GENERAL OR SPECIAL OBLIGATIONS OF THE AUTHORITY, THE SCHOOL DISTRICTS, THE COUNTY, OR THE STATE, NOR ARE THEY GENERAL OBLIGATIONS OF THE DISTRICT, BUT ARE LIMITED OBLIGATIONS OF THE DISTRICT PAYABLE SOLELY FROM SPECIAL TAX REVENUES FROM AMOUNTS IN CERTAIN OF THE FUNDS CREATED UNDER THE FISCAL AGENT AGREEMENT AND THE EARNINGS THEREON, ALL AS MORE FULLY DESCRIBED HEREIN.

*The 2024A Bonds are being offered when, as, and if issued, subject to the approval as to their legality by Nixon Peabody LLP, San Francisco, Bond Counsel, and certain other conditions. Certain legal matters will be passed upon for the Underwriter by Stradling Yocca Carlson & Rauth LLP, Newport Beach, California, and for the Authority and the District by Nixon Peabody LLP. It is expected that the 2024A Bonds in definitive form will be available for delivery through the facilities of DTC in Brooklyn, New York, on or about December 20, 2024\*.*

**STIFEL**

Dated December \_\_, 2024

\* Preliminary; subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment without notice. 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 prior to registration or qualification under the securities laws of any such jurisdiction.

**\$10,665,000\***  
**MATURITY SCHEDULE FOR THE 2024A BONDS**

<b><u>Maturity Date (September 1)</u></b>	<b><u>Principal Amount</u></b>	<b><u>Interest Rate</u></b>	<b><u>Yield</u></b>	<b><u>Price</u></b>	<b><u>CUSIP† No.</u></b>
2025					
2026					
2027					
2028					
2029					
2030					
2031					
2032					
2033					
2034					
2035					

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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 Authority, the District, the School Districts, the Municipal Advisor, the Underwriter, or their agents or counsel, and are included solely for the convenience of the registered owners of the applicable 2024A Bonds. None of the Authority, District, the School Districts, the Municipal Advisor, the Underwriter, or their agents or counsel, is responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness on the applicable 2024A Bonds or as included herein. The CUSIP number for a specific maturity is subject to change 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 2024A Bonds.

No dealer, salesperson, or other person has been authorized by Stifel, Nicolaus & Company, Incorporated (the “Underwriter”), the Authority, the District, or the School Districts to give any information or to make any representation other than as contained in this Official Statement in connection with the offering described herein and, if given or made, such other information or representation must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy any securities other than those described on the cover page, nor shall there be any offer to sell, solicitation of an offer to buy, or sale of such securities by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation, or sale. This Official Statement is not to be construed to be a contract with the purchasers of the 2024A Bonds. Statements contained in this Official Statement that involve estimates, forecasts, or matters of opinion, whether or not expressly described herein, are intended solely as such and are not to be construed as representations of fact.

The information contained in this Official Statement (which includes the cover page, inside cover page, and the appendices) has been obtained from sources that are believed to be reliable. However, no representation is being made as to the accuracy or completeness of such information, and nothing contained in this Official Statement is, or shall be relied upon as, a promise or representation by the Underwriter, the Authority, or the District. This Official Statement is submitted in connection with the sale of the securities described in it and may not be reproduced or used, in whole or in part, for any other purposes. The information and expressions of opinion contained in this Official Statement are subject to change without notice and neither the delivery of this Official Statement nor any sale made by means of it shall, under any circumstances, create any implication that there have not been changes in the affairs of the Authority, the District, or the School Districts, or major property owners in the District, since the date of this Official Statement.

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 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.

This Official Statement is submitted in connection with the sale of the 2024A Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

**THE 2024A BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED, IN RELIANCE UPON AN EXEMPTION CONTAINED IN SUCH ACTS, AND HAVE NOT BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES LAWS OF ANY STATE.**

**THE 2024A BONDS HAVE NOT BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES LAWS OF ANY STATE. IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE 2024A 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 UNDERWRITER MAY OFFER AND SELL THE 2024A BONDS TO CERTAIN DEALERS, DEALER BANKS, AND BANKS ACTING AS AGENTS AT PRICES LOWER THAN THE PUBLIC OFFERING PRICES STATED ON THE INSIDE COVER PAGE HEREOF AND SAID PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITER.**

Build America Mutual Assurance Company (“BAM”) makes no representation regarding the 2024A Bonds or the advisability of investing in the 2024A Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the heading “BOND INSURANCE” and “APPENDIX E - Specimen Municipal Bond Insurance Policy.”

For purposes of compliance with Rule 15c2-12 of the United States Securities and Exchange Commission, as amended (the “Rule”), and in effect on the date hereof, this Preliminary Official Statement constitutes an official statement of the District that has been deemed final by the District as of its date except for the omission of no more than the information permitted by the Rule.

References to web site addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader’s convenience. Unless specified otherwise, such web sites and the information or links contained therein are not incorporated into or specifically included in, and are not part of, this Official Statement for purposes of, and as that term is defined in, Rule 15c2-12 of the United States Securities and Exchange Commission.

## **RNR SCHOOL FINANCING AUTHORITY**

### **Board of Commissioners**

Norm Richards, Chair  
Jennifer Hedge, Vice Chair  
Cy Silver, Secretary  
Sue Lemon, Commissioner  
Fernando Ortiz, Commissioner  
Dan Weirather, Commissioner

### **SPECIAL SERVICES**

#### **Bond and Disclosure Counsel**

Nixon Peabody LLP  
San Francisco, California

#### **Municipal Advisor**

California Financial Services  
Ladera Ranch, California

#### **Special Tax Consultant, CFD Administrator and Dissemination Agent**

KeyAnalytics,  
a division of California Financial Services  
Ladera Ranch, California

#### **Underwriter's Counsel**

Stradling Yocca Carlson & Rauth LLP  
Newport Beach, California

#### **Fiscal Agent**

Zions Bancorporation, National Association  
Los Angeles, California

#### **Verification Agent**

Causey Public Finance, LLC  
Parker, Colorado

## TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTORY STATEMENT .....	1
The Authority.....	1
The District .....	1
The 2024A Bonds .....	2
Continuing Disclosure .....	5
Risk Factors .....	5
Forward-Looking Statements.....	5
Other Information .....	6
PLAN OF REFUNDING .....	6
THE 2024A BONDS .....	7
Authority for Issuance of 2024A Bonds .....	7
Description of 2024A Bonds .....	7
Redemption of 2024A Bonds* .....	7
Exchange and Transfer of 2024A Bonds .....	8
Mutilated, Lost, Destroyed, or Stolen 2024A Bonds .....	8
Debt Service Schedule for 2024A Bonds .....	9
BOOK-ENTRY ONLY SYSTEM.....	10
ESTIMATED SOURCES AND USES OF FUNDS .....	12
SECURITY AND SOURCE OF PAYMENT FOR THE 2024A BONDS .....	12
Source of Payment for the 2024A Bonds.....	12
Special Tax .....	13
Estimated Debt Service Coverage.....	16
The Special Tax Fund .....	17
Covenant for Superior Court Foreclosure .....	18
Reserve Fund .....	21
Assessed Property Values .....	22
Additional Bonds .....	23
THE AUTHORITY .....	24
BOND INSURANCE .....	24
Bond Insurance Policy .....	24
Build America Mutual Assurance Company .....	25
RISKS OF BOND INSURANCE .....	26
THE DISTRICT .....	27
Description and Location of the District.....	27
The School Districts.....	29
The City and Surrounding Area .....	30
Ownership and Development Within the District.....	30
Special Tax Levies and Collections .....	32
Direct and Overlapping Debt .....	35
Value-to-Lien Ratios.....	37
SPECIAL RISK FACTORS .....	38
Risks of Real Estate Secured Investments Generally .....	38
Insufficiency of Special Taxes.....	38
Billing of Special Taxes.....	40

**TABLE OF CONTENTS**  
(continued)

	<u>Page</u>
Collection of Special Tax; Foreclosure.....	40
Other Taxes and Assessment Liens .....	41
Exempt Properties.....	42
Property Values; Assessed and Appraised Values.....	42
Factors Affecting Assessed Valuations: Geologic, Environmental, Natural Disasters and Climatic Conditions .....	43
Fluctuations in the Housing Market.....	47
Land Development.....	47
Value-to-Lien Ratios.....	48
Limited Obligations of the District .....	48
Special Taxes Are Not Personal Obligations .....	48
Private Indebtedness .....	49
Disclosure to Future Property Owners.....	49
No Acceleration .....	49
Potential Early Redemption of 2024A Bonds from Special Tax Prepayments.....	50
Issuance of Additional Indebtedness .....	50
Constitutional Limitations on Taxation and Appropriations .....	50
Future Local and State Restrictions, Initiatives and Legislative Measures.....	52
Federal Government Interests in Properties.....	53
Limitations on Remedies .....	54
Potential Delay and Limitations in Foreclosure Proceedings .....	54
Bankruptcy.....	56
Limited Secondary Market .....	57
Loss of Tax Exemption.....	57
IRS Audit of Tax-Exempt Bond Issues .....	57
Legislative Proposals, Clarification of the Code, and Court Decisions on Tax Exemption .....	58
Tax Matters .....	58
Cybersecurity Risk.....	58
LEGAL OPINION .....	59
TAX MATTERS.....	59
Federal Income Taxes .....	59
State Taxes.....	59
Original Issue Discount.....	59
Original Issue Premium .....	60
Ancillary Tax Matters .....	60
Changes in Law and Post Issuance Events .....	60
NO LITIGATION .....	61
UNDERWRITING .....	61
PROFESSIONAL FEES .....	62
CONTINUING DISCLOSURE.....	62
RATING .....	62
MISCELLANEOUS .....	63

**TABLE OF CONTENTS**  
**(continued)**

	<b><u>Page</u></b>
APPENDIX A – Rate and Method of Apportionment of Special Tax for RNR School Financing Authority Community Facilities District No. 92-1 .....	A-1
APPENDIX B – Form of Bond Counsel Opinion .....	B-1
APPENDIX C – Summary of Certain Provisions of the Fiscal Agent Agreement as Supplemented by the First Through Nineteenth Supplemental Fiscal Agent Agreements.....	C-1
APPENDIX D – Form of Continuing Disclosure Agreement .....	D-1
APPENDIX E – Specimen Municipal Bond Insurance Policy.....	E-1

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## **OFFICIAL STATEMENT**

**\$10,665,000\***  
**RNR SCHOOL FINANCING AUTHORITY**  
**COMMUNITY FACILITIES DISTRICT NO. 92-1**  
**(COUNTY OF KERN, CALIFORNIA)**  
**SPECIAL TAX REFUNDING BONDS**  
**2024 SERIES A**

### **INTRODUCTORY STATEMENT**

**THIS INTRODUCTORY STATEMENT IS SUBJECT IN ALL RESPECTS TO THE MORE COMPLETE INFORMATION IN THIS OFFICIAL STATEMENT, INCLUDING THE COVER PAGE, THE MATURITY SCHEDULE ON THE INSIDE COVER PAGE, THE TABLE OF CONTENTS, AND THE APPENDICES HERETO, AND THE OFFERING OF THE 2024A BONDS TO POTENTIAL INVESTORS IS MADE ONLY BY MEANS OF THE ENTIRE OFFICIAL STATEMENT.**

The purpose of this Official Statement, which includes the cover page, the maturity schedule on the inside cover page, the table of contents, and the appendices hereto, is to provide certain information concerning the issuance and sale of the Special Tax Bonds, 2024 Series A in the aggregate principal amount of \$10,665,000\* (the “2024A Bonds”) of the RNR School Financing Authority Community Facilities District No. 92-1 (the “District”). Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Fiscal Agent Agreement (as defined herein), some of which are set forth in “APPENDIX C – Summary of Certain Provisions of the Fiscal Agent Agreement as Supplemented by the First Through Nineteenth Supplemental Fiscal Agent Agreements.”

#### **The Authority**

The RNR School Financing Authority (the “Authority”) was created pursuant to that certain Joint Exercise of Powers Agreement Creating the RNR School Financing Authority, dated as of February 15, 1992 (the “Joint Powers Agreement”), by and among the Rosedale Union School District (“Rosedale”), the Norris School District (“Norris”), and the Rio Bravo-Greeley Union School District (“Rio Bravo-Greeley”) (each, a “School District” and, collectively, the “School Districts”). The School Districts established the Authority for the purpose of forming the District to finance the construction and acquisition of certain public school facilities and equipment within the District to benefit one or more of the School Districts from time to time.

#### **The District**

The District was formed by the Authority in accordance with the Mello-Roos Community Facilities Act of 1982, as amended, constituting Sections 53311 *et seq.* of the California Government Code (the “Act”), pursuant to Resolution No. 92-11 (the “Resolution of Formation”), adopted by the Board of Commissioners of the Authority (the “Board”) on August 28, 1992. According to the office of the Kern County Assessor (the “County Assessor”), the District is comprised of approximately 15,700 acres of land located in and around the City of Bakersfield (the “City”), including certain land within each School District. See “THE DISTRICT.”

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\* Preliminary; subject to change.

## **The 2024A Bonds**

***Authority for Issuance.*** The 2024A Bonds are being issued pursuant to (i) the Act, (ii) a resolution adopted by the Board on November 7, 2024 (the “Resolution of Issuance”), and (iii) the Fiscal Agent Agreement, dated as of October 1, 1995 (the “Original Fiscal Agent Agreement”), as amended and supplemented, including as amended and supplemented by the Nineteenth Supplemental Fiscal Agent Agreement, dated as of December 1, 2024 (the “Nineteenth Supplement” and, together with the Original Fiscal Agent Agreement, as previously amended and supplemented, the “Fiscal Agent Agreement”), each by and between the Authority, on behalf of the District, and Zions Bancorporation, National Association (or its predecessors-in-interest), as fiscal agent (in such capacity, the “Fiscal Agent”).

The District was established and bonded indebtedness in an amount not to exceed \$350,000,000 was authorized in accordance with the provisions of the Act, and pursuant to the Resolution of Formation and a proposition approved by the qualified electorate within the District. Following the issuance and initial delivery of the 2024A Bonds, \$203,665,000 of the original authorization will remain. See “THE 2024A Bonds.”

***Form, Registration, and Payment of Interest.*** The 2024A Bonds are being issued as fully registered bonds in authorized denominations of \$5,000 or any integral multiple thereof, and will be registered in the name of Cede & Co., as nominee for The Depository Trust Company (“DTC”), Brooklyn, New York. The 2024A Bonds will mature on the dates and in the amounts set forth on the inside front cover page hereof. Interest on the 2024A Bonds is payable semiannually on each March 1 and September 1, commencing March 1, 2025\* (each, an “Interest Payment Date”). So long as the 2024A Bonds are registered in the name of Cede & Co., as nominee for DTC, the principal of and redemption premium, if any, on such 2024A Bonds will be paid through the book-entry facilities of DTC. In the event that the 2024A Bonds are not registered in the name of Cede & Co., as nominee of DTC, or another eligible depository as described herein, the principal of, and any redemption premium on, each 2024A Bond will be payable only upon surrender of such Bond at the corporate trust office of the Fiscal Agent in Los Angeles, California, or such other office as may be designated by the Fiscal Agent. See “THE 2024A BONDS.”

***Purpose of Issuance.*** Proceeds from the sale of the 2024A Bonds will be used to: (i) refund all or a portion of the District’s \$14,335,000 Subordinate Special Tax Refunding Bonds, 2014 Series B (the “2014B Bonds”), of which \$11,320,000 is currently outstanding, (ii) purchase the 2024 Reserve Surety (as defined herein) to be deposited into the reserve account for the 2024A Bonds, and (iii) pay certain costs associated with the issuance and delivery of the 2024A Bonds. See “PLAN OF REFUNDING,” “THE 2024A BONDS” and “ESTIMATED SOURCES AND USES OF FUNDS.”

***Redemption Provisions.***\* The 2024A Bonds are subject to mandatory sinking fund redemption prior to maturity, as described under “THE 2024A BONDS – Redemption of 2024A Bonds.”

### ***Security and Sources of Payment.***

***Special Tax.*** The 2024A Bonds, the interest thereon, and any amounts required to replenish the balance in the applicable Reserve Account within the Reserve Fund to the applicable Reserve Requirement (as defined herein) are payable from the Annual Special Tax to be levied and collected within the District, and monies, including portions of the interest earned thereon, held in certain funds under the Fiscal Agent Agreement. The Authority has covenanted, on behalf of the District, to comply with all requirements of the Act and the Fiscal Agent Agreement to assure the timely collection of the Special Taxes, including, without limitation, the enforcement of delinquent Special Taxes. Any funds received by the Authority on

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\* Preliminary; subject to change.

behalf of the District, including, but not limited to, collections of Special Taxes upon the secured tax rolls and collections of delinquent Special Taxes and penalties thereon through foreclosure proceedings, or portions thereof, will be transmitted in a timely manner to the Fiscal Agent, without deduction, to be deposited into the Special Tax Fund in accordance with the terms of the Fiscal Agent Agreement. Pursuant to the Rate and Method, an owner of land within the District may make a prepayment of Special Taxes in full for any parcel of property in the District, but only at the time that a building permit is issued for such parcel. **The term “Special Tax” as used herein does not include the Maximum Single Payment Special Tax (as defined in the Rate and Method of Apportionment of Special Tax approved by the qualified electorate in the District (the “Rate and Method”)) or any prepayments of Special Tax, and neither the Maximum Single Payment Special Tax nor any such prepayment is pledged as security for the 2024A Bonds.**

The term “Annual Special Tax” is defined in the Rate and Method as the Special Tax to be levied in each Fiscal Year on each Assessor’s Parcel of Developed Property and Approved Property to fund the Annual Special Tax Requirement. The term “Special Tax Revenues” is defined in the Fiscal Agent Agreement as the proceeds of Special Taxes levied within the District by the Board under the proceedings taken pursuant to the Act, and received by the Auditor of Kern County (the “Auditor”) or the Treasurer-Tax Collector of Kern County (the “Treasurer”) on behalf of the District, including all scheduled payments and proceeds of redemption or sales proceeds resulting from foreclosure of the lien of Special Taxes (which may include interest and penalties thereon), but which does not include (i) the Maximum Single Payment Special Tax described in Section C(1)(a)(ii) and Section C(1)(b)(ii) of the Rate and Method, and (ii) any prepayments of Special Taxes made pursuant to Section H of the Rate and Method. See “SECURITY AND SOURCE OF PAYMENT FOR THE 2024A Bonds – Special Tax” and “APPENDIX A – Rate and Method of Apportionment of Special Tax for RNR School Financing Authority Community Facilities District No. 92-1.”

*Reserve Fund.* In order to further secure the payment of principal of and interest and premium, if any, on all Outstanding Bonds issued or to be issued under the Fiscal Agent Agreement (collectively, the “Bonds”), a Reserve Fund has been established under the Fiscal Agent Agreement. Separate accounts are established within the Reserve Fund for each bond issuance which has been or will be issued by the District. In the event of a deficiency in the Redemption Fund, the Fiscal Agent shall withdraw moneys from the Reserve Fund or draw upon the related Reserve Surety, in an amount equal to the amount of such deficiency, from the Reserve Account within the Reserve Fund which has been established for the series of Bonds for which there is a deficiency. See “SECURITY AND SOURCE OF PAYMENT FOR THE 2024A BONDS – Reserve Fund” and “APPENDIX C – Summary of Certain Provisions of the Fiscal Agent Agreement as Supplemented by the First Through Nineteenth Supplemental Fiscal Agent Agreements.”

*Reserve Requirement.* The Authority is required to maintain an amount equal to the Reserve Requirement (as defined herein) on deposit in the Reserve Fund so long as any Bonds remain outstanding. Amounts on deposit in the Reserve Fund in excess of the Reserve Requirement, that are not required to be rebated to the United States government, will be transferred to the Special Tax Fund in accordance with the terms of the Fiscal Agent Agreement. See “SECURITY AND SOURCE OF PAYMENT FOR THE 2024A Bonds – Reserve Fund” and “APPENDIX C – Summary of Certain Provisions of the Fiscal Agent Agreement as Supplemented by the First Through Nineteenth Supplemental Fiscal Agent Agreements.” The Authority intends to fund the 2024 Reserve Account with the purchase of the 2024 Reserve Surety, as further described under “BOND INSURANCE” herein.

The scheduled payment of principal of and interest on the 2024A Bonds maturing on September 1 of the years \_\_\_\_ through \_\_\_\_, inclusive, with the CUSIP numbers shown on the inside cover page hereof (collectively, the “Insured Bonds”) when due will be guaranteed under a municipal bond insurance

policy to be issued concurrently with the delivery of the 2024A Bonds by Build America Mutual Assurance Company (“BAM”). See “BOND INSURANCE” and “RISKS OF BOND INSURANCE” herein.

*Covenant for Superior Court Foreclosure.* The Authority has covenanted, on behalf of the District and for the benefit of the registered owners of the 2024A Bonds that, in the event of a certain level of delinquencies in the payment of the Special Tax, the Authority will commence, or cause to be commenced, judicial foreclosure proceedings in accordance with the terms of the Fiscal Agent Agreement. See “SECURITY AND SOURCE OF PAYMENT FOR THE 2024A BONDS – Covenant for Superior Court Foreclosure” for further description of the foreclosure covenant, including certain amendments to the foreclosure covenant which will become effective after the date hereof.

*Outstanding Bonds and Additional Bonds.* On April 30, 2014, the District issued \$8,365,000 in aggregate principal amount of RNR School Financing Authority Community Facilities District No. 92-1 Subordinate Special Tax Bonds, 2014 Series A (the “2014A Bonds”). On July 3, 2014, the District issued \$14,335,000 in aggregate principal amount of 2014B Bonds. On May 7, 2015, the District issued \$19,560,000 in aggregate principal amount of RNR School Financing Authority Community Facilities District No. 92-1 Subordinate Special Tax Refunding Bonds, 2015 Series A (the “2015A Bonds”). On October 22, 2015, the District issued \$14,775,000 in aggregate principal amount of RNR School Financing Authority Community Facilities District No. 92-1 Subordinate Special Tax Bonds, 2015 Series B (Rosedale Project) (the “2015B Bonds”). On August 2, 2016, the District issued \$6,835,000 in aggregate principal amount of RNR School Financing Authority Community Facilities District No. 92-1 Special Tax Refunding Bonds, 2016 Series A (the “2016 Bonds”). On February 16, 2017, the District issued \$28,785,000 in aggregate principal amount of RNR School Financing Authority Community Facilities District No. 92-1 Special Tax Bonds, 2017 Series A (the “2017 Bonds”). On December 12, 2019, the District issued \$11,355,000 in aggregate principal amount of RNR School Financing Authority Community Facilities District No. 92-1 Special Tax Bonds, 2019 Series A (the “2019 Bonds”). On May 12, 2022, the District issued \$12,445,000 in aggregate principal amount of RNR School Financing Authority Community Facilities District No. 92-1 Special Tax Bonds, 2022 Series A (the “2022 Bonds”). On June 3, 2022, the District issued \$13,450,000 in aggregate principal amount of RNR School Financing Authority Community Facilities District No. 92-1 Special Tax Refunding Bonds, 2021 Series A (Forward Delivery) (the “2021 Bonds”). ***There remain no outstanding Senior Lien Bonds (as defined herein) and no Senior Lien Bonds may be issued under the Fiscal Agent Agreement.*** Upon the issuance of the 2024A Bonds, all of the outstanding bonds of the District, including any 2014B Bonds which are not Refunded Bonds (as defined herein), the 2014A Bonds, the 2015A Bonds, the 2015B Bonds, the 2016 Bonds, the 2017 Bonds, the 2019 Bonds, the 2021 Bonds and the 2022 Bonds will be secured on a parity with the 2024A Bonds.

As of the date of issuance of the 2024A Bonds, and upon the redemption of the Refunded Bonds, \$6,100,000 aggregate principal amount of the 2014A Bonds will be outstanding, \$17,690,000 aggregate principal amount of the 2015A Bonds will be outstanding, \$12,925,000 aggregate principal amount of the 2015B Bonds will be outstanding, \$935,000 aggregate principal amount of the 2016 Bonds will be outstanding, \$26,515,000 aggregate principal amount of the 2017 Bonds will be outstanding, \$11,355,000 aggregate principal amount of the 2019 Bonds will be outstanding, \$9,770,000 aggregate principal amount of the 2021 Bonds will be outstanding and \$10,380,000 aggregate principal amount of the 2022 Bonds will be outstanding. All currently outstanding 2014B Bonds are expected to be refunded with the proceeds of the 2024A Bonds, as further described in the section “PLAN OF REFUNDING” herein. Following the date of delivery of the 2024A Bonds, Additional Bonds may be issued, subject to specified conditions. The term “Additional Bonds” is defined in the Fiscal Agent Agreement as those bonds, including any 2014B Bonds which are not Refunded Bonds, the 2014A Bonds, the 2015A Bonds, the 2015B Bonds, the 2016 Bonds, the 2017 Bonds, the 2019 Bonds, the 2021 Bonds and the 2022 Bonds issued by the Authority. See “SECURITY AND SOURCE OF PAYMENT FOR THE 2024A BONDS – Additional Bonds” and “SPECIAL RISK FACTORS – Issuance of Additional Indebtedness.”

## Continuing Disclosure

In connection with the issuance of the 2024A Bonds, the Authority will covenant in a Continuing Disclosure Agreement, dated as of the date of delivery of the 2024A Bonds, to provide certain financial information and operating data relating to the District each year, and to provide notices of the occurrence of certain other enumerated events listed therein, to the Municipal Securities Rulemaking Board (the “MSRB”) for purposes of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission (the “SEC”) under the Securities Exchange Act of 1934, as the same may be amended from time to time. This covenant will be made in order to assist the Underwriter in complying with said Rule 15c2-12(b)(5). See “CONTINUING DISCLOSURE” and “APPENDIX D – Form of Continuing Disclosure Agreement.”

## Risk Factors

Certain events could affect the ability of the Authority to pay the principal of and interest on the 2024A Bonds when due. See “SPECIAL RISK FACTORS” for a discussion of certain factors that should be considered, in addition to other matters set forth herein, in evaluating an investment in the 2024A Bonds.

**NEITHER THE FULL FAITH AND CREDIT OF THE AUTHORITY, THE DISTRICT, THE SCHOOL DISTRICTS, THE COUNTY OF KERN (THE “COUNTY”), THE STATE OF CALIFORNIA (THE “STATE”), OR ANY POLITICAL SUBDIVISION OF THE STATE NOR, EXCEPT WITH RESPECT TO THE SPECIAL TAXES, IS THE TAXING POWER OF THE DISTRICT, THE SCHOOL DISTRICTS, THE COUNTY, THE STATE, OR ANY POLITICAL SUBDIVISION OF THE STATE PLEDGED TO THE PAYMENT OF THE 2024A BONDS. THE AUTHORITY HAS NO TAXING POWER. THE 2024A BONDS ARE NOT GENERAL OR SPECIAL OBLIGATIONS OF THE AUTHORITY, THE SCHOOL DISTRICTS, THE COUNTY, OR THE STATE, NOR ARE THEY GENERAL OBLIGATIONS OF THE DISTRICT, BUT ARE LIMITED OBLIGATIONS OF THE DISTRICT PAYABLE SOLELY FROM SPECIAL TAX REVENUES AND FROM AMOUNTS IN CERTAIN OF THE FUNDS CREATED UNDER THE FISCAL AGENT AGREEMENT AND THE EARNINGS THEREON, ALL AS MORE FULLY DESCRIBED HEREIN.**

## Forward-Looking Statements

Certain statements included or incorporated by reference in this Official Statement constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, Section 21E of the Securities Exchange Act of 1934, as amended, and Section 27A of the Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as “plan,” “intend,” “expect,” “propose,” “estimate,” “project,” “budget,” “anticipate,” or other similar words. The achievement of certain results or other expectations contained in such forward-looking statements involves known and unknown risks, uncertainties, and other factors that may cause the 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. No updates or revisions to these forward-looking statements are expected to be issued if or when the expectations, events, conditions, or circumstances on which such statements are based change. The forward-looking statements in this Official Statement are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in or implied by such forward-looking statements. **READERS ARE CAUTIONED NOT TO PLACE UNDUE RELIANCE ON SUCH FORWARD-LOOKING STATEMENTS, WHICH SPEAK ONLY AS OF THE DATE HEREOF.**

## **Other Information**

This Official Statement speaks only as of its date, and the information contained herein is subject to change. Brief descriptions of the District, the Authority, 2024A Bonds and the Fiscal Agent Agreement are included in this Official Statement. Such descriptions and information do not purport to be comprehensive or definitive. All references herein to the 2024A Bonds, the Fiscal Agent Agreement, the Constitution and laws of the State, or any proceedings of the District or the Authority are qualified in their entirety by references to such documents, laws, and proceedings, and, with respect to the 2024A Bonds, by reference to the Fiscal Agent Agreement. Copies of the Fiscal Agent Agreement, the Resolution of Formation, the Resolution of Issuance, and other documents and information are available for inspection and (upon request and payment to the Authority of a charge for copying, mailing, and handling) for delivery from the Authority at RNR School Financing Authority, c/o Rosedale Union School District, 2553 Old Farm Road, Bakersfield, California 93312, telephone (661) 588-6000.

## **PLAN OF REFUNDING**

A portion of the proceeds from the sale of the 2024A Bonds will be used to refund all or a portion of the District's outstanding 2014B Bonds, of which \$11,320,000 is currently outstanding.

Those 2014B Bonds maturing on or after September 1, 2025 are expected to be refunded with the proceeds of the 2024A Bonds and are herein referred to as the "Refunded Bonds." The Authority will select the specific maturities of the 2014B Bonds, or portions thereof, to be refunded with proceeds of the 2024A Bonds, at or about the time of sale of the 2024A Bonds, such decision to be made depending on market conditions at the time of such sale.

In order to effectuate such refunding of the Refunded Bonds, a portion of the proceeds from the sale of the 2024A Bonds will be deposited into an escrow fund (the "Escrow Fund") and used to redeem the Refunded Bonds in accordance with the terms of the Escrow Deposit and Trust Agreement, dated as of December 1, 2024 (the "Escrow Agreement"), by and between the Authority and Zions Bancorporation, National Association, as escrow agent (in such capacity, the "Escrow Agent"). Pursuant to the Escrow Agreement, moneys on deposit in the Escrow Fund will be held as cash or invested solely in permitted Escrowed Securities, as such term is defined in the Escrow Agreement. The cash and Escrowed Securities, together with the interest accrued with respect thereto, will be held by the Escrow Agent and applied in accordance with the terms of the Escrow Agreement (i) to pay in a timely manner the principal of and interest on the Refunded Bonds and (ii) to pay the redemption price of the outstanding Refunded Bonds maturing on September 1, 2025, on March 20, 2025\*.

Upon delivery of the 2024A Bonds, Causey Public Finance, LLC will deliver a report verifying the mathematical accuracy of certain computations concerning (i) the adequacy of the maturing principal amounts of and interest on the Escrowed Securities to, together with the cash on deposit in the Escrow Fund, redeem the outstanding Refunded Bonds in full on March 20, 2025\*, as described herein, and (ii) the yield on the 2024A Bonds and on such Escrowed Securities considered by Bond Counsel in their determination that the interest on the 2024A Bonds is excluded from gross income for federal income tax purposes. Upon the establishment and funding of the Escrow Fund as described above, the lien of the Fiscal Agent Agreement pursuant to which the Refunded Bonds were issued will cease, terminate, and become void with respect to the Refunded Bonds, except for the rights of the owners of the Refunded Bonds to payments from the Escrow Fund.

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\* Preliminary, subject to change.

## THE 2024A BONDS

### Authority for Issuance of 2024A Bonds

The 2024A Bonds are being issued in accordance with the Act and pursuant to the Resolution of Issuance and the Fiscal Agent Agreement. The District was established and bonded indebtedness in an amount not to exceed \$350,000,000 was authorized in accordance with the provisions of the Act pursuant to the Resolution of Formation and a proposition approved by the qualified electorate within the District. Following the issuance and initial delivery of the 2024A Bonds, \$203,665,000 of the original authorization, without regard to refundings, will remain available for the issuance of additional bonds of the Authority. See “APPENDIX C – Summary of Certain Provisions of the Fiscal Agent Agreement as Supplemented by the First Through Nineteenth Supplemental Fiscal Agent Agreements.”

### Description of 2024A Bonds

The 2024A Bonds will be issued in fully registered form in the denomination of \$5,000 or any integral multiple thereof, and will bear interest at the rates per annum and will mature on the dates and in the amounts set forth on the inside front cover page hereof. The 2024A Bonds will be dated the date of their initial issuance and interest thereon will be calculated on the basis of a 360-day year composed of twelve 30-day months, payable on each Interest Payment Date.

The principal of and interest and premium, if any, on the 2024A Bonds is payable when due, by wire transfer of the Fiscal Agent, to DTC, which will in turn remit such principal, interest, and premium, if any, to its Participants (as defined herein), which Participants will in turn remit such principal, interest, and premium, if any, to the Beneficial Owners (as defined herein) of the 2024A Bonds, all as more fully described under “BOOK-ENTRY ONLY SYSTEM.”

Interest on the 2024A Bonds is payable by check of the Fiscal Agent mailed by first-class mail to each registered owner thereof at such owner’s address as it appears on the bond register maintained by the Fiscal Agent at the close of business on the fifteenth calendar day of the month immediately preceding the applicable Interest Payment Date, whether or not such day is a business day (the “Record Date”), or by wire transfer to an account within the United States made on such Interest Payment Date upon written instructions of any registered owner of \$1,000,000 or more in aggregate principal amount of the 2024A Bonds delivered to the Fiscal Agent prior to the applicable Record Date. Principal of and premium, if any, on any 2024A Bond will be paid upon surrender thereof, at maturity or prior redemption thereof, at the corporate trust office of the Fiscal Agent in Los Angeles, California, or such other office as may be designated by the Fiscal Agent (the “Principal Office”).

### Redemption of 2024A Bonds\*

**No Optional Redemption.** The 2024A Bonds are not subject to optional redemption prior to maturity.

**Mandatory Sinking Fund Redemption.** The 2024A Bonds maturing on September 1, 20\_\_ are Term Bonds, subject to mandatory sinking fund redemption on any September 1 of each of the following years in the principal amounts indicated, at a redemption price of par, plus accrued interest to the redemption date:

**Mandatory Sinking Account  
Payment Date (September 1)**

**Mandatory Sinking  
Fund Payment**

\$

\*

\* Maturity

***Notice of Redemption.*** Notice of any redemption will be delivered to the registered owners of the 2024A Bonds to be redeemed by the Fiscal Agent in accordance with the provisions of the Fiscal Agent Agreement at such owners' addresses as they appear on the 2024A Bond register held by the Fiscal Agent not less than 20 days prior to the date fixed for such redemption. The Fiscal Agent is also required to cause notice of any such redemption to be mailed to the securities depositories and to one or more of the information services described in the Fiscal Agent Agreement. Failure to mail a notice of redemption as described herein, or failure of any person or entity to receive any such notice, or any defect in any such notice, will not affect the validity of the proceedings for the redemption of the 2024A Bonds.

***Effect of Redemption.*** From and after the date fixed for redemption of any 2024A Bonds, if funds available for the payment of the principal of, and interest and any premium on, such 2024A Bonds shall have been deposited in the Redemption Fund on or prior to the date fixed for redemption, such 2024A Bonds will cease to be entitled to any benefit under the Fiscal Agent Agreement other than the right to receive payment of the redemption price, and no interest will accrue thereon on or after such redemption date.

**Exchange and Transfer of 2024A Bonds**

The 2024A Bonds may be transferred or exchanged upon surrender thereof to the Fiscal Agent at the Principal Office in the manner and subject to the limitations and payment of charges provided in the Fiscal Agent Agreement.

**Mutilated, Lost, Destroyed, or Stolen 2024A Bonds**

If any 2024A Bond shall become mutilated, lost, stolen, or destroyed, the Authority shall execute and the Fiscal Agent shall authenticate a new 2024A Bond or 2024A Bonds in replacement thereof in the same aggregate principal amount and of the same maturity. In the case of a mutilated 2024A Bond, such 2024A Bond must be surrendered to the Fiscal Agent prior to replacement thereof. In the case of a lost, stolen, or destroyed 2024A Bond, the Fiscal Agent shall require evidence of such loss, theft, or destruction, together with satisfactory indemnity, prior to authenticating a new 2024A Bond. The Authority and the Fiscal Agent may charge the requesting owner for their respective expenses in connection with replacing a mutilated, lost, stolen, or destroyed 2024A Bond.

## Debt Service Schedule for 2024A Bonds

The following schedule sets forth the estimated debt service requirements with respect to the 2024A Bonds, including mandatory sinking account redemption amounts:

**Table 1**  
**Debt Service Schedule**

<b><u>Year Ending (September 1)</u></b>	<b><u>Principal Payments</u></b>	<b><u>Interest Payments</u></b>	<b><u>Total Annual Debt Service</u></b>
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
<b>Total</b>			

Source: Underwriter.

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## BOOK-ENTRY ONLY SYSTEM

*The following information regarding DTC and its book-entry system has been provided by DTC and has not been verified for accuracy or completeness by the Authority or the District, and neither the Authority nor the District takes any responsibility for the accuracy thereof. Neither the Authority nor the District shall have any responsibility or liability for any aspects of the records maintained by DTC relating to or payments made on account of beneficial ownership, or for maintaining, supervising, or reviewing any records maintained by DTC relating to beneficial ownership, of interests in the 2024A Bonds.*

DTC will act as securities depository for the 2024A Bonds. The 2024A 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 2024A Bond certificate will be issued for each maturity of the 2024A Bonds, each in the aggregate principal amount of such 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"). DTC has a S&P Global Ratings rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com). *The foregoing internet address is included for reference only and the information on the internet site is not a part of this Official Statement or incorporated by reference into this Official Statement. No representation is made in this Official Statement as to the accuracy or adequacy of the information included in such internet site.*

Purchases of the 2024A Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2024A Bonds on DTC's records. The ownership interest of each actual purchaser of each 2024A 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 2024A 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 2024A Bonds, except in the event that use of the book-entry system for the 2024A Bonds is discontinued.

To facilitate subsequent transfers, all 2024A 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 2024A 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 2024A Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2024A 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 2024A Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the 2024A Bonds, such as defaults, and proposed amendments to the 2024A Bond documents. For example, Beneficial Owners of 2024A Bonds may wish to ascertain that the nominee holding the 2024A 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 2024A Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to 2024A 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 Authority 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 the 2024A Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments with respect to the 2024A 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 Authority or the Fiscal Agent, 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 Participant and not of DTC nor its nominee, the Fiscal Agent, or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority or the Fiscal Agent, 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.

DTC may discontinue providing its services as depository with respect to the 2024A Bonds at any time by giving reasonable notice to the Authority or the Fiscal Agent. Under such circumstances, in the event that a successor depository is not obtained, 2024A Bond certificates are required to be printed and delivered in accordance with the terms of the Fiscal Agent Agreement.

