

NEW ISSUE

NOT RATED

In the opinion of Atkinson, Andelson, Loya, Ruud & Romo, A Professional Law Corporation, Irvine, California, Bond Counsel, subject, however, to certain qualifications described herein, under existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Bonds (including any original issue discount allocable to the owner thereof) is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended. In the further opinion of Bond Counsel interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. Interest on the Bonds is taken into account in determining annual adjusted financial statement income for the purpose of computing the alternative minimum tax imposed on certain corporations. In the further opinion of Bond Counsel interest on the Bonds is exempt from personal income taxation imposed by the State of California. Bond Counsel expresses no other opinion regarding or concerning any other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Bonds. See "LEGAL MATTERS - Tax Exemption."

\$7,635,000*

**COMMUNITY FACILITIES DISTRICT NO. 2023-1
OF THE WILLIAM S. HART UNION HIGH SCHOOL DISTRICT
SERIES 2025 SPECIAL TAX BONDS**

Dated: Date of Delivery

Due: September 1, as shown on inside cover.

Authority for Issuance. The bonds captioned above (the "Bonds") are being issued under the Mello-Roos Community Facilities Act of 1982, as amended (the "Act"), the Resolution of Issuance (as defined herein), and a Fiscal Agent Agreement dated as of November 1, 2025 (the "Fiscal Agent Agreement"), by and between Community Facilities District No. 2023-1 of the William S. Hart Union High School District (the "Community Facilities District"), and Zions Bancorporation, National Association, as fiscal agent (the "Fiscal Agent"). The Governing Board (the "Board") of the William S. Hart Union High School District (the "School District"), acting as legislative body of the Community Facilities District, has authorized the issuance of the Bonds in maximum aggregate original principal amount of \$9,000,000. See "THE BONDS – Authority for Issuance."

Security and Sources of Payment. The Bonds are payable from proceeds of Net Taxes (as defined herein) levied on property within the Community Facilities District according to the rate and method of apportionment of special tax approved by the Board and the eligible landowner voter in the Community Facilities District. The Bonds are secured by a first pledge of the revenues derived from the Net Taxes and the moneys on deposit in certain funds and accounts held by the Fiscal Agent under the Fiscal Agent Agreement. See "SECURITY FOR THE BONDS."

Use of Proceeds. The Bonds are being issued to (i) finance the acquisition, construction and completion of certain facilities and improvements to be owned and operated by the School District, (ii) fund a debt service reserve fund for the Bonds, (iii) fund capitalized interest with respect to the Bonds for a limited period of time*, and (iv) pay certain costs of issuing the Bonds. See "FINANCING PLAN."

Bond Terms. Interest on the Bonds is payable on March 1, 2026, and semiannually thereafter on each September 1 and March 1. The Bonds will be issued in denominations of \$5,000 or integral multiples of \$5,000. The Bonds, when delivered, will be initially registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Bonds. See "THE BONDS – General Bond Terms" and "APPENDIX D – DTC and the Book-Entry Only System."

Redemption*. The Bonds are subject to optional redemption, mandatory sinking fund redemption and mandatory redemption from prepaid Special Taxes. See "THE BONDS - Redemption."

THE BONDS, THE INTEREST THEREON, AND ANY PREMIUMS PAYABLE ON THE REDEMPTION OF ANY OF THE BONDS, ARE NOT AN INDEBTEDNESS OF THE SCHOOL DISTRICT, THE STATE OF CALIFORNIA (THE "STATE") OR ANY OF ITS POLITICAL SUBDIVISIONS, AND NONE OF THE SCHOOL DISTRICT, THE COMMUNITY FACILITIES DISTRICT (EXCEPT TO THE LIMITED EXTENT DESCRIBED IN THIS OFFICIAL STATEMENT), THE STATE NOR ANY OF ITS POLITICAL SUBDIVISIONS IS LIABLE ON THE BONDS. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE SCHOOL DISTRICT, THE COMMUNITY FACILITIES DISTRICT (EXCEPT TO THE LIMITED EXTENT DESCRIBED IN THIS OFFICIAL STATEMENT), OR THE STATE OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE BONDS. OTHER THAN THE NET TAXES, NO TAXES ARE PLEDGED TO THE PAYMENT OF THE BONDS. THE BONDS ARE NOT A GENERAL OBLIGATION OF THE COMMUNITY FACILITIES DISTRICT, BUT ARE LIMITED OBLIGATIONS OF THE COMMUNITY FACILITIES DISTRICT PAYABLE SOLELY FROM THE NET TAXES AS MORE FULLY DESCRIBED IN THIS OFFICIAL STATEMENT.

MATURITY SCHEDULE

(see inside cover)

This cover page contains certain information for quick reference only. It is not a summary of the issue. Potential investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision. Investment in the Bonds involves risks that may not be appropriate for some investors. See "BOND OWNERS' RISKS" for a discussion of special risk factors that should be considered in evaluating the investment quality of the Bonds.

The Bonds are offered when, as and if issued and accepted by the Underwriter, subject to approval as to their legality by Atkinson, Andelson, Loya, Ruud & Romo, A Professional Law Corporation, Irvine, California, Bond Counsel, and subject to certain other conditions. Certain legal matters will be passed upon for the Community Facilities District by Jones Hall LLP, as disclosure counsel, and by Atkinson, Andelson, Loya, Ruud & Romo, A Professional Law Corporation, Irvine, California, special district counsel to the School District. Stradling, Yocca, Carlson & Rauth LLP, is serving as counsel to the Underwriter. It is anticipated that the Bonds, in book-entry form, will be available for delivery on or about November [20], 2025.

STIFEL

The date of this Official Statement is: _____, 2025.

* Preliminary; subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a 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 such jurisdiction.

MATURITY SCHEDULE*

\$ _____ Serial Bonds
(Base CUSIP†: _____)

Maturity (September 1)	Principal Amount	Interest Rate	Yield	Price	CUSIP No. †
2026					
2027					
2028					
2029					
2030					
2031					
2032					
2033					
2034					
2035					

\$ ____ % Term Bond due September 1, 20____, Yield: ____%, Price: ____%
CUSIP† No. ____

\$ ____ % Term Bond due September 1, 20____, Yield: ____%, Price: ____%
CUSIP† No. ____

\$ ____ % Term Bond due September 1, 20____, Yield: ____%, Price: ____%
CUSIP† No. ____

\$ ____ % Term Bond due September 1, 20____, Yield: ____%, Price: ____%
CUSIP† No. ____

† CUSIP Global Services (CGS) is managed on behalf of American Bankers Association by FactSet Research Systems Inc. Copyright 2025 CUSIP Global Services. 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 are provided for convenience of reference only. None of the Community Facilities District, School District or Underwriter assumes any responsibility for the accuracy of CUSIP data.

* Preliminary; subject to change.

GENERAL INFORMATION ABOUT THIS OFFICIAL STATEMENT

No Offering May Be Made Except by this Official Statement. No dealer, broker, salesperson or other person has been authorized to give any information or to make any representations with respect to the Bonds other than as contained in this Official Statement, and if given or made, such other information or representation must not be relied upon as having been authorized.

No Unlawful Offers or Solicitations. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy in any state in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

Effective Date. This Official Statement speaks only as of its date, and the information and expressions of opinion contained in this Official Statement are subject to change without notice. Neither the delivery of this Official Statement nor any sale of the Bonds will, under any circumstances, create any implication that there has been no change in the affairs of the School District, the Community Facilities District, any other parties described in this Official Statement, or in the condition of property within the Community Facilities District since the date of this Official Statement.

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

Preparation of this Official Statement. The information contained in this Official Statement has been obtained from sources that are believed to be reliable, but this information is not guaranteed as to accuracy or completeness.

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.

Document References and Summaries. All references to and summaries of the Fiscal Agent Agreement or other documents contained in this Official Statement are subject to the provisions of those documents and do not purport to be complete statements of those documents.

Stabilization of and Changes to Offering Prices. The Underwriter may overallocate or take other steps that stabilize or maintain the market price of the Bonds at a level above that which might otherwise prevail in the open market. If commenced, the Underwriter may discontinue such market stabilization at any time. The Underwriter may offer and sell the Bonds to certain dealers, dealer banks and banks acting as agent at prices lower than the public offering prices stated on the inside cover page of this Official Statement, and those public offering prices may be changed from time to time by the Underwriter.

Bonds are Exempt from Securities Laws Registration. The issuance and sale of the 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 exemptions for the issuance and sale of municipal securities provided under Section 3(a)(2) of the Securities Act of 1933 and Section 3(a)(12) of the Securities Exchange Act of 1934.

Estimates and Projections. Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as "plan," "expect," "estimate," "budget" or other similar words.

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE COMMUNITY FACILITIES DISTRICT DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN ITS EXPECTATIONS, OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR.

The School District maintains a website and social media accounts; however, the information contained therein is not part of this Official Statement and should not be relied upon in making investment decisions with respect to the Bonds.

WILLIAM S. HART UNION HIGH SCHOOL DISTRICT

GOVERNING BOARD

Cherise Moore, PhD., President, Trustee Area No. 3
Joe Messina, Clerk, Trustee Area No. 5
Erin Wilson, Assistant Clerk, Trustee Area No. 4
Dr. Aakash Ahuja, Member, Trustee Area No. 1
Bob Jensen, Member, Trustee Area No. 2

DISTRICT ADMINISTRATION

Michael Vierra, Superintendent
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Mission Viejo, California

APPRAISER

Stephen G. White, MAI,
Fullerton, California

FISCAL AGENT

Zions Bancorporation, National Association,
Los Angeles, California



A map of Los Angeles County, California, showing major highways and cities. Santa Clarita is circled in red. The map includes labels for cities such as Gorman, Lancaster, Palmdale, Simi Valley, Sylmar, San Fernando, Reseda, Encino, Thousand Oaks, Malibu, Santa Monica, Los Angeles, Manhattan Beach, and Redondo Beach. Major highways shown include I-5, I-10, I-210, I-405, I-110, I-710, I-605, SR-138, SR-14, SR-126, SR-118, SR-23, SR-2, SR-91, and SR-1. The Los Angeles River is shown flowing through the city of Los Angeles. A north arrow is located in the bottom left corner.

COMMUNITY FACILITIES DISTRICT NO. 2023-1
OF THE WILLIAM S. HART UNION HIGH SCHOOL DISTRICT



** Boundaries are approximate

AirViews August 9, 2025

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OFFICIAL STATEMENT

\$7,635,000*

COMMUNITY FACILITIES DISTRICT NO. 2023-1 OF THE WILLIAM S. HART UNION HIGH SCHOOL DISTRICT SERIES 2025 SPECIAL TAX BONDS

INTRODUCTION

This Official Statement, including the cover page, inside cover and attached appendices, is provided to furnish information regarding the bonds captioned above (the “**Bonds**”) to be issued by Community Facilities District No. 2023-1 of the William S. Hart Union High School District (the “**Community Facilities District**”).

This introduction is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by, more complete and detailed information contained in the entire Official Statement, including the cover page, the inside cover and attached appendices, and the documents summarized or described in this Official Statement. A full review should be made of the entire Official Statement. The offering of the Bonds to potential investors is made only by means of the entire Official Statement.

Capitalized terms used but not defined in this Official Statement have the definitions given in the Fiscal Agent Agreement (as defined below).

The School District. The William S. Hart Union High School District (the “**School District**”) is located in the Santa Clarita Valley in the northern part of Los Angeles County (the “**County**”). Approximately 21,000 students are enrolled in the School District's seven comprehensive high schools, a continuation school, early college high school, independent study school, six junior high schools, and an adult school. For economic and demographic information regarding the area in and around the School District, see APPENDIX A.

The administration headquarters of the School District are located at 21380 Centre Pointe Parkway, Santa Clarita, California. For further information on the School District see its Internet home page at www.hart.k12.ca.us. *This Internet address is included for reference only and the information on the Internet site is not a part of this Official Statement and is not incorporated by reference into this Official Statement.*

The Community Facilities District. The Community Facilities District was formed and established on March 15, 2023, by the Governing Board of the School District (the “**Board**”), which acts as the legislative body of the Community Facilities District, under the Mello-Roos Community Facilities Act of 1982, as amended (the “**Act**”), pursuant to a resolution adopted by the Board following a public hearing, and a landowner election at which the qualified electors of the Community Facilities District authorized the Community Facilities District to incur bonded indebtedness and approved the levy of special taxes. See “THE COMMUNITY FACILITIES DISTRICT – Formation and Background.”

Authority for Issuance of the Bonds. The Bonds are issued under the Act, certain resolutions adopted by the Board, including the Resolution of Issuance adopted on October 8, 2025 (the

* Preliminary; subject to change.

“Resolution of Issuance”), and a Fiscal Agent Agreement dated as of November 1, 2025 (the **“Fiscal Agent Agreement”**), by and between the Community Facilities District and Zions Bancorporation, National Association, as fiscal agent (the **“Fiscal Agent”**). See **“THE BONDS – Authority for Issuance.”**

Purpose of the Bonds. Proceeds of the Bonds will be used to (i) finance the acquisition, construction and completion of certain facilities and improvements to be owned and operated by the School District, (ii) fund a debt service reserve fund for the Bonds, (iii) fund capitalized interest with respect to the Bonds for a limited period of time*, and (iv) pay certain costs of issuing the Bonds. See **“FINANCING PLAN.”**

Redemption of Bonds Before Maturity.* The Bonds are subject to optional redemption, mandatory sinking fund redemption and mandatory redemption from prepaid Special Taxes. See **“THE BONDS – Redemption.”**

Security and Sources of Payment for the Bonds. The Board will annually levy special taxes on real property in the Community Facilities District (the **“Special Taxes”**) in accordance with the Rate and Method of Apportionment of Special Taxes of Community Facilities District No. 2023-1 of William S. Hart Union High School District (the **“Rate and Method”**). The Bonds are secured by and payable from a first pledge of the net proceeds of the Special Taxes (as more particularly defined under the heading entitled **“SECURITY FOR THE BONDS - General,”** the **“Net Taxes”**). The Bonds will be additionally secured by certain funds and accounts established and held under the Fiscal Agent Agreement. See **“SECURITY FOR THE BONDS.”**

Covenant to Foreclose. The Community Facilities District has covenanted in the Fiscal Agent Agreement to cause foreclosure proceedings to be commenced and prosecuted against certain parcels with delinquent installments of the Special Taxes. For a more detailed description of the foreclosure covenant see **“SECURITY FOR THE BONDS - Covenant to Foreclose.”**

Property Ownership and Proposed Development. The property within the Community Facilities District is part of a larger development in the Valencia area of the City of Santa Clarita (the **“City”**) known as **“Tesoro Highlands,”** which consists of 13 planning areas, six of which are age-restricted. The entire Tesoro Highlands project consists of 820 residential units (696 single-family and 124 multifamily), along with common area parcels consisting of two recreation centers, one community park, and nearly 800 acres of open space. BLC Tesoro LLC, a Delaware limited liability company (the **“Master Developer”**) has served as the master developer of Tesoro Highlands, which includes property within the Community Facilities District. A total of 455 single-family residential units are planned within the Community Facilities District. All 455 parcels in the Community Facilities District are being developed by the following merchant builders (collectively, the **“Merchant Builders”**):

- Lennar Homes of California, LLC, a California limited liability company (**“Lennar Homes”**) is developing 318 taxable lots in the Community Facilities District. At one point in time, all 318 residential lots in the Community Facilities District being developed by Lennar Homes were conveyed to one or more land banks. All of the property conveyed to the land banks has subsequently been acquired by Lennar Homes, except for the property currently remaining in the land bank with TPG AG EHC III (LEN) CA 2, L.P. (the **“TPG Land Bank”**), an unaffiliated landbank from whom Lennar Homes will acquire the lots over time per a takedown schedule, as described herein. As of the August 15, 2025 date of value of the Appraisal, AG EHC II (LEN) CA 2, L.P. (the **“AG Land Bank”**), an

* Preliminary; subject to change.

unaffiliated landbank, owned 9 homes under construction, which have since been acquired by Lennar Homes.

- Toll West Coast LLC, a Delaware limited liability company (“**Toll Brothers**”) is developing 137 taxable lots in the Community Facilities District.

As of August 15, 2025, ownership and development status of the Taxable Property (as defined below) in the Community Facilities District was as follows:

Property Ownership	Development Status	Parcels
Individual homeowners	Completed homes	208
Lennar Homes	Completed homes -unclosed	55
AG Land Bank	Homes under construction	9 ^[1]
TPG Land Bank	Homes under construction	34
TPG Land Bank	Vacant lots	80
Subtotal		178
Toll Brothers	Completed homes	24
Toll Brothers	Homes under construction	33
Toll Brothers	Vacant lots	12
Subtotal		69
Total		455

Source: The Appraisal.

[1] These parcels have since been acquired by Lennar Homes.

As of October 1, 2025, of the 455 total parcels within the Community Facilities District, Lennar Homes had closed escrow on 161 homes to homebuyers and was in escrow for sale to homebuyers on 19 additional homes. As of September 29, 2025, of the 455 total parcels within the Community Facilities District, Toll Brothers had closed escrow on 76 homes to homebuyers and was in escrow for sale to homebuyers on 30 additional homes. *Homes in escrow may not result in closed escrows as sales contracts are subject to cancellation by the homebuyer.*

For detailed information about the development status for the property in the Community Facilities District, see “PROPERTY OWNERSHIP AND PROPOSED PROPERTY DEVELOPMENT.”

Appraisal. An appraisal of the property within the Community Facilities District dated August 27, 2025 (the “**Appraisal**”), was prepared by Stephen G. White, MAI, of Fullerton, California (the “**Appraiser**”) in connection with issuance of the Bonds. The purpose of the appraisal was to estimate the separate aggregate market values of the “as-is” condition of the Taxable Property in the Community Facilities District within each of the six planned product types, reflecting the status of the 208 completed-closed homes (closed builder sales), 79 completed-unclosed homes, 76 homes under construction, and 92 vacant lots, as of an August 15, 2025, date of value. Subject to the Assumptions and Limiting Conditions contained in the Appraisal, the Appraiser estimated that the taxable property within the Community Facilities District, subject to the lien of the Special Taxes and overlapping liens, had an estimated aggregate value of \$474,350,000. See “THE COMMUNITY FACILITIES DISTRICT – Appraised Property Value” and APPENDIX I for further information on the Appraisal.

Value-Lien Ratios. The market values reported in the Appraisal result in an approximate value-to-burden ratio of 13.61:1,* based on the preliminary principal amount of the Bonds of \$7,635,000* and overlapping land-secured debt. See “THE COMMUNITY FACILITIES DISTRICT – Appraised Value-to-Burden Ratios” and “BOND OWNERS’ RISKS – Appraised Value-to-Burden Ratios.”

Risk Factors Associated with Purchasing the Bonds. Investment in the Bonds involves risks that may not be appropriate for some investors. See “BOND OWNERS’ RISKS” for a discussion of certain risk factors which should be considered, in addition to the other matters set forth in this Official Statement, in considering the investment quality of the Bonds.

FINANCING PLAN

Facilities to be Financed

The Community Facilities District is authorized to finance some or all of the following authorized facilities:

School Facilities. “**School Facilities**” consist of public school facilities to be owned and operated by the School District. The Bonds are anticipated to provide approximately \$_____* for School Facilities and will satisfy all of the obligations of the Master Developer and Merchant Builders to pay School Facilities costs that are a precondition to development of the property in the Community Facilities District. The School Facilities are being financed under an agreement entitled “Amended and Restated School Facilities Funding and Mitigation Agreement Between William S. Hart Union High School District and BLC Tesoro LLC” dated as of February 1, 2023 (the “**Mitigation Agreement**”).

* Preliminary; subject to change.