The Authority may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, 2024A Bond certificates will be printed and delivered to DTC in accordance with the terms of the Fiscal Agent Agreement.

THE INFORMATION IN THIS SECTION CONCERNING DTC AND DTC'S BOOK-ENTRY SYSTEM HAS BEEN OBTAINED FROM SOURCES THAT THE AUTHORITY BELIEVES TO BE RELIABLE, BUT NEITHER THE AUTHORITY NOR THE DISTRICT TAKES ANY RESPONSIBILITY FOR THE ACCURACY THEREOF. NEITHER THE AUTHORITY NOR THE DISTRICT GIVES ANY ASSURANCES THAT DTC WILL DISTRIBUTE PAYMENTS TO DTC PARTICIPANTS OR THAT PARTICIPANTS OR OTHERS WILL DISTRIBUTE PAYMENTS WITH RESPECT TO THE 2024A BONDS RECEIVED BY DTC OR ITS NOMINEES AS THE REGISTERED OWNER, ANY REDEMPTION NOTICES, OR OTHER NOTICES TO THE BENEFICIAL OWNERS, OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT.

### ESTIMATED SOURCES AND USES OF FUNDS

The Fiscal Agent will apply the proceeds from the sale of the 2024A Bonds in accordance with the terms of the Fiscal Agent Agreement as follows:

**Table 2**  
**Estimated Sources and Uses of Funds**

#### Source of Funds

Principal Amount of 2024A Bonds	\$
Less: Underwriter's Discount	
Plus: Original Issue Premium	
<b>Total Sources</b>	<b>\$</b>

#### Use of Funds

Deposit into the Escrow Fund	\$
Deposit into Costs of Issuance Account <sup>(1)</sup>	
<b>Total Uses</b>	<b>\$</b>

<sup>(1)</sup> Costs of Issuance include the fees and expenses of Bond Counsel, Disclosure Counsel, the Fiscal Agent, the Municipal Advisor and Special Tax Consultant and Verification Agent, premiums for the Policy and the 2024 Reserve Surety, plus printing, rating fees, and other miscellaneous costs.

### SECURITY AND SOURCE OF PAYMENT FOR THE 2024A BONDS

#### Source of Payment for the 2024A Bonds

The 2024A Bonds, the interest thereon, and any amounts required to replenish the balance in the 2024 Reserve Account within the Reserve Fund to the 2024 Reserve Requirement (unless such amounts are not required to be released due to the delivery of the 2024 Reserve Surety) are payable, subject to the maximum rates and amounts of the Special Tax, from (a) the proceeds of the Annual Special Tax to be levied and collected by the Authority (or, with respect to any parcels sold at foreclosure sales on account of delinquent Special Tax installments, the proceeds of such sales) and (b) monies on deposit in certain funds held pursuant to the Fiscal Agent Agreement and portions of the interest earned thereon. The Board has the power and is obligated to cause the levy and collection of the Special Tax.

**Payment of principal of and interest on the 2024A Bonds are secured by annual Special Taxes when properly levied, collected, and received under the Rate and Method and the Act. Accordingly, the principal of and interest on the 2024A Bonds, and any premium upon the redemption thereof, are not secured by any payments from general fund moneys of the School Districts, the Authority, the County, the State, or any political subdivision of the State, within the meaning of any constitutional or statutory limitation or restriction and are obligations limited solely to the security described in the foregoing sentence.**

### **Special Tax**

The Authority, on behalf of the District, will levy, and the Treasurer will collect, the Annual Special Tax on behalf of the District pursuant to the terms and conditions of the Act and the Resolution of Issuance. The Annual Special Taxes will be collected at the same time and in the same manner as *ad valorem* property taxes are collected within the County; *provided, however*, that the Authority may levy the Annual Special Tax at other times if necessary to fulfill its covenants under the Fiscal Agent Agreement. The Annual Special Tax is to be levied and collected according to the Rate and Method set forth in APPENDIX A to this Official Statement. The Rate and Method authorizes the Authority, on behalf of the District, to levy the Annual Special Tax on Developed and Approved Property. Pursuant to the Rate and Method, “Developed Property” includes any parcel in the District for which a residential or commercial/industrial building permit was issued as of March 1 of the prior Fiscal Year. “Approved Property” is any parcel in the District for which a final tract map was recorded prior to March 1 of the prior Fiscal Year but for which no building permit has been issued; *provided, however*, that the foregoing designation of Approved Property applies only to parcels that have been subdivided for the purpose of final residential or commercial land use into parcels consisting of ten acres or less. The Rate and Method designates two types of Developed Property: Entitled Property and Non-Entitled Property. Entitled Property, which is subject to a lower Annual Special Tax than Non-Entitled Property, includes Developed Property for which certain entitlements had been obtained prior to July 1, 1991. There is no Annual Special Tax levied on Undeveloped Property in the District. “Undeveloped Property” includes any parcel in the District for which no final tract map has been filed and no commercial/industrial or residential building permit has been issued as of March 1 of the prior Fiscal Year. The Annual Special Tax levied on the Developed Property and the Approved Property escalates at a rate of 2% per annum.

For Fiscal Year 2024-25, 17,579 units within the District qualify as Developed Property, of which 3,728 residential units are considered Entitled Property, 13,327 residential units are considered Non-Entitled Property, and 34 units are designated commercial/industrial property. 490 parcels of property within the District qualify as Approved Property. The remainder of the property within the District is comprised of property that constitutes Undeveloped Property, property that is exempt from the levy of special taxes under the Rate and Method, or property for which a special tax obligation under the Rate and Method has been prepaid.

The following table sets forth the Maximum Annual Special Tax rates for Developed and Approved Property. See also “APPENDIX A – Rate and Method of Apportionment of Special Tax for RNR School Financing Authority Community Facilities District No. 92-1.”

**Table 3**  
**RNR School Financing Authority**  
**Community Facilities District No. 92-1**  
**Maximum Special Tax Rates for Developed and Approved Property**  
**(Fiscal Years 2022-23 through 2024-25)**

<b>Designation</b>	<b>Zoned Use</b>	<b>2022-23 Maximum Annual Special Tax<sup>(1)</sup></b>	<b>2023-24 Maximum Annual Special Tax<sup>(1)</sup></b>	<b>2024-25 Maximum Annual Special Tax<sup>(1)</sup></b>
Developed / Entitled	Single-Family Detached	\$518.46 per Unit	\$528.82 per Unit	\$539.38 per Unit
	Multiple Residential or Mobile Home	\$195.28 per Unit	\$199.19 per Unit	\$203.16 per Unit
Developed / Not Entitled	Single-Family Detached	\$696.10 per Unit	\$710.02 per Unit	\$724.22 per Unit
	Multiple Residential or Mobile Home	\$262.74 per Unit	\$267.99 per Unit	\$273.34 per Unit
	Commercial / Industrial	\$0.0611 per Sq. Ft.	\$0.0624 per Sq. Ft.	\$0.0636 per Sq. Ft.
Approved	N/A	\$177.53 per Acre	\$181.08 per Acre	\$184.70 per Acre

<sup>(1)</sup> The Annual Special Tax levied on Developed Property and Approved property is subject to an automatic two percent (2%) annual increase.  
Source: KeyAnalytics.

The Rate and Method also authorizes the Authority, on behalf of the District, to levy the Maximum Single Payment Special Tax at the time that a building permit is issued for a parcel of property in the District. In the case of property that has been annexed to the District, the District may levy the Maximum Single Payment Special Tax at the time that the building permit is issued or at a later date designated by the District. Section H of the Rate and Method provides that an owner may make a prepayment of special taxes in full for any parcel of property in the District, but only at the time that a building permit is issued for such parcel. Because the Annual Special Tax currently levied on Approved Property could be prepaid at the time building permits are issued for such Approved Property, it is possible that some of the Approved Property will never become Developed Property for the purposes of the Annual Special Tax, and the Annual Special Tax currently levied on such Approved Property and pledged to the repayment of the 2024A Bonds will no longer be available. In light of the foregoing, Approved Property may not be taken into account when performing the analysis required to determine whether Additional Bonds may be issued. See “APPENDIX A – Rate and Method of Apportionment of Special Tax for RNR School Financing Authority Community Facilities District No. 92-1” and “APPENDIX C – Summary of Certain Provisions of the Fiscal Agent Agreement as Supplemented by the First Through Nineteenth Supplemental Fiscal Agent Agreements.” See also “SECURITY AND SOURCE OF PAYMENT FOR THE 2024A Bonds – Additional Bonds” for a discussion of the specific conditions under which Additional Bonds may be issued. ***No Senior Lien Bonds may be issued under the Fiscal Agent Agreement.***

Pursuant to the Rate and Method, the Authority, on behalf of the District, will levy the Special Tax each Fiscal Year in an amount sufficient to pay (i) debt service due on all Outstanding Bonds, (ii) the cost of acquisition, construction, furnishing, or equipping of Facilities (as defined in the Rate and Method), (iii) the reasonable and necessary administrative expenses of the Authority, (iv) the accumulation of funds reasonably required for future debt service, (v) costs associated with the release of funds from an escrow account, if any, (vi) any amounts required to establish or replenish any reserve fund (including the Reserve Fund or any account therein) established in association with the 2024A Bonds or other indebtedness of the District, (vii) lease payments for existing or future Facilities, and (viii) any other payments permitted by law. However, any Special Tax levy is limited to the maximum rates set forth in the Rate and Method, and no assurance can be given that the necessary amounts will in fact be collected in any given year. See “APPENDIX A – Rate and Method of Apportionment of Special Tax for RNR School Financing Authority Community Facilities District No. 92-1” and “APPENDIX C – Summary of Certain Provisions of the Fiscal Agent Agreement as Supplemented by the First Through Nineteenth Supplemental Fiscal Agent Agreements.”

Although the Special Taxes constitute liens on Taxable Property within the District, they do not constitute personal indebtedness of the owners of such parcels. 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 District or the landowners therein. See the caption “SPECIAL RISK FACTORS—Parity Taxes and Special Assessments.” There is no assurance that the landowners will be financially able to pay the Annual Special Tax installments or that they will pay such taxes even if financially able to do so. For a discussion of the various risks associated with investment in the 2024A Bonds, including the risks associated with the payment of the Special Taxes, see “SPECIAL RISK FACTORS.”

Section 53321 of the Act states that under no circumstances will the Special Tax levied in any fiscal year against any parcel used for private residential purposes (parcels are considered “used for private residential purposes” on the date that an occupancy permit for private residential use is issued) be increased as a consequence of delinquency or default 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. Therefore, even though the maximum Special Tax rates may allow for Special Tax increases greater than 10%, in the event of high delinquencies in the District, the District could not increase the Special Taxes in the fiscal year following such delinquencies by more than 10% on any parcel of Residential Property (as described in APPENDIX A and under the caption “—Rate and Method of Apportionment of Special Tax for RNR School Financing Authority Community Facilities District No. 92-1”). See “SPECIAL RISK FACTORS —Tax Delinquencies.”

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## Estimated Debt Service Coverage

The following table sets forth the estimated debt service requirements for the Outstanding Bonds and the 2024A Bonds, the estimated Special Tax Revenues on Developed Property available to pay such debt service, and the applicable debt service coverage percentages with respect to the Outstanding Bonds and the 2024A Bonds.

**Table 4**  
**RNR School Financing Authority**  
**Community Facilities District No. 92-1**  
**Estimated Debt Service Coverage**

Fiscal Year	Estimated Net Available Special Tax Revenue from Developed Property <sup>(1)(2)</sup>	Outstanding Bonds Debt Service <sup>(3)</sup>	2024A Bonds Proposed Debt Service*	Total Debt Service*	Total Debt Service Coverage <sup>(4)*</sup>
2024-2025	\$ 11,514,180	\$ 7,899,281	\$ 978,275	\$ 8,877,556	129.70%
2025-2026	11,746,464	8,051,681	1,003,000	9,054,681	129.73
2026-2027	11,983,393	7,437,431	1,023,000	8,460,431	141.64
2027-2028	12,225,061	7,441,731	1,045,750	8,487,481	144.04
2028-2029	12,471,562	7,589,681	1,066,000	8,655,681	144.09
2029-2030	12,722,994	7,735,831	1,093,750	8,829,581	144.10
2030-2031	12,979,454	7,488,356	1,588,500	9,076,856	143.00
2031-2032	13,241,043	7,632,788	1,621,750	9,254,538	143.08
2032-2033	13,507,863	7,782,113	1,650,250	9,432,363	143.21
2033-2034	13,780,021	7,940,338	1,684,000	9,624,338	143.18
2034-2035	14,057,621	6,116,538	1,627,500	7,744,038	181.53
2035-2036	14,340,774	7,944,475	—	7,944,475	180.51
2036-2037	14,629,589	7,933,975	—	7,933,975	184.39
2037-2038	14,924,181	8,095,513	—	8,095,513	184.35
2038-2039	15,224,664	8,249,713	—	8,249,713	184.55
2039-2040	15,531,158	8,416,363	—	8,416,363	184.54
2040-2041	15,843,781	7,008,813	—	7,008,813	226.06
2041-2042	16,162,657	3,779,613	—	3,779,613	427.63
2042-2043	16,487,910	2,960,913	—	2,960,913	556.85
2043-2044	16,819,668	3,028,313	—	3,028,313	555.41
2044-2045	17,158,061	3,083,363	—	3,083,363	556.47
2045-2046	17,503,222	257,363	—	257,363	6801.00
2046-2047	17,855,287	264,763	—	264,763	6743.89
2047-2048	18,214,393	271,563	—	271,563	6707.26
2048-2049	18,580,680	277,488	—	277,488	6696.04
2049-2050	18,954,294	282,794	—	282,794	6702.51
2050-2051	19,335,380	287,481	—	287,481	6725.79
2051-2052	19,724,088	291,550	—	291,550	6765.25
Total <sup>(4)</sup>	\$427,519,443	\$145,549,819	\$14,381,775	\$159,931,594	N/A

(1) Pursuant to the Rate and Method of Apportionment, the Maximum Special Tax that may be levied on Developed Property increases each Fiscal Year by an amount equal to 2% of such Maximum Special Tax in effect the previous Fiscal Year.

(2) Amounts shown are net an annual administrative expense budget of \$100,000.00.

(3) Does not include the debt service on the 2014B Bonds.

(4) Total may not sum due to rounding.

\* Preliminary; subject to change.

Source: KeyAnalytics.

See “SECURITY AND SOURCE OF PAYMENT FOR THE 2024A Bonds—Special Tax” for a discussion regarding a maximum 10% increase of Special Taxes levied against any parcel of Residential Property as a consequence of delinquency or default.

### **The Special Tax Fund**

Pursuant to the Fiscal Agent Agreement, the Treasurer will directly transfer the Special Tax Revenues to the Fiscal Agent for deposit into the appropriate accounts within the Special Tax Fund. The amount of such Special Tax Revenues deposited into each School District’s account established within the Special Tax Fund will be determined by information provided by the Auditor, the Authority, California Financial Services, as the Municipal Advisor and KeyAnalytics, a division of California Financial Services, as the Special Tax Consultant (the “Special Tax Consultant”). Monies on deposit in each of the accounts within the Special Tax Fund will be allocated, in order of priority, to the following funds in the following amounts:

- (1) to the Administrative Expense Fund, an amount not to exceed the lesser of \$50,000 or the amount necessary to bring the balance therein to the Administrative Expense Requirement;
- (2) to the Redemption Fund, (a) an amount sufficient to make the interest payment on the next succeeding Interest Payment Date on the Bonds, taking into account any amounts transferred, or designated to be transferred, for payment of capitalized interest, (b) for transfers occurring on or after September 1 of each year and prior to March 1 of each subsequent year, up to one-half of the amount needed to make the principal payment due on the following September 1, and (c) for transfers on or after March 1 of each year and prior to the following September 1 of each year, the amount which, when combined with the amount transferred pursuant to clause (2)(b) above, equals the principal amount due on the following September 1 on the Bonds;
- (3) to the sinking accounts within the Redemption Fund, (a) for transfers occurring on or after September 1 of each year and prior to March of each subsequent year, up to one-half of the amount needed to make the Mandatory Sinking Account Payments due on the 2024A Bonds on the following September 1, and (b) for transfers on or after March 1 of each year and prior to the following September 1 of each year, the amount which, when combined with the amount transferred pursuant to clause (3)(a) above equals the Mandatory Sinking Account Payment due on the following September 1 on the Bonds;
- (4) to the Reserve Fund, the amount required to bring the balance to the Reserve Requirement; and
- (5) to the Administrative Expense Fund, an amount necessary to bring the balance to the Administrative Expense Requirement if the deposit described in clause (1) above was insufficient.

When allocating amounts deposited into the Special Tax Fund, the Fiscal Agent will, for each of the amounts specified in clauses (1) through (5) in the preceding paragraph for any Bonds, first apply Special Tax Revenues from the account within the Special Tax Fund established for the School District benefited by such Series, or if such Series is issued for the benefit of one or more than one School District, apply such amounts as directed by the Authorized Representatives of each benefitted School District. If amounts on deposit in any School District’s account within the Special Tax Fund shall be insufficient to make such payments described in clauses (1) through (5) above for all Series of Bonds issued for a benefitted School District (or, in the case of a Series issued for more than one benefitted School District,

such benefitted School District's share of such Series as designated by the Authorized Representatives of each such benefitted School District), the Fiscal Agent will apply amounts on deposit in the accounts within the Special Tax Fund for the other School Districts not benefitted by the Series of Bonds, first, in the proportions set forth in the Fiscal Agent Agreement, and thereafter from any account within the Special Tax Fund with a remaining balance.

To the extent Special Tax Revenues on deposit in any account established for a particular School District within the Special Tax Fund are insufficient to make payments of principal of and interest on the outstanding Bonds of such School District, the Fiscal Agent will apply amounts on deposit in such account, to the payment of principal of and interest on any outstanding Bonds of such School District. See "APPENDIX C – Summary of Certain Provisions of the Fiscal Agent Agreement as Supplemented by the First Through Nineteenth Supplemental Fiscal Agent Agreements."

### **Covenant for Superior Court Foreclosure**

Under the Act, the commencement of judicial foreclosure following the nonpayment of Special Taxes is not mandatory. However, the Authority has covenanted, on behalf of the District and for the benefit of the registered owners of the Bonds, including the 2024A Bonds, that it will order, and cause to be commenced, and thereafter diligently prosecute an action in the Superior Court of the County to foreclose the lien of any Special Taxes that have been billed but have not been paid pursuant to and as provided in the Act, under the following conditions:

(A) If the Authority determines that there is a delinquency in the payment of Special Taxes of \$2,000 or more for the prior Fiscal Year or years for any single parcel of land in the District; or

(B) If the Authority determines that the total amount of delinquent Special Taxes in the current Fiscal Year for the entire District, less the total delinquencies under clause (A) above, exceeds 5% of the total Special Taxes due and payable in the current Fiscal Year.

The Seventeenth Supplemental Fiscal Agent Agreement, dated as of June 1, 2022, by and between the Authority and the Fiscal Agent (the "Seventeenth Supplement"), Eighteenth Supplemental Fiscal Agent Agreement, dated as of May 1, 2022, by and between the Authority and the Fiscal Agent (the "Eighteenth Supplement"), and the Nineteenth Supplement, each include an amendment to the Fiscal Agent Agreement to modify the foreclosure covenant described above, effective when the 2014A Bonds, the 2014B Bonds, the 2015A Bonds, the 2015B Bonds, the 2016 Bonds, the 2017 Bonds, and the 2019 Bonds (collectively, the "Then-Outstanding Bonds"), have been defeased, paid or discharged in accordance with their terms and are no longer Outstanding for purposes of the Fiscal Agent Agreement, or if earlier, the first date upon which the Authority has filed with the Fiscal Agent the written consent of a majority of the aggregate principal amount of Owners of the Then-Outstanding Bonds, or any consent in lieu thereof in accordance with the Fiscal Agent Agreement has been obtained. The final maturity of the Then-Outstanding Bonds is September 1, 2045.

The purchase of 2024A Bonds issued pursuant to the Fiscal Agent Agreement, and the purchase of Bonds after the effective date of the Seventeenth Supplement, constitutes the consent of such purchasers, as Owners, to the following amendment to the foreclosure covenant:

"The Authority hereby covenants with and for the benefit of the Owners of the Bonds that it will order, and cause to be commenced, and thereafter diligently prosecute an action in the superior court to foreclose the lien of any Special Taxes which have been billed, but have not been paid, pursuant to and as provided in the Act, subject to the conditions set forth [as described herein]. In the event such conditions are met, the Chair shall notify its counsel of any such delinquency of

which the Chair is aware, and such counsel shall commence, or cause to be commenced, such foreclosure proceedings, including collection actions preparatory to the filing of any complaint. The following conditions shall apply to the foreclosure proceedings against parcels delinquent in the payment of Special Taxes, which shall be commenced within 60 days of any of the following determinations which shall be made by the Chair not later than October 1 of each Fiscal Year:

(A) If the Chair determines that there is a delinquency of Special Taxes from any single parcel of land in the District equal to or greater than the sum of at least five (5) installments of Special Taxes from that parcel, the District shall commence foreclosure proceedings against each such delinquent parcel; provided, however that the District may elect not to commence proceedings for foreclosure proceedings for such individual delinquencies if (i) the balance in the Reserve Fund and each account therein is equal to the Reserve Requirement, (ii) Special Tax Revenues for that specific year are expected to be equal to or greater than Annual Debt Service and (iii) such delinquencies have not caused and are not expected to result in a draw on the Reserve Fund or any Qualified Reserve Account Surety Bond on deposit therein in the current fiscal year.

(B) If the Chair determines that the total amount of delinquent Special Taxes in the current Fiscal Year for the entire District exceeds five percent (5%) of the total Special Taxes due and payable in the current Fiscal Year the District shall commence foreclosure proceedings against all delinquent parcels; provided, however that the District may elect not to commence proceedings for foreclosure proceedings for such aggregate delinquencies if (i) the balance in the Reserve Fund is equal to the Reserve Requirement, (ii) Special Tax Revenues for that specific year are expected to be equal to or greater than Annual Debt Service, (iii) such delinquencies have not caused and are not expected to result in a draw on the Reserve Fund or any Qualified Reserve Account Surety on deposit therein in the current fiscal year, and (iv) the total amount of delinquent Special Taxes in the current Fiscal Year for the entire District does not exceed seven percent (7%) of the total Special Taxes due and payable in the current Fiscal Year.

(C) For the avoidance of doubt, for purposes of paragraphs (A)(i) and (B)(i) above, if there is an unreimbursed draw on any Qualified Reserve Account Surety Bond, the Reserve Fund shall not be fully funded.”

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The Authority, on behalf of the District, has taken actions to enforce the foreclosure covenants on delinquent Special Taxes in the past (including sending demand letters to the delinquent property owners and engaging foreclosure counsel). Outstanding foreclosures are reflected in the table below:

**Table 5**  
**RNR School Financing Authority**  
**Community Facilities District No. 92-1**  
**Outstanding Foreclosure Actions**  
**(As of June 30, 2024)**

<u>Fiscal Year of Special Tax Levy</u>	<u>Number of Parcels</u>	<u>Total Amount Delinquent</u>
2007-08	0	\$ 0.00
2008-09	0	0.00
2009-10	0	0.00
2010-11	0	0.00
2011-12	0	0.00
2012-13	0	0.00
2013-14	2	874.03
2014-15	2	1,188.66
2015-16	2	1,212.42
2016-17	2	1,236.66
2017-18	2	1,261.38
2018-19	0	0.00
2019-20	0	0.00
2020-21	0	0.00
2021-22	0	0.00
2022-23	0	0.00
2023-24	0	0.00

Source: KeyAnalytics.

**No assurance can be given that the real property subject to a judicial foreclosure sale will be sold or, if sold, that the proceeds of such sale will be sufficient to pay any delinquent Special Tax installment.** Although the Act authorizes the Authority, on behalf of the District, to cause such an action to be commenced and diligently pursued to completion, the Act does not specify the obligation of the Authority with regard to purchasing or otherwise acquiring any lot or parcel of property sold at the foreclosure sale in any such action if there is no other purchaser at such sale. The Act specifies that special taxes levied under the Act will have the same lien priority as *ad valorem* property taxes but does not further specify the priority relationship, if any, between the Special Tax and other special taxes, assessments, and *ad valorem* property taxes on the taxed parcels.

Foreclosure by court proceeding is subject to litigation delays, the nature and extent of which are determined to a large degree by the nature of any defense put forth by the debtor, other lien holders, and the condition of the court's calendar. Foreclosure actions can be stayed by the court on equitable grounds or as the result of the debtor's filing for relief under bankruptcy laws. See "SPECIAL RISK FACTORS – Bankruptcy" and "– Judicial Delays."

## **Reserve Fund**

Pursuant to the Fiscal Agent Agreement, a Reserve Account in the Reserve Fund has been established to provide additional security for the 2024A Bonds (the “2024 Reserve Account”). Separate accounts are established within the Reserve Fund for each School District for which Bonds have been or will be issued by the District. In the event of a deficiency in the Redemption Fund, the Fiscal Agent shall withdraw moneys from the Reserve Fund or draw upon the related Reserve Surety, as applicable, in an amount equal to the amount of such deficiency, from the Reserve Account within the Reserve Fund which has been established for the series of Bonds for which there is a deficiency.

The Authority is required to maintain an amount equal to the Reserve Requirement on deposit in or credited to the Reserve Fund so long as any Bonds remain outstanding.

The term “Reserve Requirement” means, for each series of Bonds, an amount not to exceed the least of (a) Maximum Annual Debt Service on the outstanding Bonds, (b) 10% of the original principal amount of the outstanding Bonds, or (c) 125% of the Average Annual Debt Service on such Series of Bonds due in any remaining Bond Year. The Reserve Requirement for the 2024A Bonds will be \$\_\_\_\_\_ (the “2024 Reserve Requirement”). See “APPENDIX C – Summary of Certain Provisions of the Fiscal Agent Agreement as Supplemented by the First Through Nineteenth Supplemental Fiscal Agent Agreements.” See also “Additional Bonds” for a discussion of the conditions under which Additional Bonds may be issued. The Authority intends to fund the 2024 Reserve Account through the purchase of the 2024 Reserve Surety, as further described under “BOND INSURANCE” herein.

Following the date of any withdrawal made from any Reserve Account pursuant to the Fiscal Agent Agreement, the balance on deposit in such Reserve Account will be replenished from Special Tax Revenues deposited into the Special Tax Fund in accordance with the terms of the Fiscal Agent Agreement. However, notwithstanding the foregoing, as discussed under “Special Tax” under no circumstances will the Special Tax levied against any taxable parcel of residential property within the District be increased by more than 10% as a consequence of a delinquency or default by the owner of any other parcel within the District.

The Authority will not have an obligation to replace the 2024 Reserve Surety or to fund the 2024 Reserve Account with cash if, at any time that the 2024A Bonds are Outstanding, amounts are not available under the 2024 Reserve Surety other than in connection with a draw on the 2024 Reserve Surety.

Pursuant to the Continuing Disclosure Agreement (as defined under the caption “CONTINUING DISCLOSURE”), the Authority has covenanted, on behalf of the District, that it will provide a report to the MSRB if it is ever required to draw on the Reserve Fund to pay debt service with respect to the 2024A Bonds. Pursuant to the Fiscal Agent Agreement, the Authority has the right at any time to release funds from the Reserve Fund, in whole or in part, by tendering to the Fiscal Agent (1) a Reserve Surety and (2) an opinion of Bond Counsel stating that neither the release of such funds nor the acceptance of such Reserve Surety, will cause interest on the 2024A Bonds to become includable in gross income for purposes of federal income taxation. Upon the tender of such items to the Fiscal Agent, and upon delivery by the Authority to the Fiscal Agent of a written certificate of the Authority specifying the amount permitted to be released from the Reserve Fund (upon which written certificate the Fiscal Agent may conclusively rely), the Fiscal Agent is required to transfer such funds from the Reserve Fund to the Authority free and clear of the lien of the Fiscal Agent Agreement. At least 15 days prior to the expiration of any Reserve Surety, the Authority is obligated either (i) to replace such Reserve Surety so expiring with a new Reserve Surety, or (ii) to deposit or cause to be deposited into the Reserve Fund an amount of funds such that the amount on deposit in the Reserve Fund is equal to the Reserve Requirement, without taking into account such expiring Reserve Surety. The term Reserve Surety is defined in the Fiscal Agent Agreement as a surety bond representing the Reserve Requirement for any series of Bonds issued by a provider of municipal bond insurance or other

surety obligations rated no less than “A” by one or more of the Rating Agencies at the date of delivery of said Reserve Surety. The 2024 Reserve Surety qualifies as a Reserve Surety under the Fiscal Agent Agreement.

### **Assessed Property Values**

The value of land within the District is a crucial factor in determining whether there will be a purchaser at a foreclosure sale and whether a foreclosure action to collect delinquent Special Taxes will yield sufficient monies to cure such delinquencies. No assurance can be given that land values within the District will be adequate to produce foreclosure proceeds sufficient to pay delinquent Special Taxes, or that such land values will not decline. See “SPECIAL RISK FACTORS – Property Values.”

The aggregate assessed value of Developed Property (excluding Approved Property) within the District, as reflected on County records as of January 1, 2024, is approximately \$6,648,452,722. It is important to note that this is an aggregate number, and the Special Taxes are levied on the property within the District on a parcel-by-parcel basis in accordance with the classification of such property under the Rate and Method.

No assurance can be given that any particular parcel within the District has a value greater than the Special Tax lien applicable to such parcel, or that the foregoing ratios can or will be maintained during the period of time that the 2024A Bonds are outstanding since the assessed valuation may decline. Additional Bonds may be issued as permitted under the Fiscal Agent Agreement, and the Authority has no control over the amount of additional indebtedness that may be issued in the future by other public agencies, the payment of which, through the levy of a tax or an assessment, is on a parity with the Special Taxes. See “SPECIAL RISK FACTORS – Issuance of Additional Indebtedness” and “THE DISTRICT – Direct and Overlapping Debt.”

The following table sets forth the Fiscal Year 2024-25 assessed value of Developed Property, both residential and commercial/industrial property, and Approved Property for each School District based on property classifications for the Fiscal Year 2024-25 Special Tax levy.

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**Table 6**  
**RNR School Financing Authority**  
**Community Facilities District No. 92-1**  
**Assessed Property Value**  
**(Fiscal Year 2024-25)**

School District	Property Classification <sup>(1)</sup>	No. of Units	Assessed Value			
			Land	Improvement	Other	Total
Rosedale	Developed					
	Entitled	1,938	\$183,040,445.00	\$567,063,857.00	\$0.00	\$750,104,302.00
	Non-Entitled	6,590	631,169,198.00	1,866,110,517.00	50,211.00	2,497,329,926.00
	Commercial/Industrial <sup>(2)</sup>	16	8,741,220.00	45,473,237.00	2,962,257.00	57,176,714.00
	Approved <sup>(2)</sup>	165	15,122,092.00	0.00	0.00	15,122,092.00
	<i>Sub Total</i>	8,709	\$838,072,955.00	\$2,478,647,611.00	\$3,012,468.00	\$3,319,733,034.00
Norris	Developed					
	Entitled	1,790	\$135,263,733.00	\$462,301,928.00	\$0.00	\$597,565,661.00
	Non-Entitled	6,134	509,195,820.00	1,855,892,663.00	0.00	2,365,088,483.00
	Commercial/Industrial <sup>(2)</sup>	18	10,944,115.00	38,409,015.00	291,227.00	49,644,357.00
	Approved <sup>(2)</sup>	310	7,463,658.00	0.00	0.00	7,463,658.00
	<i>Sub Total</i>	8,252	\$662,867,326.00	\$2,356,603,606.00	\$291,227.00	\$3,019,762,159.00
Rio Bravo-Greeley	Developed					
	Entitled	0	\$0.00	\$0.00	\$0.00	\$0.00
	Non-Entitled	603	85,875,917.00	245,667,362.00	0.00	331,543,279.00
	Commercial/Industrial <sup>(2)</sup>	0	0.00	0.00	0.00	0.00
	Approved <sup>(2)</sup>	15	4,810,007.00	0.00	0.00	4,810,007.00
	<i>Sub Total</i>	618	\$90,685,924.00	\$245,667,362.00	\$0.00	\$336,353,286.00
<b>Total</b>		<b>17,579</b>	<b>\$1,591,626,205.00</b>	<b>\$5,080,918,579.00</b>	<b>\$3,303,695.00</b>	<b>\$6,675,848,479.00</b>

<sup>(1)</sup> Property classification and acreage information based on building permit issuance through March 1, 2024, and final map recordation through January 1, 2024. Excludes parcels classified as Undeveloped Property in Fiscal Year 2024-2025.

<sup>(2)</sup> Unit counts for Commercial/Industrial Property and Approved Property represent the number of parcels classified as Commercial/Industrial Property or Approved Property as of March 1, 2024.

Sources: County of Kern Assessor's Roll as of January 1, 2024; KeyAnalytics.

## Additional Bonds

Following the date of delivery of the 2024A Bonds, Additional Bonds may be issued, subject to the following conditions:

(a) no event of default under the Fiscal Agent Agreement shall have occurred and be continuing;

(b) the Special Taxes to be levied upon Developed Property within the District (such Developed Property to be determined as of the proposed date of delivery of such Additional Bonds from a certificate prepared by the Special Tax Consultant), in each Bond Year following the proposed date of delivery of such Additional Bonds shall be at least equal to 110% of the annual debt service of all the Bonds then outstanding;

(c) the aggregate balance in or credit to the Reserve Accounts within the Reserve Fund, as increased by a deposit made from the proceeds of such Additional Bonds or the delivery of an appropriate Reserve Surety, shall, as of the closing date for such Additional Bonds, equal the least of (i) the Maximum Annual Debt Service on the outstanding Bonds, including the Additional Bonds, (ii) 10% of the principal amount of the outstanding Bonds, including the Additional Bonds, or (iii) 125% of the Average Annual Debt Service on the outstanding Bonds, including the Additional Bonds;

(d) the supplement to the Fiscal Agent Agreement providing for the issuance of such Additional Bonds shall specify the purposes for which such Additional Bonds are then proposed to be issued, which shall be to provide moneys needed to complete, acquire, construct, improve or equip an additional Project for any School District by depositing into the appropriate account within the Project Fund the proceeds of such Additional Bonds to be so applied;

(e) the Additional Bonds shall be payable as to principal on September 1 of each year and as to interest on March 1 and September 1 of each year during their term, except that the first installment of interest due thereon may be payable on either March 1 or September 1 and shall be for a period of no longer than twelve months. Those Additional Bonds on which interest accretes on the initial issue amount thereof shall bear interest and be payable as designated in the Supplement providing for the issuance of such Additional Bonds;

(f) taking into account the amount of Bonds issued under the Fiscal Agent Agreement, including the proposed issue of Additional Bonds, the aggregate principal amount thereof shall not exceed any limitation imposed by law or authorized by the election in which the District was approved; and

(g) The Fiscal Agent shall act as the fiscal agent for the Additional Bonds.

Bonds issued on or after the date of delivery of the 2024A Bonds for the purpose of refunding any outstanding Bonds or bond anticipation notes previously issued under the Fiscal Agent Agreement (“Refunding Bonds”) shall not be subject to the provisions of paragraph (d) above. Proceeds of Refunding Bonds shall be applied for the payment of costs of issuance of such Refunding Bonds, for any increase to the Reserve Fund required under paragraph (c) above, and deposited into an irrevocable escrow or to the Prepayment Fund for the purpose of paying the principal of and interest and premium (if any) on any outstanding Bonds or bond anticipation notes. Refunding Bonds constitute Bonds under the Fiscal Agent Agreement.

## THE AUTHORITY

The Authority was created by the School Districts pursuant to the Joint Powers Agreement for the purpose of forming the District to finance the acquisition or construction of certain public school facilities and equipment within the District to benefit one or more of the School Districts. The members of the Authority consist of the Rosedale Union School District, the Norris School District, and the Rio Bravo-Greeley Union School District. **The 2024A Bonds are not general obligations of the Authority, but are limited obligations of the District payable solely from Special Tax Revenues and from amounts in certain of the funds created under the Fiscal Agent Agreement and the earnings thereon, all as more fully described herein.**

## BOND INSURANCE

### Bond Insurance Policy

Concurrently with the issuance of the 2024A Bonds, Build America Mutual Assurance Company (“BAM”) will issue its Municipal Bond Insurance Policy for the Insured Bonds (the “Policy”). The Policy guarantees the scheduled payment of principal of and interest on the Insured Bonds when due as set forth in the form of the Policy included as an appendix to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

## **Build America Mutual Assurance Company**

BAM is a New York domiciled mutual insurance corporation and is licensed to conduct financial guaranty insurance business in all fifty states of the United States and the District of Columbia. BAM provides credit enhancement products to issuers in the U.S. public finance markets. BAM will only insure municipal bonds, as defined in Section 6901 of the New York Insurance Law, which are most often issued by states, political subdivisions, integral parts of states or political subdivisions or entities otherwise eligible for the exclusion of income under section 115 of the U.S. Internal Revenue Code of 1986, as amended. No member of BAM is liable for the obligations of BAM.

The address of the principal executive offices of BAM is: 200 Liberty Street, 27<sup>th</sup> Floor, New York, New York 10281, its telephone number is: 212-235-2500, and its website is located at: [www.bambonds.com](http://www.bambonds.com).

BAM is licensed and subject to regulation as a financial guaranty insurance corporation under the laws of the State of New York and in particular Articles 41 and 69 of the New York Insurance Law.

BAM's financial strength is rated "AA/Stable" by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"). An explanation of the significance of the rating and current reports may be obtained from S&P at <https://www.spglobal.com/en/>. The rating of BAM should be evaluated independently. The rating reflects S&P's current assessment of the creditworthiness of BAM and its ability to pay claims on its policies of insurance. The above rating is not a recommendation to buy, sell or hold the Insured Bonds, and such rating is subject to revision or withdrawal at any time by S&P, including withdrawal initiated at the request of BAM in its sole discretion. Any downward revision or withdrawal of the above rating may have an adverse effect on the market price of the Insured Bonds. BAM only guarantees scheduled principal and scheduled interest payments payable by the issuer of the Insured Bonds on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the Policy), and BAM does not guarantee the market price or liquidity of the Insured Bonds, nor does it guarantee that the rating on the Insured Bonds will not be revised or withdrawn.

### *Capitalization of BAM*

BAM's total admitted assets, total liabilities, and total capital and surplus, as of September 30, 2024 and as prepared in accordance with statutory accounting practices prescribed or permitted by the New York State Department of Financial Services were \$502.6 million, \$246.3 million and \$256.3 million, respectively.

BAM is party to a first loss reinsurance treaty that provides first loss protection up to a maximum of 15% of the par amount outstanding for each policy issued by BAM, subject to certain limitations and restrictions.

BAM's most recent Statutory Annual Statement, which has been filed with the New York State Insurance Department and posted on BAM's website at [www.bambonds.com](http://www.bambonds.com), is incorporated herein by reference and may be obtained, without charge, upon request to BAM at its address provided above (Attention: Finance Department). Future financial statements will similarly be made available when published.

BAM makes no representation regarding the Insured Bonds or the advisability of investing in the Insured Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of

the information regarding BAM, supplied by BAM and presented under the heading “BOND INSURANCE”.

*Additional Information Available from BAM*

**Credit Insights Videos.** For certain BAM-insured issues, BAM produces and posts a brief Credit Insights video that provides a discussion of the obligor and some of the key factors BAM’s analysts and credit committee considered when approving the credit for insurance. The Credit Insights videos are easily accessible on BAM’s website at <https://bambonds.com/insights/#video>. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

**Credit Profiles.** Prior to the pricing of bonds that BAM has been selected to insure, BAM may prepare a pre-sale Credit Profile for those bonds. These pre-sale Credit Profiles provide information about the sector designation (e.g. general obligation, sales tax); a preliminary summary of financial information and key ratios; and demographic and economic data relevant to the obligor, if available. Subsequent to closing, for any offering that includes bonds insured by BAM, any pre-sale Credit Profile will be updated and superseded by a final Credit Profile to include information about the gross par insured by CUSIP, maturity and coupon. BAM pre-sale and final Credit Profiles are easily accessible on BAM’s website at <https://bambonds.com/credit-profiles>. BAM will produce a Credit Profile for all bonds insured by BAM, whether or not a pre-sale Credit Profile has been prepared for such bonds. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

**Disclaimers.** The Credit Profiles and the Credit Insights videos and the information contained therein are not recommendations to purchase, hold or sell securities or to make any investment decisions. Credit-related and other analyses and statements in the Credit Profiles and the Credit Insights videos are statements of opinion as of the date expressed, and BAM assumes no responsibility to update the content of such material. The Credit Profiles and Credit Insight videos are prepared by BAM; they have not been reviewed or approved by the issuer of or the underwriter for the 2024A Bonds, and the issuer and underwriter assume no responsibility for their content.

BAM receives compensation (an insurance premium) for the insurance that it is providing with respect to the Insured Bonds. Neither BAM nor any affiliate of BAM has purchased, or committed to purchase, any of the Insured Bonds, whether at the initial offering or otherwise.

## **RISKS OF BOND INSURANCE**

In the event of default of the payment of principal or interest with respect to the Insured Bonds when all or some becomes due, any Owner of the Insured Bonds shall have a claim under the Policy issued by BAM for such payments. However, in the event of any acceleration of the due date of such principal by reason of mandatory redemption, other than any advancement of maturity pursuant to a mandatory sinking fund payment, the payments are to be made in such amounts and at such times as such payments would have been due had there not been any such acceleration. The Policy does not insure against redemption premium, if any. The payment of principal and interest in connection with mandatory prepayment of the Insured Bonds by the District which is recovered by the District from the Bondowner as a voidable preference under applicable bankruptcy law is covered by the Policy, however, such payments will be made by BAM at such time and in such amounts as would have been due absence such prepayment by the Authority unless BAM chooses to pay such amounts at an earlier date.

Under most circumstances, default of payment of principal and interest does not obligate acceleration of the obligations of BAM without appropriate consent. BAM may direct and must consent to any remedies and BAM's consent may be required in connection with amendments to any applicable bond documents.

In the event BAM is unable to make payment of principal and interest as such payments become due under the Policy, the Insured Bonds are payable solely from the moneys received pursuant to the Resolution of Issuance. In the event BAM becomes obligated to make payments with respect to the Insured Bonds, no assurance is given that such event will not adversely affect the market price of the Insured Bonds or the marketability (liquidity) for the Insured Bonds.

The long-term ratings on the Insured Bonds are dependent in part on the financial strength of BAM and its claim paying ability. BAM's financial strength and claims paying ability are predicated upon a number of factors which could change over time. No assurance is given that the long-term ratings of BAM and of the ratings on the Insured Bonds will not be subject to downgrade and such event could adversely affect the market price of the Insured Bonds or the marketability (liquidity) for the Insured Bonds. For a description of the rating on the Insured Bonds, See "RATINGS" herein.

None of the Authority, the District, the School Districts, nor the Underwriter will make an independent investigation of the claims paying ability of BAM, and no assurance or representation regarding the financial strength or projected financial strength thereof is being made by the Authority, the District, the School Districts or the Underwriter in this Official Statement. Therefore, when making an investment decision with respect to the Insured Bonds, potential investors should carefully consider the ability of the District to pay principal and interest on the Insured Bonds, assuming that the Policy is not available, and the claims-paying ability of BAM through final maturity of the Insured Bonds.

The obligations of BAM are general obligations of BAM and in an event of default by BAM, the remedies available may be limited by applicable bankruptcy law or other similar laws related to insolvency.

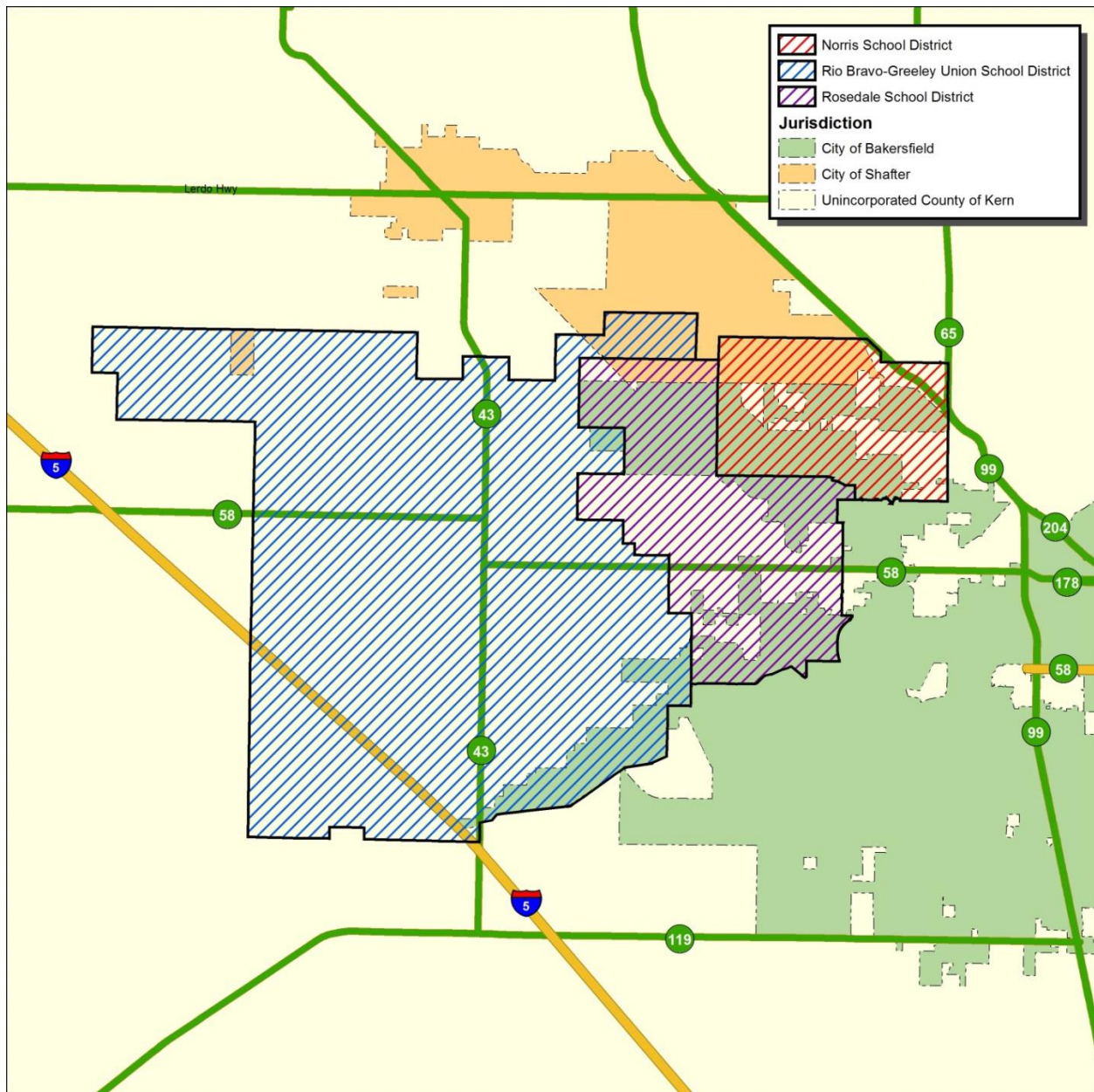
## **THE DISTRICT**

### **Description and Location of the District**

The District was formed pursuant to the Act and the Resolution of Formation for the purpose of financing the acquisition or construction of any Project and authorizing the levy of the Special Taxes. Commencing in 1993, pursuant to a number of annexation procedures, additional land has been annexed to the District. The District is currently comprised of approximately 15,700 acres of land located in and around the northwestern portion of the City, all of which land is located within one of the School Districts. A map showing the boundaries of the Members of the District appears on the following page.

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## BOUNDARY MAP OF THE SCHOOL DISTRICTS



## **The School Districts**

***Rosedale Union School District.*** Rosedale was established in 1890 and is also located in the southern portion of the San Joaquin Valley. Approximately 7,575 acres of the District, consisting of approximately 8,709 parcels, lie within the Rosedale boundaries. For Fiscal Year 2024-25, for purposes of the Rate and Method, approximately 1,938 parcels within the Rosedale boundaries are designated as residential Developed Property that is Entitled Property, approximately 6,606 parcels within the Rosedale boundaries are designated as residential Developed Property that is not Entitled Property, and approximately 165 parcels within the Rosedale boundaries are designated as Approved Property.

Rosedale operates seven elementary schools (kindergarten through 6th grade) and two middle schools (7th and 8th grades). Enrollment in Rosedale is currently 6,213 students, which makes Rosedale one of the larger school districts in the County. Rosedale is governed by a board of trustees consisting of five members who are elected from trustee areas to overlapping four-year terms at elections held every two years. The day-to-day operations of Rosedale are managed by a superintendent appointed by the Rosedale Board of Trustees.

***Norris School District.*** Norris was established in 1880 and is located in the southern portion of the San Joaquin Valley northwest of the City. Approximately 5,278 acres of the District, consisting of approximately 8,252 parcels, lie within the Norris boundaries. For Fiscal Year 2024-25, for purposes of the Rate and Method, approximately 1,790 parcels within the Norris boundaries are designated as residential Developed Property that is Entitled Property, approximately 6,152 parcels within the Norris boundaries are designated as residential Developed Property that is not Entitled Property, and approximately 310 parcels within the Norris boundaries are designated as Approved Property.

Norris operates four elementary schools (transitional kindergarten through 6th grade) and one middle school (7th and 8th grades). Since June 2000, the number of single family residences has increased in the Norris area and school enrollment in Norris has grown from approximately 1,400 to approximately 4,000. During the same period, three new elementary campuses were built in the Norris area (Norris Elementary, William B. Bimat Elementary, and Veterans Elementary), Olive Drive Elementary added nine new classrooms, and Norris Middle School added additional permanent classrooms for science, math, and art, as well as a new gymnasium, a new library and kitchen. Norris owns one undeveloped site that is currently planned for an elementary school, and is presently searching for additional school sites, in an effort to implement Norris's plan to grow its enrollment to 10,000 students to be served by twelve elementary schools and three middle schools at build-out. Norris currently is less than 35% built out with residential housing. A five-member Board of Trustees governs Norris. Members of the Board of Trustees are elected to four-year terms at elections held every two years. Members of the Norris Board of Trustees have 85 combined years of elected board experience, ranging for each individual from 3 years to 37 years. A superintendent appointed by the Norris Board of Trustees manages the day-to-day operations of Norris.

***Rio Bravo-Greeley Union School District.*** Rio Bravo-Greeley was established in 1891 and is also located in the southern portion of the San Joaquin Valley. Approximately 2,917 acres of the District, consisting of approximately 618 parcels, lie within the Rio Bravo-Greeley boundaries. Enrollment in Rio Bravo-Greeley is approximately 1,000 students. For Fiscal Year 2024-25 for purposes of the Rate and Method, no parcels are designated as Developed Property that is Entitled Property, 603 parcels within the Rio Bravo-Greeley boundaries are designated as residential Developed Property that is not Entitled Property, and 15 parcels within the Rio Bravo-Greeley boundaries are designated as Approved Property. There is currently no Developed Property that is Entitled Property within the Rio Bravo-Greeley area.

Rio Bravo-Greeley operates one elementary school (kindergarten through 4<sup>th</sup> grade) and one middle school (5<sup>th</sup> through 8<sup>th</sup> grade). Rio Bravo-Greeley is governed by a board of trustees consisting of five

members. Members of the board of trustees are elected to four-year terms at elections held every two years. The day-to-day operations of Rio Bravo-Greeley are managed by a superintendent appointed by the Rio Bravo-Greeley Board of Trustees.

### **The City and Surrounding Area**

The District is located in and around the northwestern side of the City, which is the seat of the County and the major agribusiness center of the southern portion of the San Joaquin Valley.

### **Ownership and Development Within the District**

Many of the largest owners of Taxable Property within the District are currently developing single family residential projects. The builders of these projects include experienced residential builders. The following table sets forth certain information with respect to the top twenty Special Tax payers within the District in Fiscal Year 2024-25.

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**Table 7**  
**RNR School Financing Authority**  
**Community Facilities District No. 92-1**  
**Top 20 Special Tax Payers Within the District**  
**(Fiscal Year 2024-25)**

<b>Major Taxpayer<sup>(1)</sup></b>	<b>Approved Parcels</b>	<b>Approved Acreage<sup>(2)</sup></b>	<b>Developed Parcels</b>	<b>Total Parcels</b>	<b>Fiscal Year 2024/2025 Special Tax Levy<sup>(3)</sup></b>	<b>Percent of Fiscal Year 2024/2025 Special Tax Levy</b>
Lennar Homes Of California Inc <sup>(4)</sup>	231	39.38	235	466	\$177,465.16	1.52%
Jeremy Willer Construction Inc <sup>(4)</sup>	1	0.15	116	117	84,037.23	0.72
Polo Villas Partners LLC	0	0	1 <sup>(5)</sup>	1	37,720.92	0.32
Summit Capital Ventures Inc <sup>(4)</sup>	38	5.52	46	84	34,333.74	0.29
John Balfanz Homes Inc <sup>(4)</sup>	13	3.33	28	41	20,893.26	0.18
Woodside 06N LP <sup>(4)</sup>	1	0.21	23	24	16,695.85	0.14
Masterpiece Parke LLC	0	0	1 <sup>(6)</sup>	1	12,300.30	0.11
Equitybak L P	0	0	1 <sup>(7)</sup>	1	11,203.84	0.10
R4 Prop LLC	0	0	13	13	8,860.34	0.08
Snow 32 LLC <sup>(4)</sup>	11	2.74	8	19	6,299.87	0.05
Riverlakes Galleria LLC	0	0	11 <sup>(7)</sup>	11	6,085.62	0.05
Froehlich Signature Homes Inc <sup>(4)</sup>	3	1.13	8	11	5,447.95	0.05
Wal Mart Real Estate Business Trust	0	0	2 <sup>(7)</sup>	2	5,240.26	0.05
Wyss Kenneth A	0	0	7	7	5,069.54	0.04
Huckaby Brian G & Fenderson Angela K Rev Tr	0	0	7	7	5,069.54	0.04
Jaspar Family Trust	0	0	8	8	4,869.56	0.04
Living Bright Invs LLC	0	0	7	7	4,699.86	0.04
Brian Rice Construction Inc <sup>(4)</sup>	6	1.7	8	14	4,629.03	0.04
Sarkies Nadim W & Nahed A	0	0	7	7	4,515.02	0.04
Froehlich Ranch LLC	0	0	9 <sup>(7)</sup>	9	4,358.51	0.04
<b>Total<sup>(8)</sup></b>	<b>304</b>	<b>54.16</b>	<b>546</b>	<b>850</b>	<b>\$459,795.40</b>	<b>3.95%</b>

(1) Ownership information is based on the Kern County Assessor's Roll as of January 1, 2024.

(2) Property classification and acreage information is based on building permit issuance through March 1, 2024 and final map recordation through January 1, 2024.

(3) The total Special Tax levy for Fiscal Year 2024/2025 is \$11,642,456.45.

(4) Represents an active developer within CFD No. 92-1.

(5) Represents a multi-family attached parcel containing 138 units.

(6) Represents a multi-family attached parcel containing 45 units.

(7) Represents parcels classified as Commercial/Industrial.

(8) Totals may not sum due to rounding.

Source: KeyAnalytics, County of Kern Assessor's Office.

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## Special Tax Levies and Collections

The following table sets forth a summary of the levies of Special Taxes in the District for Fiscal Years 2015-16 through 2024-25.

**Table 8**  
**RNR School Financing Authority**  
**Community Facilities District No. 92-1**  
**History of Special Tax Levies**  
**(July 1 Through June 30, Fiscal Years 2015-16 Through 2024-25)**

<b>Fiscal Year</b>	<b>Property Classification</b>	<b>Rosedale</b>	<b>Norris</b>	<b>Rio Bravo-Greeley</b>	<b>Total</b>	<b>% of Fiscal Year Aggregate</b>
2015/2016	Developed					
	Entitled	\$816,997.80	\$806,616.06	\$0.00	\$1,623,613.86	20.80%
	Not Entitled	3,697,640.22	2,367,020.36	89,083.47	6,153,744.05	78.85%
	Approved	14,058.78	5,863.93	7,227.23	27,149.94	0.35%
	<i>Sub Total</i>	<u>\$4,528,696.80</u>	<u>\$3,179,500.35</u>	<u>\$96,310.70</u>	<u>\$7,804,507.85</u>	<u>100.00%</u>
2016/2017	Developed					
	Entitled	\$835,626.00	\$824,116.00	\$0.00	\$1,659,742.00	20.27%
	Not Entitled	3,851,317.89	2,541,542.77	100,137.06	6,492,997.72	79.28%
	Approved	18,865.92	9,437.02	8,492.63	36,795.57	0.45%
	<i>Sub Total</i>	<u>\$4,705,809.81</u>	<u>\$3,375,095.79</u>	<u>\$108,629.69</u>	<u>\$8,189,535.29</u>	<u>100.00%</u>
2017/2018	Developed					
	Entitled	\$858,428.80	\$840,584.00	\$0.00	\$1,699,012.80	19.81%
	Not Entitled	3,977,297.69	2,739,727.38	122,945.55	6,839,970.62	79.73%
	Approved	21,013.35	11,607.93	7,073.57	39,694.85	0.46%
	<i>Sub Total</i>	<u>\$4,856,739.84</u>	<u>\$3,591,919.31</u>	<u>\$130,019.12</u>	<u>\$8,578,678.27</u>	<u>100.00%</u>
2018/2019	Developed					
	Entitled	\$879,425.64	\$857,392.10	\$0.00	\$1,736,817.74	19.52%
	Not Entitled	4,076,651.23	2,901,144.51	148,553.79	7,126,349.53	80.10%
	Approved	19,334.68	6,938.88	7,427.99	33,701.55	0.38%
	<i>Sub Total</i>	<u>\$4,975,411.55</u>	<u>\$3,765,475.49</u>	<u>\$155,981.78</u>	<u>\$8,896,868.82</u>	<u>100.00%</u>
2019/2020	Developed					
	Entitled	\$873,056.72	\$874,522.40	\$0.00	\$1,747,579.12	18.95%
	Not Entitled	4,219,853.92	3,051,376.68	167,923.20	7,439,153.80	80.67%
	Approved	21,449.93	5,022.10	8,536.84	35,008.87	0.38%
	<i>Sub Total</i>	<u>\$5,114,360.57</u>	<u>\$3,930,921.18</u>	<u>\$176,460.04</u>	<u>\$9,221,741.79</u>	<u>100.00%</u>
2020/2021	Developed					
	Entitled	\$897,492.33	\$892,010.70	\$0.00	\$1,789,503.03	18.49%
	Not Entitled	4,347,067.13	3,289,712.05	228,821.94	7,865,601.12	81.28%
	Approved	7,769.21	5,491.14	8,912.61	22,172.96	0.23%
	<i>Sub Total</i>	<u>\$5,252,328.67</u>	<u>\$4,187,213.89</u>	<u>\$237,734.55</u>	<u>\$9,677,277.11</u>	<u>100.00%</u>
2021/2022	Developed					
	Entitled	\$929,680.70	\$909,857.00	\$0.00	\$1,839,537.70	18.18%
	Not Entitled	4,436,452.92	3,542,491.65	275,027.35	8,253,971.92	81.59%
	Approved	9,945.34	5,787.13	7,461.53	23,194.00	0.23%
	<i>Sub Total</i>	<u>\$5,376,078.96</u>	<u>\$4,458,135.78</u>	<u>\$282,488.88</u>	<u>\$10,116,703.62</u>	<u>100.00%</u>
2022/2023	Developed					
	Entitled	\$979,370.94	\$928,043.40	\$0.00	\$1,907,414.34	17.78%
	Not Entitled	4,529,301.40	3,909,189.41	357,099.30	8,795,590.11	81.98%
	Approved	7,866.43	9,455.04	8,615.48	25,936.95	0.24%
	<i>Sub Total</i>	<u>\$5,516,538.77</u>	<u>\$4,846,687.85</u>	<u>\$365,714.78</u>	<u>\$10,728,941.40</u>	<u>100.00%</u>
2023/2024	Developed					
	Entitled	\$1,010,575.02	\$946,587.80	\$0.00	\$1,957,162.82	17.45%
	Not Entitled	4,620,421.50	4,190,427.22	424,591.96	9,235,440.68	82.35%
	Approved	8,262.60	6,940.70	6,839.38	22,042.68	0.20%
	<i>Sub Total</i>	<u>\$5,639,259.12</u>	<u>\$5,143,955.72</u>	<u>\$431,431.34</u>	<u>\$11,214,646.18</u>	<u>100.00%</u>
2024/2025	Developed					
	Entitled	\$1,045,318.44	\$965,490.20	\$0.00	\$2,010,808.64	17.27%
	Not Entitled	4,712,826.67	4,453,840.49	436,704.66	9,603,371.82	82.49%
	Approved	11,460.73	10,502.19	6,313.07	28,275.99	0.24%
	<i>Sub Total</i>	<u>\$5,769,605.84</u>	<u>\$5,429,832.88</u>	<u>\$443,017.73</u>	<u>\$11,642,456.45</u>	<u>100.00%</u>
<b>Ten Year Grand Total</b>		<b>\$51,734,829.93</b>	<b>\$41,908,738.24</b>	<b>\$2,427,788.61</b>	<b>\$96,071,356.78</b>	<b>NA</b>

Source: KeyAnalytics.

The following table sets forth the history of Special Tax collections and delinquencies in the District for Fiscal Years 2013-14 through 2023-24.

**Table 9**  
**RNR School Financing Authority**  
**Community Facilities District No. 92-1**  
**Special Tax Collections and Delinquencies**  
**(Fiscal Years 2013-14 Through 2023-24)**

<b>Fiscal Year Ending June 30</b>	<b>Amount Levied</b>	<b>Number of Parcels Levied</b>	<b>Amount Collected</b>	<b>Amount Delinquent</b>	<b>Number of Parcels Delinquent</b>	<b>Percent Delinquent</b>	<b>Remaining Amount Delinquent<sup>(1)</sup></b>	<b>Remaining Percent Delinquent</b>
2013-14	\$7,044,816.05	13,734	\$6,976,499.65	\$68,316.40	195	0.97%	\$81.91	0.00%
2014-15	7,447,502.66	14,096	7,395,410.49	52,092.17	137	0.70	83.54	0.00
2015-16	7,804,507.85	14,276	7,760,711.26	43,796.59	107	0.56	85.21	0.00
2016-17	8,189,535.29	14,914	8,110,674.34	78,860.95	234	0.96	86.91	0.00
2017-18	8,578,047.78	15,282	8,543,107.24	34,940.54	90	0.41	441.50	0.01
2018-19	8,896,225.73	15,325	8,869,663.73	26,562.00	63	0.30	2,497.25	0.03
2019-20	9,221,741.79	15,368	9,166,144.51	55,677.58	133	0.60	5,493.52	0.06
2020-21	9,677,277.11	15,576	9,630,222.33	47,054.78	102	0.49	9,226.41	0.10
2021-22	10,116,703.62	15,907	10,064,373.52	52,330.10	113	0.52	12,834.73	0.13
2022-23	10,728,941.40	16,705	10,671,050.01	57,891.39	146	0.54	22,492.90	0.21
2023-24	11,214,646.18	16,956	11,140,326.81	74,319.37	175	0.66	74,319.37	0.66

<sup>(1)</sup> As of June 30, 2024.

Source: KeyAnalytics; County of Kern Tax Collector's office.

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The following table sets forth a representative property tax bill for a single-family detached unit within the District for Fiscal Year 2024-25.

**Table 10**  
**RNR School Financing Authority**  
**Community Facilities District No. 92-1**  
**Representative Property Tax Bill for Fiscal Year 2024-25**

<b>Assessed Valuations and Property Taxes</b>		
Assessed Value <sup>(1)</sup>	\$370,741.00	
Homeowner's Exemption	-\$7,000.00	
<b>Net Assessed Value</b>	<b>\$363,741.00</b>	
	<b>Percent of</b>	<b>Amount</b>
<b>Ad Valorem Property Taxes</b>	<b>Total AV</b>	
General Purposes	1.0000%	\$3,637.47
<i>Ad Valorem Tax Overrides</i>		
Kern County Water District Zone 7	0.0402%	\$146.35
Kern County Water District Zone 17	0.0101	36.57
Kern County Water District Zone 19	0.0104	37.96
Kern High School District, 2004-D	0.0022	7.88
Kern High School District, 2004-E	0.0020	7.13
Kern High School District, 2016-A	0.0076	27.60
Kern High School District, 2016-B	0.0030	11.03
Kern High School District, 2016-C	0.0076	27.63
Kern High School District, Refunding 2022	0.0029	10.49
Kern High School District, Refunding 2022-A	0.0094	34.12
Kern High School District, Refunding 2024	0.0098	35.51
Kern Community College District, SFID 2002B Refunding	0.0081	29.37
Kern Community College District, SFID 2002C	0.0018	6.42
Kern Community College District, SFID 16C	0.0024	8.81
Kern Community College District, SFID 16D	0.0158	57.36
Kern Community College District, SFID 16E	0.0052	18.99
<b>Total Ad Valorem Property Taxes</b>	<b>1.1169%</b>	<b>\$4,140.69</b>
<b>Assessments, Special Taxes and Parcel Charges<sup>(2)</sup></b>		
<b>Rio Bravo-Greeley Union School District CFD No. 92-1</b>		\$724.22
City of Bakersfield Garbage Charge		286.20
City of Bakersfield Sewer Plant Charge No. 3		239.20
Bakersfield Consolidated Maintenance District		34.40
Kern County Waste Management Maintenance and Operation of Landfill Site		179.72
Kern Mosquito and Vector Control Vector Abatement		2.00
<b>Total Assessments, Special Taxes and Parcel Charges</b>		<b>\$1,465.74</b>
<b>Total Property Taxes</b>		<b>\$5,606.43</b>
<b>Total Effective Tax Rate</b>		<b>1.51%</b>

<sup>(1)</sup> Fiscal Year 2024-25 assessed valuation for a single family detached unit containing 2,104 building square feet, selected to represent the median Assessed Value for a single family detached unit within the District.

<sup>(2)</sup> All charges and special assessments are based on a lot size of less than one acre.

Source: KeyAnalytics.

## Direct and Overlapping Debt

The following table sets forth the direct and overlapping debt for the District as of November 1, 2024.

**Table 11**  
**RNR School Financing Authority**  
**Community Facilities District No. 92-1**  
**Direct and Overlapping Debt**

### I. Assessed Value

**2024-2025 Secured Roll Assessed Value**

**\$7,990,333,494**

### II. Secured Property Taxes

Description on Tax Bill	Type	Total Parcels	Total Levy	% Applicable	Parcels	Levy
All Ad Valorem Charges	AVALL	401,011	\$1,106,995,456	7.90481%	19,438	\$87,505,940.38
California Enterprise Development Authority PACE Program Assessment District <sup>(1)</sup>	1915	2	\$11,028	49.58634%	1	\$5,468.62
California Municipal Finance Authority PACE Financing Program <sup>(1)</sup>	1915	132	\$306,831	0.73206%	1	\$2,246.18
California Statewide Community Development Authority CaliforniaFIRST Program <sup>(1)</sup>	1915	314	\$786,108	5.99073%	11	\$47,093.58
City of Bakersfield AD No. 05-3	1915	1,648	\$478,764	44.34315%	578	\$212,299.18
City of Bakersfield Consolidated Maintenance District	MD	70,432	\$8,597,927	18.90218%	14,775	\$1,625,195.27
City of Bakersfield Delinquent Garbage Charge	DQ	50	\$20,580	2.71331%	2	\$558.40
City of Bakersfield Delinquent Sewer Charge	DQ	138	\$14,507	4.43680%	6	\$643.66
City of Bakersfield Garbage Charge	TRASH	105,094	\$31,981,829	13.24759%	14,642	\$4,236,822.40
City of Bakersfield Nuisance Abatement Charge	ABATEMENT	535	\$670,509	1.48600%	13	\$9,963.80
City of Bakersfield Re-Assessment District No. 15-1	1915	926	\$371,589	78.24662%	744	\$290,756.14
City of Bakersfield Sewer Connection Fees	SEWER/WATER	30	\$24,428	3.48131%	2	\$850.40
City of Bakersfield Sewer Plant Charge No. 3	SEWER/WATER	71,995	\$19,274,529	14.74077%	11,567	\$2,841,213.40
City of Bakersfield Signal Maintenance District	MD	754	\$112,636	16.44421%	552	\$18,522.15
City of Shafter Landscape and Lighting District No. 001-2015	LLD	1,807	\$858,072	100.00000%	1,807	\$858,072.02
City of Shafter Refuse Charge	TRASH	1,582	\$632,484	100.00000%	1,582	\$632,483.60
City of Shafter Refuse Wastewater Charge	SANITATION	1,582	\$620,528	100.00000%	1,582	\$620,528.08
County of Kern CSA No. 71 (Sewage)	CSA	11,514	\$125,599	17.46453%	2,151	\$21,935.20
County of Kern CSA No. 71, Zone 1 (Standby Charge)	CSA	127	\$37,490	4.72441%	6	\$1,771.20
County of Kern CSA No. 71, Zone 1 (Street Lights)	CSA	127	\$4,470	4.72441%	6	\$211.20
County of Kern CSA No. 71, Zone 10	CSA	1,391	\$69,828	40.69015%	566	\$28,413.20
County of Kern CSA No. 71, Zone 3 (Septic Monitoring)	CSA	2,851	\$17,676	50.36829%	1,436	\$8,903.20
County of Kern CSA No. 71, Zone 3 (Sewage)	CSA	879	\$372,694	58.20674%	557	\$216,932.87
County of Kern CSA No. 71, Zone 3 (Street Lights)	CSA	4,926	\$278,475	45.18693%	2,272	\$125,834.40
County of Kern CSA No. 71, Zone 5 (Street Sweeping)	CSA	6,655	\$70,451	31.90885%	2,121	\$22,480.20
County of Kern CSA No. 71, Zone 7 (Drainage)	CSA	3,513	\$186,294	50.30887%	1,861	\$93,722.20
County of Kern CSA No. 71, Zone 8 (Landscaping)	CSA	2,810	\$304,747	55.78260%	1,529	\$169,995.80
County of Kern CSA No. 71, Zone 9	CSA	74	\$9,265	98.64865%	73	\$9,139.60
Golden State Finance Authority CFD No. 2014-1	CFD	364	\$1,088,695	6.52166%	19	\$71,001.02
Kern County Waste Management Maintenance and Operation of Landfill Site	MD	241,302	\$52,985,301	6.44377%	18,396	\$3,414,250.64
Kern County Waste Management Prorated Prior Year Land Use Fee	FEE/CHARGE	2,803	\$361,935	4.61838%	183	\$16,715.53
Kern County Waste Management Refuse Collection	TRASH	45,986	\$23,353,813	3.89987%	2,286	\$910,768.56

Kern Mosquito and Vector Control Vector Abatement	VECTOR	181,318	\$362,636	10.23561%	18,559	\$37,118.00
Norris School District CFD No. 92-1	CFD	8,252	\$5,429,833	100.000000%	8,252	\$5,429,832.88
North Bakersfield Recreation and Park District North Park LMD	LMD	3,986	\$593,304	58.74109%	2,789	\$348,513.44
North Kern Water Storage District Water Charge	WATER	1,755	\$88,101	99.88604%	1,753	\$88,000.60
North Kern Water Storage District Water Toll	WATER	599	\$23,754	99.78934%	598	\$23,704.09
North of River Sanitary District No. 1 Operations Charge	SEWER/WATER	14,904	\$8,288,105	17.45186%	3,438	\$1,446,428.64
Rio Bravo-Greeley Union School District CFD No. 92-1	CFD	618	\$443,018	100.000000%	618	\$443,017.73
Rosedale Union School District CFD No. 92-1	CFD	8,528	\$5,769,606	100.000000%	8,528	\$5,769,605.84
Rosedale-Rio Bravo Water Storage District Cost of Operation	WATER	9,756	\$6,163,667	4.02518%	3,133	\$248,098.84
WRCOG HERO Financing Program <sup>(1)</sup>	1915	1,153	\$2,844,584	5.45036%	49	\$155,040.22

**2024-2025 TOTAL PROPERTY TAX LIABILITY**

**\$118,010,092.36**

**TOTAL PROPERTY TAX LIABILITY AS A PERCENTAGE OF 2024-2025 ASSESSED VALUATION**

**1.48%**

**III. Land Secured Bond Indebtedness**

<b>Outstanding Direct and Overlapping Bonded Debt</b>	<b>Type</b>	<b>Issued</b>	<b>Outstanding</b>	<b>% Applicable</b>	<b>Parcels</b>	<b>Amount</b>
City of Bakersfield AD No. 05-3	1915	\$8,705,000	\$1,295,000	44.34315%	578	\$574,244
City of Bakersfield Re-Assessment District No. 15-1	1915	\$26,205,000	\$2,325,000	78.24662%	744	\$1,819,234
RNR School Financing Authority CFD No. 92-1 <sup>(3)</sup>	CFD	\$147,405,000	\$106,990,000	100.000000%	17,398	\$106,990,000
<b>TOTAL LAND SECURED BOND INDEBTEDNESS<sup>(2)</sup></b>						<b>\$109,383,478</b>
<b>TOTAL OUTSTANDING LAND SECURED BOND INDEBTEDNESS<sup>(2)</sup></b>						<b>\$109,383,478</b>

**IV. General Obligation Bond Indebtedness**

<b>Outstanding Direct and Overlapping Bonded Debt</b>	<b>Type</b>	<b>Issued</b>	<b>Outstanding</b>	<b>% Applicable</b>	<b>Parcels</b>	<b>Amount</b>
Fruitvale School District GOB 1994	GOB	\$14,500,000	\$305,000	0.01206%	1	\$37
Fruitvale School District GOB 2006	GOB	\$15,871,159	\$10,215,302	0.01206%	1	\$1,232
Fruitvale School District GOB 2016	GOB	\$23,000,000	\$20,800,000	0.01206%	1	\$2,509
Kern Community College District SFID 1 GOB 2016	GOB	\$502,820,000	\$357,295,000	7.95220%	19,451	\$28,412,802
Kern Community College District SRID GOB 2002	GOB	\$179,996,081	\$74,673,422	7.95220%	19,451	\$5,938,178
Kern High School District GOB 1990	GOB	\$97,500,000	\$13,860,000	10.62182%	19,451	\$1,472,184
Kern High School District GOB 2004	GOB	\$218,996,209	\$81,746,209	10.62182%	19,451	\$8,682,933
Kern High School District GOB 2016	GOB	\$280,000,000	\$222,825,000	10.62182%	19,451	\$23,668,066
Kern High School District GOB 2022	GOB	\$80,000,000	\$80,000,000	10.62182%	19,451	\$8,497,454
Norris School District GOB 1987	GOB	\$5,746,405	\$120,479	73.13699%	8,962	\$88,115
Norris School District GOB 2012	GOB	\$25,888,981	\$27,255,000	73.13699%	8,962	\$19,933,487
Rio Bravo-Greeley Union School District GOB 2008	GOB	\$8,892,225	\$7,072,235	13.82012%	734	\$977,391
<b>TOTAL GENERAL OBLIGATION BOND INDEBTEDNESS<sup>(2)</sup></b>						<b>\$97,674,388</b>
<b>TOTAL OUTSTANDING GENERAL OBLIGATION BOND INDEBTEDNESS<sup>(2)</sup></b>						<b>\$97,674,388</b>

**TOTAL OF ALL OUTSTANDING AND OVERLAPPING BONDED DEBT**

**\$207,057,865.82**

**VALUE TO ALL OUTSTANDING DIRECT AND OVERLAPPING BONDED DEBT**

**38.59:1**

<sup>(1)</sup> Does not include PACE program liens due to the variable nature of each lien.

<sup>(2)</sup> Additional bonded indebtedness or available bond authorization may exist but are not shown because a tax was not levied for the referenced fiscal year.

<sup>(3)</sup> Includes the Refunded Bonds.

Source: California Tax Data

## Value-to-Lien Ratios

Table 12 below sets forth the estimated value-to-lien ratios for Developed Property and Approved Property within the District based upon the principal amount of the 2024A Bonds and the direct and overlapping debt information included in Table 11. See “SPECIAL RISK FACTORS – Value-to-Lien Ratios” herein for more information about the calculation of value-to-lien ratios.