Estimated Sources and Uses of Funds

The estimated sources and uses of funds with respect to the Bonds is as follows:

SOURCES

Principal Amount of Bonds	\$
<i>Plus/Minus: Original Issue Premium/Discount</i>	
<i>Total Sources</i>	\$

USES

Deposit into School Facilities Account	\$
Deposit into Reserve Fund [1]	
Deposit into Costs of Issuance Account [2]	
Deposit into Capitalized Interest Subaccount [3]*	
Underwriter's Discount	
<i>Total Uses</i>	\$

-
- [1] Equal to the Reserve Requirement with respect to the Bonds as of their date of delivery.
- [2] Includes, among other things, the fees and expenses of Bond Counsel, Special District Counsel and Disclosure Counsel, the cost of printing the Preliminary and final Official Statements, fees and expenses of the Fiscal Agent, Municipal Advisor, Special Tax Consultant, and Appraiser, and the reimbursement of certain advances made by the Master Developer.
- [3] Represents a portion of the interest due with respect to the Bonds on March 1, 2026.*

* Preliminary; subject to change.

THE BONDS

This section generally describes the terms of the Bonds contained in the Fiscal Agent Agreement, which is summarized in more detail in APPENDIX C. Capitalized terms used but not defined in this section are defined in APPENDIX C.

Authority for Issuance

The Bonds are issued under the Act, the Resolution of Issuance and the Fiscal Agent Agreement. Under the Resolution of Issuance, the Board has authorized the issuance of the Bonds in a maximum principal amount of \$9,000,000.

General Bond Terms

Dated Date, Maturity and Authorized Denominations. The Bonds will be dated their date of delivery (the “**Dated Date**”) and will mature in the amounts and on the dates set forth on the inside cover page of this Official Statement. The Bonds will be issued in fully registered form in denominations of \$5,000 each or any integral multiple of \$5,000.

Calculation of Interest. The Bonds will bear interest at the annual rates set forth on the inside cover page of this Official Statement, payable semiannually on each March 1 and September 1, commencing March 1, 2026 (each, an “**Interest Payment Date**”), until the principal sum of the Bonds has been paid; provided, however, that if, at the maturity date of any Bond (or if the Bond is redeemable and is duly called for redemption, then at the date fixed for redemption) funds are available for the payment or redemption thereof in full accordance with the terms of the Fiscal Agent Agreement, such Bond will then cease to bear interest.

Interest will be calculated on the basis of a 360-day year composed of twelve 30-day months.

Interest on any Bond will be payable from the Interest Payment Date next preceding the date of authentication, unless

- (i) such date of authentication is an Interest Payment Date, in which event interest will be payable from such date of authentication,
- (ii) the date of authentication is after a Record Date (as defined below) but prior to the immediately succeeding Interest Payment Date, in which event interest will be payable from such Interest Payment Date, or
- (iii) the date of authentication is prior to the close of business on the first Record Date, in which event interest will be payable from the Dated Date.

However, if at the time of authentication of a Bond, interest is in default, interest on that Bond will be payable from the last date on which the interest has been paid or made available for payment, or if no interest has been paid or made available for payment, interest will be payable from the Dated Date.

DTC and Book-Entry Only System. The Depository Trust Company (“**DTC**”) will act as securities depository for the Bonds. The Bonds will be issued as fully registered securities registered initially in the name of Cede & Co. (DTC’s partnership nominee). See APPENDIX D – “DTC AND THE BOOK-ENTRY ONLY SYSTEM.”

Payments of Interest and Principal. *For so long as DTC is used as depository for the Bonds, principal of, premium, if any, and interest payments on the Bonds will be made solely to DTC or its nominee, Cede & Co., as registered owner of the Bonds, for distribution to the beneficial owners of the Bonds in accordance with the procedures adopted by DTC.*

The Bonds will be payable both as to principal and interest, and as to any premiums upon the redemption thereof, in lawful money of the United States of America.

The principal of the Bonds and any premiums due upon the redemption thereof will be payable upon presentation thereof at the Designated Corporate Trust Office of the Fiscal Agent.

Interest on any Bond will be paid to the person whose name appears in the Bond Register as the Owner of such Bond as of the close of business on the Record Date. Such interest will be paid by check of the Fiscal Agent mailed on the Interest Payment Date to such Bondowner by first-class mail at his or her address as it appears on the Bond Register as of the Record Date; provided that, in the case of an Owner of \$1,000,000 or more in aggregate principal amount of the Bonds, upon the Fiscal Agent's receipt of written request of such Owner prior to the Record Date accompanied by wire transfer instructions, such interest will be paid on the Interest Payment Date in immediately available funds by wire transfer to an account in the United States.

Record Date. "Record Date" means the 15th day of the calendar month preceding an Interest Payment Date, whether or not such day is a Business Day.

Redemption*

Optional Redemption. The Bonds are subject to redemption prior to maturity at the option of the Community Facilities District from such maturity or maturities as selected by the Community Facilities District and from any available funds on any Interest Payment Date on and after September 1, 2032, in whole or in part, at the following redemption prices, expressed as a percentage of the principal amount to be redeemed, together with accrued interest to the redemption date:

<u>Redemption Date</u>	<u>Redemption Price</u>
September 1, 2032, and March 1, 2033	103%
September 1, 2033, and March 1, 2034	102
September 1, 2034, and March 1, 2035	101
September 1, 2035, and any Interest Payment Date thereafter	100

Special Mandatory Redemption From Prepaid Special Taxes. The Bonds are subject to special mandatory redemption prior to their stated maturities, in whole, or in part, on any Interest Payment Date for which timely notice can be given, in integral multiples of \$5,000 from moneys on deposit in the Prepayment Account of the Special Tax Fund, upon payment of the redemption prices set forth in the following table, which are expressed as a percentage of the principal amount thereof, plus accrued interest to the date fixed for redemption.

* Preliminary; subject to change.

<u>Redemption Date</u>	<u>Redemption Price</u>
Any Interest Payment Date through and including March 1, 2033	103%
September 1, 2033, and March 1, 2034	102
September 1, 2034, and March 1, 2035	101
September 1, 2035, and any Interest Payment Date thereafter	100

In connection with a special mandatory redemption from prepaid Special Taxes, the Community Facilities District may also apply amounts in the Reserve Fund that will be in excess of the Reserve Requirement, if any, as a result of such Special Tax prepayment to redeem the Bonds as described above.

Mandatory Sinking Fund Redemption. The Bond maturing on September 1, 20__ (the “**20__ Term Bond**”), is subject to mandatory redemption before maturity on September 1, 20__, and on each September 1 thereafter to and including September 1 20__. The 20__ Term Bond will be redeemed from Mandatory Sinking Payments that have been deposited one Business Day prior to each September 1, commencing September 1, 20__, into the Sinking Fund Redemption Account of the Redemption Fund pursuant to the Fiscal Agent Agreement, in accordance with the schedule set forth in the following table.

20__ Term Bond	
Sinking Fund	
Redemption Date	
<u>(September 1)</u>	<u>Sinking Payments</u>
	\$

(maturity)

The Bond maturing on September 1, 20__ (the “**20__ Term Bond**”), is subject to mandatory redemption before maturity on September 1, 20__, and on each September 1 thereafter to and including September 1 20__. The 20__ Term Bond will be redeemed from Mandatory Sinking Payments that have been deposited one Business Day prior to each September 1, commencing September 1, 20__, into the Sinking Fund Redemption Account of the Redemption Fund pursuant to the Fiscal Agent Agreement, in accordance with the schedule set forth in the following table.

20__ Term Bond	
Sinking Fund	
Redemption Date	
<u>(September 1)</u>	<u>Sinking Payments</u>
	\$

(maturity)

The 20__, Term Bond and the 20__, Term Bond to be so redeemed will be determined by lot (as further described below), and will be redeemed at a redemption price equal to the principal amount thereof, plus accrued interest to the redemption date, without premium.

Selection of Bonds for Redemption. If less than all of the Outstanding Bonds are to be redeemed, the Fiscal Agent will select the Bonds to be redeemed as directed by the Community Facilities District, and in the absence of such directions, pro rata among maturities and by lot within a

single maturity, and in the case of mandatory sinking fund redemption and special mandatory redemption from prepaid Special Taxes, by lot within the maturity being called for redemption. The portion of any such Bond of a denomination of more than \$5,000 to be redeemed will be in the principal amount of \$5,000 or a multiple thereof, and, in selecting portions of such Bonds for redemption, the Fiscal Agent will treat such Bond as representing that number of Bonds of \$5,000 denomination which is obtained by dividing the principal amount of such Bond to be redeemed in part by \$5,000.

If Bonds are to be redeemed through optional redemption and mandatory sinking fund redemption on the same date, or special mandatory redemption from prepaid Special Taxes and mandatory sinking fund redemption on the same date, the Fiscal Agent will first select the Bonds to be redeemed through mandatory sinking fund redemption and will then select the Bonds to be redeemed through either optional redemption or special mandatory redemption from prepaid Special Taxes.

Purchase in Lieu of Redemption. In lieu of, or partially in lieu of, any optional redemption, special mandatory redemption from prepaid Special Taxes or mandatory sinking fund redemption, moneys deposited in an account of the Redemption Fund may be used to purchase the Outstanding Bonds that were to be redeemed with such funds. Purchases of Outstanding Bonds may be made by the Community Facilities District prior to the selection of Bonds for redemption by the Fiscal Agent, at public or private sale as and when and at such prices as the Community Facilities District may in its discretion determine but only at prices (including brokerage or other expenses) not more than par plus accrued interest, and, in the case of funds in the Optional Redemption Account or the Mandatory Redemption Account, the applicable premium, if any, to be paid in connection with the proposed redemption. Any accrued interest payable upon the purchase of Bonds may be paid from the Interest Account of the Bond Fund for payment of interest on the next following Interest Payment Date.

Notice of Redemption. At least 20 days but no more than 60 days prior to the redemption date, the Fiscal Agent will mail by first-class mail a copy of a notice of any redemption, postage prepaid, to the respective Owners thereof at their addresses appearing on the Bond Register. The actual receipt by the Owner of any Bond of notice of such redemption will not be a condition precedent thereto, and neither failure to receive such notice nor any defect therein will affect the validity of the proceedings for the redemption of such Bond, or the cessation of interest on the redemption date.

However, while the Bonds are subject to DTC's book-entry system, the Fiscal Agent will be required to give notice of redemption only to DTC as provided in the letter of representations executed by the Community Facilities District and received and accepted by DTC. DTC and the Participants will have sole responsibility for providing any such notice of redemption to the beneficial owners of the Bonds to be redeemed. Any failure of DTC to notify any Participant, or any failure of Participants to notify the Beneficial Owner of any Bonds to be redeemed, of a notice of redemption or its content or effect will not affect the validity of the notice of redemption, or alter the effect of redemption set forth in the Fiscal Agent Agreement.

Contingent Redemption Notice and Rescission of Redemption. Any optional redemption notice may specify that redemption of the Bonds designated for redemption on the specified date will be subject to the receipt by the Community Facilities District or the Fiscal Agent, as applicable, of moneys sufficient to complete such redemption (and will specify the proposed sources of such moneys), and neither the Community Facilities District nor the Fiscal Agent will have any liability to the Owners of any Bonds, or any other party, as a result of the Community Facilities District's failure to redeem the Bonds designated for redemption as a result of insufficient moneys therefor.

Any notice of optional redemption or special mandatory redemption from prepaid Special Taxes may be cancelled and annulled by the Community Facilities District if for any reason funds are not, or

will not, be available on the date fixed for redemption for the payment in full of the Bonds then called for redemption, provided at least two Business Days prior to the date set for such redemption. Such cancellation and annulment is not a default under the Fiscal Agent Agreement. The Community Facilities District will not have any liability to the Bondowners, or any other party, as a result of the Community Facilities District's failure to redeem the Bonds designated for redemption as a result of insufficient moneys therefore.

Additionally, the Community Facilities District may rescind any optional redemption of the Bonds, and notice thereof, for any reason on any date prior to the date fixed for such redemption by causing written notice of the rescission to be given to the Owners of the Bonds so called for redemption. Notice of rescission of redemption will be given in the same manner in which notice of redemption was originally given. The actual receipt by the Owner of any Bond of notice of such rescission will not be a condition precedent to rescission, and failure to receive such notice or any defect in such notice will not affect the validity of the rescission. Neither the Community Facilities District nor the Fiscal Agent will have any liability to the Owners of any Bonds, or any other party, as a result of the Community Facilities District's decision to rescind redemption of any Bonds pursuant to this provision of the Fiscal Agent Agreement.

Effect of Redemption. If notice of redemption has been duly given, as provided in the Fiscal Agent Agreement, and the amount necessary for the redemption has been made available for that purpose and is available therefor on the date fixed for such redemption:

- (1) the Bonds, or portions thereof, designated for redemption will, on the date fixed for redemption, become due and payable at the redemption price thereof as provided in the Fiscal Agent Agreement, anything in the Fiscal Agent Agreement, or in the Bonds, to the contrary notwithstanding;
- (2) upon presentation and surrender thereof at the Designated Corporate Trust Office of the Fiscal Agent, or such other location as may be designated by the Fiscal Agent, such Bond will be redeemed at the stated redemption price;
- (3) from and after the redemption date, the Bonds or portions thereof so designated for redemption will be deemed to be no longer Outstanding and such Bonds, or portions thereof, will cease to bear further interest; and
- (4) from and after the date fixed for redemption, no Owner of any of the Bonds, or portions thereof, so designated for redemption will be entitled to any of the benefits of the Fiscal Agent Agreement, or to any other rights, except with respect to payment of the redemption price, any applicable redemption premium, and interest accrued to the redemption date from the amounts so made available.

Issuance of Future Parity Refunding Bonds and Subordinate Bonds

The Community Facilities District will covenant in the Fiscal Agent Agreement that it will not issue any additional bonds, notes or other similar evidences of indebtedness payable, in whole or in part, out of Net Taxes, except (i) bonds issued to fully or partially refund the Outstanding Bonds or (ii) subordinate bonds, notes or other similar evidences of indebtedness.

Registration, Transfer and Exchange

Registration. The Fiscal Agent will keep, or cause to be kept, at the Designated Corporate Trust Office of the Fiscal Agent, sufficient records for the registration and transfer of ownership of the Bonds,

which will be open to inspection during regular business hours and upon reasonable notice by the Community Facilities District; and, upon presentation for such purpose, the Fiscal Agent will, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on such records, the ownership of the Bonds as provided in the Fiscal Agent Agreement.

Registration of Exchange or Transfer. Subject to the provisions of the Fiscal Agent Agreement relating to book-entry Bonds, the registration of any Bond may, in accordance with its terms, be transferred upon the Bond Register by the Person in whose name it is registered, in person or by his or her duly authorized attorney, upon surrender of such Bond for cancellation at the Principal Corporate Trust Office of the Fiscal Agent, accompanied by delivery of a written instrument of transfer in a form approved by the Fiscal Agent and duly executed by the Bondowner or his or her duly authorized attorney. Bonds may be exchanged at the Principal Corporate Trust Office of the Fiscal Agent for a like aggregate principal amount and maturity of Bonds of other authorized denominations. The Fiscal Agent may charge the Bondowner any tax or other governmental charge required with respect to such transfer or exchange.

Whenever any Bond is surrendered for registration of transfer or exchange, the Community Facilities District will execute, and the Fiscal Agent will authenticate and deliver, a new Bond, for a like aggregate principal amount and maturity; provided, that the Fiscal Agent will not be required to register transfers or make exchanges of (i) Bonds for a period of 15 days next preceding the date established by the Fiscal Agent for selection of the Bonds to be redeemed, or (ii) any Bonds chosen for redemption.

The provisions in the Fiscal Agent Agreement regarding the exchange and transfer of the Bonds apply only during any period in which the Bonds are not subject to DTC's book-entry system. While the Bonds are subject to DTC's book-entry system, their exchange and transfer will be effected through DTC and the Participants and will be subject to the procedures, rules and requirements established by DTC. See "APPENDIX D – DTC and the Book-Entry Only System."

DEBT SERVICE SCHEDULE

The following table presents the annual debt service on the Bonds (including sinking fund redemptions), assuming there are no optional redemptions or mandatory redemptions from special tax prepayments.

Year Ending September 1	Principal	Interest[1]	Total Debt Service[1]
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			
2043			
2044			
2045			
2046			
2047			
2048			
2049			
2050			
2051			
2052			
2053			
2054			
2055			
2056			
Total:			

Source: Underwriter

[1] Amounts shown are net of capitalized interest.

SECURITY FOR THE BONDS

This section generally describes the security for the Bonds set forth in the Fiscal Agent Agreement, which is summarized in more detail in APPENDIX C. Capitalized terms used but not defined in the section are defined in APPENDIX C.

General

Under the Fiscal Agent Agreement, all of the Net Taxes (defined below) are pledged and set aside for the payment of the Bonds, and such Net Taxes, and any interest earned on the Net Taxes, will constitute pledged funds for the payment of the interest on, principal of and premium, if any, on the Bonds and so long as any of the Bonds or interest thereon are unpaid, the Net Taxes and interest thereon may not be used for any other purpose, except as permitted by the Fiscal Agent Agreement or any Supplement, and will be held for the benefit of the Bondowners, and will be applied pursuant to the terms of the Fiscal Agent Agreement, or to the Fiscal Agent Agreement as modified pursuant to provisions therein.

If the Fiscal Agent lacks sufficient amounts to make timely payment of principal and interest and premium upon redemption, if any, on the Bonds when due, such principal of and interest and premium on the Bonds will be paid from available amounts held by the Fiscal Agent in the Special Tax Fund (and its accounts), Bond Fund (and its accounts), Reserve Fund, Letter of Credit Fund or Redemption Fund under the Fiscal Agent Agreement.

Notwithstanding any provision contained in the Fiscal Agent Agreement to the contrary, Net Taxes deposited in the Administrative Expense Fund, the Construction Fund (and its accounts), the Rebate Fund and the Residual Fund will no longer be considered to be pledged to the Bonds and the Administrative Expense Fund, the Construction Fund (and its accounts), the Rebate Fund and the Residual Fund will not be construed as pledged funds held for the benefit of the Bondowners.

"Net Taxes" is defined in the Fiscal Agent Agreement as the amount of all "Gross Taxes" (defined as the amount of all Special Taxes collected within the Community Facilities District and proceeds from the sale of property collected pursuant to the foreclosure provisions of the Fiscal Agent Agreement for the delinquency of the Special Taxes) minus Administrative Expenses up to the "Administrative Expense Requirement" (which is defined as an amount up to \$31,212 for Fiscal Year 2025-26, escalating annually at 2% per Fiscal Year beginning with Fiscal Year 2026-27).

Limited Obligation

The Bonds, the interest thereon, and any premiums payable on the redemption of any of the Bonds, are not an indebtedness of the School District, the State or any of its political subdivisions, and none of the School District, the Community Facilities District (except to the limited extent described in this Official Statement), the State nor any of its political subdivisions is liable on the Bonds. Neither the faith and credit nor the taxing power of the School District, the Community Facilities District (except to the limited extent described in this Official Statement), or the State or any political subdivision thereof is pledged to the payment of the Bonds. Other than the Net Taxes, no taxes are pledged to the payment of the Bonds. The Bonds are not a general obligation of the Community Facilities District, but are limited obligations of the Community Facilities District payable solely from the Net Taxes as more fully described in this Official Statement.

Special Taxes

Covenant to Levy Special Taxes to Meet Special Tax Requirement. Subject to the maximum Special Tax rates, the Community Facilities District will comply with all requirements of the Act so as to assure the timely collection of the Special Taxes, including without limitation, the enforcement of delinquent Special Taxes.