**Table 12**  
**RNR School Financing Authority**  
**Community Facilities District No. 92-1**  
**Value to Lien Burden Ratio**

Value-to-Lien Category	Number of Units	2024 Bonds*	Other Outstanding Bonds <sup>(1)*</sup>	Other Combined Overlapping Liens and GO Bond Debt <sup>(2)*</sup>	Total Overlapping Liens and GO Bond Debt	Fiscal Year 2024/2025 Assessed Value <sup>(3)</sup>	Combined Value-to-Lien Burden Ratio	Fiscal Year 2024/2025 Special Tax	Percentage Share of Special Tax
25:1 and above	15,476	\$ 9,636,827	\$84,493,251	\$81,647,977	\$175,778,055	\$6,359,654,831	36.18:1	\$10,520,050	90.36%
10:1 to 25:1	1,450	893,392	7,658,422	4,192,308	12,744,122	284,755,423	22.34:1	975,272	8.38
5:1 to 10:1 <sup>(4)</sup>	72	46,919	420,889	39,366	507,175	3,220,408	6.35:1	51,220	0.44
3:1 to 5:1	0	0	0	0	0	0	N/A	0	0.00
3:1 and below <sup>(5)</sup>	94	61,960	555,807	10,049	627,815	822,060	1.31:1	67,638	0.58
Subtotal Developed <sup>(6)</sup>	17,092	\$10,639,098	\$93,128,369	\$85,889,700	\$189,657,167	\$6,648,452,722	35.06:1	\$11,614,180	99.76%
25:1 and above	356	\$ 18,381	\$ 163,660	\$ 322,200	\$ 504,241	\$ 26,156,705	51.87:1	\$ 20,066	0.17%
10:1 to 25:1	114	4,597	41,238	12,636	58,471	1,033,726	17.68:1	5,018	0.04
5:1 to 10:1	15	2,447	21,947	2,510	26,903	205,326	7.63:1	2,671	0.02
3:1 to 5:1	0	0	0	0	0	0	N/A	0	0.00
3:1 and below	5	477	4,280	0	4,757	0	N/A	521	0.00
Subtotal Approved <sup>(6)</sup>	490	\$ 25,902	\$ 231,124	\$ 337,346	\$ 594,372	\$ 27,395,757	46.09:1	\$ 28,276	0.24%
<b>Total<sup>(5)</sup></b>	<b>17,582</b>	<b>\$10,665,000</b>	<b>\$93,359,493</b>	<b>\$86,227,046</b>	<b>\$190,251,539</b>	<b>\$6,675,848,479</b>	<b>35.09:1</b>	<b>\$11,642,456</b>	<b>100.00%</b>

<sup>(1)</sup> Includes the 2014A Bonds, 2015A Bonds, 2015B Bonds, 2016 Bonds, 2017 Bonds, 2019 Bonds, 2021 Bonds, and 2022A Bonds.

<sup>(2)</sup> Source: Detailed Direct and Overlapping Debt Report provided by California Tax Data.

<sup>(3)</sup> Source: Kern County Assessor's Roll value as of January 1, 2024.

<sup>(4)</sup> 60 of the 72 parcels with a Value-to-Lien ratio of 5:1 to 10:1 are classified as Developed Property but have not been assigned improvement values by the County of Kern Assessor's Office as of January 1, 2024, and therefore, only reflect land values.

<sup>(5)</sup> All 94 parcels with a Value-to-Lien ratio of 3:1 and below are classified as Developed Property but have not been assigned improvement values by the County of Kern Assessor's Office as of January 1, 2024, and therefore, only reflect land values.

<sup>(6)</sup> Totals may not sum due to rounding.

\* Preliminary, subject to change.

Source: KeyAnalytics.

## **SPECIAL RISK FACTORS**

*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 2024A 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 2024A Bonds; this Official Statement should be read in its entirety for the purpose of making an informed investment decision. The order in which this information is presented does not necessarily reflect the relative importance of various risks. 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 a rapid depletion of the Reserve Fund and/or a default in payments of the principal of and interest on the 2024A 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 and the ability of the District to sell property which has been subject to foreclosure proceedings for amounts sufficient to cover the delinquent installments of Special Taxes levied against such property. Potential investors in the 2024A Bonds are advised to consider the following factors, among others, and to review this entire Official Statement to obtain information essential to the making of an informed investment decision. Any one or more of the risk factors discussed below, among others, could lead to a decrease in the market value and/or in the marketability of the 2024A Bonds. There can be no assurance that other risk factors not discussed herein will not become material in the future.*

### **Risks of Real Estate Secured Investments Generally**

The Owners of the 2024A Bonds 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 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; and (iii) natural disasters (including, without limitation, fire, wildfire, earthquakes and floods), which may result in uninsured losses.

### **Insufficiency of Special Taxes**

The principal source of payment of principal of and interest on the 2024A Bonds is the proceeds of the annual levy and collection of the Special Tax against property within the District. Special Taxes collected each Fiscal Year are also used to satisfy the requirements of the Administrative Expense prior to being available for payment of the debt service on the 2024A Bonds. Based on current projections, the maximum Special Taxes that may be levied within the District under the Rate and Method exceeds the amounts required to pay the Administrative Expense Requirement and the Maximum Annual Debt Service on the 2024A Bonds. See Table 4 and the information under the caption “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Estimated Debt Service Coverage” herein. Notwithstanding the fact that the maximum Special Taxes that may be levied in the District exceed debt service on the 2024A Bonds, the Special Taxes that are actually collected could be inadequate to make timely payment of debt service on the 2024A Bonds, either because of nonpayment or because property currently subject to Special Taxes becomes exempt from taxation in the future, as discussed more fully under the caption “– Exempt Properties” herein.

Special Taxes do not include (i) the Maximum Single Payment Special Tax, or (ii) any prepayment of Special Tax Revenues for a parcel made upon the issuance of a building permit. Consequently, in the event that a building permit is issued for a parcel that is currently designated as Approved Property, it is

possible for the owner to prepay the special tax obligation for such parcel under the Rate and Method, thereby reducing the amount of Special Taxes available for the payment of debt service on the 2024A Bonds. See “SECURITY AND SOURCE OF PAYMENT FOR THE 2024A Bonds – Special Tax” and “– Assessed Property Values” and “THE DISTRICT – Ownership and Development Within the District.”

*Maximum Rates.* The annual levy of the Special Tax is subject to the maximum tax rates authorized under the Rate and Method. Within the limits of the Rate and Method, the Authority, on behalf of the District, may adjust the Special Tax levied on all property within the District to provide an amount required to pay debt service on the 2024A Bonds and other obligations of the District, and the amount, if any, necessary to replenish the Reserve Fund to an amount equal to the Reserve Requirement and to pay all annual Administrative Expenses and make rebate payments to the United States government. However, the amount of the Special Tax that may be levied against particular categories of property within the District is subject to the maximum rates provided in the Rate and Method. Further, the levy of Special Taxes is limited to the maximum annual amount of Special Taxes authorized by the qualified voters of the District and the limitation imposed by Section 53321 of the Act as applied to the District. Under no circumstances will the Special Taxes levied against any parcel of Residential Property be increased by more than 10% per Fiscal Year as a consequence of delinquency or default by the owner of any other parcel within the District. See the caption “SECURITY AND SOURCE OF PAYMENT FOR THE 2024A Bonds—Special Tax.” The levy cannot be made at a higher rate even if the failure to do so means that the estimated proceeds of the levy and collection of the Special Tax Revenues, together with other available funds, will not be sufficient to pay debt service on the 2024A Bonds. Other funds which might be available include funds derived from the payment of penalties on delinquent Special Taxes and funds derived from the tax sale or foreclosure and sale of parcels on which levies of the Special Tax are delinquent.

There is no assurance that the maximum rates will at all times be sufficient to pay the amounts required to be paid by the Fiscal Agent Agreement. See “SECURITY AND SOURCE OF PAYMENT FOR THE 2024A Bonds – Source of Payment for the 2024A Bonds” and “– Special Tax” and “APPENDIX A – Rate and Method of Apportionment of Special Tax for RNR School Financing Authority Community Facilities District No. 92-1.”

*Depletion of Reserve Fund.* The Reserve Fund is to be maintained at an amount equal to the Reserve Requirement (See “SECURITY AND SOURCE OF PAYMENT FOR THE 2024A Bonds – Reserve Fund”), which in the case of the 2024 Reserve Account, will be the 2024 Reserve Requirement. Under the Fiscal Agent Agreement, the District has covenanted to maintain in the 2024 Reserve Account an amount equal to the Reserve Requirement for such account. If moneys in the Reserve Accounts are depleted, such moneys may be replenished, from the proceeds of the levy and collection of the Special Tax that are in excess of the amount required to pay all amounts to be paid to the owners of the Bonds pursuant to the Fiscal Agent Agreement provided, however, that no replenishment from the proceeds of a Special Tax levy can occur as long as the proceeds that are collected from the levy of the Special Tax against property within the District, at the maximum tax rates under the Rate and Method, together with other available funds, remains insufficient to pay all such amounts. Thus it is possible that if a significant number of delinquencies occur, the Reserve Fund will be depleted and not be replenished by the levy of the Special Tax. In such a circumstance, if such defaults were to continue in successive years, the 2024 Reserve Account could be depleted and a default on the 2024A Bonds could occur if proceeds of a foreclosure sale did not yield a sufficient amount to pay the delinquent Special Taxes.

The Authority will not have an obligation to replace the 2024 Reserve Policy or to fund the 2024 Reserve Account with cash if, at any time that the 2024A Bonds are Outstanding, amounts are not available under the 2024 Reserve Policy other than in connection with a draw on the 2024 Reserve Policy.

## **Billing of Special Taxes**

In order to pay debt service on the 2024A Bonds, it is necessary that the Special Taxes levied against Taxable Property within the District be paid in a timely manner. Under provisions of the Act, the Special Tax will be levied on certain properties within the District on the regular property tax bills sent to owners of such properties. Such Special Tax installments are due and payable, and bear the same penalties and interest for non-payment, as do regular property tax installments.

A special tax formula can result in a substantially heavier property tax burden being imposed upon properties within a community facilities district than elsewhere in a city or county, and this in turn can lead to problems in the collection of the special tax. In some community facilities districts, taxpayers have refused to pay the special tax and have commenced litigation challenging the special tax, the community facilities district, and the 2024A Bonds issued by the affected district. Property within the District is subject to taxes and assessments imposed by other public agencies that have jurisdiction over the land within the District, including the County, the City, and various special districts. See Table 11 herein.

Under provisions of the Act, the Special Taxes are billed to the properties within the District that were entered on the Assessment Roll of the County Assessor by January 1 of the previous Fiscal Year on the regular property tax bills sent to owners of such properties. Such Special Tax installments are due and payable, and bear the same penalties and interest for non-payment, as do regular property tax installments. These Special Tax installment payments cannot be made separately from property tax payments. Therefore, the unwillingness or inability of a property owner to pay regular property tax bills as evidenced by property tax delinquencies may also indicate an unwillingness or inability to make regular property tax payments and installment payments of Special Taxes in the future. See “SECURITY AND SOURCE OF PAYMENT FOR THE 2024A Bonds – Covenant for Superior Court Foreclosure” for a discussion of the provisions that apply, and procedures that the District is obligated to follow, in the event of delinquency in the payment of installments of Special Taxes, as well as certain changes to the foreclosure covenant which will become effective after the date hereof.

## **Collection of Special Tax; Foreclosure**

In order to pay debt service on the 2024A Bonds, it is necessary that the Special Tax levied against land within the District be paid in a timely manner. Failure of the owners of Taxable Property to pay the Special Tax on time could result in a deficiency in the collection of Special Taxes. The Authority has covenanted in the Fiscal Agent Agreement, on behalf of the District, under certain conditions to institute foreclosure proceedings against property with delinquent Special Taxes in order to obtain funds to pay debt service on the 2024A Bonds. If foreclosure proceedings were 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. However, see “Federal Government Interests in Properties – *Mortgage Interests*” herein for the treatment of mortgages held by Federal entities.

In the event such superior court foreclosure is necessary, there could be a delay in principal and interest payments to the Owners of the 2024A Bonds pending prosecution of the foreclosure proceedings and receipt of the proceeds of the foreclosure sale, if any. 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 proceeds of such sale will be sufficient to pay any delinquent Special Tax installment. Further, none of the Authority, the District, or any School District is under any obligation to advance its own funds to pay foreclosure costs. Although the Act authorizes the Authority, on behalf of the District, to cause such an action to be commenced and diligently pursued to completion, the Act does not specify the obligations of the Authority with regard to purchasing or otherwise acquiring any lot or parcel of property sold at the foreclosure sale if there is no other purchaser at such sale. See “SECURITY AND SOURCE OF PAYMENT FOR THE

2024A Bonds – Covenant for Superior Court Foreclosure” for a discussion of the provisions that apply, and procedures that the District is obligated to follow, in the event of delinquency in the payment of installments of Special Taxes, as well as certain changes to the foreclosure covenant which will become effective after the date hereof.

### **Other Taxes and Assessment Liens**

The Special Taxes and any penalties thereon will constitute liens against the lots and parcels of land on which they will be annually imposed until they are paid.

In general, as long as the Special Tax on the parcels within the District is collected on the County tax roll, the Special Tax and all other taxes, assessments and charges also collected on the tax roll are on a parity, that is, are of equal priority. As such, the lien of the Special Tax is on a parity with all special taxes and special assessments levied against such property by other agencies and are coequal to and independent of the lien for general property taxes regardless of when they are imposed upon such property. Questions of priority become significant when collection of one or more of the taxes, assessments or charges is sought by some other procedure, such as foreclosure and sale. In the event of proceedings to foreclose for delinquency of Special Taxes securing the Bonds, the Special Tax will be subordinate only to existing prior governmental liens, if any. Otherwise, in the event of such foreclosure proceedings, the Special Taxes will generally be on a parity with the other taxes, assessments and charges, and will share the proceeds of such foreclosure proceedings on a *pro rata* basis. Although the Special Taxes will generally have priority over non-governmental liens on a parcel of Taxable Property, regardless of whether the non-governmental liens were in existence at the time of the levy of the Special Tax, this result may not apply in the case of bankruptcy.

**The Authority has no control over the ability of other entities and districts to issue indebtedness secured by special taxes or assessments payable from all or a portion of the property within the District. In addition, the landowners within the District may, without the consent or knowledge of the Authority, petition other public agencies to issue public indebtedness secured by special taxes or assessments on the property within the District. Any such special taxes or assessments may have a lien on such property on a parity with the Special Taxes. The imposition of additional liens on a parity with the Special Taxes may reduce the ability or willingness of the landowners to pay the Special Taxes and increases the possibility that foreclosure proceeds will not be adequate to pay delinquent Special Taxes.** See “THE DISTRICT – Direct and Overlapping Debt” for the presently outstanding amount of governmental obligations (with stated exclusions), the tax or assessment for which is or may become an obligation of one or more of the parcels of Taxable Property. The table does not specifically identify which of the governmental obligations are secured by liens on one or more of the parcels of Taxable Property. In addition, other governmental obligations may be authorized and undertaken or issued in the future, the tax, assessment or charge for which may become an obligation of one or more of the parcels of Taxable Property and may be secured by a lien on a parity with the lien of the Special Tax levied on the parcels within the District securing the 2024A Bonds.

While governmental taxes, assessments and charges are a common claim against the value of a parcel of Taxable Property, other less common claims may be relevant. One of the most serious in terms of the potential reduction in the value that may be realized to pay the Special Tax is a claim with regard to a hazardous substance. See “– Factors Affecting Assessed Valuations: Geologic, Environmental, Natural Disasters and Climatic Conditions – *Hazardous Substances*” herein.

## **Exempt Properties**

Pursuant to the Rate and Method, certain property is exempt from the Special Tax, including (i) certain property owned by the State, federal, or other local governments, (ii) property owned by a homeowners' association, (iii) property with public or utility easements making impractical their utilization for other than the purposes set forth in the easement, and (iv) any residential unit within an Entitled Property for which a building permit was issued prior to ten days after date of the landowner election in which the formation of the District was approved. In addition, the Act provides that properties or entities of the State, federal, or local government are exempt from the Special Tax; *provided, however*, that property within the District acquired by a public entity through negotiated transactions, or by gift or devise, which is not otherwise exempt from the Special Tax will continue to be subject to the Special Tax. 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. If for any reason property subject to the Special Tax 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 authorized rate of levy, the Special Tax may be reallocated to the remaining taxable properties within the District, depending on where such property is located.

This would result in the owners of such property paying a greater amount of the Special Tax and could have an adverse impact upon the timely payment of the Special Tax; however, the amount of Special Tax to be levied and collected from the property owner is subject to the Maximum Annual Special Tax as set forth in the Rate and Method and to the limitation in the Act that under no circumstances shall the Maximum Annual Special Taxes be increased on a parcel used for private residential purposes by more than two percent in any year and under no circumstances may the Special Taxes levied on any non-residential parcel be increased by more than ten percent from year to year. If a substantial portion of land within the District became exempt from the Special Tax because of public ownership, or otherwise, the maximum Special Tax that could be levied upon the remaining acreage might not be sufficient to pay principal of and interest on the 2024A Bonds when due and a default will occur with respect to the payment of such principal and interest.

The District includes approximately 15,600 acres of land, of which approximately 14,100 acres are subject to the Special Tax, approximately 950 acres represent properties that have prepaid the Special Tax obligation and are therefore not subject to the payment of the Special Tax, and approximately 550 acres are public property (including streets and public parks) that is not subject to the payment of the Special Tax.

The Act further provides that no other properties or entities are exempt from the Special Tax unless the properties or entities are expressly exempted in a resolution of consideration to levy a new special tax or to alter the rate or method of apportionment of an existing special tax. The Act would prohibit the Authority, on behalf of the District, from adopting a resolution to reduce the rate of the Special Tax or terminate the levy of the Special Tax unless the Authority determined that the reduction or termination of the Special Tax "would not interfere with the timely retirement" of the 2024A Bonds. See "Constitutional Limitations on Taxation and Appropriations."

## **Property Values; Assessed and Appraised Values**

The aggregate assessed value of Developed Property (excluding Approved Property) within the District, as reflected on County records as of January 1, 2024, is approximately \$6,648,452,722. It is important to note that this is an aggregate number, and the Special Taxes are levied on the property within the District on a parcel-by-parcel basis in accordance with the classification of such property under the Rate

and Method. See “SECURITY AND SOURCE OF PAYMENT FOR THE 2024A Bonds – Assessed Property Values” for a more detailed description of the assessed value of the land within the District.

The Authority has not sought the present opinion of any appraiser of the value of the Taxable Property. The value of the property as shown on the records of the County Assessor and used by the County Assessor to levy *ad valorem* real property taxes provides the most accessible source of information about land values within the District.

Prospective purchasers of the 2024A Bonds should not assume that the land within the District could be sold for the assessed amount described in this Official Statement or an appraisal report at a foreclosure sale for delinquent Special Taxes. The assessed values summarized herein estimate the fee simple interest assessed value of the property within the District. This value is merely the amount of the assessed value in the records maintained by the County Assessor. The assessed value relates to sale by a willing seller to a willing buyer at a point in time, as adjusted by State law. Consequently, the assessed value is of limited use in predicting the selling price at a foreclosure sale, because the sale is forced and the buyer may not have the benefit of full information.

The levy of the Special Tax will rarely, if ever, result in a uniform relationship between the value of particular Taxable Property and the amount of the levy of the Special Tax against such parcels. Thus, there will rarely, if ever, be a uniform relationship between the value of such parcels in the District and the proportionate share of debt service on the 2024A Bonds, and certainly not a direct relationship.

No assurance can be given that if any of the Taxable Property in the District should become delinquent in the payment of Special Taxes, and be foreclosed upon, that such property could be sold for the assessed value, nor for a sum sufficient to cover delinquencies in Special Tax payments.

### **Factors Affecting Assessed Valuations: Geologic, Environmental, Natural Disasters and Climatic Conditions**

The value of land within the District is a crucial factor in determining whether there will be a purchaser at a foreclosure sale and whether a foreclosure action to collect delinquent Special Taxes will yield sufficient monies to cure such delinquencies. See “SECURITY AND SOURCES OF PAYMENT FOR THE 2024A BONDS – Assessed Property Values.” The value of the land is subject to change in each year and such changes may result from a variety of factors.

*Geologic, Topographic and Climatic Conditions.* The value of the Taxable Property in the District in the future can be adversely affected by a variety of additional factors, particularly those which may affect infrastructure and other public improvements and private improvements on the parcels of Taxable Property and the continued habitability and enjoyment of such private improvements. Such additional factors include, without limitation, geologic conditions such as earthquakes and volcanic eruptions, topographic conditions such as earth movements, landslides, liquefaction, floods or fires, and climatic conditions such as tornadoes, droughts, and the possible reduction in water allocation or availability. It can be expected that one or more of such conditions may occur and may result in damage to improvements of varying seriousness, that the damage may entail significant repair or replacement costs and that repair or replacement may never occur either because of the cost or because repair or replacement will not facilitate habitability or other use, or because other considerations preclude such repair or replacement. Under any of these circumstances, the value of the Taxable Property may well depreciate or disappear.

In recent years, there have been several notable natural disasters in the State, including wildfire, drought conditions, and winter storms.

On August 27, 2018, the California Natural Resources Agency released its Fourth Climate Change Assessment, which included as key findings that the frequency of drought and the amount of acres burned by wildfire in the State would both increase in the future. This report details significant economic impact to the State as a result of these and other natural disasters. The report is publicly available at <http://www.climateassessment.ca.gov/>. The reference to this internet website is shown for reference and convenience only; the information contained within the website may not be current, has not been reviewed by the District and is not incorporated herein by reference.

Neither the Authority nor the District can predict or make any representation regarding the effects that natural disasters, such as fire, wildfire, drought or extended drought conditions, earthquakes or other natural or man-made conditions have or may have on the value of taxable property within the District, or to what extent the effects of such natural disasters might have on property values, delinquencies of payment of the Special Tax, or economic activity within the District or throughout the State.

*Wildfire, Drought, and Winter Storms.* Major wildfires have occurred in recent years in different regions of the State, including significant fires throughout the fall of 2020. The District did not sustain any serious property losses as a result of these fires in 2020. However, property damage due to wildfire could result in a significant decrease in the market value of property within the District and in the ability or willingness of property owners to pay Special Taxes when due. Serious and significant property damage has resulted in other areas of the State due to fire damage. The Governor has signed a number of measures into law addressing issues related to increased wildfire risk in the State, including forest management, mutual aid for fire departments, emergency alerts and safety mandates.

The State has been subject to numerous drought emergencies in recent years, affecting substantial portions of the State, including at times the areas in which the District is located. Governor Newsom declared regional drought emergencies throughout the State during 2021, including in Kern County, and issued a number of drought proclamations in response. Since then, the State experienced a record-breaking dry period in January and February of 2022, which led the Governor to maintain the aforementioned emergency drought proclamations, and established State Water Resources Board review of emergency regulations related to drought conditions. However, California experienced an unexpected increase in the amount of winter storms and increased rainfall and snowpack, leading to an unseasonably wet winter in late 2022 and early 2023, which impacted communities across the State, easing drought conditions across the State considerably. Accordingly, in March 2023, the Governor rescinded some of the State's drought restrictions, including restrictions in the County.

There can be no assurance that drought conditions will not return in the future, and any such drought conditions could impact the District. Unseasonably wet winters or winter storms can also lead to an increase in vegetation, creating conditions that lead to more substantial wildfires. As stated above, the Authority can not make any prediction about the impact of drought conditions, wildfires, or winter storms on the District or the payment of the Special Tax.

*Seismic Activity.* The District, along with much of the State, shares a history of seismic activity and is thus listed as a "Zone 4" earthquake area under the Uniform Building Code. A Zone 4 designation has the most restrictive design requirements for new construction. There are no known major earthquake faults within the boundaries of the District; however, there are several faults, including the San Andreas Fault and the White Wolf Fault, that are considered active faults and that are located within a radius of approximately 40 miles from the District. Activity along these faults could potentially result in damage to the buildings, roads, bridges, and property within the District in the event of a major earthquake. The Kern County earthquake of 1952, which occurred on the White Wolf Fault, caused considerable and widespread damage within the District and surrounding areas. Since the Kern County earthquake of 1952, no earthquake has caused any material structural damage in the District.

If a major earthquake were to occur, it may substantially damage or destroy all or a portion of the 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, and the Reserve Fund may eventually become depleted. In addition, the value of land in the District could be diminished in the aftermath of such an earthquake, reducing the resulting proceeds of foreclosure sales in the event of delinquencies in the payment of the Special Taxes. Residential housing within the District is subject to applicable building codes, including requirements relating to seismic safety, however the Authority cannot make any representation as to whether residential housing has been built to satisfy such codes, or if so, whether compliance will be sufficient to withstand damage from a major earthquake. The District does not maintain any earthquake insurance and can make no assurances that any property owner within the District has or will purchase earthquake insurance in the future.

*Flood Zone.* The District is located in a flood insurance rate zone designated by the Federal Emergency Management Agency (“FEMA”) as “Zone C.” According to FEMA, Zones B, C, and X refer to flood insurance rate zones that are not within the 100-year floodplain and are therefore not considered to pose a flood hazard. The term “100-year flood” refers to the flood elevation that has a one percent chance of being equaled or exceeded in any given year. A base flood may also be referred to as a “100-year storm” and the area inundated during the base flood is sometimes called the “100-year floodplain.” The 100-year flood, which is the standard used by most federal and state agencies, is used by the National Flood Insurance Program as the standard for floodplain management and to determine the need for flood insurance.

Flood insurance, if purchased, would be the responsibility of individual property owners and the District has no information about which, if any, of the property owners within the District have purchased flood insurance. No flood insurance has been or will be obtained by the Authority. In the event of a catastrophic flood, property owners may be unwilling or unable to pay their property taxes, including the Special Taxes, which would in turn have a material adverse effect on the ability of the District to pay principal of and interest on the 2024A Bonds.

*Availability of Property and Casualty Insurance.* Beginning in 2023, a number of insurance companies announced that they would cease accepting certain new applications in California, or otherwise limiting issuance of policies in California, which at times include all business and personal lines property and casualty insurance, citing reasons such as exposure to wildfires, severe weather and other catastrophic exposure, higher costs for repairing homes, and higher reinsurance premiums. Any adverse impact of the availability of homeowner’s insurance on the homeowners in the District and the real estate market in general cannot be predicted, but it is possible that homeowner’s insurance may not be readily available to homeowners within the District in the future, which may impact both the values of the homes within the District and the availability of mortgages to finance the acquisition of properties within the District. The District can provide no assurances whether future changes in insurance markets may occur, and what impact, if any, these changes may have on the values of the properties within the District.

*Endangered Species Habitat.* In recent years, there has been an increase in activity at the State and federal level related to the possible listing of certain plant and animal species, including those found in the Kern County area as endangered or threatened species. If there were an increase in the number of species declared as endangered or threatened in the region surrounding the District, development could be curtailed. A determination that certain nearby property is to be preserved as habitat for an endangered or threatened species could have an adverse effect on property values within the District, which in turn could reduce the potential value of land within the District upon the occasion of a foreclosure sale for delinquent Special Tax installments.

The U.S. Fish and Wildlife Service maintains a list of endangered species present in Kern County on its website at <https://ecos.fws.gov/ecp/report/species>. The reference to this internet website is shown for

reference and convenience only; the information contained within the website may not be current, has not been reviewed by the Authority and is not incorporated herein by reference. The Authority cannot make any representation about the presence of any endangered species in the District or the impact on development therein.

*Hazardous Substances.* Although governmental taxes, assessments, and charges are common claims against taxed parcels within the District, other less common claims may be relevant to the valuation of such property. One of the most serious in terms of the potential reduction in the value of the affected property is a claim with regard to hazardous substances. In general, the owners and operators of parcels within the District may be required by law to remedy conditions of the parcels related to the 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 “Superfund Act,” is the best known and most widely applicable of these laws, but California laws with regard to hazardous substances are also stringent and similar. Under many of these laws, the owner (or operator) is obligated to remedy a hazardous substances condition of a property whether or not the owner (or operator) has anything to do with creating or handling the hazardous substance. The effect, therefore, should any parcel within the District be affected by a hazardous substance, would be to reduce the marketability and value of the parcel by the costs of remedying the condition, because the owner (or operator) is obligated to remedy the condition. Further, such liabilities may arise not simply from the existence of a hazardous substance but from the method of handling or disposing of it. All of these possibilities could significantly affect the financial and legal ability of a property owner to develop the affected parcel or other parcels, as well as the value of the property that is realizable upon a delinquency and foreclosure.

Further, it is possible that liabilities may arise in the future with respect to any of the parcels within the District resulting from the existence, currently or in the future, on the parcel of a substance presently classified as hazardous but which has not been released or the release of which is not presently threatened, or may arise in the future resulting from the existence, currently or in the future, on the parcel of a substance not presently classified as hazardous but which may in the future be so classified. Further, such liabilities may arise not simply from the existence of a hazardous substance but from the method of handling or disposing of it. All of these possibilities could significantly affect the value of a taxed parcel that is realizable upon a delinquency of the Special Tax.

The assessed values of the property within the District do not take into account the possible reduction in marketability and value of any of the parcels of Taxable Property by reason of the possible liability of the owner (or operator) for the remedy of a hazardous substance condition of the parcel. The District has not independently verified and is not aware that the owner (or operator) has such a current liability with respect to any of the parcels of Taxable Property. However, it is possible that such liabilities do currently exist and that the District is not aware of them.

*Pandemic.* The global outbreak of the novel coronavirus, a respiratory disease previously declared to be a pandemic by the World Health Organization in March 2020, significantly affected the national capital markets and national, state and local economies in various ways. As a result of the pandemic, Governor Newsom issued executive orders waiving penalties and interest on taxes on property on the secured or unsecured roll for a limited period of time under certain conditions. These waivers have ceased, however there can be no assurance that State or federal measures in response to a pandemic, which could include waivers of payment of taxes such as the Special Tax, will not be imposed in the future. The impact of a pandemic or similar public health emergency on the District, including the ability to complete development within the District as planned, homebuyers’ willingness and ability to pay Special Taxes when due, and the real estate market in general cannot be predicted.

*Economic, Political, Social and Other Environmental Conditions.* Prospective investors are encouraged to evaluate current and prospective economic, political, social, and environmental conditions as part of an informed investment decision. Changes in economic, political, social, or environmental conditions on a local, state, federal, and/or international level may adversely affect investment risk generally. Such conditional changes may include (but are not limited to) fluctuations in business production, relocation of major employers, consumer prices, or financial markets, unemployment rates, technological advancements, shortages or surpluses in water, energy supplies, or other natural resources, changes in law, social unrest, fluctuations in the crime rate, political conflict, acts of war or terrorism, environmental damage, and man-made and natural disasters.

### **Fluctuations in the Housing Market**

From 2002 through the first half of 2006, the California housing market experienced accelerating demand and significant price appreciation. One factor that contributed to the positive housing marketing during this period was the use of unconventional mortgage structures, including mortgages that bear a low initial (or “teaser”) fixed interest rate that converts to an adjustable rate after several years, and interest-only mortgages that include a balloon payment after a fixed period of interest-only payments. Many homeowners who financed the purchase of their homes with such mortgages experienced significant increases in their monthly mortgage payments after the initial low-interest period. Some of these homeowners could not maintain payments on their existing loans or obtain refinancing loans for their homes. As a result of such mortgage practices and other economic factors, between 2008 and 2012, foreclosure proceedings in California increased dramatically and housing prices in California fell by more than 30%. Since 2012, foreclosures have slowed and housing prices have generally recovered to pre-2008 levels.

The Authority has not undertaken to assess the financial condition of the current owners of the residential properties within the District and expresses no opinion concerning these matters. The Authority cannot predict and expresses no opinion as to whether or how such factors may affect appeals of assessed values or delinquencies in the collection of property taxes, including Special Taxes, within the District.

### **Land Development**

The Special Tax is levied on certain taxable property within the District as specified in the Rate and Method. It is anticipated that the Special Taxes levied on the property that is currently Developed Property will be sufficient to pay debt service on the 2024A Bonds. Consequently, the payment of debt service on the 2024A Bonds is not dependent on future development of the land within the District. As a result, certain considerations that could otherwise adversely impact the ability of the Authority to collect Special Taxes in an amount sufficient to pay debt service with on the 2024A Bonds, such as the availability of water for new users or the future discovery of endangered species on undeveloped property, do not pose as substantial a risk to the collection of a sufficient amount of Special Tax Revenues to pay debt service with on the 2024A Bonds.

However, failure to develop the Approved Property within the District for any reason, including passage of any legislation or initiative measure limiting growth or development within the District, could adversely affect the market value of the remaining property in the District and may, in turn, adversely affect the ability and willingness of the landowners in the District to pay the Special Tax and their ability to obtain sufficient proceeds at a foreclosure sale.

## **Value-to-Lien Ratios**

Value-to-lien ratios have traditionally been used in land-secured bond issues as a measure of the “collateral” supporting the willingness of property owners to pay their special taxes and assessments (and, in effect, their general property taxes as well). The value-to-lien ratio is mathematically a fraction, the numerator of which is the value of the property (usually either the assessed value or a market value as determined by an appraiser) and the denominator of which is the “lien” of the assessments or special taxes as represented by the principal amount of bonds repaid by such assessment or special tax. A value-to-lien ratio should not, however, be viewed as a guarantee of credit-worthiness. Land values are especially sensitive to economic cycles. A downturn of the economy may depress land values and hence reduce the value-to-lien ratios. Further, the value-to-lien ratio typically cited for a bond issue is an average. Individual parcels within a community facilities district may fall above or below the average, sometimes even below a 1:1 ratio (with a ratio below 1:1, the land is worth less than the bonded debt on it.) Although judicial foreclosure proceedings can be initiated rapidly, the process can take several years to complete, and the bankruptcy courts may impede the foreclosure action.

Local agencies may form overlapping community facilities districts or assessment districts. Such local agencies typically do not coordinate their bond issuances. Debt issuance by or on behalf of an entity other than the District can therefore dilute value-to-debt ratios originally described for the District.

## **Limited Obligations of the District**

The Bonds are not general obligations of the Authority, the School Districts or the District, but are limited obligations of the District only secured by a pledge of and lien described under the caption “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS.” No funds or properties of the Authority, the School Districts, or the District are pledged to, or otherwise liable for, the payment of the principal of, premium (if any) or interest on the Bonds. No Owner of the Bonds may compel the exercise of any taxing power by the Authority, the District or the School Districts or force the forfeiture of any of their respective property. The principal of and interest on the Bonds are limited obligations of the District and are not a legal or equitable pledge, charge, lien or encumbrance, upon any of its property or the property of the School Districts, or upon any of their respective income, receipts or revenues, except the Special Tax.

The District has no obligation to pay principal of and interest on the 2024A Bonds if the Special Tax collections are delinquent, other than from amounts, if any, on deposit in the 2024A Reserve Account or funds derived from the tax sale or foreclosure and sale of parcels on which levies of the Special Tax are delinquent, nor are the Authority, the District or the School Districts obligated to advance funds to pay debt service on the 2024A Bonds.

## **Special Taxes Are Not Personal Obligations**

The current and future owners of land within the District are not personally obligated for the payment of the Special Tax. Rather, the Special Tax is an obligation only upon the land within the District. If the value of the land within the District is not sufficient to fully secure the Special Tax, then the Authority has no recourse against the landowner under the laws by which the Special Tax has been levied and the 2024A Bonds have been issued. Significant uncured delinquencies in the payment of the Special Tax would have a material effect on the ability of the District to provide for payment of the principal of and interest on the Bonds.

## **Private Indebtedness**

Deeds of trust securing home purchases by home buyers or construction financing by merchant builders may encumber those properties within the District. Any such private liens, as well as any future private liens secured by land within the District, are subordinate to the lien securing the Special Tax. Nevertheless, the existence of such private debt could reduce the ability of property owners to pay the Special Tax. In addition, other financial obligations of property owners may also affect their ability to pay the Special Tax.

## **Disclosure to Future Property Owners**

The Authority has recorded Notice of Special Tax Liens in the Office of the County Recorder of the County of Kern in the form required pursuant to Section 53328.3 of the Act. While title companies generally refer to such notices in title reports, the Authority cannot guarantee that such title company references will in fact be made or, if made, that a prospective purchaser or lender will consider such Special Tax obligation in the purchase of a parcel of land or a home in the District or the lending of money thereon. The Act requires the subdivider (or its agent or representative) of a subdivision to notify a prospective purchaser or long-term lessor of any lot, parcel, or unit subject to a Mello-Roos special tax of the existence and maximum amount of such special tax using a statutorily prescribed form. California Civil Code Section 1102.6b requires that in the case of transfers, other than those covered by the above requirement, the seller must at least make a good faith effort to notify the prospective purchaser of the special tax lien in a format prescribed by statute. Failure by a title company to make reference to such Notice in a title report, failure by an owner of the property to comply with the above requirements, or failure by a purchaser or lessor to consider or understand the nature and existence of the Special Tax, could adversely affect the willingness and ability of the purchaser or lessor to pay the Special Tax when due.

Further, it is possible that liabilities may arise in the future with respect to any of the parcels of Taxable Property resulting from the existence, currently, on the parcel of a substance presently classified as hazardous but which has not been released or the release of which is not presently threatened, or may arise in the future resulting from the existence, currently, on the parcel of a substance not presently classified as hazardous but which may in the future be so classified. Further, such liabilities may arise not simply from the existence of a hazardous substance but from the method of handling or disposing of it. All of these possibilities could significantly affect the value of a Taxable Property that is realizable upon a delinquency.

The Authority can give no assurance that a prospective purchaser, lessee, or lender will consider the Special Tax obligation in the purchase or lease of property or the lending of money thereon. Failure by a title company to make reference to such notice in a title report, or failure by a prospective purchaser, lessee, or lender to consider the Special Tax obligation in the purchase or lease of property or the lending of money thereon, may affect the willingness and ability of future owners of land within the District to pay the Special Tax when due.

## **No Acceleration**

**THERE IS NO PROVISION IN THE 2024A BONDS OR THE FISCAL AGENT AGREEMENT FOR ACCELERATION OF THE PAYMENT OF PRINCIPAL OF OR INTEREST ON THE 2024A BONDS IN THE EVENT OF A DEFAULT BY THE DISTRICT OR IN THE EVENT INTEREST ON THE 2024A BONDS BECOMES INCLUDED IN GROSS INCOME FOR FEDERAL INCOME TAX PURPOSES. SEE "TAX MATTERS."**

## **Potential Early Redemption of 2024A Bonds from Special Tax Prepayments**

Property owners within the District are permitted to prepay their Special Taxes at any time. Such payments will result in a redemption of 2024A Bonds on the Interest Payment Date for which timely notice may be given under the Fiscal Agent Agreement following the receipt of any such prepayment. The resulting redemption of 2024A Bonds that may have been purchased at a price greater than par could reduce the otherwise expected yield on such 2024A Bonds for affected Owners.

## **Issuance of Additional Indebtedness**

Additional Bonds may be issued under the Fiscal Agent Agreement; provided, however, that certain conditions must be met prior to the issuance of Additional Bonds, including certification by the Special Tax Consultant as to the sufficiency of the Special Tax Revenues. See “SECURITY AND SOURCE OF PAYMENT FOR THE 2024A Bonds – Additional Bonds” for a discussion of the specific conditions under which Additional Bonds may be issued.

The Fiscal Agent Agreement also permits the Authority to issue bond anticipation notes (“Notes”) in accordance with Section 53365.7 of the Act, payable from Special Tax Revenues. On June 24, 1999, the Authority issued its first series of such Notes, which were refunded in whole with a portion of the proceeds from the sale of the 2000 Bonds and are no longer outstanding. On October 28, 2019, the Authority issued additional Notes, which were refunded in whole with a portion of the proceeds from the sale of the 2019 Bonds and are no longer outstanding. No other Notes have been issued and are currently outstanding.

## **Constitutional Limitations on Taxation and Appropriations**

*Article XIII A.* On June 6, 1978, California voters approved an amendment (commonly known as “Proposition 13” or the “Jarvis-Gann Initiative”) to the California Constitution. This amendment, which added Article XIII A to the California Constitution, among other things, placed significant limits on the imposition of new *ad valorem* property taxes, special taxes, transaction taxes, and sales taxes. Section 4 of Article XIII A permits cities, counties, and special districts, by a two-thirds vote of the qualified electors of the jurisdiction, to impose special taxes, except for *ad valorem* property taxes on real property or a transaction tax or sales tax on the sale of real property. The Special Tax is a special tax approved by the voters within the District in accordance with the procedures set forth in Section 4 of Article XIII A. The Authority has not pledged any taxes other than the Special Taxes to the repayment of the 2024A Bonds and, given the limitations on *ad valorem* property taxes imposed by Article XIII A, does not have any *ad valorem* property taxes to repay the 2024A Bonds.

Article XIII A does permit the levy of *ad valorem* property taxes and the imposition of special assessments to pay interest and redemption charges on bonded indebtedness for the acquisition or improvement of real property approved on or after July 1, 1978, by two-thirds of the votes cast by voters voting at the election proposing the taxes or assessments. Were the qualified voters to approve indebtedness payable from *ad valorem* property taxes or assessments against property within the District, those taxes or assessments would be on a parity with the Special Taxes. See “SPECIAL RISK FACTORS – Other Tax and Assessment Liens.” Article XIII A effectively prohibits the levying of any other *ad valorem* property tax above the 1% limit except for taxes to support indebtedness approved by the voters as described above.

*Article XIII B.* The State of California and State and local government agencies are subject to annual “appropriation limits” imposed by Article XIII B of the California Constitution. Among other things, Article XIII B prohibits the State and local government agencies from spending “appropriations subject to limitation” in excess of the appropriations limit imposed. “Appropriations subject to limitations” include authorizations to spend “proceeds of taxes,” which consist of tax revenues, certain state subventions, and

certain other funds, including proceeds from regulatory licenses, user charges, or other fees to the extent that such proceeds exceed “the cost reasonably borne by such entity in providing the regulation, product or service.” No limit is imposed on appropriations of funds that are not “proceeds of taxes,” such as appropriations for debt service on indebtedness existing or authorized before January 1, 1979, or subsequently authorized by the voters, appropriations required to comply with mandates of courts or the federal government, reasonable user charges, or fees and certain other nontax funds. Since the 2024A Bonds constitute indebtedness authorized by the voters of the District, the Authority does not intend to treat the Special Taxes as “appropriations subject to limitation.” Notwithstanding this fact, the Act permits, and the qualified electors in the District have approved, an appropriations limit.

*Proposition 218.* Proposition 218 (“Proposition 218”), a state ballot initiative known as the “Right to Vote on Taxes Act,” was approved by California voters on November 6, 1996. Proposition 218 added Articles XIII C and XIII D to the California Constitution and, with the exception of certain provisions, Articles XIII C and XIII D became effective on November 6, 1996.

Among other things, Proposition 218 imposed certain voting requirements and other limitations on the imposition of new or increased taxes, assessments, and property-related fees and charges. Under Proposition 218 (i) all taxes imposed by local governments are deemed to be either general taxes or special taxes, (ii) no local government may impose, extend, or increase any general tax unless and until such tax is submitted to the electorate and approved by a majority vote, and (iii) no local government may impose, extend, or increase any special tax unless and until such tax is submitted to the electorate and approved by a two-thirds vote. Special purpose districts, including community facilities districts, have no power to levy general taxes. The Special Taxes were authorized by not less than a two-thirds vote of the property owners within the District who constituted the qualified electors of the District at the time of such vote. The Authority believes that the issuance of the 2024A Bonds does not require the conduct of further proceedings under the Act or Proposition 218, other than as described herein.

Proposition 218 provides that the initiative power shall “not be prohibited or otherwise limited in matters of reducing or repealing any local tax, assessment, fee or charge.” Thus, Proposition 218 removes limitations on the initiative power in matters of, among other things, the Special Taxes. Consequently, it is conceivable that the voters of the City or the District could, by future initiative, repeal, reduce, or prohibit the future imposition or increase of any Special Tax, subject to overriding federal constitutional principles relating to impairment of contracts.

The interpretation and application of Proposition 218 will ultimately be determined by the courts with respect to a number of the matters discussed above, and it is not possible at this time to predict with certainty the outcome of such determination.

*Shapiro Decision.* On August 1, 2014, the California Court of Appeal, Fourth Appellate District, Division One, issued its opinion in *City of San Diego v. Melvin Shapiro, et al.* (D063997) (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 and 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 XIII A, Section 4 thereof and Article XIII C, Section 2 thereof require that the electors in such an election be the registered voters within the district.

The facts of the San Diego Decision show that there were thousands of registered voters within the CCFD (*viz.*, all of the registered voters in San Diego). In the case of the District, there were fewer than 12 registered voters within the District at the time of the elections to authorize the Special Tax levy for the District. 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 does not apply to the Special Tax elections in the District. The Supreme Court of the State has not yet decided whether landowner elections (as opposed to resident elections) satisfy requirements of Section 4 of Article XIII A, nor has the Supreme Court decided whether the special taxes of a community facilities district constitute a "special tax" for purposes of Article XIII A. 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. Voters approved the Special Tax and the issuance of bonds by the District for the District in compliance with all applicable requirements of the Act at the time of the formation of the District in 1993.

The foregoing discussion and related matters should not be considered an exhaustive or authoritative treatment of the issues. The District does not expect to be in a position to control the consideration or disposition of these issues and cannot predict the timing or outcome of any judicial or legislative activity in this regard. Interim rulings, final decisions, legislative proposals and legislative enactments may all affect the impact of the Proposition 218 on the 2024A Bonds as well as the market for the 2024A Bonds. Legislative and court calendar delays and other factors may prolong any uncertainty regarding the effects of the Initiative.

### **Future Local and State Restrictions, Initiatives and Legislative Measures**

Other events that may affect the value of Taxable Property include changes in the law or application of the law. Such changes may include, without limitation, local growth control initiatives, local utility connection moratoriums and local application of statewide tax and governmental spending limitation measures.

Articles XIII A and XIII B, and Proposition 218 were submitted to and approved by the voters of the State pursuant to the State's constitutional initiative process. On March 6, 1995, in *Rossi v. Brown* (9 Cal.4th 688), the Supreme Court of the State held that an initiative can repeal a tax ordinance and prohibit the imposition of further such taxes and that the exemption of taxes from the referendum requirements does not apply to initiatives. From time to time, other initiative measures could be adopted by the voters of the State. In addition, the State Legislature has in the past enacted legislation which has altered the spending limitations or established minimum funding provisions for particular activities. The adoption of any such initiative or legislation might place limitations on the ability of the State, the City, the District, the Authority, the School Districts, and other local districts to increase revenues or to increase appropriations or on the ability of the property owners within the District to complete their respective proposed development plans.

## Federal Government Interests in Properties

The ability of the Authority to foreclose the lien of delinquent unpaid Special Tax installments may be limited with regard to properties in which the Federal Deposit Insurance Corporation (the “FDIC”), Fannie Mae, Freddie Mac, the Drug Enforcement Agency, the Internal Revenue Service or other similar federal governmental agencies has or obtains an interest. In the event that any financial institution having made any loan secured by real property within the District is taken over by the FDIC, and prior thereto or thereafter, the loan or loans go into default, then the ability of the Authority to collect interest and penalties specified by State law and to foreclose the lien of delinquent unpaid Special Tax may be limited.

*FDIC.* Specifically, with respect to the FDIC, the FDIC’s policy statement regarding the payment of state and local real property taxes (the “Policy Statement”) provides that property owned by the FDIC is subject to state and local real property taxes only if those taxes are assessed according to the property’s value and that the FDIC is immune from real property taxes assessed on any basis other than property value. According to the Policy Statement, the FDIC will pay its property tax obligations when they become due and payable and will pay claims for delinquent property taxes as promptly as is consistent with sound business practice and the orderly administration of the institution’s affairs, unless abandonment of the FDIC’s interest in the property is appropriate. The FDIC will pay claims for interest on delinquent property taxes owed at the rate provided under state law, to the extent the interest payment obligation is secured by a valid lien. The FDIC will not pay any amounts in the nature of fines or penalties and will not pay nor recognize liens for such amounts. If any property taxes (including interest) on FDIC-owned property are secured by a valid lien (in effect before the property became owned by the FDIC), the FDIC will pay those claims. The Policy Statement further provides that no property of the FDIC is subject to levy, attachment, garnishment, foreclosure, or sale without the FDIC’s consent. In addition, the FDIC will not permit a lien or security interest held by the FDIC to be eliminated by foreclosure without the FDIC’s consent.

The Policy Statement states that the FDIC generally will not pay other than *ad valorem* property taxes, including special assessments, on property in which it has a fee interest unless the amount of tax is fixed at the time that the FDIC acquires its fee interest in the property, nor will it recognize the validity of any lien to the extent it purports to secure the payment of any such amounts. Special taxes imposed under the Act and a special tax formula which determines the special tax due each year are specifically identified in the Policy Statement as being imposed each year and therefore covered by the FDIC’s federal immunity.

According to the County Assessor’s Roll, as of January 1, 2024, the FDIC did not own any property in the District. The Authority is unable to predict what effect the application of the Policy Statement would have in the event of a delinquency in the payment of Special Taxes on a parcel within the District 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 could reduce or eliminate the number of persons willing to purchase a parcel at a foreclosure sale. Owners of the Bonds should assume that the District will be unable to collect Special Taxes or to foreclose on any parcel within the District owned by the FDIC. Such an outcome could cause a draw on the Reserve Account and perhaps, ultimately, a default in payment on the 2024A Bonds. The Authority has not engaged in any undertaking to determine whether a governmental entity has or is likely to have a mortgage interest in any of the parcels subject to Special Taxes within the District and expresses no view concerning the likelihood that the risks described above will materialize while the 2024A Bonds are outstanding.

*Mortgage Interests.* Similarly, 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, any Thing 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 “– Exempt Properties” above.

### **Limitations on Remedies**

The enforceability of the rights and remedies of the Owners of the 2024A Bonds and the Fiscal Agent, and the obligations incurred by the Authority, on behalf of the District, as described herein may be subject to the following: the federal bankruptcy code and applicable bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or affecting the enforcement of creditors’ rights generally, now or hereafter in effect; usual equity principles, which may limit the specific enforcement under State law of certain remedies; the exercise by the federal government of the powers delegated to it by the United States Constitution; and the reasonable and necessary exercise, in certain exceptional situations, of the police power inherent in the sovereignty of the State and its governmental bodies in the interest of serving a significant and legitimate public purpose. Bankruptcy proceedings, or the exercise of powers by the federal or state government, if initiated, could subject the owners of the 2024A Bonds to judicial discretion and interpretation of their rights in bankruptcy or otherwise, and consequently may entail risks of delay, limitations, or modification of their rights.

### **Potential Delay and Limitations in Foreclosure Proceedings**

The collection of the Special Taxes and the ability of the Authority to foreclose the lien of a delinquent Special Tax may be limited by bankruptcy, reorganization, insolvency, or other similar laws generally affecting creditors’ rights or by the laws of the State of California relating to judicial foreclosure. See “SECURITY AND SOURCE OF PAYMENT FOR THE 2024A Bonds – Covenant for Superior Court Foreclosure.” In addition, the prosecution of a foreclosure could be delayed due to crowded local court calendars or legal delaying tactics. The various legal opinions to be delivered concurrently with the delivery of the 2024A Bonds (including Bond Counsel’s approving legal opinion) will be qualified as to enforceability of the various legal instruments by references to moratorium, bankruptcy, reorganization, insolvency, and other similar laws affecting the rights of creditors generally.

As suggested above, potential investors should be aware that judicial foreclosure proceedings are not summary remedies and can be subject to significant procedural and other delays caused by crowded court calendars and other factors beyond the control of the Authority, the District or the School Districts. Judicial remedies, such as foreclosure and enforcement of covenants, are subject to the exercise of judicial discretion. A California court may not strictly apply certain remedies or enforce certain covenants if it concludes that application or enforcement would be unreasonable under the circumstances, and it may delay the application of such remedies and enforcement. Potential investors should assume that, under current

conditions, it is estimated that a judicial foreclosure of the lien of Special Taxes may take up to two or three years from initiation to the lien foreclosure sale. At a Special Tax lien foreclosure sale, each parcel will be sold for not less than the “minimum bid amount” which is equal to the sum of all delinquent Special Tax installments, penalties and interest thereon, costs of collection (including reasonable attorneys’ fees), post-judgment interest and costs of sale. Each parcel is sold at foreclosure for the amounts secured by the Special Tax lien on such parcel and multiple parcels may not be aggregated in a single “bulk” foreclosure sale. If any parcel fails to obtain a “minimum bid,” the District may, but is not obligated to, seek superior court approval to sell such parcel at an amount less than the minimum bid. Such superior court approval requires the consent of the Owners of 75% of the aggregate principal amount of the outstanding Bonds. Potential investors should also consider the likelihood that a property owner may be delinquent in his payment of other taxes and liens, in addition to the Special Tax, further complicating the foreclosure process.

Delays and uncertainties in the Special Tax lien foreclosure process create significant risks for Bondowners. High rates of special tax payment delinquencies, which continue during the pendency of protracted Special Tax lien foreclosure proceedings, could result in the rapid or total depletion of the Reserve Fund prior to replenishment from the resale of property upon foreclosure. In that event, there could be a default in payment of the principal of, and interest on, the 2024A Bonds. See “– Special Taxes Are Not Personal Obligations” above.

If a judgment of foreclosure and order of sale is obtained, the judgment creditor (the District) must cause a notice of levy to be issued. Under current law, a judgment debtor (property owner) has 120 days (or in some cases a shorter period) from the date of service of the notice of levy and 20 days from the subsequent notice of sale in which to redeem the property to be sold. If a judgment debtor fails to so redeem and the property is sold, his only remedy is an action to set aside the sale, which must be brought within 90 days of the date of sale. If, as a result of such action, a foreclosure sale is set aside, the judgment is revived and the judgment creditor is entitled to interest on the revived judgment as if the sale had not been made. The constitutionality of the aforementioned legislation, which repeals the former one-year redemption period, has not been tested, and there can be no assurance that, if tested, such legislation would be upheld. Any parcel subject to foreclosure sale must be sold at the minimum bid price unless a lesser minimum bid price is authorized by the Owners of 75% of the aggregate principal amount of the Bonds Outstanding.

No assurances 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 Special Tax installment. The Act does not require the Authority, the School Districts or the District to purchase or otherwise acquire any lot or parcel of property offered for sale or subject to foreclosure if there is no other purchaser at such sale. The Act does specify that the Special Tax will have the same lien priority in the case of delinquency as do *ad valorem* property taxes.

If the 2024 Reserve Account is depleted and delinquencies in the payment of Special Taxes exist, there could be a default or delay in payments to the Bondowners pending prosecution of foreclosure proceedings and receipt by the District of foreclosure sale proceeds, if any. However, within the limits of the Rate and Method and the Act, the District may adjust the Special Taxes levied on all property in the District in future Fiscal Years to provide an amount, taking into account such delinquencies, required to pay debt service on the 2024A Bonds and to replenish the 2024 Reserve Account. There is, however, no assurance that the maximum Special Tax rates will be at all times sufficient to pay the amounts required to be paid on the 2024A Bonds by the Fiscal Agent Agreement. The levy of Special Taxes is limited to the maximum annual amount of Special Taxes authorized by the qualified voters of the District and the limitation imposed by Section 53321 of the Act as applied to the District. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Special Taxes.”

## Bankruptcy

The payment of Special Taxes and the ability of the Authority to foreclose the lien of a delinquent unpaid Special Tax may be limited by bankruptcy, insolvency or other laws generally affecting creditors' rights or by State laws relating to judicial foreclosure.

Although bankruptcy proceedings would not cause the Special Tax to become extinguished, bankruptcy of a property owner or of a partner or other equity owner of a property owner could result in a court-imposed delay in the establishment of the lien for the Special Taxes, a delay in prosecuting superior court foreclosure proceedings, or an adverse impact upon the property owner's ability or willingness to pay the Special Taxes, and could result in the partial nonpayment of delinquent tax installments. In addition, the amount of any lien on property within the District securing the payment of delinquent Special Taxes could be reduced if the value of the property were determined by the bankruptcy court to have become less than the amount of the lien, and the amount of the delinquent Special Taxes in excess of the reduced lien could then be treated as an unsecured claim by the court. Any such stay of the enforcement of the lien for the Special Taxes, or any such delay, non-payment, or partial payment would increase the likelihood of a delay or default in payment of the principal of and interest on the 2024A Bonds and the possibility of delinquent Special Taxes not being paid in full. Moreover, amounts received upon foreclosure sales may not be sufficient to fully discharge delinquent installments. To the extent that a significant percentage of the taxable property in the District is owned by any one property owner and such owner is the subject of bankruptcy proceedings, the payment of the Special Taxes and the ability of the District to foreclose the lien of a delinquent unpaid Special Taxes could be significantly curtailed by bankruptcy, insolvency or other laws generally affecting creditors' rights.

On July 30, 1992, the United States Court of Appeals for the Ninth Circuit issued an opinion in a bankruptcy case entitled *In re Glasply Marine Industries*, holding that *ad valorem* property taxes levied by a county in the State of Washington after the date that the property owner filed a petition for bankruptcy were not entitled to priority over the claims of a secured creditor with a prior lien on the property. Although the court upheld the priority of unpaid taxes imposed before the bankruptcy petition, unpaid taxes imposed subsequent to the filing of the bankruptcy petition were declared to be "administrative expenses" of the bankruptcy estate, payable after the claims of all secured creditors. As a result, the secured creditor was able to foreclose on the subject property and retain all the proceeds from the sale thereof except the amount of the pre-petition taxes. Pursuant to this holding, post-petition taxes would be paid only as administrative expenses and only if a bankruptcy estate has sufficient assets to do so. In certain circumstances, payment of such administrative expenses may be allowed to be deferred. Once the property is transferred out of the bankruptcy estate (through foreclosure or otherwise) it would be subject only to current *ad valorem* property taxes (*i.e.*, not those accruing during the bankruptcy proceeding).

The *Glasply* decision is controlling precedent in bankruptcy court in the State. If *Glasply* were held to be applicable to the Special Tax, a bankruptcy petition filing would prevent the lien for Special Taxes levied in subsequent fiscal years from attaching so long as the property was part of the estate in bankruptcy, which could reduce the amount of Special Tax available to pay debt service on the 2024A Bonds. However, *Glasply* speaks as to *ad valorem* property taxes, and not special taxes, and no case law exists with respect to how a bankruptcy court would treat a lien for special taxes levied after the filing of a petition for bankruptcy.

It should also be noted that on October 22, 1994, Congress enacted 11 U.S.C. §362(b)(18), which added a new exception to the automatic stay for *ad valorem* property taxes imposed by a political subdivision after the filing of a bankruptcy petition. Under this law, if a bankruptcy petition is filed on or after October 22, 1994, the lien for *ad valorem* property taxes in subsequent fiscal years will attach even if the property is part of the bankruptcy estate. Bondowners should be aware that the potential effect of

11 U.S.C. §362(b)(18) on the Special Tax also depends upon whether a court were to determine that the Special Taxes should be treated like *ad valorem* property taxes for this purpose.

Other laws generally affecting creditors' rights may affect the ability to enforce payment of Special Taxes or the time of enforcement of the right to collect Special Taxes. For example, the Soldiers and Sailors Civil Relief Act of 1940 affords protections such as a stay in enforcement of foreclosure on real property owned by a member of the armed forces, the right to a six-month period after termination of a term of military service to redeem property sold to enforce the collection of the Special Taxes and a limitation on the interest rate that may be charged on delinquent Special Taxes if the court concludes that the ability of the service member to pay such Special Taxes was materially affected by reason of that person's military service.

### **Limited Secondary Market**

There can be no assurance that there will ever be a secondary market for purchase or sale of the 2024A Bonds and, from time to time, there may be no market for them, depending upon prevailing market conditions and the financial condition or market position of firms who may comprise the secondary market.

Although the District has covenanted to provide continuing secondary market disclosure, including certain financial and operating information, there can be no assurance that such information will be available to Owners on a timely basis. See "CONTINUING DISCLOSURE." The failure to provide the required annual disclosure 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, 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, secondary market prices for issues depend upon the then-prevailing circumstances. Such prices could be substantially different from the original purchase prices of the 2024A Bonds.

### **Loss of Tax Exemption**

As discussed under the caption "TAX MATTERS," interest on the 2024A Bonds could cease to be excluded from gross income for federal income tax purposes retroactive to the date the 2024A Bonds were issued as a result of future acts or omissions of the District and the School Districts in violation of certain provisions of the Code and the covenants of the Fiscal Agent Agreement. In order to maintain the exclusion from gross income for federal income tax purposes of the interest on the 2024A Bonds, the District has covenanted in the Fiscal Agent Agreement not to take any action, or fail to take any action, if such action or failure to take such action would adversely affect the exclusion from gross income of interest on the 2024A Bonds under Section 103 of the Code. Norris has made a similar covenant in the tax and nonarbitrage certificate executed by the District and the School District in connection with the issuance of the 2024A Bonds (the "Tax Certificate"). Should such an event of taxability occur, the 2024A Bonds would not be subject to special redemption or any increase in interest rate and would remain outstanding until maturity or until redeemed under the mandatory sinking fund redemption provisions of the Fiscal Agent Agreement. See "THE BONDS – Redemption."

### **IRS Audit of Tax-Exempt Bond Issues**

The Internal Revenue Service ("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 2024A Bonds will be selected for audit by the IRS. It is also possible that the market value of the 2024A Bonds might be affected as a result of such an audit of the 2024A Bonds (or by an audit of similar bonds). See "TAX MATTERS" herein.

## **Legislative Proposals, Clarification of the Code, and Court Decisions on Tax Exemption**

Recent legislation, future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the 2024A Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Owners of the 2024A Bonds from realizing the full current benefit of the tax status of such interest. Recent legislation, the introduction or enactment of any such future legislative proposals, clarification of the Code or court decisions may also affect the market price for, liquidity of or marketability of, the 2024A Bonds.

Prospective purchasers of the 2024A Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation as to all of which Bond Counsel expresses no opinion. As discussed in this Official Statement, under the caption “TAX MATTERS,” interest on the 2024A Bonds could become includable in gross income for purposes of federal income taxation retroactive to the date the 2024A Bonds are issued as a result of future acts or omissions of the District in violation of its covenants in the Fiscal Agent Agreement. Should such an event of taxability occur, the 2024A Bonds are not subject to special redemption or acceleration and will remain outstanding until maturity or until redeemed under one of the other redemption provisions contained in the Fiscal Agent Agreement.

### **Tax Matters**

See “TAX MATTERS” herein for additional tax-related risks.

### **Cybersecurity Risk**

The School Districts, like many other public and private entities, rely on computer and other digital networks and systems to conduct their operations. As a recipient and provider of personal, private or other electronic sensitive information, the School Districts are potentially subject to multiple cyber threats including, but not limited to, hacking, viruses, malware and other attacks on computer and other sensitive digital networks and systems. Entities or individuals may attempt to gain unauthorized access to a School District’s systems for the purposes of misappropriating assets or information or causing operational disruption or damage. No assurance can be given that each of the School Districts’ efforts to manage cyber threats and attacks will, in all cases, be successful or that any such attack will not materially impact the operations or finances of such School District. The School Districts are also reliant on other entities and service providers, such as the County Treasurer for the levy and collection of Special Taxes securing payment of the Bonds, or the Fiscal Agent or the Dissemination Agent in connection with compliance by the District and the School Districts with their continuing disclosure undertakings.

The School Districts have never had a major cyber breach that resulted in a financial loss. Each School District maintains insurance coverage for cyber security losses should a successful breach ever occur.

No assurance can be given that a School District may not be affected by cyber threats and attacks against other entities or service providers in a manner which may affect the Owners of the 2024A Bonds, e.g., systems related to the timeliness of payments on their respective 2024A Bonds or compliance with disclosure filings pursuant to the Continuing Disclosure Agreement.

## **LEGAL OPINION**

The legal opinion of Nixon Peabody LLP, approving the validity of the 2024A Bonds will be made available to purchasers at the time of original delivery thereof. The form of such opinion as proposed to be delivered by Bond Counsel is set forth as APPENDIX B to this Official Statement. A copy of the legal opinion will be delivered with the 2024A Bonds. Certain legal matters will be passed upon for the Underwriter by Stradling Yocca Carlson & Rauth LLP, Newport Beach, California, and for the Authority and the District by Nixon Peabody LLP.

## **TAX MATTERS**

### **Federal Income Taxes**

The Internal Revenue Code of 1986, as amended (the “Code”), imposes certain requirements that must be met subsequent to the issuance and delivery of the 2024A Bonds for interest thereon to be and remain excluded from gross income for federal income tax purposes. Noncompliance with such requirements could cause the interest on the 2024A Bonds to be included in gross income for federal income tax purposes retroactive to the date of issue of the 2024A Bonds. Pursuant to the Fiscal Agent Agreement and the Tax Certificate, the Authority, and Norris, as applicable, have covenanted to comply with the applicable requirements of the Code in order to maintain the exclusion of the interest on the 2024A Bonds from gross income for federal income tax purposes pursuant to Section 103 of the Code. In addition, the Authority and Norris, as applicable, have made certain representations and certifications in the Fiscal Agent Agreement and the Tax Certificate. Bond Counsel will not independently verify the accuracy of those representations and certifications.

In the opinion of Nixon Peabody LLP, Bond Counsel, under existing law and assuming compliance with the aforementioned covenant, and the accuracy of certain representations and certifications made by the Authority and Norris described above, interest on the 2024A Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Code. Bond Counsel is also of the opinion that such interest is not treated as a preference item in calculating the alternative minimum tax imposed under the Code. Interest on the 2024A Bonds will be taken into account in computing the alternative minimum tax imposed on certain corporations under the Code to the extent that such interest is included in the “adjusted financial statement income” of such corporations.

### **State Taxes**

Bond Counsel is also of the opinion that interest on the 2024A Bonds is exempt from personal income taxes of the State of California under present State law. Bond Counsel expresses no opinion as to other State or local tax consequences arising with respect to the 2024A Bonds nor as to the taxability of the 2024A Bonds or the income therefrom under the laws of any state other than California.

### **Original Issue Discount**

Bond Counsel is further of the opinion that the excess of the principal amount of a maturity of the 2024A Bonds over its issue price (i.e., the first price at which price a substantial amount of such maturity of the 2024A Bonds was sold to the public, excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) (each, a “Discount Bond” and collectively, the “Discount Bonds”) constitutes original issue discount which is excluded from gross income for federal income tax purposes to the same extent as interest on the 2024A Bonds. Further, such original issue discount accrues actuarially on a constant interest rate basis over the term of each Discount Bond and the basis of each Discount Bond acquired at such issue price by an initial purchaser thereof will be increased

by the amount of such accrued original issue discount. The accrual of original issue discount may be taken into account as an increase in the amount of tax-exempt income for purposes of determining various other tax consequences of owning the Discount Bonds, even though there will not be a corresponding cash payment. Owners of the Discount Bonds are advised that they should consult with their own advisors with respect to the state and local tax consequences of owning such Discount Bonds.

### **Original Issue Premium**

2024A Bonds sold at prices in excess of their principal amounts are “Premium Bonds.” An initial purchaser with an initial adjusted basis in a Premium Bond in excess of its principal amount will have amortizable bond premium which offsets the amount of tax-exempt interest and is not deductible from gross income for federal income tax purposes. The amount of amortizable bond premium for a taxable year is determined actuarially on a constant interest rate basis over the term of each Premium Bond based on the purchaser’s yield to maturity (or, in the case of Premium Bonds callable prior to their maturity, over the period to the call date, based on the purchaser’s yield to the call date and giving effect to any call premium). For purposes of determining gain or loss on the sale or other disposition of a Premium Bond, an initial purchaser who acquires such obligation with an amortizable bond premium is required to decrease such purchaser’s adjusted basis in such Premium Bond annually by the amount of amortizable bond premium for the taxable year. The amortization of bond premium may be taken into account as a reduction in the amount of tax-exempt income for purposes of determining various other tax consequences of owning such Bonds. Owners of the Premium Bonds are advised that they should consult with their own advisors with respect to the state and local tax consequences of owning such Premium Bonds.

### **Ancillary Tax Matters**

Ownership of the 2024A Bonds may result in other federal tax consequences to certain taxpayers, including, without limitation, certain S corporations, foreign corporations with branches in the United States, property and casualty insurance companies, individuals receiving Social Security or Railroad Retirement benefits, individuals seeking to claim the earned income credit, and taxpayers (including banks, thrift institutions and other financial institutions) who may be deemed to have incurred or continued indebtedness to purchase or to carry the 2024A Bonds. Prospective investors are advised to consult their own tax advisors regarding these rules.

Interest paid on tax-exempt obligations such as the 2024A Bonds is subject to information reporting to the IRS in a manner similar to interest paid on taxable obligations. In addition, interest on the 2024A Bonds may be subject to backup withholding if such interest is paid to a registered owner that (a) fails to provide certain identifying information (such as the registered owner’s taxpayer identification number) in the manner required by the IRS, or (b) has been identified by the IRS as being subject to backup withholding.

Bond Counsel is not rendering any opinion as to any federal tax matters other than those described in the opinions attached as APPENDIX B. Prospective investors, particularly those who may be subject to special rules described above, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of the 2024A Bonds, as well as any tax consequences arising under the laws of any state or other taxing jurisdiction.

### **Changes in Law and Post Issuance Events**

Legislative or administrative actions and court decisions, at either the federal or state level, could have an adverse impact on the potential benefits of the exclusion from gross income of the interest on the 2024A Bonds for federal or state income tax purposes, and thus on the value or marketability of the 2024A

Bonds. This could result from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), repeal of the exclusion of the interest on the 2024A Bonds from gross income for federal or state income tax purposes, or otherwise. It is not possible to predict whether any legislative or administrative actions or court decisions having an adverse impact on the federal or state income tax treatment of holders of the 2024A Bonds may occur. Prospective purchasers of the 2024A Bonds should consult their own tax advisors regarding the impact of any change in law on the 2024A Bonds. Bond Counsel has not undertaken to advise in the future whether any events after the date of issuance and delivery of the 2024A Bonds may affect the tax status of interest on the 2024A Bonds. Bond Counsel expresses no opinion as to any federal, state or local tax law consequences with respect to the 2024A Bonds, or the interest thereon, if any action is taken with respect to the 2024A Bonds or the proceeds thereof upon the advice or approval of other counsel.

### **NO LITIGATION**

At the time of delivery of and payment for the 2024A Bonds, an officer of the Authority, on behalf of the District, will deliver a certification that to the best of such officer's knowledge, there is no action, suit, proceeding, or investigation, at law or in equity, before or by any court or governmental agency or body, pending or threatened against the District or the Authority, to restrain or to enjoin the issuance, execution, or delivery of the 2024A Bonds, or in any way contesting or affecting the validity of the Resolution of Issuance, the Fiscal Agent Agreement, the 2024A Bonds, the Purchase Agreement (as defined below) for the 2024A Bonds, or contesting the powers of the Authority, for itself and on behalf of the District, to enter into or perform its obligations under any of the foregoing.

### **UNDERWRITING**

The 2024A Bonds are being purchased through a negotiated sale by the Underwriter. The Underwriter has agreed to purchase the 2024A Bonds at a purchase price of \$\_\_\_\_\_ (the aggregate principal amount of the 2024A Bonds, less an Underwriter's discount of \$\_\_\_\_\_, and plus a net original issue premium/discount of \$\_\_\_\_\_). The Bond Purchase Agreement for the 2024A Bonds (the "Purchase Agreement") provides that the Underwriter will purchase all of the 2024A Bonds if any are purchased, the obligation to make such purchase being subject to certain terms and conditions set forth in the Purchase Agreement, the approval of certain legal matters by counsel and certain other conditions. The initial public offering prices set forth on the inside front cover of this Official Statement may be changed by the Underwriter. The Underwriter may offer and sell the 2024A Bonds to certain dealers and others at prices lower than the public offering prices set forth on the inside front cover page hereof.

The Underwriter and its affiliates comprise a full service financial institution engaged in activities which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. The Underwriter and its affiliates may have provided, and may in the future provide, a variety of these services to the Authority and to persons and entities with relationships with the Authority, for which they received or will receive customary fees and expenses.

In the ordinary course of these business activities, the Underwriter and its affiliates may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the Authority (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the Authority.

The Underwriter and its affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire such assets, securities and instruments. Such investment and securities activities may involve securities and instruments of the Authority.

### **PROFESSIONAL FEES**

The fees payable to certain professionals, including the Underwriter, California Financial Services, as Municipal Advisor, Nixon Peabody LLP, as Bond Counsel and Disclosure Counsel, KeyAnalytics, a division of California Financial Services, as Special Tax Consultant, Stradling Yocca Carlson & Rauth LLP, as underwriter's counsel, and the Fiscal Agent, are contingent upon the issuance of the 2024A Bonds.

### **CONTINUING DISCLOSURE**

As a condition precedent to the delivery of the 2024A Bonds, the Authority, on behalf of the District, will be required to execute and deliver a Continuing Disclosure Agreement substantially in the form attached hereto as APPENDIX D (the "Continuing Disclosure Agreement"). Pursuant to the Continuing Disclosure Agreement, the Authority, on behalf of the District, will covenant to provide certain financial information and operating data relating to the District each year, and to provide audited financial statements of the Authority for Fiscal Year 2023-24 and for each subsequent Fiscal Year when they are available (collectively, the "Annual Report"), and to provide notices of the occurrence of certain other enumerated events listed in the Continuing Disclosure Agreement. The Annual Report will be filed by the Authority, on behalf of the District, with the MSRB and may also be obtained from the Authority. The notices of material events will be timely filed by the Authority with the MSRB.

Within the last five years, the Authority has not failed to file in a timely manner certain information required by the Authority's existing continuing disclosure undertakings. KeyAnalytics, a division of California Financial Services, acts as dissemination agent under the Continuing Disclosure Agreement.

### **RATING**

S&P Global Ratings ("S&P") has assigned a municipal bond rating of "AA" to the Insured Bonds based on the delivery of the Policy. In addition, S&P has assigned a rating of "A" to the 2024A Bonds and an underlying municipal bond rating of "A" to the Insured Bonds. The Authority may have furnished certain materials and information with respect to the 2024A Bonds, the Authority, the District, and the School Districts to the rating agency, including information not included in this Official Statement, about the 2024A Bonds, the Authority, the District, and the School Districts. Generally, a rating agency bases its rating on the information and materials furnished by the Authority and others, and on investigations, studies, and assumptions made by such rating agency. A rating may be changed, suspended, or withdrawn as a result of changes, in or unavailability of, information. There is no assurance that any such rating will be in effect for any given period of time or that any such rating will not be revised downward or withdrawn entirely by the applicable rating agency if, in the judgment of such agency, circumstances so warrant. Those circumstances may include, among other things, changes in or unavailability of information relating to the 2024A Bonds, the Authority, the District, and the School Districts. Any such downward revision or withdrawal may have an adverse effect on the market price of the 2024A Bonds. None of the Authority, the District nor the School Districts have undertaken any responsibility after issuance of the 2024A Bonds to assure the maintenance of the rating applicable thereto or to oppose any revision or withdrawal of such rating. Such rating reflects only the views of the applicable rating agency and an explanation of the significance of a rating may be obtained only from the rating agency furnishing the same at the following address: S&P Global Ratings, 55 Water Street, New York, New York 10041.

## **MISCELLANEOUS**

All of the summaries herein of the provisions of the Fiscal Agent Agreement, applicable statutes, agreements, reports, and other documents are made subject to the provisions of such documents; such summaries do not purport to be complete or definitive statements of such provisions and are qualified in their entirety by reference to such documents, copies of which are on file with the Fiscal Agent.

The execution and delivery of this Official Statement have been duly authorized by the Authority on behalf of the District.

**RNR SCHOOL FINANCING AUTHORITY  
COMMUNITY FACILITIES DISTRICT NO. 92-1**

By: \_\_\_\_\_  
Chair of the Board of Commissioners of the  
RNR School Financing Authority, acting as the  
legislative body of the District

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## APPENDIX A

### RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX FOR RNR SCHOOL FINANCING AUTHORITY COMMUNITY FACILITIES DISTRICT NO. 92-1

A Special Tax (the “Special Tax”) shall be levied on and collected in Community Facilities District No. 92-1 (“CFD No. 92-1”) each Fiscal Year, in an amount determined by the Board of Commissioners of the RNR School Financing Authority through the application of the appropriate Special Tax for “Developed Property,” “Approved Property,” and “Undeveloped Property” as described below. All of the property in CFD No. 92-1, unless exempted by law or by the provisions hereof, shall be taxed for the purpose, to the extent and in the manner herein provided.

#### SECTION A DEFINITIONS

The terms hereinafter set forth have the following meanings:

“**Act**” means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, Division 2 of Title 5 of the Government Code of the State of California.

“**Administrative Expenses**” means any ordinary and necessary expenses of the RNR School Financing Authority to carry out its duties as the legislative body of CFD No. 92-1.

“**Annual Special Tax**” means the Special Tax to be levied in each Fiscal Year on each Assessor’s Parcel of Developed Property and Approved Property to fund the Annual Special Tax Requirement.

“**Annual Special Tax Requirement**” means that amount required in any Fiscal Year to pay: (1) debt service on all bonds or other indebtedness or other periodic costs on the bonds or other indebtedness of CFD No. 92-1, (2) the cost of acquisition, construction, furnishing or equipping of Facilities, (3) the reasonable and necessary Administrative Expenses of CFD No. 92-1, (4) the accumulation of funds reasonably required for future debt service, (5) costs associated with the release of funds from an escrow account, (6) any amounts required to establish or replenish any reserve fund established in association with bonds or other indebtedness of CFD No. 92-1, (7) lease payments for existing or future Facilities, and (8) any other payments permitted by law.

“**Approved Property**” means an Assessor’s Parcel in CFD No. 92-1 which has a final tract map that was recorded prior to March 1 of the prior Fiscal Year, but for which no building permit has been issued, provided however, that the foregoing designation of Approved Property shall apply only to parcels which have been subdivided for the purpose of final residential or commercial land use into parcels consisting of ten acres or less.

“**Assessor’s Parcel**” means a parcel of land designated on a map of the Kern County Assessor and which parcel has been assigned a discrete identifying number.

“**Board**” means the Board of Commissioners of the RNR School Financing Authority, as created by the Joint Exercise of Powers Agreement, acting as the legislative body of CFD No. 92-1.

“**Developed Property**” means any Assessor’s Parcel in CFD No. 92-1 for which a residential or commercial/industrial building permit was issued as of March 1 of the prior Fiscal Year. Developed Property will include both property classified as Entitled Property and not classified as Entitled Property.

**“Entitled Property”** means a residential project for which, in compliance with the California Environmental Quality Act (CEQA), a Notice of Determination (NOD) has been filed pursuant to Public Resources Code Section 21000 *et seq.* with the Clerk of the Board of Supervisors of the County of Kern prior to the July 1, 1991. In addition, Entitled Property is property which has been zoned for residential use prior to July 1, 1991, and for which a Memorandum of Understanding No. 1 with the Board has been executed prior to ten days after the approval of the Resolution of Formation. Any increase to the zoned density at the request of the landowner of such residential project after July 1, 1991, will cause the residential project to forfeit the status of Entitled Property.