On or before each June 1, commencing June 1, 2026, the Fiscal Agent will provide a written notice to the Community Facilities District stating the amounts then on deposit in the various funds and accounts established by the Fiscal Agent Agreement. The receipt of such notice by the Community Facilities District will in no way affect the obligations of the Community Facilities District under the Fiscal Agent Agreement. Upon receipt of such notice, the Community Facilities District will communicate with the Los Angeles County Auditor-Controller, Treasurer-Tax Collector or other appropriate official of the County to ascertain the relevant parcels within the Community Facilities District on which the Special Taxes are to be levied, taking into account any parcel splits during the preceding and then-current year.

The Community Facilities District will retain an Independent Financial Consultant to assist in the levy of the Special Taxes each Fiscal Year, in accordance with the Ordinance, such that the computation of the levy is complete before the final date on which the Los Angeles County Treasurer-Tax Collector will accept the transmission of the Special Tax amounts for the parcels within the Community Facilities District for inclusion on the next secured tax roll. Upon the completion of the computation of the amounts of the levy, and approval by the Legislative Body, the Community Facilities District will prepare or cause to be prepared, and will transmit to the Los Angeles County Treasurer-Tax Collector, such data as the Los Angeles County Treasurer-Tax Collector requires to include the levy of the Special Taxes on the next secured tax roll.

Subject to the maximum authorized Special Tax rates, the Community Facilities District will fix and levy the amount of Special Taxes within the Community Facilities District required for the payment of principal of and interest on Outstanding Bonds becoming due and payable during the ensuing year, including any necessary replenishment or expenditure of the Reserve Fund for the Bonds, an amount equal to the Administrative Expense Requirement and any additional amounts necessary for expenses incurred in connection with administration or enforcement of delinquent Special Taxes.

Notwithstanding the provisions of this provision of the Fiscal Agent Agreement, or elsewhere in the Fiscal Agent Agreement, the Community Facilities District reserves the right under the terms of the Fiscal Agent Agreement to levy the Special Taxes at a rate below the Maximum Annual Special Tax rate (as defined in the Rate and Method) within a given Fiscal Year so long as the minimum Special Taxes to be collected in such Fiscal Year conforms to the requirements set out in the provisions of the Fiscal Agent Agreement regarding modifications of the maximum authorized Special Tax, which will be certified to, in writing, by an Independent Financial Consultant.

Manner of Collection. The Fiscal Agent Agreement provides that the Special Taxes will be payable and collected in the same manner and at the same time and in the same installment as the general taxes on real property are payable, and have the same priority, become delinquent at the same times and in the same proportionate amounts, and bear the same proportionate penalties and interest after delinquency as do the general taxes on real property; provided, the Legislative Body may provide for direct collection of the Special Taxes in certain circumstances.

Because the Special Tax levy is limited to the maximum Special Tax rates set forth in the Rate and Method, no assurance can be given that, in the event of Special Tax delinquencies, the receipts of

Special Taxes will, in fact, be collected in sufficient amounts in any given year to pay debt service on the Bonds.

Rate and Method

General. The Special Tax is levied and collected according to the Rate and Method, which provides the means by which the Board may annually levy the Special Taxes within of the Community Facilities District, up to the Maximum Special Tax, and to determine the amount of the Special Tax that will need to be collected each Fiscal Year from the “Taxable Property” within the Community Facilities District.

The following is a synopsis of the provisions of the Rate and Method, which should be read in conjunction with the complete text of the Rate and Method, including its attachments, which is attached as “APPENDIX B.” The meanings of the defined terms used in this section are as set forth in APPENDIX B. *This section provides only a summary of the Rate and Method and is qualified by more complete and detailed information contained in the entire Rate and Method attached as APPENDIX B.*

Special Tax Requirement. Annually, at the time of levying the Special Tax for the Community Facilities District, the Board will determine the amount of money to be levied on Taxable Property in the Community Facilities District (the “**Special Tax Requirement**”), which will be the amount required in any Fiscal Year to pay the following:

- the debt service or the periodic costs on all outstanding Bonds,
- Administrative Expenses of the Community Facilities District (as further described in the Rate and Method),
- the costs associated with the release of funds from an escrow account or accounts established in association with the Bonds,
- any amount required to establish or replenish any reserve funds (or accounts thereof) established in association with the Bonds, and
- the collection or accumulation of funds for the acquisition or construction of school facilities and certain costs associated with the maintenance and operations of school facilities authorized by the Community Facilities District, provided that the inclusion of such amount does not cause an increase in the levy of Special Tax on Approved Property, Undeveloped Property, or Provisional Undeveloped Property as set forth in the Rate and Method,

less any amount(s) available to pay debt service or other periodic costs on the Bonds pursuant to any applicable bond indenture, fiscal agent agreement, trust agreement, or equivalent agreement or document.

In arriving at the Special Tax Requirement the Administrator will take into account the reasonably anticipated delinquent Special Taxes, provided that the amount included cannot cause the Annual Special Tax of an Assessor Parcel of Developed Property to increase by greater than 10% of what would have otherwise been levied.

Developed and Undeveloped Property; Exempt Property. Each Fiscal Year, all Assessor's Parcels within the Community Facilities District will be classified as either Taxable Property or Exempt

Property. In addition, each Assessor's Parcel of Taxable Property will be classified as Developed Property, Approved Property, Undeveloped Property or Provisional Undeveloped Property, as defined in the Rate and Method as set forth below.

"Taxable Property" means all Assessor's Parcels within the Community Facilities District that are not Exempt Property.

"Exempt Property": The Administrator will classify as Exempt Property in the chronological order in which each Assessor Parcel becomes (i) owned by the State of California, federal or other local governments, (ii) used as places of worship and are exempt from *ad valorem* property taxes because they are owned by a religious organization, (iii) owned by a homeowners' association, (iv) burdened with a public or utility easements making impractical their utilization for other than the purposes set forth in the easement, or (v) any other Assessor's Parcels at the reasonable discretion of the Board, provided that no such classification would reduce the Net Taxable Acreage to less than 91.24 acres of Acreage ("**Minimum Taxable Acreage**").

However, the Administrator or Board may not classify an Assessor's Parcel as Exempt Property if such classification would reduce the sum of the Acreage of all Taxable Property to less than the Minimum Taxable Acreage. Assessor's Parcels which cannot be classified as Exempt Property because such classification would reduce the Acreage of all Taxable Property to less than the Minimum Taxable Acreage will be classified as Provisional Undeveloped Property, as applicable, and will continue to be subject to Special Taxes accordingly.

"Developed Property" means all Assessor's Parcels of Taxable Property for which building permits were issued for one or more Units on or before May 1 of the prior Fiscal Year, provided that such Assessor's Parcels are associated with a Lot within a Final Map that was recorded prior to January 1 of the prior Fiscal Year, as reasonably determined by the Administrator.

"Approved Property" means all Assessor's Parcels of Taxable Property that (i) are associated with a Lot in a Final Map that was recorded prior to the January 1 preceding the Fiscal Year in which the Special Tax is being levied and (ii) have not been issued a building permit on or before the May 1 preceding the Fiscal Year in which the Special Tax is being levied.

"Undeveloped Property" means all Assessor's Parcels of Taxable Property that are not Developed Property, Approved Property or Provisional Undeveloped Property.

"Provisional Undeveloped Property" means all Assessor's Parcels of Taxable Property that would otherwise be classified as Exempt Property pursuant to the Rate and Method, but cannot be classified as Exempt Property because to do so would reduce the Net Taxable Acreage below the Minimum Taxable Acreage.

Maximum Special Tax, Assigned Annual Special Tax and Backup Annual Special Tax. The Maximum Special Tax is defined in the Rate and Method as follows:

Developed Property. The Maximum Special Tax for each Assessor's Parcel classified as Developed Property will be the greater of the amount derived by the application of the (a) Assigned Annual Special Tax or (b) Backup Annual Special Tax.

- *Assigned Annual Special Tax.* The Assigned Annual Special Tax of all Assessor's Parcels classified as Developed Property for Fiscal Year 2025-26 is \$1,008.15 per unit, subject to increases as described below. For the amount of Special Taxes levied for Fiscal Year 2025-26, see "THE COMMUNITY FACILITIES DISTRICT - Estimated Special Tax Revenues." On each July 1, the Assigned Annual Special Tax rate applicable to Developed Property shall be increased by 2.00% of the amount in effect the prior Fiscal Year.
- *Backup Annual Special Tax.* Each Fiscal Year, each Assessor's Parcel of Developed Property will be subject to a Backup Annual Special Tax. The Backup Annual Special Tax for an Assessor's Parcel of Developed Property within a Final Map will be the rate per Lot determined by multiplying the Assigned Annual Special Tax per Acre of Undeveloped Property in the Fiscal Year the calculation is performed by Acreage of Taxable Property expected to exist at buildout, and dividing the result by the Number of Lots in the applicable Final Map at the time of calculation. The Backup Annual Special Tax is subject to adjustment if all or any portion of a Final Subdivision Map is changed or modified, as set forth in the Rate and Method. Each July 1, commencing the July 1 following the initial calculation of the Backup Annual Special Tax rate for Developed Property within a Final Map, the Backup Annual Special Tax for each Lot within such Final Map will be increased by 2.00% of the amount in effect the prior Fiscal Year.

Approved Property. The Maximum Special Tax for each Assessor's Parcel classified as Approved Property will be derived by the application of the Assigned Annual Special Tax, which is \$5,027.21 per acre for Fiscal Year 2025-26.

Undeveloped Property and Provisional Undeveloped Property. The Maximum Special Tax for each Assessor's Parcel classified as Undeveloped Property or Provisional Undeveloped Property will be derived by the application of the Assigned Annual Special Tax, which is \$5,027.21 per acre for Fiscal Year 2025-26.

Each July 1, the Assigned Annual Special Tax rate per acre of Acreage for Approved Property, Undeveloped Property and Provisional Undeveloped Property will be increased by 2.00% of the amount in effect the prior Fiscal Year.

Method of Apportionment. Under the Rate and Method, the Board will levy Annual Special Taxes each Fiscal Year on all Taxable Property in accordance with the following steps:

Step One: The Special Tax will be levied on each Assessor's Parcel of Developed Property at the Assigned Annual Special Tax applicable to each such Assessor's Parcel.

Step Two: If additional moneys are needed to satisfy the Special Tax Requirement after the first step has been completed, the Annual Special Tax will be levied Proportionately on

each Assessor's Parcel of Approved Property up to 100% of the Assigned Annual Special Tax applicable to each such Assessor's Parcel as needed to satisfy the Special Tax Requirement.

Step Three: If additional moneys are needed to satisfy the Special Tax Requirement after the second step has been completed, the Annual Special Tax will be levied Proportionately on each Assessor's Parcel of Undeveloped Property up to 100% of the Assigned Annual Special Tax Applicable to each such Assessor's Parcel as needed to satisfy the Special Tax Requirement.

Step Four: If additional moneys are needed to satisfy the Special Tax Requirement after the third step has been completed, the Annual Special Tax on each Assessor's Parcel of Developed Property for which the Maximum Special Tax is the Backup Annual Special Tax will be increased Proportionately from the Assigned Annual Special Tax up to 100% of the Backup Annual Special Tax applicable to each such Assessor's Parcel as needed to satisfy the Special Tax Requirement.

Step Five: If additional moneys are needed to satisfy the Special Tax Requirement after the fourth step has been completed, the Annual Special Tax will be levied Proportionately on each Assessor's Parcel of Provisional Undeveloped Property up to 100% of the Assigned Annual Special Tax applicable to each such Assessor's Parcel as needed to satisfy the Special Tax Requirement.

Full Prepayment of Annual Special Taxes. The Special Tax obligation of an Assessor's Parcel of Taxable property may be prepaid, if there are no delinquent Special Taxes, penalties, or interest charges outstanding with respect to such Assessor's Parcel. An owner of an Assessor's Parcel intending to prepay the Special Tax must provide the School District with written notice of intent to prepay. Within 30 days of receipt of such written notice, the Administrator will determine the Prepayment Amount for such Assessor's Parcel and will notify such owner of such Prepayment Amount.

The Prepayment Amount is generally calculated as the present value of the current and future Special Taxes applicable to the parcel being prepaid (defined generally as (i) the unpaid portion, if any, of the Annual Special Tax applicable to such Assessor's Parcel in the current Fiscal Year and (ii) the present value the Special Taxes expected to be levied on such Assessor's Parcel in each remaining Fiscal Year, as determined by the Administrator, until the termination date specified in the Rate and Method, but in no event longer than 33 Fiscal Years, using a discount rate equal to the Bond Yield after Bond issuance or the most recently published Bond Index prior to Bond issuance), *less* a credit for the corresponding reduction in the Reserve Requirement for the Bonds, *plus* the fees and expenses of the Community Facilities District associated with the prepayment, all as set forth in further detail in APPENDIX B.

Partial Prepayment of Annual Special Taxes. The Special Tax obligation for Assessor's Parcels of Taxable Property may be partially prepaid in increments of 5 Units, provided that there are no delinquent Special Taxes, penalties, or interest charges outstanding with respect to such Assessor's Parcels at the time the Special Tax obligation would be partially prepaid. An owner of an Assessor's Parcel intending to partially prepay the Special Tax must provide the Community Facilities District with written notice of their intent to partially prepay. Within 30 days of receipt of such written notice, the Administrator will determine the Partial Prepayment Amount of such Assessor's Parcel and will notify such owner of such Partial Prepayment Amount.

The Partial Prepayment Amount is calculated as the Prepayment Amount determined for full prepayment of Special Taxes, as set forth above, multiplied by the percent which the owner of the

Assessor's Parcel is partially prepaying the Annual Special Tax obligation, all as set forth in further detail in APPENDIX B.

Annual Special Tax Remainder. In any Fiscal Year which the Annual Special Taxes collected from Developed Property exceeds the amount needed to make regularly scheduled annual interest and principal payments on outstanding Bonds and pay Administrative Expenses, the School District may use such amount for acquisition, construction or financing of school facilities and certain costs associated with the maintenance and operations of school facilities in accordance with the Act, the Community Facilities District formation proceedings, and other applicable laws as determined by the Board.

Duration of Special Tax Levy. The Special Tax will be levied for a term of three Fiscal Years after the final maturity of the last series of Bonds, provided that the Special Tax will not be levied later than Fiscal Year 2067-68. However, the Special Tax may cease to be levied in an earlier Fiscal Year if the Board has determined (i) that all required interest and principal payments on the Bonds have been paid, (ii) all authorized facilities of the Community Facilities District have been acquired and all reimbursements have been paid, and (iii) all other obligations of the Community Facilities District have been satisfied.

Appeals. Any property owner claiming that the amount or application of the Special Tax is not correct may file a written notice of appeal with the Administrator to be received by the Administrator not later than six months after having paid the first installment of the Special Tax that is disputed. The reissuance or cancellation of a building permit is not an eligible reason for appeal. In order to be considered sufficient, any notice of appeal must (i) specifically identify the property by address and Assessor's Parcel Number, (ii) state the amount in dispute and whether it is the whole amount or only a portion of the Special Tax, (iii) state all grounds on which the property owner is disputing the amount or application of the Special Tax, including a reasonably detailed explanation as to why the amount or application of such Special Tax is incorrect, (iv) include all documentation, if any, in support of the claim, and (v) be verified under penalty of perjury by the person who paid the Special Tax or his or her guardian, executor or administrator. The Administrator will promptly review the appeal, and if necessary, meet with the property owner, consider written and oral evidence regarding the amount of the Special Tax, and rule on the appeal. If the representative's decision requires that the Special Tax for an Assessor's Parcel be modified or changed in favor of the property owner, a cash refund will not be made (except for the last year of levy), but an adjustment will be made to the Special Tax on that Assessor's Parcel in the subsequent Fiscal Year(s) as the representative's decision indicates.

Manner of Collection. The Special Tax will be collected in the same manner and at the same time as ordinary *ad valorem* property taxes and will be subject to the same penalties, the same procedure, sale and lien priority in the case of delinquency; provided, however, that the Community Facilities District may directly bill all or a portion of the Special Tax, may collect Special Taxes at a different time or in a different manner if necessary to meet its financial obligations, and if so collected, a delinquent penalty of 10% of the Special Tax will attach at 5:00 p.m. on the date the Special Tax becomes delinquent and interest at 1.5% per month of the Special Tax will attach on the July 1 after the delinquency date and the first of each month thereafter until such Special Taxes are paid.

Covenant to Foreclose

Foreclosure Under the Act. Under Section 53356.1 of the Act, if any delinquency occurs in the payment of the Special Tax, the Community Facilities District may order the institution of a Superior Court action to foreclose the lien therefor within specified time limits. In such an action, the real property subject to the unpaid amount may be sold at judicial foreclosure sale.

Such judicial foreclosure action is not mandatory. However, the Community Facilities District has agreed in the Fiscal Agent Agreement that, on or about March 1 and July 1 of each Fiscal Year, the Community Facilities District will compare the amount of Special Taxes theretofore levied in the Community Facilities District to the amount of Special Taxes theretofore received by the Community Facilities District, and:

(A) *Individual Delinquencies.* If the Community Facilities District determines that (i) any single parcel within the Community Facilities District is delinquent in the payment of five or more installments of the Special Taxes or (ii) any owner owns one or more parcels subject to a Special Tax delinquency in an aggregate amount of \$10,000 or more, then the Community Facilities District will send, or cause to be sent, a notice of delinquency (and a demand for immediate payment thereof) to the property owner within 45 days of such July 1 determination, and (if the delinquency remains uncured) the Community Facilities District will take action to authorize the commencement of foreclosure proceedings within 90 days of such July 1 determination, to the extent permissible under applicable law, and will thereafter diligently prosecute such proceedings in Superior Court to the extent permitted by law.

(B) *Aggregate Delinquencies.* If the Community Facilities District determines that the total amount of delinquent Special Taxes for the current Fiscal Year for the Community Facilities District as it relates to the March 1 determination or for the prior Fiscal Year as it relates to the July 1 determination for the Community Facilities District (including the total of delinquencies under paragraph (A) above) exceeds 5% of the total Special Taxes due and payable for the applicable Fiscal Year, the Community Facilities District will notify, or cause to be notified, all property owners who are then delinquent in the payment of Special Taxes (and demand immediate payment of the delinquency) within 45 days of such determination, and (to the extent such delinquencies remain uncured) the Community Facilities District will take action to authorize the commencement of foreclosure proceedings within 90 days of such July 1 determination against each parcel of land within the Community Facilities District with a Special Tax delinquency to the extent permissible under applicable law and will thereafter diligently proceed with such foreclosure actions and/or proceedings in Superior Court to the extent permitted by law.

(C) *Limiting Provision.* Notwithstanding the foregoing, however, the Community Facilities District will not be required to order, or take action upon, the commencement of foreclosure proceedings under paragraph (A) or (B), above, if such delinquencies, if not remedied, will not result in a draw on the Reserve Fund such that the Reserve Fund will fall below the Reserve Requirement and no draw has been made on the Reserve Fund, which has not been restored, such that the Reserve Fund is funded to at least the Reserve Requirement. The foregoing sentence will not affect the requirement for notices of delinquencies as provided for in paragraph (A) above.

(D) *Additional Limitations.* Notwithstanding any of the foregoing, in certain instances, the amount of a Special Tax delinquency on a particular parcel in relation to the cost of appropriate foreclosure proceedings may be such that the costs do not warrant the foreclosure proceedings costs. In such cases, foreclosure proceedings may be delayed by the Community Facilities District until there are sufficient Special Tax delinquencies accruing to such parcel (including interest and penalties thereon) to warrant the foreclosure proceedings costs.

The net proceeds received following a judicial foreclosure sale of land within the Community Facilities District resulting from a property owner's failure to pay the Special Taxes when due are

included within the Net Tax revenues pledged to the payment of principal of and interest on the Bonds under the Fiscal Agent Agreement.

The Community Facilities District reserves the right to elect to accept payment from a property owner of at least the enrolled amount of the Special Taxes for a parcel but less than the full amount of the penalties, interest, costs and attorneys' fees related to the Special Tax delinquency for such parcel. The Bondowners are deemed to have consented to the foregoing reserved right of the Community Facilities District, notwithstanding any provision of the Act or other law of the State, or any other term set forth in the Fiscal Agent Agreement to the contrary. The Bondowners, by their acceptance of the Bonds, hereby consent to such payment acceptance for such lesser amounts

Sufficiency of Foreclosure Sale Proceeds; Foreclosure Limitations and Delays. No assurances can be given that the real property subject to a judicial foreclosure sale 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 Community Facilities District to purchase or otherwise acquire any lot or parcel of property foreclosed upon if there is no other purchaser at such sale.

Section 53356.6 of the Act requires that property sold pursuant to foreclosure under the Act be sold for not less than the amount of judgment in the foreclosure action, plus post-judgment interest and authorized costs, unless the consent of the owners of 75% of the outstanding Bonds is obtained.

However, under the Fiscal Agent Agreement, the following applies:

(i) The Community Facilities District, or the Fiscal Agent, acting on behalf of the Community Facilities District, is expressly authorized to credit bid at any foreclosure sale, without any requirement that funds be set aside in the amount so credit bid, in the amount specified in Section 53356.5 of the Act, or such lesser amount as determined under clause (ii) below or otherwise under Section 53356.6 of the Act.

(ii) The Community Facilities District may permit, in its sole and absolute discretion, property with delinquent Special Tax payments to be sold for less than the amount specified in Section 53356.5 of the Act, if it determines that such sale is in the interest of the Bondowners. The Bondowners, by their acceptance of the Bonds, consent to such sale for such lesser amounts (as such consent is described in Section 53356.6 of the Act), and release the Community Facilities District and the School District, and their respective officers and agents, from any liability in connection therewith.

Foreclosure by court action is subject to normal litigation delays, the nature and extent of which are largely dependent on the nature of the defense, if any, put forth by the debtor and the Superior Court calendar. In addition, the ability of the Community Facilities District to foreclose the lien of delinquent unpaid Special Taxes may be limited in certain instances and may require prior consent of the property owner if the property is owned by or in receivership of the Federal Deposit Insurance Corporation (the "FDIC"). See "BOND OWNERS' RISKS - Bankruptcy Delays."

No Teeter Plan. Because the County has not elected to follow the procedures of the "Teeter Plan" (which is the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds, as provided for in Section 4701 et seq. of the California Revenue and Taxation Code), collections of Special Taxes will reflect actual delinquencies.

Special Tax Fund

Deposits and Disbursements. Under the Fiscal Agent Agreement, the Special Taxes and other amounts constituting Gross Taxes collected by the Community Facilities District (exclusive of Prepaid Special Taxes received which will be deposited into the Prepayment Account of the Special Tax Fund and Special Taxes relating to property with respect to which a draw has been made on the corresponding Letter(s) of Credit, or Cash Deposit(s), which will be deposited into the Letter of Credit Fund to be used to reimburse the Letter of Credit Bank(s) and/or the merchant builders, as the case may be), will be transferred no later than 10 days after receipt thereof, to the Fiscal Agent and will be held in the Special Tax Fund (exclusive of the Administrative Expense Requirement) for the benefit of the Community Facilities District and the Bondowners (exclusive of the Administrative Expense Requirement, as set forth below) and will, exclusive of Prepaid Special Taxes, be transferred from the Special Tax Fund in the following order of priority:

(a) To the Administrative Expense Fund, an amount equal to the Administrative Expense Requirement of \$31,212 for Fiscal Year 2025-26, escalating annually at 2%.

(b) To the Interest Account of the Bond Fund, an amount such that the balance in the Interest Account two Business Days prior to each Interest Payment Date (taking into account amounts on deposit in the Capitalized Interest Subaccount) will equal the installment of interest due on the Bonds on said Interest Payment Date. Moneys in the Interest Account will be used for the payment of interest on the Bonds as the same become due.

(c) To the Principal Account of the Bond Fund an amount up to the amount needed to make the principal payment due on the Bonds during the current Bond Year.

(d) To the Sinking Fund Redemption Account of the Redemption Fund an amount up to the amount needed to make the Mandatory Sinking Payments due on the Bonds during the current Bond Year.

(e) To the Reserve Fund, the amount, if any, necessary to replenish the Reserve Fund to the Reserve Requirement.

(f) To the extent that Administrative Expenses are not fully satisfied in (a) above, to the Administrative Expense Fund in the amount required to bring the balance therein to the amount identified by the Community Facilities District to the Fiscal Agent to meet such additional Administrative Expenses (over and above the Administrative Expense Requirement) in the coming Fiscal Year, or Administrative Expenses from a prior Fiscal Year that remain unpaid.

(g) To the Redemption Fund, the amount, if any, that the Community Facilities District directs the Fiscal Agent to deposit pursuant to the Fiscal Agent Agreement.

(h) Any remaining Special Taxes and other amounts constituting Net Taxes will remain in the Special Tax Fund subject to the provisions of (i), below.

(i) Any remaining Special Taxes and other amounts constituting Net Taxes, if any, will remain in the Special Tax Fund until the end of the Bond Year. At the end of the Bond Year any remaining funds in the Special Tax Fund, which are not required to cure a delinquency in the payment of principal and interest on the Bonds (including payment of Mandatory Sinking Payments due during the current Bond Year), to restore the Reserve Fund as provided for in (e), above, or to pay current or pending Administrative Expenses as provided for in (a) and (f), above,

will be retained in the Special Tax Fund and applied to the purposes set forth in (a) through (g) above in the next following Bond Year until such time as the Community Facilities District provides to the Fiscal Agent a certification, which will be confirmed by a special tax consultant to the Community Facilities District, that the Special Taxes levied on Developed Property are equal to or greater than the amount needed to satisfy the amounts set forth in (a) through (d) above in such Bond Year, and every subsequent Bond Year. Upon making such certification and at the end of the corresponding Bond Year, and each Bond Year thereafter, any remaining funds in the Special Tax Fund, which are not required to cure a delinquency in the payment of principal and interest on the Bonds (including payment of Mandatory Sinking Payments due during the current Bond Year), to restore the Reserve Fund as provided for in (e), above, or to pay current or pending Administrative Expenses as provided for in (a) and (f) above, will, without further action by any party, be transferred by the Fiscal Agent on September 2 of each such year into the Residual Fund, which will thereafter be used in accordance with the Fiscal Agent Agreement and will be free and clear of any lien thereon. The Fiscal Agent will promptly confirm the amount of such transfers in to Residual Fund in writing to the Community Facilities District. Moneys deposited into, or held within, the Residual Fund are not pledged to the payment of principal, interest or premiums on the Bonds. Any funds which are required to cure any such delinquency will be retained in the Special Tax Fund and expended or transferred, at the earliest possible date, for such purpose.

At the date of the redemption, defeasance or maturity of the last Bond and after all principal and interest then due on any Bond has been paid or provided for, all other covenants are complied with and all fees and expenses of the Fiscal Agent have been paid, moneys in the Special Tax Fund will be transferred to the Community Facilities District by the Fiscal Agent and may be used by the Community Facilities District for any lawful purpose.

Funds in the Special Tax Fund will be invested in accordance with the Fiscal Agent Agreement. Investment earnings on amounts in the Special Tax Fund, if any, will be retained therein.

Prepayment Account of the Special Tax Fund. Prepaid Special Taxes collected by the Community Facilities District from the area within the Community Facilities District (net of any costs of collection) will be transferred, no later than 10 days after receipt thereof, to the Fiscal Agent, and the Community Facilities District will direct the Fiscal Agent to deposit the Prepaid Special Taxes in the Prepayment Account of the Special Tax Fund.

The Prepaid Special Taxes will be held in the Prepayment Account for the benefit of the Bondowners and will be transferred by the Fiscal Agent to the Mandatory Redemption Account of the Redemption Fund to call Bonds on the next Interest Payment Date for which notice can be given in accordance with the special mandatory redemption provisions as set forth in the Fiscal Agent Agreement. The Prepaid Special Taxes will be transferred to the Mandatory Redemption Account and applied to redeem Outstanding Bonds as set forth in the Fiscal Agent Agreement.

Moneys representing the Prepaid Special Taxes will be invested in accordance with the Fiscal Agent Agreement. Investment earnings on amounts in the Prepayment Account not needed to redeem the Bonds pursuant to the special mandatory redemption provisions of the Fiscal Agent Agreement will be transferred to the Special Tax Fund by the Fiscal Agent at the time of transfer of the Prepaid Special Taxes to the Redemption Fund.

Bond Fund

Two Business Days prior to each Interest Payment Date, the Fiscal Agent will withdraw from the Special Tax Fund, the Letter of Credit Fund (if applicable), or the Reserve Fund in the event that sufficient moneys are unavailable in the Special Tax Fund, and deposit in the Principal Account and the Interest Account of the Bond Fund an amount equal to one-half of the principal maturing on the next September 1 and all interest coming due and payable on the Outstanding Bonds on the ensuing Interest Payment Date, less amounts on hand in the Bond Fund available to pay principal and/or interest on such Bonds. Subject to the foregoing, the Fiscal Agent will apply moneys in the Interest Account and Principal Account to the payment of interest and principal, respectively, on the Bonds on each Interest Payment Date.

Funds in the Bond Fund will be invested in accordance with the Fiscal Agent Agreement. All investment earnings and profits resulting from such investment will be retained in the accounts established for the Bonds in the Bond Fund and used to pay principal of and interest on the Bonds. Upon final maturity of the Bonds and the payment of all principal of and interest on the Bonds, any moneys remaining in the Bond Fund will be transferred to the Special Tax Fund.

Capitalized Interest Subaccount*

Within the Interest Account of the Bond Fund, the Fiscal Agent Agreement establishes a Capitalized Interest Subaccount. The Fiscal Agent will, on the Delivery Date, deposit a portion of the proceeds of the Bonds into the Capitalized Interest Subaccount equal to \$_____.*

On March 1, 2026 (interest to be funded to approximately March 1, 2026), the Fiscal Agent will withdraw moneys from the Capitalized Interest Subaccount in an amount equal to the corresponding interest payment due on the Bonds (or the amount then held in the Capitalized Interest Subaccount if less than the interest payment due) and will cause such amount to be deposited in the Interest Account of the Bond Fund for application on such Interest Payment Date. On March 2, 2026, the Fiscal Agent will transfer any amounts then remaining in the Capitalized Interest Subaccount into the Interest Account of the Bond Fund and will thereupon close the Capitalized Interest Subaccount. Upon transfer of said amounts to the Interest Account, said amounts will be applied to payment of interest becoming due on the Bonds for application on the next Interest Payment Date as provided herein. Upon such transfer, the Fiscal Agent will provide written notice to the Community Facilities District of the amount of such transfer. In the event that all moneys in the Capitalized Interest Subaccount are expended prior to March 1, 2026, the Fiscal Agent will close the Capitalized Interest Subaccount and notify the Community Facilities District, in writing, of such closure.

Moneys in the Capitalized Interest Subaccount will be invested in accordance with the Fiscal Agent Agreement and earnings thereon will be retained in such Subaccount.

Reserve Fund

General. On the Closing Date, a portion of the proceeds of the Bonds equal to the "Reserve Requirement" (defined below) will be deposited in the Reserve Fund, which will be held in trust by the Fiscal Agent for the benefit of the Owners as a reserve for the payment of principal of, and interest and any premium on, the Bonds and will be subject to a lien in favor of the Owners.

* Preliminary; subject to change.

Under the Fiscal Agent Agreement, there will be maintained in the Reserve Fund an amount equal to the Reserve Requirement. Notwithstanding the foregoing, in the event of a redemption or partial defeasance of the Bonds, the Reserve Requirement will thereafter be determined by the Community Facilities District and communicated to the Fiscal Agent in writing and any funds in excess of such redetermined Reserve Requirement will be utilized as set forth in the Fiscal Agent Agreement. If Special Taxes are prepaid and Bonds are to be redeemed with the proceeds of such prepayment, a proportionate amount in the Reserve Fund (determined on the basis of the principal of Bonds to be redeemed and the original aggregate principal of the Bonds, but not in excess of the amount of funds available as a result of the redetermination of the Reserve Requirement) will be applied to the redemption of the Bonds as provided in the Fiscal Agent Agreement.

Reserve Requirement. The “Reserve Requirement” is defined in the Fiscal Agent Agreement to mean an amount, as of any date of calculation, equal to the least of the following:

- (i) 10% of the original principal amount of the Bonds, less original issue discount, if any, plus original issue premium, if any,
- (ii) Maximum Annual Debt Service, or
- (iii) 125% of average Annual Debt Service on the Bonds.

As of the Closing Date, the Reserve Requirement is \$_____.^{*} See “FINANCING PLAN – Estimated Sources and Uses of Funds.”

Disbursements. Except as otherwise provided in the Fiscal Agent Agreement with respect to certain investment earnings, moneys in the Reserve Fund will be used solely for the purpose of

- (i) making transfers to the Bond Fund or Redemption Fund to pay the principal of, including Mandatory Sinking Payments, and interest and premium on Bonds when due to the extent that moneys in the Interest Account (including moneys on deposit in the Capitalized Interest Subaccount) and the Principal Account of the Bond Fund or moneys in the Sinking Fund Redemption Account, including any funds drawn from the Letter of Credit Fund as provided in the Fiscal Agent Agreement, are insufficient therefor,
- (ii) making any required transfer to the Rebate Fund pursuant to the Fiscal Agent Agreement upon written direction from the Community Facilities District,
- (iii) making any transfers to the Bond Fund or Redemption Fund in connection with prepayments of the Special Taxes,
- (iv) paying the principal of and interest due on the Bonds in the final Bond Year, and
- (v) application to the defeasance of Bonds in accordance with the Fiscal Agent Agreement.

If the amounts in the Interest Account (including amounts in the Capitalized Interest Subaccount) or the Principal Account of the Bond Fund and the Sinking Fund Redemption Account of the Redemption Fund, including any funds drawn from the Letter of Credit Fund as provided in the Fiscal Agent Agreement, are insufficient to pay the principal of, including Mandatory Sinking Payments, or interest on

^{*} Preliminary; subject to change.

the Bonds when due, the Fiscal Agent will, one Business Day prior to the corresponding Interest Payment Date, withdraw from the Reserve Fund for deposit into the Interest Account or the Principal Account of the Bond Fund, or the Sinking Fund Redemption Account of the Redemption Fund, moneys necessary for such purpose.

Following any transfer to the Interest Account or the Principal Account of the Bond Fund, or the Sinking Fund Redemption Account of the Redemption Fund, the Fiscal Agent will notify the Community Facilities District of the amount needed to replenish the Reserve Fund to the Reserve Requirement and the Community Facilities District will include such amount as is required at that time to correct such deficiency in the next Special Tax levy to the extent of the permitted maximum Special Tax rates.

Investment. Funds in the Reserve Fund will be invested in accordance with the Fiscal Agent Agreement. Any moneys in the Reserve Fund in excess of the Reserve Requirement (exclusive of Excess Investment Earnings identified in writing by the Community Facilities District) will be withdrawn by the Fiscal Agent two Business Days prior to each Interest Payment Date and deposited into the Interest Account of the Bond Fund and thereafter applied for the purposes specified for such account.

Replenishment from Special Tax Fund. Notwithstanding anything in the Fiscal Agent Agreement to the contrary, the Fiscal Agent will transfer to the Reserve Fund, from available moneys in the Special Tax Fund, the amount needed to restore the Reserve Fund to the Reserve Requirement as specified in the Fiscal Agent Agreement. Moneys in the Special Tax Fund will be deemed available for transfer to the Reserve Fund only if such amounts will not be needed to make the deposit required to be made to the Interest Account and the Principal Account of the Bond Fund or the Sinking Fund Redemption Account of the Redemption Fund for the next Interest Payment Date.

Letter of Credit Fund; Transfers from the Letter of Credit Fund; Final Release

Establishment. As a condition precedent to issuance of the Bonds, the Community Facilities District is required to cause the Master Developer to provide a Letter of Credit or Cash Deposit in the Stated Amount, naming the Fiscal Agent as beneficiary.

The Fiscal Agent will establish a separate account for the Letter of Credit or Cash Deposit provided by the Master Developer (or any future Letter of Credit or Cash Deposit provided by a merchant builder developing the property within the Community Facilities District as identified under the Mitigation Agreement (each an "**LC Developer**"), as the case may be).

The requirements of the Fiscal Agent Agreement regarding the Letter of Credit and Cash Deposit are applicable to the Master Developer and any future LC Developer with respect to the property it owns within the Community Facilities District. The requirements are *not* applicable to individual homeowners of residential assessor's parcels with record title in the Community Facilities District.

Any Letter of Credit or Cash Deposit provided by the Master Developer (or a future LC Developer, as the case may be) will secure payment only of Special Taxes levied on the Non-Homeowner Property within the Community Facilities District secured by such Letter of Credit or Cash Deposit.

Stated Amount. The Fiscal Agent Agreement defines the "**Stated Amount**" of each Letter of Credit or Cash Deposit, during the time that a Letter of Credit or Cash Deposit is required to be in place under the Fiscal Agent Agreement, as the estimated annual amount of Special Taxes to be levied in the current Fiscal Year on land in the Community Facilities District owned by any LC Developer, assuming, for the purpose of the calculation of the Stated Amount and the determination of the estimated annual Special Taxes, that such land, if classified as Undeveloped Property, is classified as Developed Property

under the Rate and Method and assigned to the Land Use Class such property was projected to be assigned to at the time of bond issuance. The initial Stated Amount is \$253,990.10.

Compliance with Letter of Credit Requirement. The Master Developer has satisfied its initial obligation to provide a Cash Deposit in the Stated Amount. *No assurance can be given that the Master Developer will not substitute a Letter of Credit after the closing date.* See “BOND OWNERS’ RISKS - Duration of Letter of Credit; No Cross Collateralization.”

Duration of Letter of Credit Requirement. Each Letter of Credit or Cash Deposit is required to be in effect until individual homeowners are record owners of 60% or more of the total of all residential assessor parcels (“**Parcels**”) within the Community Facilities District. For purposes of this provision of the Fiscal Agent Agreement, the total number of Parcels within the Community Facilities District will be determined by reference to all subdivision maps recorded, or to be recorded, covering the territory within the boundaries of the Community Facilities District. As of October 1, 2025, individual homeowners were record owners of 52% of all taxable parcels in the Community Facilities District.

Renewal or Replacement of Letter of Credit or Cash Deposit; Reduction in Stated Amount. On or before each July 1, commencing July 1, 2026 (or, on a date at least 30 but not more than 45 days prior to the expiration of any existing Letter of Credit), the Community Facilities District will determine the number of Parcels owned by individual homeowners in the Community Facilities District. If fewer than 60% of the Parcels within the Community Facilities District are owned by individual homeowners, the Community Facilities District will certify to the Fiscal Agent: (A) the number of such Parcels owned by individual homeowners within the Community Facilities District and the number of such Parcels owned by the Master Developer and any future LC Developer, and (B) the Stated Amount of the corresponding Letter of Credit or Cash Deposit required to be in effect for the Master Developer and any future LC Developer.

If fewer than 60% of the Parcels within the Community Facilities District are owned by individual homeowners with record title as of such July 1 (or as of a date at least 30 but not more than 45 days prior to the expiration of any existing Letter of Credit), then the Master Developer and any future LC Developer will provide to the Fiscal Agent, no later than the following August 1 (or a date 15 days prior to the expiration date of any existing Letter of Credit), (i) an irrevocable Letter of Credit in the revised Stated Amount, (ii) an extension of any existing Letter of Credit in an amount equal to the revised Stated Amount, (iii) a Cash Deposit satisfying the Cash Deposit Conditions in the amount of the revised Stated Amount (subject to the conditions set forth in the Fiscal Agent Agreement), or (iv) some combination of a Cash Deposit satisfying the Cash Deposit Conditions and a Letter of Credit equaling the revised Stated Amount (for the Master Developer and any future LC Developer, the “**Revised Letter(s) of Credit/Cash Deposit(s)**”).