**“Facilities”** means those school facilities (including land) and other facilities which Member(s) of the RNR School Financing Authority are authorized by law to construct, own or operate and which would service the area within the jurisdiction of one or more Members.

**“Fiscal Year”** means the period commencing on July 1 of any year and ending the following June 30.

**“Gross Floor Area”** means the area included within the surrounding exterior walls of any building or portion thereof, exclusive of vent shafts and courts and attached or detached parking. Gross Floor Area of any particular structure shall be as determined by reference to the building permit for such structure in effect as of March 1 of the prior Fiscal Year.

**“Maximum Single Payment Special Tax”** means the one-time Special Tax to be levied in any Fiscal Year on each Assessor’s Parcel of Residential Property pursuant to Section C below.

**“Maximum Annual Special Tax”** means the maximum Special Tax, determined in accordance with Section C below, that can be levied by the Board in any Fiscal Year for each Zoning Class of Developed Property and Approved Property, as applicable.

**“Member”** means any one of the original parties to the Joint Exercise of Powers Agreement creating the RNR School Financing Authority.

**“Multiple Residential Zones”** means a zone designated for multifamily dwellings. A multifamily dwelling is a building or portion thereof designed for or occupied by two (2) or more families living independently of each other.

**“Proportionately”** means the ratio of the actual Annual Special Tax levy to the applicable Maximum Annual Special Tax is equal for all Assessor’s Parcels within the same classification or Zoning Class. For example, for all Developed Property which is not classified as Entitled Property is Zoning Class No. 1, Proportionately shall mean that the ratio of the Annual Special Tax levy to the Maximum Annual Special Tax is equal for all Assessor’s Parcels classified as Zoning Class No. 1.

**“Single-Family Detached Zones”** means a zone designated for single-family detached dwellings. A single-family detached dwelling is a building or buildings designed for or occupied exclusively by one (1) family, excluding a mobile home.

**“Taxable Property”** means all Assessor’s Parcels within the boundaries of CFD No. 92-1 which are not exempt from the Special Tax pursuant to the Act or pursuant to Section E below.

**“Undeveloped Property”** means any Assessor’s Parcel in CFD No. 92-1 for which no final tract map has been filed and no commercial/industrial or residential building permit has been issued as of March 1 of the prior Fiscal Year.

**“Zoning Class”** means the classes listed in Table I and Table II below.

**SECTION B**  
**ASSIGNMENT TO LAND USE CATEGORIES**

On July 1 of each Fiscal Year, beginning July 1, 1992, all Taxable Property within CFD No. 92-1 shall be classified as Developed Property, Approved Property, or Undeveloped Property, and shall be subject to tax in accordance with the rate and method of apportionment determined pursuant to Sections C, D and E below.

For the purpose of determining the applicable Assigned Special Tax for each Assessor's Parcel of Developed Property, either classified or not classified as Entitled Property, shall be assigned to one of the Zoning Classes designated in Table I or Table II below.

**SECTION C**  
**MAXIMUM SPECIAL TAX RATES**

**1. DEVELOPED PROPERTY**

**(a) Property Not Classified as Entitled Property**

**(i) Maximum Annual Special Tax**

The Maximum Annual Special Tax for each Assessor's Parcel not classified as Entitled Property shall be the amount derived by application of Table I below.

**TABLE I**

<b>Maximum Annual Special Taxes for Developed Property <u>Not</u> Classified as Entitled Property Community Facilities District No. 92-1 (Fiscal Year 1992-93)</b>		
<b>Zoning Class</b>	<b>Description</b>	<b>Assigned Special Tax</b>
1	Property Located in Single-Family Detached Zones	\$392.00 per unit
2	Property Located in Multiple Residential or Mobile Home Zones	\$148.00 per unit
3	Commercial/Industrial Property	\$.0348 per sq. ft. of Gross Floor Area

**(ii) Maximum Single Payment Special Tax**

The Maximum Single Payment Special Tax shall be paid upon the issuance of a residential building permit for an Assessor's Parcel. The Maximum Single Payment Special Tax in Fiscal Year 1992-93 for such an Assessor's Parcel shall be \$1.25 per building square foot for residential property. The Maximum Single Payment Special Tax would be in lieu of a development fee as required by Section 53313.8 of the Government Code.

The square footage of a residential unit (interior living space, excluding garages) shall be determined by reference to the building permit application for such parcel,

as submitted to the County of Kern or other authorized local governmental authority.

The Maximum Single Payment Special Tax applicable to any Assessor's Parcel may be reduced or eliminated through the contribution of Facilities to the Member which has jurisdiction over the subject property. The amount of reduction applied to the Maximum Single Payment Special Tax shall be determined by and is contingent upon approval from the Member acquiring the Facilities.

**(b) Entitled Property**

**(i) Maximum Annual Special Tax**

The Maximum Annual Special Tax for each Assessor's Parcel classified as Entitled Property shall be the amount derived by application of Table II below.

**TABLE II**

<b>Maximum Annual Special Taxes for Developed Property Classified as Entitled Property Community Facilities District No. 92-1 (Fiscal Year 1992-93)</b>		
<b>Zoning Class</b>	<b>Description</b>	<b>Assigned Special Tax</b>
1	Property Located in Single-Family Detached Zones	\$292.00 per unit
2	Property Located in Multiple Residential or Mobile Home Zones	\$110.00 per unit

Each Assessor's Parcel of Entitled Property shall be subject to only a portion of the Maximum Annual Special Tax as indicated in Table II above during the first three fiscal years. The highest Annual Special Taxes that may be levied during that period are:

<b>Fiscal Year</b>	<b>Annual Special Tax (Zoning Class 1)</b>	<b>Annual Special Tax (Zoning Class 2)</b>
1992-93	\$0.00	\$0.00
1993-94	\$200.00	\$75.00
1994-95	\$200.00	\$75.00

**(ii) Maximum Single Payment Special Tax**

The Maximum Single Payment Special Tax shall be paid upon the issuance of a residential building permit for an Assessor's Parcel. The Maximum Single Payment Special Tax in Fiscal Year 1992-93 for such an Assessor's Parcel shall be \$1.25 per building square foot for residential property. The Maximum Single

Payment Special Tax would be in lieu of a development fee as required by Section 53313.8 of the Government Code.

The square footage of a residential unit (interior living space, excluding garages) shall be determined by reference to the building permit application for such parcel, as submitted to the County of Kern or other authorized local governmental authority.

The Maximum Single Payment Special Tax applicable to any Assessor's Parcel may be reduced or eliminated through the contribution of Facilities to the Member which has jurisdiction over the subject property. The amount of reduction applied to the Maximum Single Payment Special Tax shall be determined by and is contingent upon approval from the Member acquiring the Facilities.

**2. APPROVED PROPERTY**

The Maximum Annual Special Tax for each Assessor's Parcel classified as Approved Property shall be \$100 per gross acre or portion thereof in Fiscal Year 1992-93.

**3. UNDEVELOPED PROPERTY**

There shall be no Annual Special Tax collected from Undeveloped Property.

In making the computations in determining the Maximum Annual Special Taxes of CFD No. 92-1 which may be levied on an Assessor's Parcel in any Fiscal Year, on July 1, 1993 and on each July 1 thereafter, the above-mentioned Special Taxes for Developed Property and Approved Property shall be increased by an amount equal to two percent of the Special Tax for the previous Fiscal Year. In computing the Maximum Single Payment Special Tax of CFD No. 92-1 which may be levied on an Assessor's Parcel in any Fiscal Year, on July 1, 1993 and on each July 1 thereafter, the above-mentioned Single Payment Special Tax shall be increased by an amount equal to the annual percentage change in the Lee Saylor Construction Cost Index for Class D construction for the preceding twelve (12) months.

**SECTION D  
METHOD OF APPORTIONMENT OF THE SPECIAL TAX TO DEVELOPED  
PROPERTY, ENTITLED PROPERTY, APPROVED PROPERTY,  
AND UNDEVELOPED PROPERTY**

Commencing Fiscal Year 1992-93 and for each subsequent Fiscal Year, the Board shall determine the amount of money to be collected from Taxable Property in CFD No. 92-1.

**The Board shall levy the Annual Special Tax as follows until the amount of the levy equals the Annual Special Tax Requirement for CFD No. 92-1:**

First: The Annual Special Tax shall be levied on Developed Property and Approved Property Proportionately up to 100 percent of the Maximum Annual Special Tax for each Assessor's Parcel to the extent necessary to generate sufficient revenues to equal the Special Tax Requirement.

Second: If additional monies are needed after the first step has been completed, publicly owned properties which are not exempt under Section E may be taxed Proportionately up to 100 percent of the Maximum Annual Special Tax for the Zoning Class in which its properties have been developed.

## **SECTION E EXEMPTIONS**

The Board shall not levy a Special Tax on properties owned by the State of California, federal or other local governments except as otherwise provided in Sections 53317.3 and 53317.5 of the Government Code. Notwithstanding the above, the Board shall not levy a Special Tax on properties owned by a homeowners' association or properties with public or utility easements making impractical their utilization for other than the purposes set forth in the easement. In addition, the Board shall not levy an Annual Special Tax on any residential unit within an Entitled Property for which a building permit was issued prior to ten days after the landowner election creating CFD No. 92-1.

## **SECTION F APPEALS**

Any landowner or resident who feels that the amount of the Annual Special Tax levied is in error may file a notice with the RNR School Financing Authority appealing the levy of the Annual Special Tax. A representative of CFD No. 92-1 will then review the appeal and, if necessary, meet with the appellant. If the findings of the representative verify that the amount of the Annual Special Tax should be modified or changed, then, as appropriate, the Annual Special Tax levy shall be corrected.

## **SECTION G COLLECTION OF SPECIAL TAX**

The Annual Special Tax will be collected in the same manner and at the same time as ordinary *ad valorem* property taxes, *provided, however*, that CFD No. 92-1 may collect the Annual Special Taxes at a different time or in a different manner if necessary to meet its financial obligations.

## **SECTION H PREPAYMENT**

At the time of the issuance of a building permit for an Assessor's Parcel within CFD No. 92-1, the owner of such parcel may prepay the amount specified below, in which case no Annual Special Tax and no Single Payment Special Tax shall be levied on such Assessor's Parcel in any Fiscal Year. Prior to July 1, 1993, the amount of the prepayment shall equal \$6,132 for each Assessor's Parcel on which a Single-Family Detached unit is to be located, \$2,314 for each Assessor's Parcel on which a Single-Family Attached unit is to be located and \$0.55 per square foot of Gross Floor Area for each Assessor's Parcel on which a Commercial/Industrial project is to be located. On July 1, 1993 and each July 1 thereafter, the above-mentioned prepayment amounts shall be increased by an amount equal to the annual percentage change in the Lee Saylor Construction Cost Index for Class D construction for the preceding twelve (12) months.

In lieu of a cash payment in the amount specified above, the owner of an Assessor's Parcel may contribute Facilities of equal value or a combination of Facilities and cash payment of equal value to the Member which has jurisdiction over the subject property. The amount of Facilities or a combination of Facilities and cash payment in lieu of a single cash payment, shall be determined by and is contingent upon approval from the Member acquiring the Facilities.

## APPENDIX B

### FORM OF BOND COUNSEL OPINION

[Closing Date]

Community Facilities District No. 92-1  
of the RNR School Financing Authority  
2553 Old Farm Road  
Bakersfield, California 93312

Re:     \$\_\_\_\_\_ *Community Facilities District No. 92-1 of the RNR School Financing  
Authority Special Tax Refunding Bonds, 2024 Series A*

Ladies and Gentlemen:

We have acted as Bond Counsel to the RNR School Financing Authority (the “Authority”) in connection with the issuance of \$\_\_\_\_\_ aggregate principal amount of the captioned Special Tax Refunding Bonds, 2024 Series A (the “2024A Bonds”), issued by the Authority on behalf of its Community Facilities District No. 92-1 (the “District”). The 2024A Bonds are issued under the Mello-Roos Community Facilities Act of 1982, constituting Title 5, Division 2, Part 1, Chapter 2.5 (commencing with Section 53311) of the California Government Code (the “Act”), and pursuant to an authorizing resolution adopted by the Board of Commissioners of the Authority, acting on behalf of the District, on November 7, 2024 (the “Resolution”), and a Nineteenth Supplemental Fiscal Agent Agreement (the “Nineteenth Supplemental Fiscal Agent Agreement”), dated as of December 1, 2024, by and between the Authority and Zions Bancorporation, National Association, as fiscal agent (the “Fiscal Agent”), supplementing that certain Fiscal Agent Agreement, dated as of October 1, 1995 (the “Original Fiscal Agent Agreement”), as supplemented by that certain First Supplemental Fiscal Agent Agreement, dated as of October 1, 1998 (the “First Supplement”), as supplemented by that certain Second Supplemental Fiscal Agent Agreement, dated as of June 1, 1999 (the “Second Supplement”), as supplemented by that certain Third Supplemental Fiscal Agent Agreement, dated as of July 1, 2000 (the “Third Supplement”), as supplemented by that certain Fourth Supplemental Fiscal Agent Agreement, dated as of December 1, 2001 (the “Fourth Supplement”), as supplemented by that certain Fifth Supplemental Fiscal Agent Agreement, dated as of June 1, 2004 (the “Fifth Supplement”), as supplemented by that certain Sixth Supplemental Fiscal Agent Agreement, dated as of August 1, 2006 (the “Sixth Supplement”), as supplemented by that certain Seventh Supplemental Fiscal Agent Agreement, dated as of March 1, 2010 (the “Seventh Supplement”), as supplemented by that certain Eighth Supplemental Fiscal Agent Agreement, dated as of June 1, 2012, by and between the Authority and the Fiscal Agent (the “Eighth Supplement”), as supplemented by that certain Ninth Supplemental Fiscal Agent Agreement, dated as of April 1, 2014, by and between the Authority and the Fiscal Agent (the “Ninth Supplement”), as supplemented by that certain Tenth Supplemental Fiscal Agent Agreement, dated as of July 1, 2014, by and between the Authority and the Fiscal Agent (the “Tenth Supplement”), as supplemented by that certain Eleventh Supplemental Fiscal Agent Agreement, dated as of May 1, 2015, by and between the Authority and the Fiscal Agent (the “Eleventh Supplement”), as supplemented by that certain Twelfth Supplemental Fiscal Agent Agreement, dated as of October 1, 2015, by and between the Authority and the Fiscal Agent (the “Twelfth Supplement”), as supplemented by that certain Thirteenth Supplemental Fiscal Agent Agreement, dated as of August 1, 2016, by and between the Authority and the Fiscal Agent (the “Thirteenth Supplement”), as supplemented by the Fourteenth Supplemental Fiscal Agent Agreement, dated as of February 1, 2017, by and between the Authority and the Fiscal Agent (the “Fourteenth Supplement”), as supplemented by the Fifteenth Supplemental Fiscal Agent Agreement, dated as of October 1, 2019, by and between the Authority and the Fiscal Agent (the “Fifteenth Supplement”), as supplemented by the Sixteenth Supplemental Fiscal Agent Agreement, dated as of

December 1, 2019, by and between the Authority and the Fiscal Agent (the “Sixteenth Supplement”), as supplemented by the Seventeenth Supplemental Fiscal Agent Agreement, dated as of June 1, 2022, by and between the Authority and the Fiscal Agent (the “Seventeenth Supplement”), as supplemented by the Eighteenth Supplemental Fiscal Agent Agreement, dated as of May 1, 2022, by and between the Authority and the Fiscal Agent (the “Eighteenth Supplement” and together with the Original Fiscal Agent Agreement, the First Supplement, the Second Supplement, the Third Supplement, the Fourth Supplement, the Fifth Supplement, the Sixth Supplement, the Seventh Supplement, the Eighth Supplement, the Ninth Supplement, the Tenth Supplement, the Eleventh Supplement, the Twelfth Supplement, the Thirteenth Supplement, the Fourteenth Supplement, the Fifteenth Supplement, the Sixteenth Supplement, the Seventeenth Supplemental Fiscal Agent Agreement and the Nineteenth Supplement, the “Fiscal Agent Agreement”). All capitalized terms used herein and not otherwise defined shall have the respective meanings given to such terms in the Fiscal Agent Agreement.

The 2024A Bonds are limited obligations of the District, payable solely from the proceeds of Special Tax Revenues and certain funds established pursuant to the Fiscal Agent Agreement and held by the Fiscal Agent.

We have examined such instruments, certificates and documents as we have deemed necessary or appropriate for the purposes of the opinions rendered below. In such examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity to the authentic original documents of all documents submitted to us as copies. In connection therewith, we have also examined such certificates of public officials and officers of the District as we have considered necessary for the purposes of this opinion, and we have assumed that all such representations therein are true and correct and that the District will comply with such covenants. As to any facts material to our opinion, we have, when relevant facts were not independently established, relied upon the aforesaid instruments, certificates and documents, including the tax and nonarbitrage certificate, dated December \_\_, 2024, executed by the Authority and Norris School District (“Norris”) in connection with the issuance of the 2024A Bonds (collectively, the “Tax Certificate”), and the statement of reasonable expectations of future events set forth in such Tax Certificate.

On the basis of such examination, our reliance upon the assumptions contained herein and our consideration of such questions of law as we considered relevant, and subject to the limitations and qualifications in this opinion, we are of the opinion that:

1. The 2024A Bonds have been duly authorized, executed and delivered under the Act and the Fiscal Agent Agreement and constitute legal, valid and binding limited obligations of the District, payable from levies of Special Taxes, and are enforceable in accordance with their terms. The 2024A Bonds are secured by a pledge of, and lien and charge against, all such Special Taxes.
2. The Internal Revenue Code of 1986 (the “Code”) sets forth certain requirements which must be met subsequent to the issuance and delivery of the 2024A Bonds for interest thereon to be and remain excluded from gross income for federal income tax purposes. Noncompliance with such requirements could cause the interest on the 2024A Bonds to be included in gross income for federal income tax purposes retroactive to the date of issue of the 2024A Bonds. Pursuant to the Fiscal Agent Agreement and the Tax Certificate, the Authority and Norris, as applicable, have covenanted to comply with the applicable requirements of the Code in order to maintain the exclusion of the interest on the 2024A Bonds from gross income for federal income tax purposes pursuant to Section 103 of the Code. In addition, the Authority and Norris, as applicable, have made certain representations and certifications in the Fiscal Agent Agreement and the Tax Certificate. We have not independently verified the accuracy of those certifications and representations.

Under existing law, assuming compliance with the tax covenants described herein and the accuracy of the aforementioned representations and certifications, interest on the 2024A Bonds (including any original issue discount properly allocable thereto) is excluded from gross income for federal income tax purposes under Section 103 of the Code. We are also of the opinion that such interest is not treated as a preference item in calculating the alternative minimum tax imposed under the Code. Interest on the 2024A Bonds will be taken into account in computing the alternative minimum tax imposed on certain corporations under the Code to the extent that such interest is included in the “adjusted financial statement income” of such corporations.

3. Interest on the 2024A Bonds is exempt from personal income taxes of the State of California under present state law.

The opinions set forth in paragraph 1 (i) assume that the Fiscal Agent has duly authenticated the 2024A Bonds and (ii) are subject to (a) applicable bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or affecting creditors’ rights generally (including, without limitation, fraudulent conveyance laws), (b) the effect of general principles of equity, including, without limitation, concepts of materiality, reasonableness, good faith and fair dealing and the possible unavailability of specific performance or injunctive relief, regardless of whether considered in a proceeding in equity or at law, and (c) the limitations on legal remedies against government entities in the State of California. We express no opinion as to any provision in the Fiscal Agent Agreement or the 2024A Bonds with respect to the priority of any pledge or security interest or indemnification. We express no opinion with respect to the Rate and Method of Apportionment of Special Taxes or the validity of the Special Taxes levied upon any individual parcel.

In rendering the opinions set forth in paragraph 2 above, we are relying upon representations and covenants of the Authority in the Fiscal Agent Agreement and of the Authority and Norris in the Tax Certificate concerning the investment and use of 2024A Bond proceeds, the rebate to the federal government of certain earnings thereon, and the use of the property and facilities financed with the proceeds of the 2024A Bonds. In addition, we have assumed that all such representations are true and correct and that the Authority and Norris will comply with such covenants. We call attention to the fact that the opinions expressed herein and the exclusion of interest on the 2024A Bonds from gross income for federal income tax purposes may be affected by actions taken or omitted or events occurring or failing to occur after the date hereof. We have not undertaken to determine, or inform any person, whether any such actions are taken, omitted, occur or fail to occur.

Except as stated in paragraphs 2 and 3, we express no opinion as to any other federal, state or local tax consequences of the ownership or disposition of, or the amount, accrual or receipt of interest on, the 2024A Bonds. Furthermore, we express no opinion as to any federal, state or local tax law consequences with respect to the 2024A Bonds, or the interest thereon, if any action is taken with respect to the 2024A Bonds or the proceeds thereof upon the advice or approval of other counsel.

No opinion is expressed herein on the accuracy, completeness or sufficiency of the Updated Official Statement or other offering material relating to the 2024A Bonds. This opinion is expressly limited to the matters set forth above and we render no opinion, whether by implication or otherwise, as to any other matters.

This letter and the opinions and matters expressed herein are solely for your use in connection with the sale and delivery of the 2024A Bonds to Stifel, Nicolaus & Company, Incorporated. We do not undertake to advise you of any subsequent events or developments which might affect the statements contained herein. Our engagement with respect to this matter has terminated as of the date hereof, and we disclaim any obligation to update this letter.

Respectfully submitted,

## APPENDIX C

### SUMMARY OF CERTAIN PROVISIONS OF THE FISCAL AGENT AGREEMENT AS SUPPLEMENTED BY THE FIRST THROUGH NINETEENTH SUPPLEMENTAL FISCAL AGENT AGREEMENTS

*The following is a brief summary of certain provisions of the Fiscal Agent Agreement. The 1998 Bonds were issued pursuant to the First Supplement, the Notes were issued pursuant to the Second Supplement, the 2000 Bonds were issued under the Third Supplement, the 2001 Bonds under the Fourth Supplement, the 2004 Bonds under the Fifth Supplement, the 2006 Bonds under the Sixth Supplement, the 2010 Bonds under the Seventh Supplement, the 2012 Bonds under the Eighth Supplement, the 2014A Bonds under the Ninth Supplement, the 2015 Refunding Bonds under the Tenth Supplement, the 2015A Bonds under the Eleventh Supplement, the 2016A Bonds under the Twelfth Supplement, the 2016A Refunding Bonds under the Thirteenth Supplement, the 2017A Bonds under the Fourteenth Supplement, additional Notes issued under the Fifteenth Supplement, the 2019 Bonds under the Sixteenth Supplement, the 2021 Refunding Bonds under the Seventeenth Supplement, the 2022 Bonds under the Eighteenth Supplement and the 2024A Bonds under the Nineteenth Supplement, which sets forth certain terms and provisions for the issuance and sale of the 2024A Bonds which are more fully described in the forepart of this Official Statement. This summary is not intended to be definitive or complete and is qualified in its entirety by reference to the Fiscal Agent Agreement, copies of which are available from the Fiscal Agent. Except as otherwise defined in this summary, the terms previously defined in this Official Statement have the respectively meanings previously given. References in this summary to the “Bonds” shall mean all Bonds then outstanding or an individual Series of Bonds, as the context may require. In addition, the following terms have the following meanings when used in this summary.*

#### **Definitions**

**“Act”** means the Mello-Roos Community Facilities Act of 1982, as amended, comprised of Sections 53311 *et seq.*, of the California Government Code.

**“Additional Bonds”** means those Bonds issued pursuant to the Fiscal Agent Agreement, as amended, whose payment is subordinate in priority to the payment of the Senior Lien Bonds, as described in the Fiscal Agent Agreement, and includes any Bond Anticipation Notes issued following July 26, 2012.

**“Additional Notes”** means any subordinate bond anticipation notes issued following the Note Closing Date described in the Fiscal Agent Agreement, for the benefit of any of the Members. For the purpose of determinations to be made under Section 3.05(a), (d), (f), and (g) of the Fiscal Agent Agreement, the term “Additional Bonds” shall include “Additional Notes;” Additional Notes issued under the Fiscal Agent Agreement shall not be required to comply with the requirements of Section 3.05(c) and (e) of the Fiscal Agent Agreement.

**“Administrative Expense Fund”** means the fund designated “RNR School Financing Authority Community Facilities District Special Tax Bond Administrative Expense Fund” established and administered under the Fiscal Agent Agreement.

**“Administrative Expenses”** means the ordinary and necessary fees and expenses for determination of the Special Taxes and administering the levy and collection of the Special Taxes and of servicing the Bonds, including any or all of the following: the fees and expenses of the Fiscal Agent (including any fees or expenses of its counsel), the expenses of the District or the Members in carrying out their duties under the Fiscal Agent Agreement (including, but not limited to, annual audits, arbitrage rebate services, special tax consultants and attorneys, and costs incurred in the levying and collection of the Special

Taxes) including the fees and expenses of their counsel, letter of credit, surety bond or other expenses acceptable to the District, all other costs and expenses of the District or the Members or the Fiscal Agent incurred in connection with the discharge of their respective duties under the Fiscal Agent Agreement and all other costs of the Members in any way related to the administration of the District.

**“Annual Debt Service”** means the sum of (1) interest falling due on Bonds (except to the extent that such interest is payable from funds already set aside for such purpose), and (2) the principal (or Mandatory Sinking Account Payments) payments or deposits required with respect to the Bonds, in each case during the period constituting a Bond Year under the Fiscal Agent Agreement, computed on the assumption that no portion of such Bonds shall cease to be outstanding during such Bond Year except by reason of the application of such scheduled payments; provided, however, that with respect to any Bonds which bear interest at a variable rate, such interest shall be calculated at an assumed rate equal to the average rate of interest per annum for each of the five (5) previous whole calendar years as shown by the J. J. Kenny Index (or, in the event and to the extent such index is not maintained for all or any portion of such period, any similar index of variable rate interest for tax-exempt obligations as may be selected by the Authority in its sole discretion).

**“Approved Property”** means those parcels within the District which had a final tract map recorded prior to March 1 of the prior Fiscal Year but for which no building permit was issued; provided however, that the foregoing designation of Approved Property applied only to parcels which had been subdivided for the purpose of final residential or commercial land use into parcels consisting of ten acres or less.

**“Auditor”** means the auditor/controller of the County, the Treasurer, or such other official of the County who is responsible for preparing special tax bills.

**“Authority”** means the RNR School Financing Authority, and any successor thereto.

**“Authorized Investments”** means, except as may be further restricted by laws of the State applicable to the investments of public agencies such as the Authority:

(1) Obligations of any of the following federal agencies which obligations represent the full faith and credit of the United States of America, including:

- Export-Import Bank
- Farm Credit System Financial Assistance Corporation
- Rural Economic Community Development Administration (formerly the Farmers Home Administration)
- General Services Administration
- U.S. Maritime Administration
- Small Business Administration
- Government National Mortgage Association (GNMA)
- U.S. Department of Housing & Urban Development (PHA's)
- Federal Housing Administration
- Federal Financing Bank;

(2) 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 rated “Aaa” by Moody’s and “AAA” by S&P issued by the Federal National Mortgage Association (FNMA) or Federal Home Loan Mortgage Corporation (FHLMC)

- Obligations of the Resolution Funding Corporation (REFCORP)
- Senior debt obligations of the Federal Home Loan Bank System
- Senior debt obligations of other Government Sponsored Agencies approved by Ambac Assurance Corporation;

(3) U.S. dollar-denominated deposit accounts, federal funds and bankers' acceptances with domestic commercial banks 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);

(4) 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;

(5) Investments in a money market fund rated "AAAm" or "AAAm-G" or better by S&P;

(6) Pre-refunded Municipal Obligations defined as follows: Any bonds or other obligations of any state of the United States of America or of 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

(A) which are rated, based on an irrevocable escrow account or fund (the "escrow"), in the highest rating category of S&P and Moody's or any successors thereto; or

(B) (i) which are fully secured as to principal and interest by an escrow consisting only of cash or direct obligations of (including obligations issued or held in book entry form on the books of) the Department of the Treasury of the United States of America, which escrow may be applied only to the payment of such principal of and interest, on such bonds or other obligations on the maturity date or dates thereof pursuant to such irrevocable instructions, as appropriate, and (ii) which escrow is sufficient, as verified by a nationally recognized independent certified public accountant, to pay principal of and interest 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; Pre-funded Municipal Obligations meeting the requirements of this subsection (B) may not be used as Authorized Investments for annual appropriation lease transactions without the prior written approval of S&P.

(7) General obligations of states with a rating of at least "A2/A" or higher by both Moody's and S&P;

(8) Investment agreements approved in writing by Ambac Assurance Corporation<sup>(1)</sup> supported by appropriate opinions of counsel with notice to S&P; and

(9) Other forms of investments (including repurchase agreement) approved in writing by the Ambac Assurance Corporation<sup>(1)</sup> with notice to S&P.

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<sup>(1)</sup> Provisions relating to this entity are treated as a nullity, following the withdrawal of Ambac Assurance Corporation from the municipal bond markets.

With respect to the 2004 Bonds, “Authorized Investments” means those securities listed in the Fifth Supplement, and with respect to the 2006 Bonds, “Authorized Investments” means those securities listed in the Sixth Supplement. With respect to the 2016 Refunding Bonds, “Authorized Investments” means those securities listed in the Thirteenth Supplement.

The value of the above investments shall be determined as follows:

“Value,” which shall be determined as of the end of each month, means that the value of any investments shall be calculated as follows:

(1) As to investments the bid and asked prices of which are published on a regular basis in The Wall Street Journal (or, if not there, then in The New York Times): the average of the bid and asked prices for such investments so published on or most recently prior to such time of determination;

(2) As to investments the bid and asked prices of which are not published on a regular basis in The Wall Street Journal or The New York Times: the average bid price at such time of determination for such investments by any two nationally recognized government securities dealers (selected by the Fiscal Agent in its absolute discretion) at the time making a market in such investments or the bid price published by a nationally recognized pricing service;

(3) As to certificates of deposit and bankers acceptances: the face amount thereof, plus accrued interest; and

(4) As to any investment not specified above: the value thereof established by prior agreement between the Authority, the Fiscal Agent and Ambac Assurance Corporation<sup>(3)</sup>.

**“Authorized Officer”** means the Chair, Secretary, or any other officer or employee authorized in writing by the Board of Commissioners or by an Authorized Officer to undertake the action referenced in the Fiscal Agent Agreement as required to be undertaken by an Authorized Officer.

**“Authorized Representative”** means the officer of any Member duly authorized to act on behalf and in the name of any Member with respect to a Series of Bonds, and shall include each Commissioner.

**“Benefitted Member”** means, for any given Series of Bonds, the Member for whose Project the Series of Bonds are being issued.

**“Board of Commissioners”** means the Board of Commissioners of the Authority.

**“Bond Anticipation Notes”** means any notes of a maturity not to exceed five years from their date of delivery, issued in anticipation of the issuance of Additional Bonds, pursuant to the Fiscal Agent Agreement. Bond Anticipation Notes delivered following July 26, 2012 shall be paid solely on a basis subordinate to the lien of the Senior Lien Bonds.

**“Bond Counsel”** means any attorney or firm of attorneys acceptable to the Authority and nationally recognized for expertise in rendering opinions as to the legality and tax status of securities issued by public entities.

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<sup>(3)</sup> Provisions relating to this entity are treated as a nullity, following the withdrawal of Ambac Assurance Corporation from the municipal bond markets.

**“Bond Register”** means the books maintained by the Fiscal Agent pursuant to the Fiscal Agent Agreement, for the registration and transfer of ownership of the Bonds.

**“Bonds”** means all Bonds of the Authority issued pursuant to the Eighth Supplement, the Ninth Supplement, the Tenth Supplement, the Eleventh Supplement, the Twelfth Supplement, the Thirteenth Supplement, the Fourteenth Supplement, the Sixteenth Supplement, the Seventeenth Supplement, the Eighteenth Supplement, the Nineteenth Supplement or any subsequent Supplemental Fiscal Agent Agreement prescribing the issuance of Bonds whose lien on Special Taxes is subordinate to that of the Senior Lien Bonds.

**“Bond Year”** means the twelve-month period beginning on September 2 in each year and ending on September 1 in the following year except that (i) the first Bond Year shall begin on the Closing Date and end on the next September 1, and (ii) the last Bond Year may end on a prior redemption date.

**“Business Day”** means any day other than (i) a Saturday or a Sunday or (ii) a day on which banking institutions in the state in which the Fiscal Agent has its principal corporate trust office are authorized or obligated by law or executive order to be closed.

**“Chair”** means the Chair of the Board of Commissioners of the Authority, or authorized designee thereof.

**“Closing Date”** means the date upon which there was physical delivery of the 1995 Bonds in exchange for the amount representing the purchase price of the 1995 Bonds by the original purchaser thereof; **“2024 Closing Date”** means the date of initial delivery of the 2024A Bonds.

**“Code”** means the Internal Revenue Code of 1986, as amended, and as in effect on the date of issuance of the Bonds or (except as otherwise referenced in the Fiscal Agent Agreement) as it may be amended to apply to obligations issued on the date of issuance of the Bonds, together with applicable proposed, temporary and final regulations promulgated, and applicable official public guidance published, under the Code.

**“Costs of Issuance”** means items of expense payable or reimbursable directly or indirectly by the Authority and related to the authorization, sale and issuance of the Bonds, which items of expense shall include, but not be limited to, printing costs for the Bonds and the Official Statement, costs of reproducing and binding documents, closing costs, appraisal costs, filing and recording fees, fees and expenses of the Authority and the Fiscal Agent, initial fees and charges of the Fiscal Agent including its first annual administration fee and fees of counsel to the Fiscal Agent, expenses incurred by the Authority in connection with the issuance of the Bonds, legal fees and charges, including bond counsel, charges for execution, transportation and safekeeping of the Bonds and other costs, charges and fees in connection with the foregoing.

**“Costs of Issuance Fund”** means the fund designated “RNR School Financing Authority, Community Facilities District Special Tax Bonds Costs of Issuance Fund” established and administered under the Fiscal Agent Agreement.

**“County”** means the County of Kern, State of California.

**“Depository”** or **“Securities Depositories”** means The Depository Trust Company, 711 Stewart Avenue, Garden City, New York 11530, Fax (516) 227-4039 or 4190; Midwest Securities Trust Company, Capital Structures-Call Notification, 440 South LaSalle Street, Chicago, Illinois 60605, Fax (312) 663-2343; Philadelphia Depository Trust Company, Reorganization Division, 1900 Market Street, Philadelphia,

Pennsylvania 19103, Attention: Bond Department, Fax (215) 496-5058; or, in accordance with the then current guidelines of the Securities and Exchange Commission, to such other addresses and/or such other securities depositories, or to no such depositories, as the Authority may designate in a certificate from the Authorized Representative delivered to the Fiscal Agent.

**“Developed Property”** means any parcel within the District for which a residential or commercial/industrial building permit was issued as of March 1 of the prior Fiscal Year. “Developed Property” includes both property classified as Entitled Property and that not classified as Entitled Property.

**“District”** means the area designated “RNR School Financing Authority Community Facilities District No. 92-1” created in proceedings under the Act.

**“DTC”** means the Depository Trust Company, Brooklyn, New York and its successors and assigns.

**“Entitled Property”** means a residential project for which, in compliance with the California Environmental Quality Act, a Notice of Determination had been filed pursuant to Public Resources Code Section 21000 *et seq.* with the Clerk of the Board of Supervisors of the County prior to July 1, 1991. In addition, Entitled Property is property which was zoned for residential use prior to July 1, 1991, and for which a memorandum of understanding with the Board of Commissioners had been executed on a day no later than ten days after the date of approval of the Resolution of Formation.

**“Event of Default”** means any event enumerated as such in the Fiscal Agent Agreement.

**“Fair Market Value”** means the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm’s length transaction (determined as of the date the contract to purchase or sell the investment becomes binding) if the investment is traded on an established securities market (within the meaning of Section 1273 of the Code) and, otherwise, the term “fair market value” means the acquisition price in a bona fide arm’s length transaction (as referenced above) if (i) the investment is a certificate of deposit that is acquired in accordance with applicable regulations under the Code, (ii) the investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (for example, a guaranteed investment contract, a forward supply contract or other investment agreement) that is acquired in accordance with applicable regulations under the Code, (iii) the investment is a United States Treasury Security - State and Local Government Series that is acquired in accordance with applicable regulations of the United States Bureau of Public Debt, or (iv) the investment is the Local Agency Investment Fund of the State of California but only if at all times during which the investment is held its yield is reasonably expected to be equal to or greater than the yield on a reasonably comparable direct obligation of the United States.

**“Federal Securities”** means any of the following which are non-callable:

- (i) direct general obligations of the United States of America (including obligations issued or held in book entry form on the books of the United States Department of the Treasury) and obligations, the payment of principal of and interest on which are directly or indirectly guaranteed by the United States of America, including, without limitation, such of the foregoing which are commonly referred to as stripped obligations and coupons; or

- (ii) any of the following obligations of the following agencies of the United States of America: (a) direct obligations of the Export-Import bank, (b) certificates of beneficial ownership issued by the Farmers Home Administration, (c) participation certificates issued by the General Services Administration (d) mortgage-backed bonds or pass-through obligations issued and guaranteed by the Government National Mortgage Association, (e) project notes issued by the

United States Department of Housing and Urban Development, and (f) public housing notes and bonds guaranteed by the United States of America.

With respect to the 2004 Bonds, “Federal Securities” means those securities listed in the Fifth Supplement, and with respect to the 2006 Bonds, “Federal Securities” means those securities listed in the Sixth Supplement.

**“Fiscal Agent”** means the Fiscal Agent appointed by the Authority and acting as the registrar, transfer agent, paying and registration agent for the Bonds and as an independent fiscal agent with the duties and powers in the Fiscal Agent Agreement provided, its successors and assigns, and any other corporation or association which may at any time be substituted in its place, as provided in the Fiscal Agent Agreement.

**“Fiscal Year”** means the twelve-month period extending from July 1 in a calendar year to June 30 of the succeeding year, both dates inclusive.

**“Interest Payment Date”** means March 1 and September 1 of each year while any Bonds are Outstanding.

**“Mandatory Sinking Account Payment”** means the amount required pursuant to the Fiscal Agent Agreement to be paid on any single date for the redemption of term Bonds prior to their stated maturity pursuant to the mandatory sinking account redemption provision of the Fiscal Agent Agreement.