If a Letter of Credit is currently in place for the Master Developer or any future LC Developer, and if the Master Developer or such LC Developer is required to post a Revised Letter(s) of Credit/Cash Deposit(s), and if the Fiscal Agent has not received the required Revised Letter(s) of Credit/Cash Deposit(s) that satisfies the Cash Deposit Conditions by the applicable LC Developer by such August 1 (or a date 15 days prior to the applicable expiration date of the Letter(s) of Credit), the Fiscal Agent will immediately notify the Community Facilities District thereof, and upon the written direction of an Authorized Representative, immediately, with no further authorization or instruction, draw upon the Letter of Credit that is not being replaced with the Revised Letter(s) of Credit/Cash Deposit(s) in the full Stated Amount. The Fiscal Agent will deposit the proceeds of such draw into the corresponding account of the Letter of Credit Fund for use as set forth in the Fiscal Agent Agreement.

If a Cash Deposit is currently in place for the Master Developer or any future LC Developer, and if the Master Developer or such LC Developer is required to post a Revised Letter(s) of Credit/Cash Deposit(s), and if the Fiscal Agent does not receive the required Revised Letter(s) of Credit/Cash Deposit(s) by the Master Developer or such LC Developer by such August 1 (or a date 15 days prior to the applicable expiration date of the Letter of Credit), the Community Facilities District will not return any Cash Deposit to the Master Developer or the applicable LC Developer until the amount on deposit in the Letter of Credit Fund for the Master Developer or such LC Developer is equal to the Revised Letter(s) of Credit/Cash Deposit(s) and in the case of a Cash Deposit, the Cash Deposit Conditions are satisfied.

Final Release of Moneys from the Letter of Credit Fund. If the Community Facilities District determines at any time that 60% or more of the Parcels within the Community Facilities District are owned by individual homeowners, then it will so certify in writing to the Fiscal Agent and direct the Fiscal Agent to release each Letter of Credit or Cash Deposit to the corresponding Letter of Credit Bank or to the Master Developer or the applicable LC Developer, as the case may be.

Upon the release of each such Letter of Credit or Cash Deposit pursuant to the terms of the Fiscal Agent Agreement and the applicable Letter of Credit, and upon the expenditure, pursuant to the terms of the Fiscal Agent Agreement, of all funds from the corresponding account in the Letter of Credit Fund, the Fiscal Agent will notify the Community Facilities District of such condition, and/or the Fiscal Agent will close the respective account, and, as applicable, the Letter of Credit Fund.

Sale of Property to Merchant Builders. If at any time, the Master Developer or a future developer sells Parcels to another merchant builder (each a “**Land Purchaser**”), the Land Purchaser will be required to provide a Letter of Credit or Cash Deposit, which must meet the Cash Deposit Conditions, or a combination thereof, in the Stated Amount applicable to the Parcels purchased by the Land Purchaser, or the Master Developer may elect to satisfy such Land Purchaser’s obligation through the Master Developer’s Letter of Credit or Cash Deposit.

Draws Prior to an Interest Payment Date. Five Business Days prior to each Interest Payment Date, the Fiscal Agent will determine whether amounts on deposit in the Special Tax Fund, after deducting Administrative Expenses authorized to be transferred under the Fiscal Agent Agreement, and the Bond Fund on that Interest Payment Date, will be sufficient to pay principal of and interest on the Bonds that will be due and payable on such Interest Payment Date and will notify the Community Facilities District of any deficiency. If amounts in the Special Tax Fund and the Bond Fund will be insufficient to pay principal of and interest on the Bonds, the Fiscal Agent will immediately notify the Community Facilities District in writing of such deficiency, and if such insufficiency is attributable to a delinquency in the payment of Special Taxes for Non-Homeowner Property secured by the Master Developer’s or a future LC Developer’s Letter of Credit or Cash Deposit, as determined by the Community Facilities District by reference to the Fiscal Agent Agreement, upon the written direction of a District Representative (and prior to any withdrawals from the Reserve Fund permitted by the Fiscal Agent Agreement), the Fiscal Agent will draw upon the applicable Letter of Credit or Cash Deposit; provided, however, that only the Letter(s) of Credit or Cash Deposit(s) which secure the delinquent Non-Homeowner Property (as determined by reference to the Fiscal Agent Agreement) may be drawn upon, and the amount of such draw (as set forth in said written direction of the Authorized Representative) will be no greater than the amount of the delinquent Special Taxes levied on the Non-Homeowner Property secured by the Master Developer’s or a future LC Developer’s Letter(s) of Credit or Cash Deposit(s), as applicable, as shown in the Fiscal Agent Agreement. The Letter(s) of Credit or Cash Deposit(s) may not be drawn upon for the delinquency of any Parcels owned by individual homeowners.

The Fiscal Agent will deposit the proceeds of any such draw upon a Letter(s) of Credit or Cash Deposit(s) into the corresponding account of the Letter of Credit Fund one Business Day prior to the

Interest Payment Date, and prior to any transfers from the Reserve Fund, transfer such amounts from the account of the Letter of Credit Fund to corresponding accounts of the Bond Fund.

The Community Facilities District will have no obligation to reimburse the Letter of Credit Bank(s) for any such draw on any Letter(s) of Credit, or, as applicable, the Master Developer or a future LC Developer for any Cash Deposit(s), except from: (i) any proceeds of the draw on any Letter(s) of Credit and any interest earnings thereon not required to pay debt service on the Bonds on such Interest Payment Date, which proceeds of any Letter(s) of Credit provided by the Master Developer or a future LC Developer will be paid only to the Master Developer or a such LC Developer, as applicable; and (ii) delinquent Special Taxes subsequently received by the Community Facilities District (whether by payment or foreclosure) corresponding to the delinquent Non-Homeowner Property, which delinquent Special Taxes paid for such delinquent Non-Homeowner Property secured by the Master Developer's or a future LC Developer's Letter of Credit or Cash Deposit will be paid to the Master Developer's or a future LC Developer's Letter of Credit Bank (or its designee) or, in the case of a Cash Deposit that was drawn upon, deposited back into the applicable account of the Letter of Credit Fund. Draws upon any Letter(s) of Credit or Cash Deposit(s), as the case may be, will not bar or otherwise preclude the Community Facilities District from taking any actions or enforcing any remedies, including but not limited to foreclosure actions, against the corresponding property within the Community Facilities District for satisfaction of unpaid Special Taxes.

See APPENDIX C for a complete description of the terms and provisions regarding the Letter of Credit Fund.

Investment of Moneys in Funds

Moneys in any fund or account created or established by the Fiscal Agent Agreement and held by the Fiscal Agent will be invested by the Fiscal Agent in Authorized Investments, as directed in writing by the Community Facilities District. See "APPENDIX C – Summary of Certain Provisions of the Fiscal Agent Agreement" for a definition of "Authorized Investments" and other restrictions on the investment of moneys in the funds and accounts held under the Fiscal Agent Agreement.

THE COMMUNITY FACILITIES DISTRICT

General

Formation Proceedings. The Community Facilities District was formed by the Governing Board of the School District on March 15, 2023, through the adoption of its Resolution No. 22/23-34, which established the Community Facilities District and authorized the levy of special taxes to fund authorized public facilities. At a subsequent election, the qualified landowner voter in the Community Facilities District authorized levy of the Special Taxes and the issuance of bonded indebtedness in the maximum principal amount of \$15,000,000.

Location. The Community Facilities District is located in the Valencia area of the City, along both sides of Avenida Rancho Tesoro, westerly and northerly of Tesoro del Valle Drive.

See APPENDIX A for demographic and other information regarding the City and the County. The boundary map showing the boundaries of the Community Facilities District is attached as APPENDIX H.

Property Ownership and Development. The property in the Community Facilities District consists of 455 parcels in a portion of the larger Tesoro Highlands development. The Master Developer carried out entitlement and land development activities within the Community Facilities District and subsequently conveyed 318 parcels to land banks on behalf of Lennar Homes and 137 parcels to Toll Brothers, which are carrying out home development and sales. As of October 1, 2025, Lennar Homes had conveyed a total of 161 homes to homebuyers. As of September 29, 2025, Toll Brothers had conveyed a total of 76 homes to homebuyers. See "PROPERTY OWNERSHIP AND PROPOSED PROPERTY DEVELOPMENT."

Projected Debt Service Coverage

The table presents the projected debt service coverage on the Bonds, based on projected Special Tax revenues at full build-out of the projected homes in the Community Facilities District.

Table 1
Projected Special Tax Revenue and Debt Service Coverage

Bond Year Ending Sept. 1	Total Projected Units Levied ^[1]	Permitted Developed Property Levy	Projected Developed Property Levy	Projected Undeveloped Property Levy	Aggregate Levy at Assigned Rates	Less Administrative Expense Budget	Net Special Tax Revenue Constraint	Net Debt Service [2] *	Debt Service Coverage*
2026	354	\$356,882	\$0	\$0	\$356,882	(31,212)	325,670	294,796	110.47%
2027	443	409,263	46,274	12,341	467,877	(31,836)	436,041	391,750	111.31
2028	455	417,446	59,785	0	477,231	(32,473)	444,758	401,250	110.84
2029	455	425,795	60,981	0	486,776	(33,122)	453,654	410,250	110.58
2030	455	434,311	62,200	0	496,511	(33,785)	462,727	418,750	110.50
2031	455	442,997	63,444	0	506,442	(34,461)	471,981	426,750	110.60
2032	455	451,857	64,713	0	516,571	(35,150)	481,421	434,250	110.86
2033	455	460,894	66,007	0	526,902	(35,853)	491,049	441,250	111.29
2034	455	470,112	67,328	0	537,440	(36,570)	500,870	452,750	110.63
2035	455	479,515	68,674	0	548,189	(37,301)	510,888	463,500	110.22
2036	455	489,105	70,048	0	559,153	(38,047)	521,105	468,500	111.23
2037	455	498,887	71,449	0	570,336	(38,808)	531,527	483,000	110.05
2038	455	508,865	72,878	0	581,742	(39,584)	542,158	491,500	110.31
2039	455	519,042	74,335	0	593,377	(40,376)	553,001	499,250	110.77
2040	455	529,423	75,822	0	605,245	(41,184)	564,061	511,250	110.33
2041	455	540,011	77,338	0	617,350	(42,007)	575,342	522,250	110.17
2042	455	550,812	78,885	0	629,697	(42,847)	586,849	532,250	110.26
2043	455	561,828	80,463	0	642,290	(43,704)	598,586	541,250	110.59
2044	455	573,064	82,072	0	655,136	(44,578)	610,558	554,250	110.16
2045	455	584,526	83,713	0	668,239	(45,470)	622,769	561,000	111.01
2046	455	596,216	85,388	0	681,604	(46,379)	635,224	576,750	110.14
2047	455	608,140	87,095	0	695,236	(47,307)	647,929	586,000	110.57
2048	455	620,303	88,837	0	709,141	(48,253)	660,887	599,000	110.33
2049	455	632,709	90,614	0	723,323	(49,218)	674,105	610,500	110.42
2050	455	645,363	92,426	0	737,790	(50,203)	687,587	620,500	110.81
2051	455	658,271	94,275	0	752,546	(51,207)	701,339	634,000	110.62
2052	455	671,436	96,160	0	767,597	(52,231)	715,366	645,750	110.78
2053	455	684,865	98,084	0	782,949	(53,275)	729,673	660,750	110.43
2054	455	698,562	100,045	0	798,608	(54,341)	744,267	673,750	110.47
2055	455	712,533	102,046	0	814,580	(55,428)	759,152	689,750	110.06
2056	455	726,784	104,087	0	830,871	(56,536)	774,335	703,500	110.07

[Footnotes appear on next page]

* Preliminary; subject to change.

- [1] Reflects 354 units classified as Developed Property for Fiscal Year 2025-26, 44 units with issued building permits that will be classified as Developed in Fiscal Year 2026-27 and a projection of additional building permits to be issued in Fiscal Years 2026-27 and 2027-28 provided by the Master Developer.
- [2] Amounts shown are net of capitalized interest.
- Source: *KeyAnalytics*.

Estimated Special Tax Revenues

The tables below show the actual Assigned Annual Special Tax levy and Special Tax Revenues for Fiscal Year 2025-26, the projected Assigned Annual Special Tax levy and Special Tax Revenues in Fiscal Year 2026-27, and the projected Assigned Annual Special Tax levy and Special Tax Revenues at projected buildout in Fiscal Year 2027-28, assuming building permits are issued to result in all property being classified as Developed Property in Fiscal Year 2027-28.

Table 2a
Actual Fiscal Year 2025-26
Assigned Annual Special Tax Levy and Special Tax Revenues

Development Status	Number of Taxable Units/Acres	Actual Fiscal Year 2025-26 Assigned Annual Special Tax per Unit/Acre	Actual Fiscal Year 2025-26 Total Special Tax Levy	Actual Fiscal Year 2025-26 Percentage of Total Special Tax Levy
Developed	354	\$1,008.15	\$356,882	100.00%
Undeveloped ^[1]	N/A	5,027.21	0	0.00
Total ^[2]	354 Units		\$356,882	100.00%

[1] The actual total net Approved Property Acreage is not currently available as the Los Angeles County Assessor has not subdivided the parcels pursuant to the Final Maps.

[2] Totals may not sum due to rounding.

Source: KeyAnalytics.

Table 2b
Projected Fiscal Year 2026-27
Assigned Annual Special Tax Levy and Special Tax Revenues

Development Status	Number of Taxable Units/Acres	Projected Fiscal Year 2026-27 Assigned Annual Special Tax per Unit/Acre	Projected Fiscal Year 2026-27 Total Special Tax Levy	Projected Fiscal Year 2026-27 Percentage of Total Special Tax Levy
Developed	443 Units	\$1,028.31	\$455,537	97.36%
Undeveloped ^[1]	2.41 Acres	\$5,127.76	12,341	2.64
Total ^[2]	443 Units / 2.41 Acres		\$467,877	100.00%

[1] Total net Approved Property Acreage for Fiscal Year 2026-27 estimated by the Master Developer. The actual total net Approved Property Acreage is not currently available as the Los Angeles County Assessor has not subdivided the parcels pursuant to the Final Maps.

[2] Totals may not sum due to rounding.

Source: KeyAnalytics.

Table 2c
Projected Fiscal Year 2027-28
Projected Buildout
Assigned Annual Special Tax Levy and Special Tax Revenues

Development Status	Number of Taxable Units/Acres	Projected Fiscal Year 2027-28 Assigned Annual Special Tax per Unit/Acre	Projected Fiscal Year 2027-28 Total Special Tax Levy	Projected Fiscal Year 2027-28 Percentage of Total Special Tax Levy
Developed	455	\$1,048.88	\$477,231	100.00%
Undeveloped	0	\$5,230.31	0	0.00
Total ^[1]	455		\$477,231	100.00%

[1] Totals may not sum due to rounding.
Source: KeyAnalytics.

Special Tax Levy by Property Ownership

The table below shows the projected Fiscal Year 2027-28 Special Tax levy at buildout based on the ownership of the property in the Community Facilities District as of August 15, 2025.

Table 3
Projected Fiscal Year 2027-28 Special Tax Levy
by Property Ownership at Buildout

Property Ownership and Development Classification ^[1]	Parcels	Projected Fiscal Year 2027-28 Special Tax Levy ^[2]	Percentage of Projected Fiscal Year 2027-28 Special Tax Levy
Individual Homeowners			
Completed Homes – Closed	208	\$218,163	45.71%
Lennar Homes			
Completed Homes – Unclosed	55	57,687	12.09
AG Land Bank			
Homes Under Construction	9 ^[3]	9,440	1.98
TPG Land Bank			
Homes Under Construction	34	35,661 ^[4]	7.47
Vacant Lots	80	83,909 ^[4]	17.58
Toll Brothers			
Completed Homes - Unclosed	24	25,173	5.27
Homes Under Construction	33	34,612	7.25
Vacant Lots	12	12,586	2.64
Total	455	\$477,231	100.00%

-
- [1] Ownership information and development classification is based on the Appraisal as of August 15, 2025.
- [2] Amounts shown reflect the projected Fiscal Year 2027-28 Special Taxes that would be levied on all properties within the Community Facilities District planned for residential construction. These amounts are provided to illustrate the expected classification of the units remaining to be built and are not intended to represent the actual Special Tax levy.
- [3] These parcels have since been acquired by Lennar Homes.
- [4] During the term of the Lennar Option Agreement (see "PROPERTY OWNERSHIP AND PROPOSED DEVELOPMENT – Lennar Homes – *Lennar Homes Land Bank Arrangements*"), Lennar Homes is obligated to pay all taxes and other carrying costs on the lots owned by TPG Land Bank, including special taxes.

Source: *KeyAnalytics*.

Appraised Property Value

The Appraisal. The Appraisal was prepared to estimate the separate aggregate market values of the "as-is" condition of the Taxable Property in the Community Facilities District within each of the six product types, reflecting the status of the completed-closed homes (closed builder sales), completed-unclosed homes (model homes and standing inventory), homes under construction, and vacant lots. The estimated market value contained in the Appraisal is as of an August 15, 2025, date of value.

The Appraisal was intended to comply with the reporting requirements set forth under the Uniform Standards of Professional Appraisal Practice for an Appraisal Report, and with the appraisal standard proposed by the California Debt and Investment Advisory Commission.

Basis for Appraisal and Assumptions. The property rights appraised were of a fee simple interest subject to easements of record and the lien of the Special Taxes.

The Appraisal was based on certain assumptions and limiting conditions set forth in APPENDIX I, including the following extraordinary assumptions:

- The Appraisal assumes that there are no soil, geologic, seismic or environmental conditions that would negatively impact the existing or planned uses of the property in the Community Facilities District, and all appropriate and required mitigation measures have been or will be incorporated into the land development and home construction in the Community Facilities District.
- An estimate of the remaining costs and fees to get the subject lots from their "as-is" condition to finished lot condition has been provided by the Merchant Builders, and these estimates have been relied upon in the Appraisal as being reasonably accurate and reliable; in addition, the valuations have reflected the proposed Bond financing such that the deductions of estimated remaining costs/fees do not include any amounts that are to be funded by the anticipated Bond proceeds.

Value Estimate. The Appraiser estimated that, as of the August 15, 2025, date of value, the market value of the "as-is" condition of the Taxable Property within the Community Facilities District (subject to the lien of the Special Taxes) was as follows:

<u>Product Type</u>	<u>No. of Lots</u>	<u>Market Value</u>
Campana (Lennar Homes)		
<i>Individual Owners (completed-closed homes):</i>	83	\$95,450,000
<i>Lennar Homes (completed-unclosed homes):</i>	17	15,640,000
<i>AG Land Bank (homes under construction):</i>	9	6,390,000
Subtotal:	109	\$117,480,000
Arches (Lennar Homes)		
<i>Individual Owners (completed-closed homes):</i>	5	\$5,650,000
<i>Lennar Homes (completed-unclosed homes):</i>	20	18,000,000
<i>TPG Land Bank (homes under construction):</i>	12	5,040,000
<i>TPG Land Bank (vacant lots):</i>	49	20,570,000
Subtotal:	86	\$49,260,000
Montilla (Lennar Homes)		
<i>Individual Owners (completed-closed homes):</i>	3	\$3,420,000
<i>Lennar Homes (completed-unclosed homes):</i>	17	15,980,000
<i>TPG Land Bank (homes under construction):</i>	22	11,130,000
<i>TPG Land Bank (vacant lots):</i>	31	13,010,000
Subtotal:	73	\$43,540,000
Avila (Lennar Homes)		
<i>Individual Owners (completed-closed homes):</i>	49	\$63,700,000
<i>Lennar Homes (completed-unclosed homes):</i>	1	1,230,000
Subtotal:	50	\$64,930,000
Alta Monte (Toll Brothers)		
<i>Individual Owners (completed-closed homes):</i>	36	\$75,600,000
<i>Toll Brothers (completed-unclosed homes):</i>	9	15,120,000
<i>Toll Brothers (homes under construction):</i>	25	21,810,000
<i>Toll Brothers (vacant lots):</i>	7	4,390,000
Subtotal:	77	\$116,920,000
Bella Terra (Toll Brothers)		
<i>Individual Owners (completed-closed homes):</i>	32	\$54,400,000
<i>Toll Brothers (completed-unclosed homes):</i>	15	20,400,000
<i>Toll Brothers (homes under construction):</i>	8	4,780,000
<i>Toll Brothers (vacant lots):</i>	5	2,640,000
Subtotal:	60	\$82,220,000
TOTALS	455	\$474,350,000

Valuation Methods. The Appraisal uses the following methods of valuation:

Completed-closed homes: The analysis of the completed-closed homes is of the aggregate value on a mass appraisal basis, and by means of the Sales Comparison Approach. Consideration is given to the closed and pending builder sales of the subject homes, builder sales of other product types in Tesoro Highlands, resales of subject homes, and resales of homes in other product types of Tesoro Highlands and in nearby neighborhoods of the Tesoro del Valle and West Hills communities.

Completed-unclosed homes: For the completed-unclosed homes, the analysis considers a discount due to the bulk ownership by the builder with the discount reflecting holding/sales costs, minor finishing costs and profit in order to sell off the homes.

Homes under construction: For the homes under construction, a simplified Cost Approach is used in which the value is based on an estimate of construction costs expended plus the estimated value of the vacant lot.

Vacant lots: The analysis of the vacant lots is based on the Sales Comparison Approach, considering recent sales of residential land or bulk lots in the general area. The analysis is of the finished lot condition, and then deducting the estimated remaining costs and fees to get to this condition, resulting in a value for the “as-is” partially finished condition.

The School District and the Community Facilities District make no representation as to the accuracy or completeness of the Appraisal. See APPENDIX I for a complete copy of the Appraisal.

Appraised Value-to-Burden Ratios

The tables below show the approximate projected value to burden ratios for the property in the Community Facilities District based on the appraised values set forth in the Appraisal, the proposed principal amount of the Bonds, the principal amount of overlapping debt, and the property ownership and development status as of August 15, 2025, allocated by the projected Fiscal Year 2027-28 Special Tax levy at buildout.

No assurance can be given that the amounts shown in this table will conform to those ultimately realized in the event of a foreclosure action following delinquency in the payment of the Special Taxes.

Table 4a
Appraised Values and Value-to-Burden Ratios by Property Owner and Development Status
as of August 15, 2025, Allocated by Projected Fiscal Year 2027-28 Special Tax Levy at Buildout

Property Ownership and Development Status [1]	Number of Parcels [1]	Total Appraised Value [2]	Bonds* [3]	Other Land Secured Debt [4][5]	Total Land Secured Liens* [6]	Appraised Value-to-Lien Ratio* [7]	Projected Buildout Fiscal Year 2027-28 Special Tax Levy [8]	Percentage of Projected Buildout Fiscal Year 2027-28 Special Tax Levy
Individual Homeowners								
<i>Completed Homes - Closed</i>	208	\$298,220,000	\$3,490,286	\$12,312,845	\$15,803,131	18.87:1	\$218,163	45.71%
Lennar Homes								
<i>Completed Homes - Unclosed</i>	55	50,850,000	922,912	3,163,692	4,086,604	12.44:1	57,687	12.09%
AG Land Bank [9]								
<i>Homes Under Construction</i>	9	6,390,000	151,022	488,346	639,368	9.99:1	9,440	1.98%
TPG Land Bank [10]								
<i>Homes Under Construction</i>	34	16,170,000	570,527	2,057,139	2,627,667	6.15:1	35,661	7.47%
<i>Vacant Lots</i>	80	33,580,000	1,342,418	4,744,365	6,086,782	5.52:1	83,909	17.58%
Toll Brothers								
<i>Completed Homes - Unclosed</i>	24	35,520,000	402,725	1,512,056	1,914,781	18.55:1	25,173	5.27%
<i>Homes Under Construction</i>	33	26,590,000	553,747	2,178,735	2,732,482	9.73:1	34,612	7.25%
<i>Vacant Lots</i>	12	7,030,000	201,363	762,563	963,926	7.29:1	12,586	2.64%
Total [11]	455	\$474,350,000	\$7,635,000	\$27,219,741	\$34,854,741	13.61:1	\$477,231	100.00%

* Preliminary; subject to change.

[1] Ownership information and development classification is based on the August 15, 2025, date of value set forth in the Appraisal.

[2] Market value estimated by the Appraiser as of August 15, 2025.

[3] The principal amount of the Bonds has been allocated based on each parcel's proportionate share of the Special Taxes projected to be levied at development completion.

[4] Other Land Secured Debt related to Improvement Area Nos. 1 and 2 of the California Municipal Finance Authority Community Facilities District No. 2022-25 has been proportionately allocated to each lot based on the projected overlapping levy at buildout, which was calculated using the projected square footage information provided by the Master Developer. Other Land Secured Debt related to the City of Santa Clarita Open Space Preservation District has been proportionally allocated based the respective Fiscal Year 2024-25 levy amounts. Total amount of debt for the City of Santa Clarita Open Space Preservation District does not match the Overlapping Debt Report as additional non-residential parcels may have been charged during Fiscal Year 2024-25.

[5] Improvement Area Nos. 1 and 2 of the California Municipal Finance Authority Community Facilities District No. 2022-25 may issue additional bonds in the future. Improvement Area No. 1 has authorized but unissued debt in the amount of \$42,570,000 and Improvement Area No. 2 has authorized but unissued debt in the amount of \$21,215,000. Assuming no increase in property values, the issuance of such overlapping debt would decrease the value-to-lien ratios for the Community Facilities District shown above. See Direct and Overlapping Governmental Obligations section for details on remaining bond authorization limits.

[6] Land secured debt only; excludes general obligation bonded indebtedness.

[7] Average value-to-lien ratios; actual value-to-lien ratio per parcel may vary.

[8] Amounts shown reflect the projected Fiscal Year 2027-28 Special Taxes that would be levied on all properties within the Community Facilities District planned for residential construction. These amounts are provided to illustrate the expected classification of the units remaining to be built and are not intended to represent the actual Special Tax levy.

[9] These parcels have since been acquired by Lennar Homes.

[10] During the term of the Lennar Option Agreement (see "PROPERTY OWNERSHIP AND PROPOSED DEVELOPMENT – Lennar Homes – Lennar Homes Land Bank Arrangements"), Lennar Homes is obligated to pay all taxes and other carrying costs on the lots owned by TPG Land Bank, including special taxes.

[11] Totals may not sum due to rounding.

Source: KeyAnalytics.

Table 4b
Appraised Values and Value-to-Burden Ratios by Value-to-Lien Category
as of August 15, 2025, Allocated by Projected Fiscal Year 2027-28 Special Tax Levy at Buildout*

Value-to-Lien Category	Number of Parcels	Total Appraised Value [1]	Bonds* [2]	Other Land-Secured Debt [3][4]	Total Land-Secured Liens* [5]	Appraised Value-to-Lien Ratio* [6]	Projected Buildout Fiscal Year 2027-28 Special Tax Levy [7]	Percentage of Projected Buildout Fiscal Year 2027-28 Special Tax Levy
20:1 and above	70	\$133,360,000	\$1,174,615	\$4,460,047	\$5,634,662	23.67:1	\$73,420	15.38%
15:1 to 20:1	127	160,320,000	2,131,088	7,224,972	9,356,060	17.14:1	133,205	27.91
10:1 to 15:1	114	112,570,000	1,912,945	6,845,128	8,758,073	12.85:1	119,570	25.05
5:1 to 10:1	144	68,100,000	2,416,352	8,689,594	11,105,946	6.13:1	151,036	31.65
5:1 and below	0	0	0	0	0	N/A	0	0.00
Total [8]	455	\$474,350,000	\$7,635,000	\$27,219,741	\$34,854,741	13.61:1	\$477,231	100.00%

* Preliminary; subject to change.

[1] Market value estimated by the Appraiser as of August 15, 2025.

[2] The principal amount of the Bonds has been allocated based on each parcel's proportionate share of the Special Taxes projected to be levied at development completion.

[3] Other Land Secured Debt related to Improvement Area Nos. 1 and 2 of the California Municipal Finance Authority Community Facilities District No. 2022-25 has been proportionately allocated to each lot based on the projected overlapping levy at buildout, which was calculated using the projected square footage information provided by the Master Developer. Other Land Secured Debt related to the City of Santa Clarita Open Space Preservation District has been proportionally allocated based the respective Fiscal Year 2024-25 levy amounts. Total amount of debt for the City of Santa Clarita Open Space Preservation District does not match the Overlapping Debt Report as additional non-residential parcels may have been charged during Fiscal Year 2024-25.

[4] Improvement Area Nos. 1 and 2 of the California Municipal Finance Authority Community Facilities District No. 2022-25 may issue additional bonds in the future. Improvement Area No. 1 has authorized but unissued debt in the amount of \$42,570,000 and Improvement Area No. 2 has authorized but unissued debt in the amount of \$21,215,000. Assuming no increase in property values, the issuance of such overlapping debt would decrease the value-to-lien ratios for the Community Facilities District shown above. See Direct and Overlapping Governmental Obligations section for details on remaining bond authorization limits.

[5] Land secured debt only; excludes general obligation bonded indebtedness.

[6] Average value-to-lien ratios; actual value-to-lien ratio per parcel may vary.

[7] Amounts shown reflect the projected Fiscal Year 2027-28 Special Taxes that would be levied on all properties within the Community Facilities District planned for residential construction. These amounts are provided to illustrate the expected classification of the units remaining to be built and are not intended to represent the actual Special Tax levy.

[8] Totals may not sum due to rounding.

Source: KeyAnalytics.

Table 4c
Appraised Values and Value-to-Burden Ratios by Property Ownership and Development Status
as of August 15, 2025, Allocated by Projected Fiscal Year 2027-28 Special Tax Levy at Buildout*

Ownership and Development Status ^[1]	No. of Parcels ^[1]	Appraised Value ^[2]	Bonds* ^[3]	Other Land-Secured Debt ^{[4][5]}	Total Land-Secured Liens* ^[6]	Appraised Value-to-Lien Ratio* ^[7]	Projected Buildout Fiscal Year 2027-28 Special Tax Levy ^[8]	% of Projected Buildout Fiscal Year 2027-28 Special Tax Levy
Alta Monte								
Individual Homeowners	36	\$75,600,000	\$604,088	\$2,428,843	\$3,032,931	24.93:1	\$37,759	7.91%
Toll Brothers								
Completed - Unclosed	9	15,120,000	151,022	614,399	765,421	19.75:1	9,440	1.98
Homes Under Construction	25	21,810,000	419,505	1,704,341	2,123,847	10.27:1	26,222	5.49
Vacant Lots	7	4,390,000	117,462	467,701	585,162	7.50:1	7,342	1.54
Subtotal ^[11]	77	\$116,920,000	\$1,292,077	\$5,215,284	\$6,507,361	17.97:1	\$80,762	16.92%
Arches								
Individual Homeowners	5	\$5,650,000	\$83,901	\$295,232	\$379,133	14.90:1	\$5,244	1.10%
Lennar Homes								
Completed - Unclosed	20	18,000,000	335,604	1,170,603	1,506,208	11.95:1	20,977	4.40
TPG Land Bank ^[9]								
Homes Under Construction	12	5,040,000	201,363	712,687	914,050	5.51:1	12,586	2.64
Vacant Lots	49	20,570,000	822,231	2,849,909	3,672,140	5.60:1	51,394	10.77
Subtotal ^[11]	86	\$49,260,000	\$1,443,099	\$5,028,432	\$6,471,531	7.61:1	\$90,202	18.90%
Avila								
Individual Homeowners	49	\$63,700,000	\$822,231	\$2,994,462	\$3,816,692	16.69:1	\$51,394	10.77%
Lennar Homes								
Completed - Unclosed	1	1,230,000	16,780	61,111	77,892	15.79:1	1,049	0.22
Subtotal ^[11]	50	\$64,930,000	\$839,011	\$3,055,573	\$3,894,584	16.67:1	\$52,443	10.99%
Bella Terra								
Individual Homeowners	32	\$54,400,000	\$536,967	\$1,902,803	\$2,439,770	22.30:1	\$33,564	7.03%
Toll Brothers								
Completed - Unclosed	15	20,400,000	251,703	897,657	1,149,360	17.75:1	15,733	3.30
Homes Under Construction	8	4,780,000	134,242	474,394	608,635	7.85:1	8,391	1.76
Vacant Lots	5	2,640,000	83,901	294,862	378,763	6.97:1	5,244	1.10
Subtotal ^[11]	60	\$82,220,000	\$1,006,813	\$3,569,716	\$4,576,529	17.97:1	\$62,932	13.19%
Campana								
Individual Homeowners	83	\$95,450,000	\$1,392,758	\$4,508,171	\$5,900,929	16.18:1	\$87,055	18.24%
Lennar Homes								
Completed - Unclosed	17	15,640,000	285,264	893,082	1,178,346	13.27:1	17,831	3.74
AG Land Bank ^[10]								
Homes Under Construction	9	6,390,000	151,022	488,346	639,368	9.99:1	9,440	1.98
Subtotal ^[11]	109	\$117,480,000	\$1,829,044	\$5,889,599	\$7,718,643	15.22:1	\$114,326	23.96%

Montilla

Individual Homeowners	3	\$3,420,000	\$50,341	\$183,334	\$233,675	14.64:1	\$3,147	0.66%
Lennar Homes								
Completed - Unclosed	17	15,980,000	285,264	1,038,895	1,324,159	12.07:1	17,831	3.74
TPG Land Bank ^[9]								
Homes Under Construction	22	11,130,000	369,165	1,344,452	1,713,617	6.50:1	23,075	4.84
Vacant Lots	31	13,010,000	520,187	1,894,455	2,414,642	5.39:1	32,515	6.81
Subtotal ^[11]	73	\$43,540,000	\$1,224,956	\$4,461,137	\$5,686,093	7.66:1	\$76,567	16.04%
Subtotal Individual Homeowners^[9]	208	\$298,220,000	\$3,490,286	\$12,312,845	\$15,803,131	18.87:1	\$218,163	45.71%
Subtotal Merchant Builders ^[9]	247	\$176,130,000	\$4,144,714	\$14,906,896	\$19,051,610	9.24:1	\$259,068	54.29%
Total ^[11]	455	\$474,350,000	\$7,635,000	\$27,219,741	\$34,854,741	13.61:1	\$477,231	100.00%

* Preliminary; subject to change.

[1] Ownership information and development classification is based on the Appraisal as of August 15, 2025.

[2] Market value estimated by the Appraiser as of August 15, 2025.

[3] The principal amount of the Bonds has been allocated based on each parcel's proportionate share of the Special Taxes projected to be levied at development completion.

[4] Other Land Secured Debt related to Improvement Area Nos. 1 and 2 of the California Municipal Finance Authority Community Facilities District No. 2022-25 has been proportionately allocated to each lot based on the projected overlapping levy at buildout, which was calculated using the projected square footage information provided by the Master Developer. Other Land Secured Debt related to the City of Santa Clarita Open Space Preservation District has been proportionally allocated based the respective Fiscal Year 2024-25 levy amounts. Total amount of debt for the City of Santa Clarita Open Space Preservation District does not match the Overlapping Debt Report as additional non-residential parcels may have been charged during Fiscal Year 2024-25.

[5] Improvement Area Nos. 1 and 2 of the California Municipal Finance Authority Community Facilities District No. 2022-25 may issue additional bonds in the future. Improvement Area No. 1 has authorized but unissued debt in the amount of \$42,570,000 and Improvement Area No. 2 has authorized but unissued debt in the amount of \$21,215,000. Assuming no increase in property values, the issuance of such overlapping debt would decrease the value-to-lien ratios for the Community Facilities District shown above. See Direct and Overlapping Governmental Obligations section for details on remaining bond authorization limits.

[6] Land secured debt only; excludes general obligation bonded indebtedness.

[7] Average value-to-lien ratios; actual value-to-lien ratio per parcel may vary.

[8] Amounts shown reflect the projected Fiscal Year 2027-28 Special Taxes that would be levied on all properties within the Community Facilities District planned for residential construction. These amounts are provided to illustrate the expected classification of the units remaining to be built and are not intended to represent the actual Special Tax levy.

[9] During the term of the Lennar Option Agreement (see "PROPERTY OWNERSHIP AND PROPOSED DEVELOPMENT – Lennar Homes – Lennar Homes Land Bank Arrangements"), Lennar Homes is obligated to pay all taxes and other carrying costs on the lots owned by TPG Land Bank, including special taxes.

[10] These parcels have since been acquired by Lennar Homes.

[11] Totals may not sum due to rounding.

Source: KeyAnalytics.

Direct and Overlapping Governmental Obligations

Certain local agencies provide public services and assess property taxes, assessments, special taxes and other charges on the property in the Community Facilities District. Many of these local agencies have outstanding debt. The direct and overlapping obligations for Fiscal Year 2024-25 affecting the property in the Community Facilities District as of September 23, 2025, are shown in the following table. A report including data for Fiscal Year 2025-26 is not yet available. The table is sourced from California Tax Data, Inc. and is included for general information purposes only. The Community Facilities District has not reviewed this report for completeness or accuracy and makes no representation in connection therewith.

As noted in tables 4a, 4b, and 4c, the property in the Community Facilities District is located within Improvement Areas No. 1 and 2 of the California Municipal Finance Authority Community Facilities District No. 2022-25, which may issue additional bonds in the future. Improvement Area No. 1 has authorized but unissued debt in the amount of \$42,570,000 and Improvement Area No. 2 has authorized but unissued debt in the amount of \$21,215,000. Assuming no increase in property values, the issuance of such overlapping debt would decrease the value-to-lien ratios for the Community Facilities District.