**“Maximum Annual Debt Service”** means, as of the date of any calculation, the largest sum obtained for any Bond Year after said date of calculation, obtained by totaling the following amounts for each such Bond Year:

- (a) the principal amount of the bonds coming due and payable by their terms in such Bond Year, including Mandatory Sinking Account Payments, as required by the Fiscal Agent Agreement; and
- (b) the amount, of interest which would be due during such Bond Year on the aggregate principal amount of the Bonds which would be Outstanding in such Bond Year if such Bonds are retired as scheduled; provided, however, that, with respect to any Bonds which bear interest at a variable rate, such interest shall be calculated at an assumed rate equal to the average rate of interest per annum for each of the five (5) previous whole calendar years as shown by the J. J. Kenny Index (or, in the event and to the extent such index is not maintained for all or any portion of such period, any similar index of variable rate interest for tax-exempt obligations as may be selected by the Authority in its sole discretion).

**“Member”** means each member of the Authority; currently Norris, Rio Bravo, and Rosedale.

**“Member Proportion”** means a ratio (which ratio shall be certified to the Fiscal Agent by the Authority), the numerator of which is the aggregate principal amount of Bonds issued for the benefit of any Benefitted Member under the Fiscal Agent Agreement and then Outstanding and the denominator of which is the aggregate principal amount of Bonds issued under the Fiscal Agent Agreement for all Members and then Outstanding; *provided, however*, that during any period in which a Member shall not have any Bonds then Outstanding, “Member Proportion” shall mean, for each Member, such Member’s Pro Rata Portion, set forth in the Reimbursement Agreement.

**“Non-Benefitted Members”** means, for any Series of Bonds, the Members who are not the Benefitted Member.

**“Norris”** means Norris School District, a school district duly organized and existing under the laws of the State, and a Member of the Authority.

**“Outstanding”** when used as of any particular time with reference to Bonds, means, subject to certain provisions of the Fiscal Agent Agreement, all Bonds except: (i) Bonds theretofore canceled by the Fiscal Agent or surrendered to the Fiscal Agent for cancellation; (ii) Bonds paid or deemed to have been paid within the meaning of the defeasance provisions of the Fiscal Agent Agreement; and (iii) Bonds in lieu of or in substitution for which other Bonds shall have been authorized, executed, issued and delivered by the Authority pursuant to the Fiscal Agent Agreement or any Supplemental Agreement.

**“Owner” or “Bondowner”** means the registered owner of any Outstanding Bond as shown on the Bond Register of the Fiscal Agent.

**“Project Fund”** means the fund designated “Community Facilities District No. 92-1 of the RNR School Financing Authority, Special Tax Bonds, Project Fund,” established and administered under the Fiscal Agent Agreement.

**“Qualified Reserve Account Surety Bond”** means a surety bond issued by an insurance company rated in the highest rating category by Moody’s Investors Service and Standard and Poor’s, and if rated by A.M. Best & Company, is rated in the highest rating category by A.M. Best & Company.

**“Rate and Method”** means the Rate and Method of Apportionment of Special Tax for RNR School Financing Authority Community Facilities District No. 92-1, appended to and made a part of the Resolution of Formation for the District.

**“Rebate Fund”** means the fund designated “Community Facilities District No. 92-1 of the RNR School Financing Authority Special Tax Bonds Rebate Fund,” established and administered under the Fiscal Agent Agreement; **“Rebate Account”** means an account within the Rebate Fund established and administered under the Fiscal Agent Agreement for each Series of Bonds.

**“Record Date”** means the fifteenth day of the calendar month immediately preceding the applicable Interest Payment Date, whether or not such day is a Business Day.

**“Redemption Fund”** means the fund designated “Community Facilities District No. 92-1 of the RNR School Financing Authority Special Tax Bonds Redemption Fund,” established and administered under the Fiscal Agent Agreement; **“Redemption Account”** means an account within the Redemption Fund established and administered under the Fiscal Agent Agreement for each Member for whom Bonds have been issued.

**“Redemption Premium”** means the percentage of the principal amount of the Bonds called for redemption pursuant to the optional redemption provisions of the Fiscal Agent Agreement.

**“Reimbursement Agreement”** means that certain Reimbursement Agreement, dated as of October 1, 1995, as amended, by and among Norris, Rio Bravo and Rosedale.

**“2024 Reserve Requirement”** means the amount of \$\_\_\_\_\_ which comprises the 2024 Reserve Requirement.

**“2024 Security Documents”** shall mean the Fiscal Agent Agreement, the 2024A Bonds and/or any additional or supplemental document executed in connection with the 2024A Bonds.

**“Reserve Accounts”** means all Reserve Accounts established under the Eighth Supplement, the Ninth Supplement, the Tenth Supplement, the Eleventh Supplement, the Twelfth Supplement, the Thirteenth Supplement, the Fourteenth Supplement, and subsequent to the Fourteenth Supplement to secure the Bonds.

**“Reserve Fund”** means the fund designated “Community Facilities District No. 92-1 of the RNR School Financing Authority Special Tax Bonds Reserve Fund,” established and administered under the Fiscal Agent Agreement; **“Reserve Account”** means an account within the Reserve Fund established and administered under the Fiscal Agent Agreement for each Member for whom Bonds have been issued; **“2024 Series A Reserve Account”** means the account within the Reserve Fund established for the 2024A Bonds pursuant to the Nineteenth Supplement.

**“Reserve Requirement”** means as of any date of calculation, an amount not to exceed the lesser of (a) Maximum Annual Debt Service on the Outstanding Bonds as of the particular Closing Date, (b) ten percent (10%) of the original principal amount of the Outstanding Bonds, or (c) one hundred twenty-five percent (125%) of the average Annual Debt Service on the Bonds due in any remaining Bond Year as of the Closing Date.

**“Resolution of Formation”** means Resolution No. 92-11, adopted by the Board of Commissioners on August 28, 1992.

**“Resolution of Issuance”** means the resolution adopted by the Board of Commissioners on November 7, 2024, authorizing the issuance of the 2024A Bonds.

**“Rio Bravo”** means Rio Bravo-Greeley Union School District, a school district duly organized and existing under the laws of the State, and a Member of the Authority.

**“Rosedale”** means Rosedale Union School District, a school district duly organized and existing under the laws of the State and a Member of the Authority.

**“Secretary”** means the Secretary of the Board of Commissioners of the Authority, or any authorized deputy, assistant or designee thereof.

**“Security Documents”** shall mean the Fiscal Agent Agreement and the Bonds.

**“Senior Lien Bonds”** means all Outstanding Bonds of the Authority issued pursuant to the Original Fiscal Agent Agreement, as amended and supplemented prior to July 26, 2012, specifically the Special Tax Bonds, 2010 Series A, the Special Tax Bonds, 2006 Series A, the Special Tax Bonds, 2004 Series A and the Series 1995 Special Tax Bonds. No additional Senior Lien Bonds shall be authorized to be issued under the Fiscal Agent Agreement.

**“Senior Lien Reserve Accounts”** means all Reserve Accounts established under the Fiscal Agent Agreement to secure the Senior Lien Bonds.

**“Series”** whenever used in the Fiscal Agent Agreement with respect to Bonds, means all of the Bonds designated as being of the same series, authenticated and delivered in a simultaneous transaction, regardless of variations in maturity, interest rate, redemption, and other provisions and any Bonds thereafter authenticated and delivered upon transfer or exchange of or in lieu of or in substitution for (but not to refund) such Bonds as in the Fiscal Agent Agreement provided.

**“Sinking Account”** means the account established in the Redemption Fund and administered under the Fiscal Agent Agreement.

**“Special Tax Consultant”** means, the Special Tax Consultant appointed by the Authority and providing consultation services relating to the Special Taxes from time to time.

**“Special Tax Fund”** means the fund designated “RNR School Financing Authority Community Facilities District Special Tax Bonds Special Tax Fund” established and administered under the Fiscal Agent Agreement.

**“Special Tax Account”** means an account within the Special Tax Fund established and administered under the Fiscal Agent Agreement for each Member.

**“Special Taxes”** means maximum annual Special Taxes established within the District under the Rate and Method for Developed Property and Approved Property and levied within the District pursuant to the Act, the Resolution of Formation and the Fiscal Agent Agreement.

**“Special Tax Revenues”** means the proceeds of Special Taxes levied within the District by the Board of Commissioners under the proceedings taken pursuant to the Act, and received by the Auditor or the Treasurer on behalf of the District, including all scheduled payments and proceeds of redemption or sales proceeds resulting from foreclosure of the lien of the Special Taxes (which may include interest and penalties thereon) but which does not include (i) any Special Tax described in Section C(1)(a)(ii) and Section C(1)(b)(ii) of the Rate and Method, and (ii) any prepayments of Special Taxes made pursuant to Section H of the Rate and Method.

**“Supplement”** means an agreement the execution of which is authorized by a resolution which has been duly adopted by the Board of Commissioners under the Act and which agreement is amendatory of or supplemental to the Fiscal Agent Agreement, but only if and to the extent that such agreement is specifically authorized under the Fiscal Agent Agreement.

**“Then-Outstanding Bonds”** means, collectively, those Outstanding Bonds of the RNR School Financing Authority Community Facilities No. 92-1 of the following Series: (i) Subordinate Special Tax Bonds, 2014 Series A, (ii) Subordinate Special Tax Refunding Bonds, 2014 Series B, (iii) Subordinate Special Tax Bonds, 2015 Series A, (iv) Subordinate Special Tax Refunding Bonds, 2015 Series A (Rosedale Project), (v) Special Tax Refunding Bonds, 2016 Series A, (vi) Special Tax Bonds, 2017 Series A, (vii) Special Tax Bonds, 2019 Series A, (viii) Special Tax Refunding Bonds, 2021 Series A (Forward Delivery) and (ix) Special Tax Bonds, 2022 Series A.

**“Treasurer”** shall mean the Treasurer-Tax Collector of the County, or any designee thereof.

### **Issuance of Bonds and Notes under the Fiscal Agent Agreement**

Pursuant to the Resolution of Formation, the Authorized Officers of the Authority are authorized and directed to deliver any and all documents and instruments necessary to cause the issuance of the 2024A Bonds in accordance with the provisions of the Act, the Resolution of Issuance and the Fiscal Agent Agreement, to authorize the payment of Costs of Issuance by the Authority from the proceeds of the 2024A Bonds and to do and cause to be done any and all other acts and things necessary or convenient for delivery of the 2024A Bonds to the Underwriter.

The Senior Lien Bonds shall be secured by a first pledge (which pledge shall be effected in the manner and to the extent in the Fiscal Agent Agreement) of all the Special Tax Revenues and all monies

deposited into the Special Tax Fund, the Redemption Fund and the Senior Lien Reserve Accounts (except monies subject to rebate to the United States Department of the Treasury pursuant to the Tax Code, if any). Those Bonds which are not Senior Lien Bonds shall be secured by a pledge of the Special Tax Revenues and a lien on the Special Tax Fund and the Redemption Fund second in priority only to the lien of the Senior Lien Bonds, and by a first lien on amounts in or credited to all Reserve Accounts for such Bonds which are not Senior Lien Bonds, on a parity with one another and not with the Senior Lien Bonds (except moneys subject to rebate to the United States Department of the Treasury pursuant to the Tax Code, if any). The Owners of the Senior Lien Bonds shall have no interest in or lien upon Reserve Accounts established for Bonds which are not Senior Lien Bonds.

The Special Tax Revenues and all monies deposited into the foregoing Funds and Accounts (except as otherwise provided in the Fiscal Agent Agreement) are dedicated to and pledged to the payment of the principal of and interest and any premium on the Bonds as specified above and in the Act until all of the Bonds have been paid and retired or until monies or Federal Securities have been irrevocably set aside for that purpose in accordance with the Fiscal Agent Agreement.

In addition to the Senior Lien Bonds, the Authority may, by the delivery of an appropriate resolution and a Supplement, an indenture or some other similar document, issue Additional Bonds, and/or may issue Bond Anticipation Notes, payable from Special Tax Revenues on a basis subordinate to the lien on Special Tax Revenues of the Senior Lien Bonds (“Additional Bonds”), to provide financing or refinancing for qualified capital projects for the Members in such principal amount within the amount authorized at the Election as shall be determined by the Authority upon request of the Members.

## **Funds and Accounts**

*Establishment of Project Fund.* The Project Fund is established under the Fiscal Agent Agreement as a separate fund to be held by the Fiscal Agent. Within the Project Fund there shall be established a separate account for each Member with a Project to be acquired or constructed with the proceeds from the sale of a Series of Bonds. Amounts in a Project Account shall be disbursed to pay the Project Costs as set forth in appropriate requisitions signed by the Authorized Representative of the related Member. The Fiscal Agent shall pay all Project Costs listed in such requisition upon receipt of such requisition. Upon receipt by the Fiscal Agent of a certificate from the related Authorized Representative certifying that all Project Costs for such Member have been paid, the Fiscal Agent then shall transfer any moneys remaining in the Project Account for the related Project, including any investment earnings thereon, to the Redemption Account established for that Member

*Costs of Issuance Fund.* The Costs of Issuance Fund is established under the Fiscal Agent Agreement as a separate fund to be held by the Fiscal Agent and within the Costs of Issuance Fund, the Fiscal Agent will establish a separate account for each Series of Bonds. Monies in the Costs of Issuance Fund shall be held by the Fiscal Agent for the benefit of the Authority and be disbursed as for the payment or reimbursement of Costs of Issuance upon receipt by the Fiscal Agent of an invoice from any such payee which requests payment in an amount which is less than or equal to the amount set forth with respect to such payee in such requisition, or upon receipt of a requisition signed by an Authorized Officer requesting payment of a Cost of Issuance not listed on the initial requisition delivered to the Fiscal Agent on the Closing Date. Interest Earnings from investments of monies in the Costs of Issuance Fund shall be retained by the Fiscal Agent in the Costs of Issuance Fund to be used for the purposes of such fund. Costs of Issuance associated with the issuance of the 2024A Bonds shall be deposited in the 2024 Series A Costs of Issuance Account.

*Special Tax Fund.* The Special Tax Fund is established under the Fiscal Agent Agreement as a separate fund to be held by the Fiscal Agent and upon the receipt of Special Tax Revenues. The amount of

such Special Tax Revenues allocable to each Member as determined by information provided by the Auditor, the Chair and the Special Tax Consultant shall be deposited in separate accounts established within the Special Tax Fund which accounts are established for Rosedale, Norris, and Rio Bravo. Amounts in the Special Tax Fund shall be allocated, in order of priority as set forth in the Official Statement under “SECURITY AND SOURCE OF PAYMENT FOR THE 2024A Bonds – The Special Tax Fund” and as otherwise set forth in the Fiscal Agent Agreement.

*Administrative Expense Fund.* The Administrative Expense Fund is established under the Fiscal Agent Agreement as a separate fund to be held by the Fiscal Agent, within which there shall be established separate accounts for each Member. Upon receipt of Special Tax Revenues, the Fiscal Agent shall transfer to the appropriate Member account within the Administrative Expense Fund from the related account in the Special Tax Fund an amount which will cause the balance in the Administrative Expense Fund to equal the amount specified by the Authorized Representative of such Member as necessary to pay such Member’s Administrative Expenses in the current Bond Year (the “Administrative Expense Requirement”). The Fiscal Agent shall apply the monies on deposit in each Member’s account within the Administrative Expense Fund for payment of that Member’s Administrative Expenses, as directed by that Member’s Authorized Representative. The Authority has covenanted and agreed, on behalf of the District, to limit the amount of Special Tax Revenues deposited during any Fiscal Year into the Administrative Expense Fund to the sum of One Hundred Thousand Dollars (\$100,000), without the prior written consent of Ambac Assurance Corporation.

*Redemption Fund.* The Redemption Fund is established under the Fiscal Agent Agreement as a separate fund to be held by the Fiscal Agent, within which there shall be established a separate account for each Member for whom Bonds have been issued. Monies in the Redemption Fund shall be held by the Fiscal Agent for the benefit of the Authority and the Owners of the Bonds, shall be disbursed for the payment of the principal of, and interest and any premium on, the Bonds. Within each Redemption Account there shall be a separate subaccount for each series of Bonds, for which there are Mandatory Sinking Account Payments. With respect to each Sinking Account, on each Mandatory Sinking Account Payment date established for such Sinking Account, the Fiscal Agent shall apply the amount deposited in the applicable Redemption Account to the applicable Mandatory Sinking Account for the purpose of applying the Mandatory Sinking Account Payment required on that date to the redemption (or payment at maturity, as the case may be) of term Bonds, upon the notice and in the manner provided in the Fiscal Agent Agreement; provided that, at any time prior to giving notice of such redemption, the Fiscal Agent shall apply such monies to the purchase of term Bonds at public or private sale, as and when and at such prices (including brokerage and other charges), as the Authority may direct, except that the purchase price (excluding accrued interest) shall not exceed the par amount of such term Bonds.

*Reserve Fund.* The Reserve Fund is established under the Fiscal Agent Agreement as a separate fund to be held by the Fiscal Agent, within which the Fiscal Agent shall establish a separate account for each Member for whom Bonds have been issued, designated with (i) the name of the benefited Member and (ii) an indication as to which Series of Bonds whether the particular Reserve Account relates. Monies in the Reserve Fund shall be held by the Fiscal Agent for the benefit of the Authority and the Owners as a reserve for the payment of principal of (including Mandatory Sinking Account Payments, if any), and interest and any premium on the Bonds; *provided, however*, that Senior Lien Reserve Accounts shall be held solely for the benefit of the Authority and the Owners of Senior Lien Bonds and Reserve Accounts which are not designated Senior Lien Reserve Accounts shall be held solely for the benefit of the Authority and the Owners of Bonds to which such Reserve Account relates.

All amounts deposited in the Reserve Fund shall be used and withdrawn by the Fiscal Agent solely for the following purposes:

(1) *Transfer Due to Deficiency in Redemption Fund.* Transfers shall be made from the Reserve Fund to the Redemption Fund in the event of a deficiency in the Redemption Fund in accordance with the Fiscal Agent Agreement. The Fiscal Agent shall withdraw monies from the Reserve Fund or draw upon the related Qualified Reserve Account Surety Bond or Reserve Surety in an amount equal to the amount of such deficiency first from the Reserve Account within the Reserve Fund which has been established for the Benefitted Member for the Series of Bonds for which there is a deficiency; thereafter, monies shall be withdrawn from the other Reserve Accounts: (i) in an amount equal to the product of the Reserve Fund deficiency multiplied by a ratio, the numerator of which is the Member Proportion of a Non-Benefitted Member and the denominator is the sum of the Member Proportions of all Non-Benefitted Members, if and to the extent such Reserve Accounts contain sufficient monies to permit such withdrawal and (ii), thereafter, from any Reserve Account containing a balance or with a credit. Notwithstanding the foregoing, Reserve Accounts established for a Series of Senior Lien Bonds shall not be drawn upon to remedy deficiencies in the Redemption Fund for the payment of Bonds which are not Senior Lien Bonds, nor shall Reserve Accounts established for Bonds which are not Senior Lien Bonds be drawn upon to remedy deficiencies in the Redemption Fund for the payment of Senior Lien Bonds.

(2) *Transfer of Excess Reserve Requirement.* Whenever, on any Interest Payment Date, or on any other date when requested by the Authorized Representative, the amount in the Reserve Fund exceeds the then-applicable Reserve Requirement, the Fiscal Agent shall, except as otherwise provided in the Fiscal Agent Agreement for purpose of arbitrage rebate to the federal government, and as evidenced by a certificate from the Authorized Representative, transfer on or before such Interest Payment Date or such other date, an amount equal to such excess from the Account within the Reserve Fund to the related Account within the Special Tax Fund; and

(3) *Transfer When Balance Exceeds Outstanding Bonds.* Whenever the balance in or the credit to a Reserve Account allocable to a Series of Bonds is sufficient to retire all the Outstanding Bonds of that Series, whether by redemption or otherwise, such balance shall be applied in retirement of the Outstanding Bonds of that Series, as directed by a certificate from the Authorized Representative. In the event that the balance in or to the credit of the Reserve Fund at any time exceeds the amount required to retire all of the Outstanding Bonds, the excess shall, after payment of all amounts due to the Fiscal Agent, be transferred to the Authority to be used in accordance with the Act.

*Replenishment from Special Tax Fund.* Following the date of any withdrawal made from the Reserve Fund, as authorized in the Fiscal Agent Agreement, the balance on deposit in the Reserve Fund shall be replenished from Special Tax Revenues deposited into the Special Tax Fund, in accordance with the Fiscal Agent Agreement; *provided, however,* that to the extent such withdrawals have been made for the purpose of making payments of principal of or interest on Bonds, no replenishment from Special Tax Revenues shall be made to a Reserve Account unless the Fiscal Agent determines that the Reserve Accounts for the Senior Lien Bonds are then fully funded to their Reserve Requirements, or that such Reserve Accounts contain Qualified Reserve Surety Bonds in amounts, in the aggregate, equal to the Reserve Requirements for all Senior Lien Bonds.

*Investment.* Interest Earnings and profits resulting from said investment shall be retained in the applicable Reserve Account, subject to the provisions of the Fiscal Agent Agreement.

*Surety Bonds in Lieu of Cash Deposits.* The Authority shall have the right, at any time, to release funds from any Reserve Account in whole or in part by tendering to the Fiscal Agent: (i) a Qualified Reserve Account Surety Bond as to Senior Lien Bonds or a Reserve Surety as to Bonds, and (ii) an opinion of Bond Counsel, to the effect that neither the release of such funds nor the acceptance of such Qualified

Reserve Account Surety Bond or Reserve Surety will cause the interest on the related Bonds to become included in gross income for purposes of federal income taxation. Upon tender of such instruments to the Fiscal Agent, and upon delivery to the Fiscal Agent of a written request executed by an Authorized Officer of the Authority specifying the amount permitted to be released from the related Reserve Account (upon which written request the Fiscal Agent may conclusively rely), the Fiscal Agent shall transfer such funds from the appropriate Reserve Account to the Member or Members entitled thereto as indicated in the written certificate, free and clear of the lien of the Fiscal Agent Agreement. To the extent not inconsistent with the Fiscal Agent Agreement, the Fiscal Agent shall be required to receive payments under any Qualified Reserve Account Surety Bond or Reserve Surety in the event and to the extent required to make any payment when as required under the Fiscal Agent Agreement.

At least fifteen (15) days prior to the expiration of any Qualified Reserve Account Surety Bond or Reserve Surety, the Authority shall be obligated either (1) to replace such instrument with a new instrument of similar tenor, or (2) to deposit or cause to be deposited with the Fiscal Agent a sum sufficient to bring the amount on deposit in the applicable Reserve Account equal to the Reserve Requirement for the related Series of Bonds. In the event that the Authority shall fail to take action as specified in clause (1) or (2) of the preceding sentence, the Fiscal Agent shall, prior to the expiration date thereof, draw upon the expiring Qualified Reserve Account Surety Bond or Reserve Surety in full in accordance with its terms and deposit the proceeds of such draw in the related Reserve Account.

An account designated as the “2024 Series A Reserve Account” is established within the Reserve Fund and shall be satisfied by a deposit in the amount of the 2024 Reserve Requirement. The amounts in or credited to the 2024 Series A Reserve Account shall be applied as provided in the Fiscal Agent Agreement, but shall only be available to secure the 2024A Bonds and shall be applied solely to the payment of debt service due on the 2024A Bonds. The 2024 Series A Reserve Account constitutes a Reserve Account and shall be administered as provided by the Fiscal Agent Agreement.

*Rebate Fund.* The Fiscal Agent shall establish and maintain a fund separate from any other fund designated as the Rebate Fund, within which a separate account shall be established for each Series of Bonds issued. All money at any time deposited in the Rebate Fund shall be held by the Fiscal Agent in trust, to the extent required to satisfy the Rebate Requirement for the Bonds (as defined computed and provided to the Fiscal Agent in the tax certificate for the Bonds (the “Tax Certificate”)), for payment to the federal government of the United States of America. Neither the Authority nor the Owner of any Bonds shall have any rights in or claim to such money. All amounts deposited into or on deposit in the Rebate Fund shall be governed by the Fiscal Agent Agreement and by the Tax Certificate. The Fiscal Agent shall be deemed conclusively to have complied with such provisions if it follows the directions of the Authority, including supplying all necessary information in the manner provided in the Tax Certificate to the extent such information is available to it, and shall have no liability or responsibility to enforce compliance by the Authority with the terms of the Tax Certificate.

Upon the Authority’s written direction within sixty (60) days after the end of each Bond Year, an amount equal to the Rebate Requirement specified to the Fiscal Agent for the Bonds shall be deposited to the Rebate Fund by the Fiscal Agent from balances in the following funds and accounts established for the Bonds and in the following order of priority: (i) from the Reserve Fund, so that the balance of the Rebate Fund after such deposit shall equal the Rebate Requirement for the Bond Year for the Bonds (as such term is defined in the Tax Certificate and not as such term is defined in the Fiscal Agent Agreement) calculated at the most recent calculation date as required by the Tax Certificate. The Fiscal Agent shall invest all amounts held in the Rebate Fund at the written direction of the Authority in any authorized investment, subject to the restrictions set forth in the Tax Certificate. The Fiscal Agent shall retain all earnings (calculated by taking into account net gains or losses on sales or exchanges and taking into account amortized discount or premium as a gain or loss, respectively) on investments held in the Rebate Fund.

Upon receipt of the Authority's written directions, the Fiscal Agent shall remit part or all of the balance in the Rebate Fund to the United States, as so directed. The Fiscal Agent shall invest all amounts held in the Rebate Fund at the written direction of the Authority in any authorized investment, subject to the restrictions set forth in the Tax Certificate.

### **Covenants of the Authority**

*Collection of Special Taxes.* The Authority shall comply with all requirements of the Act and the Fiscal Agent Agreement to assure the timely levy and collection of the Special Taxes, including, without limitation, the enforcement of rights the Authority may have with regard to delinquent Special Taxes. Any Special Tax Revenues received by the Authority in and for the District shall be transmitted, in a timely manner, to the Fiscal Agent, without deduction, to be deposited into the funds and accounts in the Fiscal Agent Agreement specified. To that end, the following shall apply:

(A) Special Taxes coming due in any year shall be payable in the same manner and at the same time as the general *ad valorem* taxes on real property within the County are payable, and become delinquent at the same times and in the same proportionate amounts and bear the same proportionate penalties and interests after delinquency as do the general *ad valorem* taxes on real property; all sums received from the collection of the Special Taxes and of the interest and penalties thereon shall be placed in the Special Tax Fund promptly following collection, and shall thereafter be transferred and disbursed as described in the Fiscal Agent Agreement; and

(B) The Chair shall, before the final date on which the Auditor will accept the transmission of the Special Tax roll for the parcels within the District for inclusion on the next tax roll, prepare or cause to be prepared, and shall transmit to the Auditor, such data as the Auditor requires to include the Special Taxes on the next secured tax roll of the County. The Chair is authorized to employ consultants to assist in computing Special Taxes under the Fiscal Agent Agreement, in reconciling Special Taxes levied to amounts received, and in computing Special Tax Revenues necessary to pay to Annual Debt Service and Administrative Expenses in each Fiscal Year.

*Disbursements.* Amounts in the Special Tax Fund shall be allocated, in order of priority, to the following funds in the following amounts: (1) to the Administrative Expense Fund, an amount not to exceed the lesser of fifty thousand dollars (\$50,000) or the amount necessary to bring the balance therein to the Administrative Expense Requirement as defined in the Fiscal Agent Agreement; (2) to the Redemption Fund, (a) an amount sufficient to make the interest payment on the next succeeding Interest Payment Date on the Bonds, taking account any amounts transferred, or designated to be transferred, for payment of capitalized interest; (b) for transfers occurring on or after September 1 of each year prior to March 1 of each subsequent year, up to one-half of the amount needed to make the principal payment due on the following September 1; (c) for transfers on or after March 1 of each year and prior to the following September 1 of each year, the amount which, when combined with the amount transferred pursuant to clause (2)(b) above, equals the principal amount due on the following September 1 on the Bonds; (3) to the Sinking Accounts within the Redemption Fund, (a) for transfers occurring on or after September 1 of each year and prior to March of each subsequent year, up to one-half of the amount needed to make the Mandatory Sinking Account Payments due on the Bonds on the following September 1 and (b) for transfers on or after March 1 of each year and prior to the following September 1 of each year, the amount which, when combined with the amount transferred pursuant to clause (3)(a) equals the Mandatory Sinking Account Payment due on the following September 1 on the Bonds; (4) to the Reserve Fund, the amount required to bring the balance to the Reserve Requirement; and (5) to the Administrative Expense Fund, to bring the balance to the Administrative Expense Requirement as defined in the Fiscal Agent Agreement, if the deposit described in clause (1) above was insufficient.

When allocating amounts deposited into the Special Tax Fund, the Fiscal Agent shall, for each of the amounts specified in (1)-(5) above for each Series of Bonds, first apply Special Tax Revenues from the Special Tax Account established for the Benefited Member for such Series, or if such Series is issued for the benefit of more than one Benefited Member, apply such amounts as directed by the Authorized Representatives of each such Benefited Member. If amounts on deposit in any Benefited Member's Special Tax Account shall be insufficient to make payments described in (1)-(5) above for all Series of Bonds issued for such Benefited Member (or, in the case of a Series issued for more than one Benefited Member, such Benefited Member's share of such Series as designated by the Authorized Representatives of each such Benefited Member), the Fiscal Agent shall apply amounts on deposit in the Special Tax Accounts of Non-Benefited Members (i) proportionately from each Non-Benefited Member with each Non-Benefited Member's proportionate amount being determined using a ratio, the numerator of which is the Member Proportion of a Non-Benefited Member and the denominator is the sum of the Member Proportions of all Non-Benefited Members, if and to the extent of the balance of such Special Tax Accounts so permit and (ii) thereafter, from any Special Tax Account containing a balance. In the event a transfer from a Non-Benefited Member's account to the account of a Benefited Member is made as described in the preceding sentence, the Benefited Member shall reimburse the Non-Benefited Member from Special Tax Revenues as provided in the following paragraph.

Once sufficient Special Tax Revenues are on deposit in the Special Tax Fund to make the payments specified in (1) - (5) above, and in the event a transfer from a Non-Benefited Member's account to the account of a Benefited Member has been made as provided in the preceding paragraph, such amount has been replenished to the extent as if such transfers described in the preceding paragraph had not been made, any remaining Special Tax Revenues shall promptly be remitted to the Member within whose account such Special Tax Revenues were deposited.

*Foreclosure.* The Authority covenants with and for the benefit of the Owners of the Bonds that it will order, and cause to be commenced, and thereafter diligently prosecute an action in the superior court to foreclose the lien of any Special Taxes which have been billed, but have not been paid, pursuant to and as provided in the Act, and the conditions specified in the foreclosure covenant provisions of the Fiscal Agent Agreement. The Chair shall notify its counsel of any such delinquency of which the Chair is aware, and such counsel shall commence, or cause to be commenced, such foreclosure proceedings, including collection actions preparatory to the filing of any complaint. The following conditions shall apply to the foreclosure proceedings against parcels delinquent in the payment of Special Taxes, which shall be commenced within 60 days of any of the following determinations which shall be made by the Chair not later than October 1 of each Fiscal Year: (A) if the Chair determines that there is a delinquency of Special Taxes of \$2,000 or more for a prior Fiscal Year or Years for any single parcel of land in the District; and (B) if the Chair determines that the total amount of delinquent Special Taxes in the current Fiscal Year for the entire District, less the total delinquencies under subsection (A) above, exceeds five percent (5%) of the total Special Taxes due and payable in the current Fiscal Year.

The Nineteenth Supplement authorizing the 2024A Bonds amended the Fiscal Agent Agreement to modify the foreclosure covenant described above, effective when all Then-Outstanding Bonds at the time of such adoption, i.e., the 2014A Bonds, the 2014B Bonds, the 2015A Bonds, the 2015B Bonds, the 2016 Bonds, the 2017 Bonds, the 2019 Bonds, the 2021 Bonds and the 2022 Bonds, have been defeased, paid or discharged in accordance with their terms and are no longer Outstanding for purposes of the Agreement, or if earlier, the first date upon which the Authority has filed with the Fiscal Agent the written consent of a majority of the aggregate principal amount of Owners of the Bonds Outstanding as of the effective date of this Nineteenth Supplement (but excluding the 2024A Bonds for the purposes of such calculation), or any consent in lieu thereof in accordance with the Fiscal Agent Agreement has been obtained. The purchase of 2024A Bonds issued pursuant to the Fiscal Agent Agreement, and the purchase of Bonds after the effective

date of the Nineteenth Supplement, shall constitute the consent of such purchasers, as Owners, to this amendment.

The covenant, as so amended, is as follows:

“The Authority hereby covenants with and for the benefit of the Owners of the Bonds that it will order, and cause to be commenced, and thereafter diligently prosecute an action in the superior court to foreclose the lien of any Special Taxes which have been billed, but have not been paid, pursuant to and as provided in the Act, subject to the conditions set forth [as described herein]. In the event such conditions are met, the Chair shall notify its counsel of any such delinquency of which the Chair is aware, and such counsel shall commence, or cause to be commenced, such foreclosure proceedings, including collection actions preparatory to the filing of any complaint. The following conditions shall apply to the foreclosure proceedings against parcels delinquent in the payment of Special Taxes, which shall be commenced within 60 days of any of the following determinations which shall be made by the Chair not later than October 1 of each Fiscal Year:

(A) If the Chair determines that there is a delinquency of Special Taxes from any single parcel of land in the District equal to or greater than the sum of at least five (5) installments of Special Taxes from that parcel, the District shall commence foreclosure proceedings against each such delinquent parcel; provided, however that the District may elect not to commence proceedings for foreclosure proceedings for such individual delinquencies if (i) the balance in the Reserve Fund and each account therein is equal to the Reserve Requirement, (ii) Special Tax Revenues for that specific year are expected to be equal to or greater than Annual Debt Service and (iii) such delinquencies have not caused and are not expected to result in a draw on the Reserve Fund or any Qualified Reserve Account Surety Bond on deposit therein in the current fiscal year.

(B) If the Chair determines that the total amount of delinquent Special Taxes in the current Fiscal Year for the entire District exceeds five percent (5%) of the total Special Taxes due and payable in the current Fiscal Year the District shall commence foreclosure proceedings against all delinquent parcels; provided, however that the District may elect not to commence proceedings for foreclosure proceedings for such aggregate delinquencies if (i) the balance in the Reserve Fund is equal to the Reserve Requirement, (ii) Special Tax Revenues for that specific year are expected to be equal to or greater than Annual Debt Service, (iii) such delinquencies have not caused and are not expected to result in a draw on the Reserve Fund or any Qualified Reserve Account Surety Bond on deposit therein in the current fiscal year, and (iv) the total amount of delinquent Special Taxes in the current Fiscal Year for the entire District does not exceed seven percent (7%) of the total Special Taxes due and payable in the current Fiscal Year.

(C) For the avoidance of doubt for purposes of paragraphs (A)(i) and (B)(i) above, if there is an unreimbursed draw on any Qualified Reserve Account Surety Bond, the Reserve Fund shall not be fully funded.”

*Punctual Payment.* The Authority will punctually pay or cause to be paid the principal of, and interest and any Redemption Premium on, the Bonds when and as due in strict conformity with the terms of the Fiscal Agent Agreement and any Supplement, and it will faithfully observe and perform all of the conditions, covenants and requirements of the Fiscal Agent Agreement and all Supplements and of the Bonds.

*Extension of Time for Payment.* In order to prevent any accumulation of claims for interest after maturity, the Authority shall not, directly or indirectly, extend or consent to the extension of the time for the payment of any claim for interest on any of the Bonds and shall not, directly or indirectly, be a party to the approval of any such arrangement by purchasing or funding said claims for interest or in any other manner. In case any such claim for interest shall be extended or funded, whether or not with the consent of the Authority, such claim for interest so extended or funded shall not be entitled, in case of default under the Fiscal Agent Agreement, to the benefits of the Fiscal Agent Agreement, except subject to the prior payment in full of the principal of all of the Bonds then Outstanding and of all claims for interest which shall not have so extended or funded.

*Against Encumbrances.* The Authority will not encumber, pledge or place any charge or lien upon any of the Special Tax Revenues or other amounts pledged to the Bonds superior to or on a parity with the pledge and lien in the Fiscal Agent Agreement created for the benefit of the Bonds, except as permitted by the Resolution of Issuance, the Fiscal Agent Agreement or the Act.

*Books and Accounts.* The Authority will keep, or cause to be kept, proper books of record and account, separate from all other records and accounts of the Authority, in which complete and correct entries shall be made of all transactions relating to the Special Taxes, which records shall be subject to inspection by the Owners of the Bonds, upon reasonable prior notice on any Business Day.

*Protection of Security and Rights of Owners.* The Authority will preserve and protect the security of the Bonds and the rights of the Owners thereto, and will warrant and defend their rights to such security against all claims and demands of all persons. From and after the delivery of any of the Bonds by the Authority, the validity of the Bonds shall be incontestable by the Authority.

*Certain Tax Covenants.* The Authority shall assure that the proceeds of the Bonds are not so used as to cause the Bonds to satisfy the private business tests of Section 141(b) of the Code or the private loan financing test of Section 141(c) of the Code. The Authority shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause any of the Bonds to be “federally guaranteed” within the meaning of Section 149(b) of the Code. The Authority shall take any and all actions necessary to assure compliance with Section 148(f) of the Code, relating to the rebate of excess investment earnings, if any, to the federal government, to the extent that such section is applicable to the Bonds. Earnings on the Reserve Fund shall be transferred to the Rebate Fund used for rebate purposes before any application thereof as credits to the Redemption Fund. The Authority shall not take, or permit or suffer to be taken by the Chair, by the Fiscal Agent or otherwise, any action with respect to the proceeds of the Bonds which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the date of issuance of the Bonds would have caused the Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Code. In determining the yield of the Bonds the Authority will take into account redemption (including premium, if any) in advance of maturity based on the reasonable expectations of the Authority, as of the Closing Date, regarding prepayments of Special Taxes and use of prepayments for redemption of the Bonds, without regard to whether or not prepayments are received or Bonds redeemed. The Authority shall take all actions necessary to assure the exclusion of interest on the Bonds from the gross income of the Owners of the Bonds to the same extent as such interest is permitted to be excluded from gross income under the Code as in effect on the date of issuance of the Bonds.

## **Investments**

Monies in any fund or account created or established by the Fiscal Agent Agreement and held by the Fiscal Agent shall be invested by the Fiscal Agent in Authorized Investments, as directed pursuant to a

certificate from the Authorized Representative filed with the Fiscal Agent at least two (2) Business Days in advance of the making of such investments.