Table 5
Direct and Overlapping Governmental Obligations

I. Assessed Value

2024-2025 Secured Roll Assessed Value	\$54,316,512
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II. Secured Property Taxes

Description on Tax Bill	Total Parcels	Total Levy	% Applicable	Parcels	Levy
Combined Ad Valorem Tax Charges	2,396,180	\$24,226,422,487	0.00265%	91	\$642,352.89
California Municipal Finance Authority CFD No. 2022-25	76	\$4,969	100.00000%	76	\$4,968.88
California Municipal Finance Authority CFD No. 2022-25, Impv Area 1	76	\$493,545	100.00000%	76	\$493,544.92
California Municipal Finance Authority CFD No. 2022-25, Impv Area 2	76	\$1,086,136 (1)	100.00000%	76	\$1,086,136.00
City of Santa Clarita Landscape Maintenance District No. 1, Annex T7	28,366	\$2,610,440	0.05057%	20	\$1,320.00
City of Santa Clarita LMD No. 1, Zone 16	112	\$121,111	5.01442%	86	\$6,073.00
City of Santa Clarita LMD No. 1, Zone 26	33,879	\$16,200,632	0.05640%	91	\$9,136.40
City of Santa Clarita Maintenance District No. 2008-1	62,911	\$7,837,145	0.04072%	91	\$3,191.03
City of Santa Clarita Open Space Preservation District	67,873	\$3,393,139	0.04673%	91	\$1,585.50
City of Santa Clarita Stormwater Fee	67,131	\$4,379,729	0.01556%	41	\$681.34
County of Los Angeles Fire Department Special Tax	890,267	\$93,838,206	0.00560%	91	\$5,251.05
County of Los Angeles Mosquito Abatement District	1,137,290	\$21,677,727	0.00796%	91	\$1,726.27
County of Los Angeles Safe Clean Water Program Funding (Measure W)	2,118,347	\$279,383,472	0.00029%	21	\$804.57
County of Los Angeles Sanitation District No. 32	76,347	\$45,356,269	0.04625%	48	\$20,976.00
County of Los Angeles Sewer Maintenance	534,023	\$39,804,706	0.00387%	61	\$1,540.25
William S. Hart Union High School District CFD No. 2023-1	79	\$171,978	43.67816%	76	\$75,116.88
2024-2025 TOTAL PROPERTY TAX LIABILITY					\$2,354,404.98
TOTAL PROPERTY TAX LIABILITY AS A PERCENTAGE OF 2024-2025 ASSESSED VALUATION					4.33%

III. Land Secured Bond Indebtedness

Outstanding Direct and Overlapping Bonded Debt	Issued	Outstanding	% Applicable	Parcels	Amount
California Municipal Finance Authority CFD No. 2022-25, Impv Area 1	\$18,430,000	\$18,430,000	100.00000%	76	\$18,430,000
California Municipal Finance Authority CFD No. 2022-25, Impv Area 2	\$8,785,000	\$8,785,000	100.00000%	76	\$8,785,000
City of Santa Clarita Open Space Preservation District	\$14,020,000	\$10,565,000	0.04673%	91	\$4,937
William S. Hart Union High School District CFD No. 2023-1	\$0	\$0	43.67816%	76	\$0
TOTAL LAND SECURED BOND INDEBTEDNESS (2)					\$27,219,937
TOTAL OUTSTANDING LAND SECURED BOND INDEBTEDNESS (2)					\$27,219,937

IV. General Obligation Bond Indebtedness

Outstanding Direct and Overlapping Bonded Debt	Issued	Outstanding	% Applicable	Parcels	Amount
Castaic Union School District GOB 2012	\$32,535,000	\$26,410,000	0.64817%	91	\$171,180
Santa Clarita Community College District GOB 2001	\$82,105,069	\$5,796,209	0.08985%	91	\$5,208
Santa Clarita Community College District GOB 2006	\$159,997,270	\$167,565,000	0.08985%	91	\$150,564
Santa Clarita Community College District GOB 2016	\$205,000,000	\$176,750,000	0.08985%	91	\$158,817
William S. Hart Union High School District GOB 2001	\$157,996,106	\$15,855,792	0.08984%	91	\$14,245
William S. Hart Union High School District GOB 2008	\$284,022,623	\$220,133,642	0.08984%	91	\$197,775
TOTAL GENERAL OBLIGATION BOND INDEBTEDNESS (2)					\$697,789
TOTAL OUTSTANDING GENERAL OBLIGATION BOND INDEBTEDNESS (2)					\$697,789

TOTAL OF ALL OUTSTANDING AND OVERLAPPING BONDED DEBT	\$27,917,726.16
VALUE TO ALL OUTSTANDING DIRECT AND OVERLAPPING BONDED DEBT	1.95:1

[1] The total levy amount is a calculated estimate. California Municipal Finance Authority CFD 2022-25, Improvement Area 2 was hand-billed directly and not recorded in the county's annual tax bill.

[2] Additional bonded indebtedness or available bond authorization may exist but are not shown because a tax was not levied for the referenced fiscal year.

Source: California Tax Data, Inc.

Estimated Property Tax Rates and Tax Burden on Single Family Home

The following table sets forth the estimated total property tax rates and tax burden on a representative single-family unit from each product line in the Community Facilities District, based on tax rates for Fiscal Year 2024-25. Sample tax bills for Fiscal Year 2025-26 are not yet available.

Table 6
Sample Property Tax Bill for Fiscal Year 2024-25^[1]

Assessed Valuations and Property Taxes		Alta Monte	Arches	Avila	Bella Terra	Campana	Montilla
Assessed Value ^[2]		\$2,100,000	\$1,130,000	\$1,300,000	\$1,700,000	\$1,150,000	\$1,140,000
Homeowner's Exemption		(7,000)	(7,000)	(7,000)	(7,000)	(7,000)	(7,000)
Net assessed Value		\$2,093,000	\$1,123,000	\$1,293,000	\$1,693,000	\$1,143,000	\$1,133,000
Ad Valorem Property Taxes	% of Total AV	Amount	Amount	Amount	Amount	Amount	Amount
General Purposes	1.00000%	\$20,930	\$11,230	\$12,930	\$16,930	\$11,430	\$11,330
<i>Ad Valorem Tax Overrides</i>	0.07060%						
Special Water	0.03600%	1,478	793	913	1,195	807	800
Community College	0.05381%	753	404	465	609	411	408
High Schools	0.02237%	1,126	604	696	911	615	610
Elementary Schools	1.18278%	468	251	289	379	256	253
Total Ad Valorem Property Taxes		\$24,756	\$13,283	\$15,293	\$20,024	\$13,519	\$13,401
Assessments, Special Taxes and parcel Charges ^[3]							
LA County Flood Control		\$26	\$26	\$26	\$26	\$26	\$26
LA County Trauma & Emergency Services (Per Sq Ft)		155	155	155	155	155	155
LA County Solid Waste		4	4	4	4	4	4
LA County Parks & Open Space (Measure A) (Per Sq Ft)		56	56	56	56	56	56
LA County Library		35	35	35	35	35	35
LA County Safe, Clean Water (Measure W)		62	62	62	62	62	62
LA County Fire Protection		77	77	77	77	77	77
LA County Vector Control		19	19	19	19	19	19
Consolidated Sewer Maint District of Los Angeles		51	51	51	51	51	51
Drainage Benefit Area Assessment		70	70	70	70	70	70
William S. Hart Union High School District CFD 2023-1		988	988	988	988	988	988
Santa Clarita Maintenance District Medians 2008-1		85	85	85	85	85	85
Santa Clarita Landscape Maintenance District		100	100	100	100	100	100
Santa Clarita Stormwater Utility		30	30	30	30	30	30
Santa Clarita Valley Sanitation District		437	437	437	437	437	437
Santa Clarita Open Space Preservation District		42	42	42	42	42	42
CFD 2022-25 Open Space Maintenance		65	65	65	65	65	65
CFD 2022-25 Facilities Special Tax		8,677	7,346	7,346	7,370	6,105	7,346
Total Assessments, Special Taxes and Parcel Charges		\$10,979	\$9,649	\$9,649	\$9,673	\$8,407	\$9,649
Total Property Taxes		\$35,735	\$22,931	\$24,942	\$29,697	\$21,927	\$23,050
Total Effective Tax Rate		1.71%	2.04%	1.93%	1.75%	1.92%	2.03%

[Footnotes appear on next page]

- [1] As of the date this table was prepared, the Fiscal Year 2025-26 Assessed Values and property tax information was not available from the County of Los Angeles.
 - [2] Represents the market value for lot with the median square footage of “Completed-Closed” properties, as categorized by the Appraiser in the Appraisal Report dated August 15, 2025. The median square footage was used to determine the representative property value for each respective development area.
 - [3] All charges and special assessments are based on a Lot size of less than one acre.
- Source: KeyAnalytics*

Special Tax Collection and Delinquency Rates

The Special Taxes were first levied within the Community Facilities District in Fiscal Year 2023-24. The table below presents the collections and delinquencies of the Special Taxes for Fiscal Years 2023-24 through 2024-25.

Table 7
Special Tax Delinquency History

Subject Fiscal Year							As of June 30, 2025		
Fiscal Year	Aggregate Special Tax	Total Special Taxes Collected	Parcels Levied	Parcels Delinquent	Fiscal Year Amount Delinquent	Fiscal Year Delinquency Rate	Remaining Parcels Delinquent	Remaining Amount Delinquent	Remaining Delinquency Rate
2023-24	\$19,380.00	\$19,380.00	20	0	\$0.00	0.00%	0	\$0.00	0.00%
2024-25	\$171,978.12	\$171,978.12	174	0	\$0.00	0.00%	0	\$0.00	0.00%

Source: KeyAnalytics.

Potential Consequences of Special Tax Delinquencies. Future delinquencies in the payment of property taxes (including the Special Taxes) with respect to property in the Community Facilities District could result in draws on the Reserve Fund, and perhaps, ultimately, a default in the payment on the Bonds.

Special Tax Enforcement and Collection Procedures. The Community Facilities District could receive additional funds for the payment of debt service through foreclosures sales of delinquent property, but no assurance can be given as to the amount foreclosure sale proceeds or when foreclosure sale proceeds would be received. The Community Facilities District has covenanted in the Fiscal Agent Agreement to take certain enforcement actions and commence and pursue foreclosure proceedings against delinquent parcels under the terms and conditions described herein. See “SECURITY FOR THE BONDS— Covenant to Foreclose” and “BOND OWNERS’ RISKS – Limited Number of Taxable Parcels.”

Foreclosure actions would include, among other steps, formal Board action to authorize commencement of foreclosure proceedings, mailing multiple demand letters to the record owners of the delinquent parcels advising them of the consequences of failing to pay the applicable Special Taxes and contacting secured lenders to obtain payment. If these efforts were unsuccessful, they would be followed (as needed) by the filing of an action to foreclose in superior court against each parcel that remained delinquent.

PROPERTY OWNERSHIP AND PROPOSED DEVELOPMENT

The information about the Master Developer and the Merchant Builders contained in this Official Statement has been provided by representatives of the Master Developer and the Merchant Builders, respectively, and has not been independently confirmed or verified by the Underwriter, the School District or the Community Facilities District. None of the Underwriter, the School District or the Community Facilities District makes any representation as to the accuracy or adequacy of the information contained in this section. There may be material adverse changes in this information after the date of this Official Statement.

The inclusion of information in this Official Statement related to the Master Developer and the Merchant Builders should not be construed to suggest that the Bonds, or the Special Taxes that provide the security and source of payment for the Bonds, are recourse obligations of the Master Developer, the Merchant Builders or any other property owner in the Community Facilities District. A property owner may sell or otherwise dispose of land within the Community Facilities District, or any interest in such land, at any time.

The Bonds are secured solely by the Net Taxes and amounts on deposit in certain of the funds and accounts maintained by the Fiscal Agent under the Fiscal Agent Agreement. See “BOND OWNERS’ RISKS” for a discussion of certain of the risk factors that should be considered in evaluating the investment quality of the Bonds.

Tesoro Highlands Development

The property within the Community Facilities District is part of a larger development in the Valencia area of the City of Santa Clarita known as “Tesoro Highlands,” which consists of 13 planning areas, six of which are age-restricted. The entire Tesoro Highlands project consists of 820 residential units (696 single-family and 124 multifamily), along with common area parcels consisting of two recreational centers, one community park, and nearly 800 acres of open space. The Master Developer has served as the master developer of Tesoro Highlands.

The Community Facilities District encompasses property in the northern and eastern portions of the Tesoro Highlands project intended for development as 455 single-family homes.

Entitlement and Infrastructure Status

Entitlements. All discretionary entitlements for the development of the property within the Community Facilities District have been received. Final subdivision maps for Tract Nos. 51644-12, -16, -17 and -18 were recorded from November 9, 2022 through July 31, 2024.

Infrastructure Improvements. Major infrastructure needed for the completion of development within the Community Facilities District consist of the following:

- Extension of Avenida Rancho Tesoro (“A” Street)
- Storm drain improvements in Avenida Rancho Tesoro and in-tracts
- Debris basins
- Copper Hill Bridge widening

All of these improvements are complete or substantially complete. In addition, the Master Developer is completing certain dry utilities, street lights and landscaping within the Community Facilities District.

Pursuant to a condition imposed by the City on development of the 820 homes planned within the larger Tesoro Highlands project, the number of certificates of occupancy issued for completed homes is limited to 585 until such time that the Copper Hill Bridge widening project is complete. Upon completion of the bridge widening project, there will be no limitation on the issuance of certificates of occupancy.

The widening of the Copper Hill Bridge is substantially complete at a total cost of approximately \$17 million, with only “punch list” items remaining, and the Master Developer does not expect any delays in the issuance of certificates of occupancy for homes within the Community Facilities District. However, if unforeseen circumstances caused the construction project to be stopped or delayed for a significant period of time, the issuance of certificates of occupancy could be affected.

Utilities

Utility service for the project is provided by the following entities:

<u>Utility</u>	<u>Provider</u>
Water	Santa Clarita Valley Water Agency
Sewer	Santa Clarita Valley Sanitation District
Electricity	Southern California Edison
Natural Gas	SoCal Gas
Local Phone	Various providers

Environmental Conditions

Flood Hazard Map Information. Pursuant to Federal Emergency Management Agency’s Per Flood Zone Panel No. 065043-0810G dated June 2, 2021, all of the Tesoro Highlands project is located in Zone X which indicates an area of minimal flood hazard and out of the Special Flood Hazard Area.

Wetland Conditions. According to the Master Developer, there are no wetland conditions in the Community Facilities District that would require any additional environmental permits.

Seismic Conditions. None of the property in the Community Facilities District is located within a seismic special studies zone, and no active or potentially active faults known to exist in the Community Facilities District. The nearest known fault is the San Gabriel Fault located approximately 1.5 miles to the south and west of the Community Facilities District.

Wildfire Zone. Pursuant to the current 2025 CalFire map, all of the subject properties are located within a Very High Fire Hazard Severity Zone within a Local Responsibility Area. The Master Developer has represented that all required disclosures and mitigation measures are being undertaken in connection with the marketing, construction and sale of homes, and each Merchant Builder has represented that its development within the Community Facilities District complies with all building regulations and standards applicable as a result of being located in a Very High Fire Hazard Severity Zone within a Local Responsibility Area.

Endangered Species. There are no endangered species-related restrictions on development within the Community Facilities District.

Property Ownership

The table below shows the ownership of the taxable property within of the Community Facilities District as of August 15, 2025.

Table 8
Property Ownership Summary

Property Ownership	Development Status	Parcels
Individual homeowners	Completed homes	208
Lennar Homes	Completed homes – unclosed	55
AG Land Bank	Homes under construction	9 ^[1]
TPG Land Bank	Homes under construction	34
TPG Land Bank	Vacant lots	80
Subtotal		178
Toll Brothers	Completed homes – unclosed	24
Toll Brothers	Homes under construction	33
Toll Brothers	Vacant lots	12
Subtotal		69
Total		455

Source: The Appraisal.

[1]: These parcels have since been acquired by Lennar Homes.

Master Developer

General. As previously defined in this Official Statement, the Master Developer is BLC Tesoro LLC, a Delaware limited liability company and a single-purpose entity that has served as the master developer of the land within the Community Facilities District and the larger Tesoro Highlands development. IHP Capital Partners LLC, a Delaware limited liability company (“IHP”), is one of the constituent owners of IHP Capital Partners Fund VII, L.P., a Delaware limited partnership (“IHP VII”). IHP VII is the sole member of Tesoro Blocker LLC, a Delaware limited liability company, which is a manager and sole member of Fund VII BLC Tesoro Investor LLC, a Delaware limited liability company, which is the sole member of the Master Developer.

IHP VII is an equity fund established to finance for sale residential projects, with funding provided by institutional investors. IHP is one of the nation’s largest investment firms dedicated to providing equity financing for real estate development. Founded in 1992, IHP is the primary real estate investment vehicle of several of America’s largest financing institutions. The firm invests institutional capital in for sale residential real estate projects throughout the United States. IHP has created neighborhoods and communities valued at more than \$20 billion.

The Master Developer has contracted with Newport Pacific Land Company LLC, a Delaware limited liability company, to provide development and construction management services for the development within the Community Facilities District. Newport Pacific Land Company LLC has served a similar role in projects throughout southern California.

Financing Plan. The Master Developer has funded its entitlement and development activities for the land within the Community Facilities District with equity contributions from IHP VII, lot sale revenues and the proceeds of a loan from Western Alliance Bank of Arizona (the “**Development Loan**”). The Development Loan was paid off in April 2025, and all future costs are expected to be financed with equity of the Master Developer or affiliates. As of September 19, 2025, the Master Developer estimates it had expended approximately \$135 million towards such activities with respect to land development in the Community Facilities District, and currently estimates it will expend an additional \$23 million through the completion of land development in the Community Facilities District. The remaining land development costs are primarily related to parks, trails, and a recreation center.

Lennar Homes

As defined previously in this Official Statement, “Lennar Homes” refers to Lennar Homes of California, LLC, a California limited liability company. Lennar Homes is wholly-owned by U.S. Home, LLC, a Delaware limited liability company (“**U.S. Home**”). U.S. Home is wholly-owned by Lennar Corporation, which is based in Miami, Florida. Founded in 1954, Lennar Corporation completed its initial public offering in 1971 and listed its common stock on the New York Stock Exchange in 1972. Lennar Corporation’s Class A and Class B common stock are listed on the New York Stock Exchange under the symbols “LEN” and “LEN.B.” respectively. Lennar Corporation is one of the largest homebuilders in the United States based on home sales revenues and net earnings, and operates under a number of brand names, including Lennar Homes and U.S. Home. Lennar Corporation primarily develops residential communities both within the Lennar family of builders and through consolidated and unconsolidated partnerships in which Lennar Corporation maintains an interest.

Lennar Corporation is subject to the informational requirements of the Exchange Act and in accordance therewith files reports, proxy statements and other information with the SEC. Such filings, particularly the Annual Report on Form 10-K and its most recent Quarterly Report on Form 10-Q, set forth, among other things, certain data relative to the consolidated results of operations and financial position of Lennar Corporation and its consolidated subsidiaries, including Lennar Homes, as of such dates.

The SEC maintains a website that contains reports, proxy and other information statements and other information regarding registrants that file electronically with the SEC, including Lennar Corporation. The address of such website is www.sec.gov. All documents filed by Lennar Corporation pursuant to the requirements of the Exchange Act after the date of this Official Statement will be available for inspection in such manner as the SEC prescribes.

Copies of Lennar Corporation’s Annual Report and related financial statements, prepared in accordance with generally accepted accounting standards, are available from Lennar Corporation’s website at www.lennar.com. *The foregoing website addresses and references to filings with the SEC are given for reference and convenience only, and the information on such websites and on file with the SEC does not form a part of this Official Statement and is not incorporated by reference herein. No representation is made in this Official Statement as to the accuracy or adequacy of the information contained on such websites. Lennar Corporation and Lennar Homes are not obligated to advance funds for construction or development or to pay ad valorem property taxes or the Special Taxes and investors should not rely on the information and financial statements contained on such websites in evaluating whether to buy, hold or sell the Bonds. The information contained on such websites may be incomplete or inaccurate and has not been reviewed.*

Lennar Homes PSA and Right-of-Entry. At one point in time, all 318 residential lots in the Community Facilities District being developed by Lennar Homes was conveyed to one or more land banks. All of the property conveyed to the land banks has subsequently been acquired by Lennar Homes, except for the property currently remaining in the land bank with TPG AG EHC III (LEN) CA 2, L.P. (the “**TPG Land Bank**”) which remains outstanding. For the TPG Land Bank, Lennar Homes has entered into an Option Agreement whereby Lennar Homes has the option – but not the obligation – to acquire lots from the TPG Land Bank pursuant to a takedown schedule. As of October 1, 2025, the ownership of the property being developed by Lennar Homes by neighborhood is shown below:

<u>Owner</u> (Home Square Footage Range)	<u>Campana</u> 3,095 – 3,920	<u>Avila</u> 3,897 – 4,527	<u>Arches</u> 3,421 – 4,615	<u>Montilla</u> 3,801 – 4,581	<u>Totals</u>
Individual Homeowners	91	50	10	10	161
Lennar Homes	18	0	20	25	63
TPG AG EHC III (LEN) CA 2, L.P. ^[1]	-	-	<u>56</u>	<u>38</u>	<u>94</u>
Totals	109	50	86	73	318

[1] The takedown schedule with the TPG Land Bank has Lennar Homes acquiring the remaining 94 lots from time to time by the end of January, 2027. There can be no guarantee that Lennar Homes will exercise the option to acquire these lots. See “Lennar Homes Land Bank Arrangements” below for the current takedown schedule.