The following shall apply to such investments: (A) in the absence of any such certificate from the Authorized Representative, the Fiscal Agent shall invest any such monies in a money-market fund meeting the requirements of an Authorized Investment which by its term permits withdrawal of such funds prior to the date on which such monies are required to be paid out under the Fiscal Agent Agreement and obligations purchased as an investment of monies in any fund shall be deemed to be part of such fund or account, subject, however, to the requirements of the Fiscal Agent Agreement for transfer of interest earnings and profits resulting from investment of amounts in funds and accounts; (B) the Fiscal Agent may act as principal or agent in the acquisition or disposition of any investment and shall incur no liability for losses arising from any investments made pursuant to the Fiscal Agent Agreement; (C) subject to certain provisions of the Fiscal Agent Agreement, investments in any and all funds and accounts may at the discretion of the Fiscal Agent be commingled in a separate fund or funds for purposes of making, holding and disposing of investments, notwithstanding provisions in the Fiscal Agent Agreement for transfer to or holding in or to the credit of particular funds or accounts of amounts received or held by the Fiscal Agent under the Fiscal Agent Agreement, provided that the Fiscal Agent shall at all times account for such investments strictly in accordance with the funds and accounts to which they are credited and otherwise as provided in the Fiscal Agent Agreement; (D) the Fiscal Agent may invest amounts in the Reserve Fund in investment agreements, guaranteed investment contracts, funding agreements or similar agreements only if such agreement provides that the agreement may be terminated at any time without financial penalty; (E) the Fiscal Agent shall sell at Fair Market Value, or present for redemption, any investment security whenever it shall be necessary to provide monies to meet any required payment, transfer, withdrawal or disbursement from the fund or account to which such investment security is credited and the Fiscal Agent shall not be liable or responsible for any loss resulting from the acquisition or disposition of such investment security in accordance with the Fiscal Agent Agreement; *provided, however*, that the highest of any three bids received in accordance with applicable regulations under the Code by the Fiscal Agent shall be conclusively deemed to be the Fair Market Value for investments described in subsection (ii) of the definition of Fair Market Value; (F) the Fiscal Agent or any of its affiliates may act as sponsor or advisor in connection with any Authorized Investments; and (G) the Authority acknowledges that, to the extent regulations of the Controller of the Currency or other applicable regulatory entity grant the Authority the right to receive brokerage confirmations of security transactions as they occur, the Authority specifically waives receipt of such confirmations to the extent permitted by law. The Fiscal Agent will furnish the Authority periodic cash transaction statements which include detail for all investment transactions made by the Fiscal Agent under the Fiscal Agent Agreement.

Except as otherwise provided in the following sentence, the Authority covenants that all investments of amounts deposited in any fund or account under the Fiscal Agent Agreement, or otherwise containing gross proceeds of the Bonds (under Section 148 of the Code) shall be acquired, disposed of and valued (as of the date that valuation is required by the Fiscal Agent Agreement or the Code) at Fair Market Value. The Authority further covenants that investments in funds or accounts (or portions thereof) that are subject to a yield restriction under applicable provisions of the Code and (unless valued at least annually) investments in the Reserve Fund shall be valued at their present value (under Section 148 of the Code).

### **Liability of the Authority**

The Authority shall not incur any responsibility in respect of the Bonds or the Fiscal Agent Agreement other than in connection with the duties or obligations explicitly provided in the Fiscal Agent Agreement or in the Bonds. The Authority shall not be liable to any Owner in connection with the performance of its duties under the Fiscal Agent Agreement, except for its own negligence or willful default. The Authority shall not be bound to ascertain or inquire as to the performance or observance of any of the

terms, conditions, covenants or agreements of the Fiscal Agent in the Fiscal Agent Agreement or of any of the documents executed by the Fiscal Agent in connection with the Bonds, or as to the existence of a default under the Fiscal Agent Agreement. Under the Fiscal Agent Agreement, the following shall apply to the Authority: (A) in the absence of bad faith, the Authority, including the Chair, 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 Authority and conforming to the requirements of the Fiscal Agent Agreement and the Authority, including the Chair, shall not be liable for any error of judgment made in good faith unless it shall be proved that it was negligent in ascertaining the pertinent facts; (B) no provision of the Fiscal Agent Agreement shall require the Authority to expend or risk its own general funds or otherwise incur any financial liability (other than with respect to the foreclosure proceedings for delinquent Special Taxes and the payment of fees and costs of the Fiscal Agent) in the performance of any of its obligations under the Fiscal Agent Agreement or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it; (C) the Authority may rely and shall be protected in acting or refraining from acting upon any notice, resolution, request, consent, order, certificate, report, warrant, bond or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or proper parties; but in the case of any such certificates or opinions by which any provision of the Fiscal Agent Agreement are specifically required to be furnished to the Authority, the Authority shall be under a duty to examine the same to determine whether or not they conform to the requirements of the Fiscal Agent Agreement; (D) neither the Authority nor the Fiscal Agent shall be bound to recognize any person as the Owner of a Bond unless such Bond is duly registered and until such Bond is submitted for inspection, if required, and such Owner's title thereto is satisfactorily established if disputed; and (E) whenever in the administration of its duties under the Fiscal Agent Agreement, the Authority shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under the Fiscal Agent Agreement, such matter (unless other evidence in respect thereof be in the Fiscal Agent Agreement specifically prescribed) may, in the absence of willful misconduct on the part of the Authority, be deemed to be conclusively proved and established by a certificate of an expert retained by the Authority for such purposes.

## **Events of Default and Remedies**

*Events of Default.* The following events shall be Events of Default under the Fiscal Agent Agreement: (a) default in the due and punctual payment of the principal of any Bond when and as the same shall become due and payable, whether, at maturity or through mandatory sinking fund redemption; (b) default in the due and punctual payment of interest on any Bond when and as such interest payment shall become due and payable; (c) default by the Authority in the observance of any of the other covenants, agreements or conditions on its part in the Fiscal Agent Agreement or in the Bonds contained, if such default shall have continued for a period of sixty (60) days after written notice thereof, specifying such default and requiring the same to be remedied, shall have been given to the Authority by the Fiscal Agent; *provided, however,* that if in the reasonable opinion of the Authority, the default stated in the notice can be corrected, but not within such sixty (60) day period, such default shall not constitute an Event of Default under the Fiscal Agent Agreement if the Authority shall commence to cure such default within such sixty (60) day period and thereafter diligently and in good faith cure such failure in a reasonable period of time; (d) the filing by the Authority of a petition or answer seeking reorganization or arrangement under the federal bankruptcy laws or any other applicable law of the United States of America, or if a court of competent jurisdiction shall approve a petition, filed with or without the consent of the Authority, seeking reorganization under the federal bankruptcy laws or any other applicable law of the United States of America, or if, under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of the Authority or of the whole or any substantial part of its property.

*Application of Funds Upon Default.* All amounts received by the Fiscal Agent pursuant to any right given or action taken by the Fiscal Agent under the provisions of the Fiscal Agent Agreement shall be applied by the Fiscal Agent in the following order:

First, to the payment of reasonable fees, charges and expenses of the Fiscal Agent (including reasonable fees and disbursements of its counsel) incurred in and about the performance of its powers and duties under the Fiscal Agent Agreement; and

Second, to the payment of the whole amount then owing and unpaid upon the Bonds for interest and principal, in the manner set forth in the Fiscal Agent Agreement, with interest on such overdue amounts to the extent permitted by law at the net effective rate of interest then borne by the Outstanding Bonds, and in case such monies shall be insufficient to pay in full the whole amount so owing and unpaid upon the Bonds, then to the payment of such interest, principal and interest on overdue amounts without preference or priority among such interest, principal and interest on overdue amounts ratably to the aggregate of such interest, principal and interest on overdue amounts.

*Other Remedies; Rights of Owners.* Upon the occurrence of an Event of Default, the Fiscal Agent 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 to enforce any rights of the Fiscal Agent under or with respect to the Fiscal Agent Agreement. If an Event of Default shall have occurred and be continuing and if requested so to do by the Owners of a majority in aggregate principal amount of Outstanding Bonds and indemnified as provided in the provisions of the Fiscal Agent Agreement relating to liability of the Authority, the Fiscal Agent shall be obligated to exercise such one or more of the rights and powers conferred by events of default and remedies provisions of the Fiscal Agent Agreement, as the Fiscal Agent, being advised by counsel, shall deem most expedient in the interests of the Owners. No remedy by the terms of the Fiscal Agent Agreement conferred upon or reserved to the Fiscal Agent (or to the Owners) is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Fiscal Agent or to the Owners under the Fiscal Agent Agreement or now or thereafter existing at law or in equity.

*Grace Period for Payment Defaults.* No grace period shall be permitted for payment defaults on the Bonds.

*Power of Fiscal Agent to Control Proceedings.* In the event that the Fiscal Agent, upon the occurrence of an Event of Default, shall have taken any action, by judicial proceedings or otherwise, pursuant to its duties under the Fiscal Agent Agreement, whether upon its own discretion or upon the request of the Owners of a majority in principal amount of the Bonds then Outstanding, it shall have full power, in the exercise of its discretion for the best interests of the Owners of the Bonds, with respect to the continuance, discontinuance, withdrawal, compromise, settlement or other disposal of such action to the extent permitted by the Act; *provided, however*, that the Fiscal Agent 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 principal amount of the Outstanding Bonds under the Fiscal Agent Agreement opposing such discontinuance, withdrawal, compromise, settlement or other disposal of such litigation.

*Rights and Remedies of Owners.* No Owner of any Bond issued under the Fiscal Agent Agreement shall have the right to institute any suit, action or proceeding at law or in equity, for any remedy under or upon the Fiscal Agent Agreement, unless (a) such Owner shall have previously given to the Fiscal Agent written notice of the occurrence of an Event of Default; (b) the Owners of a majority in aggregate principal amount of all the Bonds then Outstanding shall have made written request upon the Fiscal Agent to exercise

the powers in the Fiscal Agent Agreement before granted or to institute such action, suit or proceeding in its own name; (c) said Owners shall have tendered to the Fiscal Agent indemnity reasonably acceptable to the Fiscal Agent against the costs, expenses and liabilities to be incurred in compliance with such request; (d) the Fiscal Agent 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 shall have been made to, the Fiscal Agent; and (e) the Fiscal Agent has not received any inconsistent direction during such 60-day period from the Owners of a majority in aggregate principal amount of the Outstanding Bonds.

### **The Fiscal Agent**

*Appointment.* Pursuant to the Fiscal Agent Agreement, Zions First National Bank is appointed fiscal agent and paying agent for the Bonds. The Fiscal Agent undertakes to perform such duties, and only such duties, as are specifically set forth in the Fiscal Agent Agreement, and no implied covenants or obligations shall be read into the Fiscal Agent Agreement against the Fiscal Agent. With respect to the appointment of the Fiscal Agent, the following shall apply: (A) any financial establishment into which the Fiscal Agent may be merged or converted or with which it may be consolidated or any financial establishment resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Fiscal Agent may sell or transfer all or substantially all of its corporate trust business, provided such company shall be eligible under paragraph (B) below shall be the successor to such Fiscal Agent without the execution or filing of any paper or any further act, anything in the Fiscal Agent Agreement to the contrary notwithstanding; (B) unless an Event of Default shall have occurred and by continuing the Authority may remove the Fiscal Agent initially appointed and any successor thereto, and may appoint a successor or successors thereto, but any Fiscal Agent shall be a bank or trust company having a combined capital (exclusive of borrowed capital) and surplus of at least Fifty Million Dollars (\$50,000,000) and subject to supervision or examination by federal or state authority; (C) the Fiscal Agent may at any time resign by giving written notice to the Authority, and by giving to the Owners notice by mail of such resignation and any resignation or removal of the Fiscal Agent shall become effective upon acceptance of appointment by the successor Fiscal Agent; (D) if by reason of the judgment of any court, the Fiscal Agent is rendered unable to perform its duties under the Fiscal Agent Agreement, all such duties and all of the rights and powers of the Fiscal Agent under the Fiscal Agent Agreement shall be assumed by and vest in the Treasurer of the Authority in trust for the benefit of the Owners until such time as the Authority shall appoint a successor Fiscal Agent; and (E) if no appointment of a successor Fiscal Agent shall be made pursuant to the foregoing provisions within forty-five (45) days after the Fiscal Agent shall have given to the Authority written notice or after a vacancy in the office of the Fiscal Agent shall have occurred by reason of its inability to act, the Fiscal Agent or any Bond Owner may apply to any court of competent jurisdiction to appoint a successor Fiscal Agent.

*Liability of Fiscal Agent.* With respect to the liability of the Fiscal Agent, the following shall apply: (A) the recitals of facts, covenants and agreements in the Fiscal Agent Agreement and in the Bonds contained shall be taken as statements, covenants and agreements of the Authority, and the Fiscal Agent assumes no responsibility for the correctness of the same, makes no representations as to the validity or sufficiency of the Fiscal Agent Agreement or of the Bonds, nor shall incur any responsibility in respect thereof, other than in connection with the duties or obligations expressly set forth in the Fiscal Agent Agreement; (B) the Fiscal Agent may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates, written instructions, or opinions furnished to the Fiscal Agent and conforming to the requirements of the Fiscal Agent Agreement; (C) the Fiscal Agent shall not be liable for any error of judgment made in good faith by a responsible officer unless it shall be proved that the Fiscal Agent was negligent in ascertaining the pertinent facts; (D) no provision of the Fiscal Agent Agreement shall require the Fiscal Agent to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties under the Fiscal Agent Agreement, or in the exercise of any of its rights or powers; (E) the Fiscal Agent shall be under no obligation to exercise any of the rights or

powers vested in it by the Fiscal Agent Agreement at the request or direction of any of the Owners pursuant to the Fiscal Agent Agreement unless such Owners shall have offered to the Fiscal Agent security or indemnity satisfactory to the Fiscal Agent against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction; (F) the Fiscal Agent may become the Owner of the Bonds with the same rights it would have if it were not the Fiscal Agent; (G) all indemnifications and releases from liability granted to the Fiscal Agent under the Fiscal Agent Agreement shall extend to the directors, officers and employees of the Fiscal Agent; and (H) the Fiscal Agent shall not be liable with respect to any action taken or not taken by it in good faith, in accordance with the direction of the Owners of a majority (or other percentage provided for) in aggregate principal amount of Bonds at the time Outstanding relating to the exercise of any right or remedy available to the Fiscal Agent under the Fiscal Agent Agreement or any other right or power conferred upon the Fiscal Agent.

*Books and Accounts.* The Fiscal Agent will keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the Fiscal Agent, in which complete and correct entries shall be made of all transactions made by it relating to the expenditure of amounts disbursed from the Redemption Fund and the Reserve Fund. Such books of record and accounts shall, upon reasonable prior notice, at all times during regular business hours on any Business Day be subject to the inspection of the Authority and the Owners of not less than ten percent (10%) of the principal amount of the Bonds then Outstanding, or their representatives duly authorized in writing.

*Compensation; Indemnification.* The Authority shall pay to the Fiscal Agent from time to time reasonable compensation for all services rendered as Fiscal Agent under the Fiscal Agent Agreement, and also all reasonable expenses, charges, counsel fees and other disbursements, including those of the Fiscal Agent's general counsel or other attorneys and agents, incurred in and about the performance of their powers and duties under the Fiscal Agent Agreement, but the Fiscal Agent shall not have a lien therefor on any funds at any time held by it under the Fiscal Agent Agreement. The Authority agrees, to the extent permitted by law, to indemnify and save the Fiscal Agent, its officers, employees, directors and agents harmless against any liabilities which the Fiscal Agent may incur in the exercise and performance of its powers and duties under the Fiscal Agent Agreement which are not due to the Fiscal Agent's negligence or willful misconduct.

### **Amendment of Fiscal Agent Agreement**

*Amendments Permitted.* The Fiscal Agent Agreement and the rights and obligations of the Authority and of the Owners of the Bonds may be modified or amended at any time by a Supplement, which shall become binding, pursuant to the affirmative vote of the Owners, or with the written consent without a meeting, of the Owners of at least sixty percent (60%) in aggregate principal amount of the Bonds then Outstanding, exclusive of Bonds disqualified as provided in the Fiscal Agent Agreement. No such modification or amendment shall (i) extend the maturity of any Bond or reduce the interest rate thereon, or otherwise alter or impair the obligation of the Authority to pay the principal of, and the interest and any premium on, any Bond, without the express consent of the Owner of such Bond, or (ii) permit the creation by the Authority of any pledge or lien upon the Special Tax Revenues superior to or on a parity with the pledge and lien created for the benefit of the Bonds (except as otherwise permitted by the Act, the Resolution of Formation, the laws of the State of California or the Fiscal Agent Agreement), or (iii) reduce the percentage of Bonds required for the amendment of the Fiscal Agent Agreement, or (iv) amend certain amendment provisions.

The Fiscal Agent Agreement and the rights and obligations of the Authority and of the Owners may also be modified or amended at any time by a Supplement, without the consent of any Owners, only to the extent permitted by law and only for any one or more of the following purposes: (A) to add to the covenants and agreements of the Authority in the Fiscal Agent Agreement contained, other covenants and agreements

thereafter to be observed, or to limit or surrender any right or power in the Fiscal Agent Agreement reserved to or conferred upon the Authority; (B) to make modifications not adversely affecting any Outstanding Series of Bonds of the Authority in any material respect; (C) to provide for the issuance of any Additional Bonds, and to provide the terms and conditions under which such Additional Bonds may be issued, including but not limited to the establishment of special funds and accounts relating to such Additional Bonds and any other provisions relating solely to such Additional Bonds, subject to and in accordance with the provisions of the Fiscal Agent Agreement providing for Additional Bonds; or (D) to make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained in the Fiscal Agent Agreement, or in regard to questions arising under the Fiscal Agent Agreement, as the Authority and the Fiscal Agent may deem necessary or desirable and not inconsistent with the Fiscal Agent Agreement, and which shall not adversely affect the rights of the Owners of the Bonds; or (E) to make such additions, deletions or modifications as may be necessary or desirable to assure exemption from federal income taxation of interest on the Bonds.

*Amendment with Written Consent of Owners.* The Authority and the Fiscal Agent may at any time, with the consent of each bond insurer, if any, so long as the bond insurers are not in default in their payment obligations under the respective bond insurance policies, adopt and execute a Supplement amending the provisions of the Bonds or of the Fiscal Agent Agreement or any Supplement in which event the following shall apply: (A) a copy of such Supplement, together with a request to Owners for their consent thereto, shall be mailed by first class mail, by the Fiscal Agent to each Owner of Bonds Outstanding, but failure to mail copies of such Supplement and request shall not affect the validity of the Supplement when assented to as provided in the Fiscal Agent Agreement; (B) such Supplement shall not become effective unless there shall be filed with the Fiscal Agent the written consents of the Owners of at least sixty percent (60%) in aggregate principal amount of the Bonds then Outstanding (exclusive of Bonds disqualified) and a notice shall have been mailed as provided in the Fiscal Agent Agreement; and (C) after the Owners of the required percentage of Bonds shall have filed their consents to the Supplement, the Authority shall mail a notice to the Owners in the manner provided in the Fiscal Agent Agreement for the mailing of the Supplement, stating in substance that the Supplement has been consented to by the Owners of the required percentage of Bonds and will be effective as provided in the Fiscal Agent Agreement, but failure to mail copies of said notice shall not affect the validity of the Supplement or consents thereto).

### **Miscellaneous Provisions**

*Benefits of Agreement Limited to Parties.* Nothing in the Fiscal Agent Agreement, expressed or implied, is intended to give to any person other than the Authority, the Fiscal Agent and the Owners, any right, remedy or claim under or by reason of the Fiscal Agent Agreement. Any covenants, stipulations, promises or agreements in the Fiscal Agent Agreement contained by and on behalf of the Authority shall be for the sole and exclusive benefit of the Owners and the Fiscal Agent.

*Discharge of Agreement.* Subject to the redemption provisions of the Fiscal Agent Agreement, if the Authority shall pay and discharge the entire indebtedness on all Outstanding Bonds of a given Series in any one or more of the following ways: (A) by well and truly paying or causing to be paid the principal of, and interest and any premium on, all Bonds Outstanding in such Series, as and when the same become due and payable; (B) by depositing with the Fiscal Agent, in escrow or trust, at or before maturity, money which, together with the amounts then on deposit in the funds and accounts applicable to such Series of Bonds is fully sufficient to pay all Bonds Outstanding in such Series, including all principal, interest and any applicable Redemption Premiums; or (C) by irrevocably depositing with the Fiscal Agent, in escrow or trust, only (1) cash or (2) non-callable direct obligations of the United States of America ("Treasures") and securities fully and unconditionally guaranteed as to the timely payment of principal and interest by the United States of America, or as otherwise may be authorized under State law in such amount as the Authority shall determine, as confirmed by the report of an independent financial analyst or firm of

nationally recognized certified public accountants (the “Accountants”) verifying the sufficiency of the escrow established to pay the Bonds in full on the maturity or redemption date (the “Verification”), which will, together with the interest to accrue thereon and monies then on deposit in the fund and accounts be fully sufficient to pay and discharge the indebtedness on all Outstanding Bonds in such Series, including all principal, interest and any applicable Redemption Premiums, at or before their respective maturity dates; and if such Bonds are to be redeemed prior to the maturity thereof notice of such redemption shall have been given as in the Fiscal Agent Agreement provided or provision satisfactory to the Fiscal Agent shall have been made for the giving of such notice, then, at the election of the Authority; and notwithstanding that any Bonds shall not have been surrendered for payment, the pledge of the Special Tax Revenues and other funds provided for in the Fiscal Agent Agreement and all other obligations of the Authority under the Fiscal Agent Agreement with respect to all Bonds Outstanding shall cease and terminate, except only (i) the obligation of the Authority to pay or cause to be paid to the Owners of the Bonds not so surrendered and paid all sums due thereon; (ii) the obligation of the Authority to assure that no action is taken or failed to be taken if such action or failure adversely affects the exclusion of interest on the Bonds from gross income for federal income tax purposes, and (iii) the obligation to pay all amounts owing to the Fiscal Agent pursuant to the Fiscal Agent Agreement; and thereafter Special Tax Revenues shall not be payable to the Fiscal Agent.

Any substitution of securities following the execution and delivery of such escrow agreement shall require the delivery of a Verification, an opinion of bond counsel that such substitution will not adversely affect the exclusion from gross income of the interest on the Bonds for Federal income tax purposes.

The Authority has agreed it will not exercise any prior optional redemption of Bonds secured by the escrow agreement or any other redemption of Bonds secured by an escrow agreement other than mandatory sinking fund redemptions unless the right to make any such redemption has been expressly reserved in the escrow agreement and such reservation has been disclosed in detail in the official statement for the refunding bonds.

*Waiver of Personal Liability.* No member, officer, agent or employee of the Authority shall be individually or personally liable for the payment of the principal of, or interest or any premium on, the Bonds; but nothing in the Fiscal Agent Agreement contained shall relieve any such member, officer, agent or employee from the performance of any official duty provided by law.

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## APPENDIX D

### FORM OF CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the “Disclosure Agreement”) is executed and delivered by the RNR School Financing Authority, acting as the legislative body of the RNR School Financing Authority Community Facilities District No. 92-1 (the “District”), and California Financial Services, acting as dissemination agent (the “Dissemination Agent”), in connection with the issuance of the RNR School Financing Authority Community Facilities District No. 92-1 Special Tax Refunding Bonds, 2024 Series A, in the aggregate principal amount of \$\_\_\_\_\_ (the “2024A Bonds”). The 2024A Bonds are being issued pursuant to a Fiscal Agent Agreement, dated as of October 1, 1995, as supplemented through and including by the Nineteenth Supplemental Fiscal Agent Agreement, dated as of December 1, 2024 (collectively, the “Fiscal Agent Agreement”), each by and between the District and Zions Bancorporation, National Association (or its predecessors-in-interest), as fiscal agent (the “Fiscal Agent”). The District and the Dissemination Agent covenant and agree as follows:

Section 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the District for the benefit of the holders and beneficial owners of the 2024A Bonds and in order to assist the Participating Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b)(5).

Section 2. Definitions. In addition to the definitions set forth in the Fiscal Agent Agreement, which apply to any capitalized terms used in this Disclosure Agreement, 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 Agreement.

“**Dissemination Agent**” shall mean KeyAnalytics, a division of California Financial Services, or any successor Dissemination Agent designated in writing by the District, which successor must have filed a written acceptance of such designation with the District.

“**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 Rule 15c2-12.

“**Listed Events**” shall mean any of the events listed in Section 5(a) of this Disclosure Agreement.

“**MSRB**” shall mean the Municipal Securities Rulemaking Board.

“**Official Statement**” means the Official Statement relating to the 2024A Bonds.

“**Participating Underwriter**” shall mean the original underwriter of the 2024A Bonds required to comply with the Rule in connection with the offering of the 2024A Bonds.

“**Rule**” shall mean Rule 15c2-12(b)(5), promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

### Section 3. Provisions of Annual Reports.

(a) The District shall, or shall cause the Dissemination Agent to, not later than nine months after the end of the District's fiscal year (*i.e.*, not later than March 31), commencing with the 2023-24 fiscal year, provide to the MSRB an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Agreement, with a copy to the Fiscal Agent. Not later than fifteen (15) Business Days prior to said date, the District shall provide the Annual Report to the Dissemination Agent, if such Dissemination Agent is a different entity than the District, and the Participating Underwriter. The Annual Report must be submitted in an electronic format as prescribed by MSRB, accompanied by such identifying information as is prescribed by MSRB. The Annual Report may be submitted as single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Agreement; provided that the audited financial statements of the Authority may be submitted separately from the balance of the Annual Report, and not later than the date required above for the filings of the Annual Report. If the District's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(c).

(b) If the District is unable to provide the MSRB with an Annual Report by the date required in subsection (a), the District shall send, in a timely manner, a notice to the MSRB in substantially the form attached as Exhibit A. Such notice must be submitted in an electronic format as prescribed by MSRB, accompanied by such identifying information as prescribed by MSRB.

(c) The Dissemination Agent shall:

1. file the Annual Report with the MSRB;
2. file a report with the District and the Fiscal Agent (if the Dissemination Agent is other than the Fiscal Agent) certifying that the Annual Report has been provided pursuant to this Disclosure Agreement and stating the date it was provided; and
3. take any other actions mutually agreed upon between the Dissemination Agent and the District.

Section 4. Content of Annual Reports. The District's Annual Report shall contain or incorporate by reference the following:

(a) The District does not currently prepare audited financial statements and it is not anticipated that the District will prepare audited financial statements in the future. If the District does prepare audited financial statements, the District's Annual Report shall contain or incorporate by reference such audited financial statements, if any, for the most recently completed fiscal year, 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 audited financial statements of the District are to be prepared, but are not available at the time required for filing, unaudited financial statements of the District shall be submitted with the Annual Report and the audited financial statements shall be submitted once available. As stated in Section 3(a), the financial statements of the Authority shall not be deemed to be the financial statements of the District, unless such audited financial statements contain specific information as to the District, its revenues, expenses and account balances. If the Authority's audited financial statements contain specific information as to the District, its revenues, expenses and account balances, the District's Annual Report shall contain or incorporate by reference such Authority's audited financial statements.

(b) The following additional items with respect to the 2024A Bonds and property in the District subject to the Special Tax levy:

1. Principal amount of 2024A Bonds Outstanding and principal amount of any other Bonds Outstanding.
2. Balance in the Reserve Fund.
3. Special Tax delinquency rate for the most recent year.
4. Concerning delinquent parcels:
  - number of parcels delinquent in payment of Special Tax,
  - total of delinquency and percentage of delinquency in relation to total Special Tax levy, and
  - status of the District's actions related to any foreclosure proceedings upon delinquent properties within the District.
5. Identity of any delinquent taxpayer obligated for more than 5% of the annual Special Tax levy and:
  - assessed value of applicable properties, and
  - summary of results of foreclosure sales, if available.
6. A land ownership summary listing current owners obligated for more than 5% of the annual Special Tax levy.
7. General development activity in the District as of the previous March 1 as measured by the issuance of building permits by the City of Bakersfield and the County of Kern.
8. Updates to tables number 6 (Assessed Property Values), 9 (Special Tax Collections and Delinquencies), and 12 (Value to Lien Burden Ratio) of the Official Statement with the most recently completed fiscal year.
9. Any changes to the Rate and Method of Apportionment approved or submitted to the qualified electors for approval prior to the filing of the Annual Report.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the District, or related public entities, that are available to the public on MSRB's Internet website or filed with the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the MSRB. 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 to be given, not in excess of 10 business days after the occurrence of any of the following events, notice of the occurrence of such event with respect to the 2024A Bonds:

1. Principal and interest payment delinquencies.
2. Non-payment related defaults, if material.

3.       Unscheduled draws on debt service reserves reflecting financial difficulties.
4.       Unscheduled draws on credit enhancements reflecting financial difficulties.
5.       Substitution of any credit or liquidity providers, or their failure to perform.
6.       Adverse tax opinions, 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 determination with respect to the tax status of the security or other material events affecting the tax status of the security.
7.       Modifications to rights of security holders, if material.
8.       Bond calls, if material, and tender offers.
9.       Defeasances.
10.      Release, substitution, or sale of property securing repayments of the securities, if material.
11.      Rating changes.
12.      Bankruptcy, insolvency, receivership, or similar event of the District or the Authority this Listed Event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the District or the Authority 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 District or the Authority, or if such jurisdiction has been assumed by leaving the existing governing 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 District or the Authority.
13.      Consummation of a merger, consolidation, or acquisition involving the District or the Authority or the sale of all or substantially all of the assets of the District or the Authority, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.
14.      Appointment of a successor or additional trustee or the change of name of a trustee, if material.
15.      Incurrence of a Financial Obligation of the District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the District, any of which affect security holders, if material.
16.      Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the District, any of which reflect financial difficulties.

(b) Upon and after the occurrence of a Listed Event listed under subsection (a)(2), (a)(7), (a)(8), (a)(10), (a)(13), (a)(14) or (a)(15) above, the District shall as soon as possible determine if such event would be material under applicable federal securities laws. If the District determines that knowledge of the occurrence of such Listed Event would be material under applicable federal securities laws, the District shall promptly notify the Dissemination Agent in writing. Such notice shall instruct the Dissemination Agent to report the occurrence pursuant to subsection (d) below.

(c) Upon and after the occurrence of any Listed Event (other than a Listed Event listed under subsection (a)(2), (a)(7), (a)(8), (a)(10), (a)(13), (a)(14) or (a)(15) above), the District shall promptly notify the Dissemination Agent in writing. Such notice shall instruct the Dissemination Agent to report the occurrence pursuant to subsection (d) below.

(d) If the Dissemination Agent has been instructed by the District to report the occurrence of a Listed Event, the Dissemination Agent shall file a notice of such occurrence with MSRB not in excess of ten (10) business days after the occurrence of such Listed Event. Such notice must be submitted in an electronic format as prescribed by MSRB, accompanied by such identifying information as prescribed by MSRB. Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(8) and (9) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to owners of affected 2024A Bonds pursuant to the Fiscal Agent Agreement. The District hereby agrees that the undertaking set forth in this Disclosure Agreement is the responsibility of the District and that the Trustee or the Dissemination Agent shall not be responsible for determining whether the District's instructions to the Dissemination Agent under this Section 5 comply with the requirements of the Rule.

Section 6. Termination of Reporting Obligation. The District's obligations under this Disclosure Agreement shall terminate upon the legal defeasance or payment in full of all of the 2024A Bonds. If such termination occurs prior to the final maturity of the 2024A Bonds, the District shall give notice of such termination in the same manner as for a Listed Event under Section 5(c).

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 Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. If at any time there is not any other designated Dissemination Agent, the Fiscal Agent shall be the Dissemination Agent. The initial Dissemination Agent shall be California Financial Services.

Section 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the District and the Dissemination Agent may amend this Disclosure Agreement, and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) if the amendment or waiver relates to annual or event information to be provided hereunder, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the District or type of business conducted;

(b) the undertakings herein, as proposed to be amended or waived, would, in the opinion of nationally recognized bond counsel have complied with the requirements of the Rule at the time of the primary offering of the 2024A Bonds, after taking into account any amendments or interpretations of the rule, as well as any change in circumstances; and

(c) the proposed amendment or waiver (i) is approved by holders of the 2024A Bonds in the manner provided in the Fiscal Agent Agreement for amendments to the Fiscal Agent Agreement with the

consent of holders, or (ii) does not, in the opinion of the Fiscal Agent or nationally recognized bond counsel, materially impair the interest of 2024A Bond holders.

If the annual financial information or operating data to be provided in the Annual Report is amended pursuant to the provisions hereof, the annual financial information containing the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

If an amendment is made to the undertaking specifying the accounting principles to be followed in preparing financial statements, the annual financial information 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. The comparison shall include a 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, in order to provide information to investors to enable them to evaluate the ability of the District to meet its obligations. To the extent reasonably feasible, the comparison shall be quantitative. A notice of the change in the accounting principles shall be sent to the MSRB.

Section 9. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement 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 Agreement. 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 Agreement, the District shall have no obligation under this Disclosure Agreement 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 to comply with any provisions of this Disclosure Agreement any Participating Underwriter or any holder or beneficial owner of the 2024A Bonds, or the Fiscal Agent on behalf of the holders of the 2024A Bonds, may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed a default under the Fiscal Agent Agreement, and the sole remedy under this Disclosure Agreement in the event of any failure of the District to comply with this Disclosure Agreement shall be an action to compel performance.

Section 11. Duties, Immunities, and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and the District agrees to indemnify and save the Dissemination Agent, its officers, directors, employees, and agents, harmless against any loss, expense and liabilities that it may incur arising out of or in the exercise or performance of its 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. The obligations of the District under this Section shall survive resignation or removal of the Dissemination Agent and payment of the 2024A Bonds.

Section 12. Beneficiaries. The Disclosure Agreement shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriter, and registered and beneficial owners from time to time of the 2024A Bonds, and shall create no rights in any other person or entity.

Section 13. Counterparts. This Disclosure Agreement may be executed in multiple counterparts, all of which shall constitute one and the same instrument, and each of which shall be deemed to be an original.

Date: [Closing Date]

RNR SCHOOL FINANCING AUTHORITY, acting as  
the legislative body of the RNR School Financing  
Authority Community Facilities District No. 92-1

By: \_\_\_\_\_  
Authorized Representative

KEYANALYTICS,  
As Dissemination Agent

By: \_\_\_\_\_  
Authorized Representative

**EXHIBIT A TO CONTINUING DISCLOSURE AGREEMENT**

**NOTICE OF FAILURE TO FILE ANNUAL REPORT**

Name of Issuer: RNR School Financing Authority Community Facilities District No. 92-1

Name of Bond Issue: RNR School Financing Authority Community Facilities District No. 92-1 Special  
Tax Refunding Bonds, 2024 Series A

Date of Issuance: December \_\_, 2024

NOTICE IS HEREBY GIVEN that the District has not provided an Annual Report with respect to the above-named 2024A Bonds as required by the Continuing Disclosure Agreement executed by the District on December \_\_, 2024. The District anticipates that the Annual Report will be filed by \_\_\_\_\_.

Dated: \_\_\_\_\_

RNR SCHOOL FINANCING AUTHORITY, on behalf  
of the RNR School Financing Authority Community  
Facilities District No. 92-1

By: \_\_\_\_\_

## **APPENDIX E**

### **SPECIMEN MUNICIPAL BOND INSURANCE POLICY**

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## MUNICIPAL BOND INSURANCE POLICY

ISSUER: [NAME OF ISSUER]

Policy No: \_\_\_\_\_

MEMBER: [NAME OF MEMBER]

BONDS: \$ \_\_\_\_\_ in aggregate principal  
amount of [NAME OF TRANSACTION]  
[and maturing on]

Effective Date: \_\_\_\_\_

Risk Premium: \$ \_\_\_\_\_  
Member Surplus Contribution: \$ \_\_\_\_\_  
Total Insurance Payment: \$ \_\_\_\_\_

BUILD AMERICA MUTUAL ASSURANCE COMPANY ("BAM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") for the Bonds named above (as set forth in the documentation providing for the issuance and securing of the Bonds), for the benefit of the Owners or, at the election of BAM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the first Business Day following the Business Day on which BAM shall have received Notice of Nonpayment, BAM will disburse (but without duplication in the case of duplicate claims for the same Nonpayment) to or for the benefit of each Owner of the Bonds, the face amount of principal of and interest on the Bonds that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by BAM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of such principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in BAM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by BAM is incomplete, it shall be deemed not to have been received by BAM for purposes of the preceding sentence, and BAM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, any of whom may submit an amended Notice of Nonpayment. Upon disbursement under this Policy in respect of a Bond and to the extent of such payment, BAM shall become the owner of such Bond, any appurtenant coupon to such Bond and right to receipt of payment of principal of or interest on such Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under such Bond. Payment by BAM either to the Trustee or Paying Agent for the benefit of the Owners, or directly to the Owners, on account of any Nonpayment shall discharge the obligation of BAM under this Policy with respect to said Nonpayment.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent (as defined herein) are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity (unless BAM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration) and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment made to an Owner by or on behalf of the Issuer of principal or interest that is Due for Payment, which payment has been recovered from such Owner pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means delivery to BAM of a notice of claim and certificate, by certified mail, email or telecopy as set forth on the attached Schedule or other acceptable electronic delivery, in a form satisfactory to BAM, from and signed by an Owner, the Trustee or the Paying Agent, which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount, (d) payment instructions and (e) the date such claimed amount becomes or became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer, the Member or any other person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

BAM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee, the Paying Agent, the Member and the Issuer specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee, the Paying Agent, the Member or the Issuer (a) copies of all notices required to be delivered to BAM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to BAM and shall not be deemed received until received by both and (b) all payments required to be made by BAM under this Policy may be made directly by BAM or by the Insurer's Fiscal Agent on behalf of BAM. The Insurer's Fiscal Agent is the agent of BAM only, and the Insurer's Fiscal Agent shall in no event be liable to the Trustee, Paying Agent or any Owner for any act of the Insurer's Fiscal Agent or any failure of BAM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, BAM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to BAM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy. This Policy may not be canceled or revoked.

This Policy sets forth in full the undertaking of BAM and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW. THIS POLICY IS ISSUED WITHOUT CONTINGENT MUTUAL LIABILITY FOR ASSESSMENT.

In witness whereof, BUILD AMERICA MUTUAL ASSURANCE COMPANY has caused this Policy to be executed on its behalf by its Authorized Officer.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By: \_\_\_\_\_  
Authorized Officer

**Notices (Unless Otherwise Specified by BAM)**

Email:

[claims@buildamerica.com](mailto:claims@buildamerica.com)

Address:

200 Liberty Street, 27th floor  
New York, New York 10281

Telecopy:

212-962-1524 (attention: Claims)

SPECIMEN



**CALIFORNIA**  
**ENDORSEMENT TO**  
**MUNICIPAL BOND**  
**INSURANCE POLICY**  
**NO.**

This Policy is not covered by the California Insurance Guaranty Association established pursuant to Article 15.2 of Chapter 1 of Part 2 of Division 1 of the California Law.

Nothing herein shall be construed to waive, alter, reduce or amend coverage in any other section of the Policy. If found contrary to the Policy language, the terms of this Endorsement supersede the Policy language

IN WITNESS WHEREOF, BUILDAMERICA MUTUAL ASSURANCE COMPANY has caused this policy to be executed on its behalf by its Authorized Officer.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By

\_\_\_\_\_  
Authorized Officer





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[www.royceprinting.com](http://www.royceprinting.com)