Development Plan. Lennar Homes has been developing its lots in the Community Facilities District into 318 single-family detached homes in four neighborhoods known as “Arches at Tesoro Highlands,” “Avila at Tesoro Highlands,” “Campana at Tesoro Highlands” and “Montilla at Tesoro Highlands.”

“Campana at Tesoro Highlands” is the marketing name for the neighborhood being built in Planning Areas 12 and 16A (109 units). “Avila at Tesoro Highlands” is the marketing name for the neighborhood being built in Planning Area 16B (50 units). “Arches at Tesoro Highlands” is the marketing name for the neighborhood being built in Planning Area 18A (86 units). “Montilla at Tesoro Highlands” is the marketing name for the neighborhood being built in Planning Area 18B (73 units). There is a single Homeowners Association (“**HOA**”) for all neighborhoods being developed by Lennar Homes, with approved monthly HOA assessments varying from \$168 to \$253 per month, with additional monthly assessments for homes in a gated community varying from \$17 to \$70 per month. Avila, Arches, and Montilla at Tesoro Highlands are gated communities, while Campana at Tesoro Highlands is not gated. A number of the lots in the Community Facilities District being developed by Lennar Homes have significant view premiums, primarily consisting of canyon and foothill views.

As of October 1, 2025, for the land being developed by Lennar Homes, 161 homes had been sold and closed to individual homeowners (91 in Campana, 50 in Avila, 10 in Arches, and 10 in Montilla). Buildout of all four neighborhoods is projected by August, 2027. As of October 1, 2025, Lennar Homes has received 256 building permits.

**Lennar Homes
(318 lots)
(as of October 1, 2025)**

Product	No. Lots ^[1]	Base Sales Prices ^[2]	Homes Under Construction	Completed but Unclosed Homes ^[3]	Remaining Finished Lots	Homes Sold and Closed	Homes Sold/ Under Contract
Campana	109	\$1,100,000 – \$1,200,000	1	17	0	91	5
Avila	50	Closed Out	0	0	0	50	Closed Out
Arches	86	1,200,000 – 1,400,000	21	15	40	10	5
Montilla	73	1,300,000 – 1,700,000	30	11	22	10	9
Totals	318		52	43	62	161	19

[1] As of October 1, 2025, of the 318 lots that Lennar Homes intends to develop, 161 had been developed with homes and sold to homeowners, 63 lots were owned by Lennar Homes and are in various stages of development, and 94 are subject to acquisition takedowns by Lennar Homes from the TPG Land Bank over time. See “Lennar Homes Land Bank Arrangements” below for the current takedown schedule.

[2] Base sales prices are as of the date shown, and subject to change. Base sales prices exclude lot premiums, options and extras and any incentives or price reductions.

[3] There are 3 completed model homes in the Arches and Montilla product lines.

Source: Lennar Homes.

Lennar Homes’s development expectations described above are based on Lennar Homes’s current plans. These plans may change due to changes in economic and market conditions or other factors. No assurance can be given that home construction and sales will be carried out on the schedule and according to the plans described herein, or that the home construction and sale plans or base prices set forth above will not change after the date of this Official Statement. Lennar Homes reserves the right to change its development plans at any time without notice. Additionally, homes under contract to be sold may not result in closed escrows as sales contracts are subject to cancellation by the homebuyer.

Financing Plan. Lennar Homes intends to finance the acquisition and development of the 318 lots in the Community Facilities District using internal sources (which may include funding from its parent company and home sales proceeds). As of October 1, 2025, Lennar has spent approximately \$205.8 million on land acquisition, development, construction, sales, and marketing, and anticipates spending approximately \$172.8 million to build out and close its development in the Community Facilities District.

No assurance can be given that amounts necessary to fund the planned acquisition and development by Lennar Homes in the Community Facilities District will be available when needed. Neither Lennar Homes nor any other entity or person is under any legal obligation of any kind to expend funds for the acquisition or development of the property as planned by Lennar Homes in the Community Facilities District. Any contributions by Lennar Homes or any other entity or person to fund the costs of such acquisition and development are entirely voluntary. Lennar Homes has no legal obligation to Bond holders to make any such funds available for acquisition, construction or development, or the payment of ad valorem property taxes or the Special Taxes. Many factors beyond Lennar Homes’ control, or a decision by Lennar Homes to alter its current plans, may cause the actual sources and uses to differ from the projections.

If and to the extent that internal funding, including but not limited to home sales revenues and corporate financing from Lennar Homes’ parent company, is inadequate to pay the costs to complete the planned acquisition and development by Lennar Homes within the Community Facilities District and other financing by Lennar Homes is not put into place, there could be a shortfall in the funds required to complete the proposed acquisition and development by Lennar Homes in the Community Facilities District and the remaining portions of Lennar Homes’ project in the Community Facilities District may not be developed.

Lennar Homes Land Bank Arrangements. To facilitate the land banking structure for the property, Lennar Homes and the TPG Land Bank entered into an option agreement (the “**Lennar Option Agreement**”) whereby Lennar Homes has the option, but not the obligation, to purchase the property that is the subject of the Lennar Option Agreement from the TPG Land Bank pursuant to a takedown schedule agreed upon between Lennar Homes and the TPG Land Bank.

Under the terms of the Lennar Option Agreement, the TPG Land Bank agreed to provide Lennar Homes the exclusive right and option to purchase the lots in consideration for, among other things, (a) an initial option payment, and (b) upon exercise of the option, the payment of the purchase price for each set of lots acquired. During the term of the Lennar Option Agreement, Lennar Homes is obligated to pay all taxes and other carrying costs on the lots, including special taxes.

Typically, the lots must be purchased in certain groups and in a specified order, although Lennar Homes may acquire more lots than scheduled and at earlier times so long as the identified lots are acquired by the applicable takedown date. In addition, pursuant to the Lennar Option Agreement and with some limitations, the TPG Land Bank has granted Lennar Homes a license to enter upon the property to construct homes before it acquires the lots from the TPG Land Bank.

The failure to acquire the lots in the specified order will result in the payment of a premium in addition to the purchase price. Under the Lennar Option Agreement, the lots must be acquired pursuant to the schedule set forth below, although the Lennar Option Agreement contains a provision allowing for extensions on acquisition of lots subject to the payment of an extension fee and other conditions and bulk sale of all of the lots.

Acquisition Date^[1]	Arches	Montilla	Total Number of Lots Acquired Per Acquisition Date
11-25-25	7	7	14
1-25-26	9	-	9
2-25-26	-	8	8
3-25-26	9	-	9
4-25-26	-	7	7
5-25-26	6	7	13
6-25-26	6	-	6
8-25-26	7	-	7
9-18-26	-	9	9
10-25-26	7	-	7
1-25-27	5	-	5
	56	38	94

[1] Under certain circumstances set forth in the Lennar Option Agreement or with the approval of the TPG Land Bank, these dates are subject to change.

The option under the Lennar Option Agreement expires on the earlier of (i) the last date permitted for the final takedown specified on the takedown schedule and the expiration of any applicable cure period, or (ii) the date Lennar Homes has acquired all of the lots in accordance with the Lennar Option Agreement. The failure to timely acquire lots could result in the termination of the option and Lennar

Homes will no longer have a right to purchase any of the remaining units under the Lennar Option Agreement.

If Lennar Homes does not exercise its option on the lots or the right to purchase the lots expires or is terminated, the TPG Land Bank being an investor only and not a homebuilder, would likely attempt to sell such remaining lots to another merchant builder.

The Land Bank. The TPG Land Bank is an affiliate of, and managed by, TPG Angelo Gordon, a privately-held alternative investment firm founded in 1988 and headquartered in New York, with associated offices across the United States, Europe and Asia. TPG Angelo Gordon manages over \$70 billion across a broad range of credit and real estate strategies. Affiliates of the TPG Land Bank have entered into land banking arrangements with Lennar Corporation and its affiliated entities on more than 200 residential development projects. Neither the TPG Land Bank nor TPG Angelo Gordon are affiliated entities of Lennar Homes or the Master Developer

Toll Brothers

As defined previously in this Official Statement, “**Toll Brothers**” refers to Toll West Coast LLC, a Delaware limited liability company. Toll Brothers is a subsidiary of Toll Brothers, Inc. (“**Toll Brothers Parent**”). Toll Brothers Parent was founded in 1967 and is a builder of luxury homes. Toll Brothers Parent currently builds in 24 states nationwide and is a publicly owned company with its common stock listed on the New York Stock Exchange (NYSE: TOL).

Toll Brothers Parent is subject to the informational requirements of the Exchange Act and in accordance therewith files reports, proxy statements and other information with the SEC. Such filings, particularly the Annual Report on Form 10-K and its most recent Quarterly Report on Form 10-Q, set forth, among other things, certain data relative to the consolidated results of operations and financial position of Toll Brothers Parent and its consolidated subsidiaries, including Toll Brothers, as of such dates.

The SEC maintains a website that contains reports, proxy and other information statements and other information regarding registrants that file electronically with the SEC, including Toll Brothers Parent. The address of such website is www.sec.gov. All documents filed by Toll Brothers Parent pursuant to the requirements of the Exchange Act after the date of this Official Statement will be available for inspection in such manner as the SEC prescribes.

Copies of Toll Brothers Parent’s Annual Report and related financial statements, prepared in accordance with generally accepted accounting standards, are available from Toll Brothers Parent’s website at www.tollbrothers.com. *The foregoing website addresses and references to filings with the SEC are given for reference and convenience only, and the information on such websites and on file with the SEC does not form a part of this Official Statement and is not incorporated by reference herein. No representation is made in this Official Statement as to the accuracy or adequacy of the information contained on such websites. Toll Brothers Parent and Toll Brothers are not obligated to advance funds for construction or development or to pay ad valorem property taxes or the Special Taxes and investors should not rely on the information and financial statements contained on such websites in evaluating whether to buy, hold or sell the Bonds. The information contained on such websites may be incomplete or inaccurate and has not been reviewed by the Authority or the Underwriter.*

Toll Brothers Development Plan. Toll Brothers has been developing its lots in the Community Facilities District as 137 single-family detached homes in two neighborhoods known as “Alta Monte at Tesoro Highlands” (77 homes) and “Bella Terra at Tesoro Highlands” (60 homes). Homes in the Alta

Monte product line range in size from 4,718 to 5,088 square feet, while homes in the Bella Terra product line range in size from 3,377 to 3,685 square feet.

There is a single homeowners' association for all the planned units being developed by Toll Brothers. Approved monthly assessments for these planned units range from \$185 to \$323. A number of the lots in these neighborhoods have significant view premiums, primarily consisting of canyon and foothill views. There are also limited city views of the surrounding cities.

As of September 29, 2025, 76 homes had been sold and closed to individual homeowners, representing 42 homes in Alta Monte and 34 homes in Bella Terra. Buildout of all 137 planned units is projected by the end of 2026.

**Toll Brothers
Development Plan and Development Status
(as of September 29, 2025)**

Product	No. Lots	Base Sales Prices ^[1]	Homes Under Construction	Completed but Unclosed Homes ^[2]	Remaining Finished Lots	Homes Sold and Closed	Homes Sold/ Under Contract
Alta Monte	77	\$1,713,995 – \$1,818,995	26	6	3	42	22
Bella Terra	60	1,450,995 – 1,529,995	25	1	0	34	8
Totals	137						

[1] Base sales prices are as of the date shown, and subject to change. Base sales prices exclude lot premiums, options and extras and any incentives or price reductions.

[2] Includes two model homes in Alta Monte and two model homes in Bella Terra.

Source: Toll Brothers.

Toll Brothers' development expectations described above are based on Toll Brothers' current plans. These plans may change due to changes in economic and market conditions or other factors. No assurance can be given that home construction and sales will be carried out on the schedule and according to the plans described herein, or that the home construction and sale plans or base prices set forth above will not change after the date of this Official Statement. Toll Brothers reserves the right to change its development plans at any time without notice. Additionally, homes under contract to be sold may not result in closed escrows as sales contracts are subject to cancellation by the homebuyer. See "BOND OWNERS' RISKS."

Toll Brothers Financing Plan. As of October 15, 2025, Toll Brothers anticipates that less than \$35 million remains to complete its planned development, in accordance with its plans, of single-family residences within the Community Facilities District, excluding soft costs and excluding any item of work completed or to be completed by the Master Developer as part of the Master Developer's development of Tesoro Highlands. Toll Brothers intends to finance the remaining lot development and home construction of its property within the Community Facilities District using internal sources (which may include funding from its parent company and home sales proceeds).

No assurance can be given that amounts necessary to fund the planned development by Toll Brothers in the Community Facilities District will be available when needed. Neither Toll Brothers nor any other entity or person is under any legal obligation of any kind to expend funds for the development of the property as planned by Toll Brothers in the Community Facilities District. Any contributions by Toll Brothers or any other entity or person to fund the costs of such development are entirely voluntary. Toll Brothers has no legal obligation to Bond holders to make any such funds available for construction or development, or the payment of ad valorem property taxes or the Special Taxes. Many factors beyond

Toll Brothers' control, or a decision by Toll Brothers to alter its current plans, may cause the actual sources and uses to differ from the projections.

If and to the extent that internal funding, including but not limited to home sales revenues and corporate financing from Toll Brothers' parent company, if any, is inadequate to pay the costs to complete the planned development by Toll Brothers within the Community Facilities District and other financing by Toll Brothers is not put into place, there could be a shortfall in the funds required to complete the proposed development by Toll Brothers in the Community Facilities District and the remaining portions of Toll Brothers' project in the Community Facilities District may not be developed. See "BOND OWNERS' RISKS."

BOND OWNERS' RISKS

The purchase of the Bonds described in this Official Statement involves a degree of risk that may not be appropriate for some investors. The following includes a discussion of some of the risks which should be considered before making an investment decision. This discussion does not purport to be comprehensive or definitive and does not purport to be a complete statement of all factors which may be considered as risks in evaluating the credit quality of the Bonds.

Risks of Real Estate Secured Investments Generally

The Bond Owners will be subject to the risks generally incident to an investment secured by real estate, including, without limitation, (i) adverse changes in local market conditions, such as changes in the market value of real property in the vicinity of the Community Facilities District, the supply of or demand for competitive properties in such area, and the market value of property in the event of sale or foreclosure; (ii) changes in real estate tax rate and other operating expenses, governmental rules (including, without limitation, zoning laws and laws relating to endangered species and hazardous materials) and fiscal policies; (iii) natural disasters (including, without limitation, earthquakes, subsidence, landslides, wildfires, floods and droughts), which may result in uninsured losses, or natural disasters elsewhere in the country or other parts of the world affecting supply of building materials that may cause delays in construction, and (iv) the impacts of a public health emergency on construction and sales activity, the national and regional economy and financial circumstances of property owners in the Community Facilities District. The occurrence of one or more of the events discussed herein could adversely affect the ability or willingness of property owners in the Community Facilities District to pay their Special Taxes when due and could induce or exacerbate the risks described herein.

Limited Obligation of the Community Facilities District to Pay Debt Service

The Community Facilities District has no obligation to pay principal of and interest on the Bonds if Special Tax collections are delinquent or insufficient, other than from amounts, if any, on deposit in the Reserve Fund or funds derived from the tax sale or foreclosure and sale of parcels for Special Tax delinquencies. Neither the School District nor the Community Facilities District is obligated to advance funds to pay debt service on the Bonds.

Levy and Collection of the Special Tax

General. The principal source of payment of principal of and interest on the Bonds is the proceeds of the annual levy and collection of the Special Tax against property within the Community Facilities District.

Limitation on Maximum Special Tax Rate. The annual levy of the Special Tax is subject to the maximum annual Special Tax rate authorized in the Rate and Method. 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, together with other available funds, will not be sufficient to pay debt service on the Bonds.

No Relationship Between Property Value and Special Tax Levy. Because the Special Tax formula set forth in the Rate and Method is not based on property value, the levy of the Special Tax will rarely, if ever, result in a uniform relationship between the value of particular parcels of Taxable Property and the amount of the levy of the Special Tax against those parcels. Thus, there will rarely, if ever, be a uniform relationship between the value of the parcels of Taxable Property and their proportionate share of debt service on the Bonds, and certainly not a direct relationship.

Factors that Could Lead to Special Tax Deficiencies. The following are some of the factors that might cause the levy of the Special Tax on any particular parcel of Taxable Property to vary from the Special Tax that might otherwise be expected:

Transfers to Governmental Entities. The number of parcels of Taxable Property could be reduced through the acquisition of Taxable Property by a governmental entity and failure of the government to pay the Special Tax based upon a claim of exemption or, in the case of the federal government or an agency thereof, immunity from taxation, thereby resulting in an increased tax burden on the remaining taxed parcels. Such entities and agencies include the FDIC, the Federal National Mortgage Association (“**Fannie Mae**”), the Federal Home Loan Mortgage Corporation (“**Freddie Mac**”), the Drug Enforcement Agency, the Internal Revenue Service or other similar federal governmental agencies. The FDIC could obtain such an interest by taking over a financial institution which has made a loan which is secured by property within the Community Facilities District, and Fannie Mae or Freddie Mac could obtain such an interest by acquiring a mortgage secured by property within the Community Facilities District. See “ – Enforcement of Special Taxes on Governmentally Owned Properties” below.

Property Tax Delinquencies. Failure of the owners of Taxable Property to pay property taxes (and, consequently, the Special Tax), or delays in the collection of or inability to collect the Special Tax by tax sale or foreclosure and sale of the delinquent parcels, could result in a deficiency in the collection of Special Tax revenues. See “–Property Tax Delinquencies” below. For a summary of recent property tax collection and delinquency rates in the Community Facilities District, see “THE COMMUNITY FACILITIES DISTRICT – Special Tax Collection and Delinquency Rates.”

Delays Following Special Tax Delinquencies and Foreclosure Sales. The Fiscal Agent Agreement generally provides that the Special Tax is to be collected in the same manner as ordinary *ad valorem* property taxes are collected and, except as provided in the special covenant for foreclosure described in “SECURITY FOR THE BONDS – Covenant to Foreclose” and in the Act, is subject to the same penalties and the same procedure, sale and lien priority in case of delinquency as is provided for ordinary *ad valorem* property taxes. Under these procedures, if taxes are unpaid for a period of five years or more, the property is deeded to the State and then is subject to sale by the County.

If sales or foreclosures of property are necessary, there could be a delay in payments to owners of the Bonds pending such sales or the prosecution of foreclosure proceedings and receipt by the Community Facilities District of the proceeds of sale if the Reserve Fund is depleted. See “SECURITY FOR THE BONDS – Covenant to Foreclose.”

The ability of the Community Facilities District to collect interest and penalties specified by State law and to foreclose against properties having delinquent Special Tax installments may be limited in certain respects with regard to properties in which the FDIC has or obtains an interest. The FDIC would obtain such an interest by taking over a financial institution that has made a loan which is secured by property within the Community Facilities District. See “– Enforcement of Special Taxes on Governmentally Owned Properties” below.

Other laws generally affecting creditors’ rights or relating to judicial foreclosure may affect the ability to enforce payment of Special Taxes or the timing of enforcement of Special Taxes. For example, the Service Members Civil Relief Act of 2003 affords protections such as a stay in enforcement of the foreclosure covenant, a six-month period after termination of such military service to redeem property sold to enforce the collection of a tax or assessment and a limitation on the interest rate on the delinquent tax or assessment to persons in military service if the court concludes the ability to pay such taxes or assessments is materially affected by reason of such service.

Property Tax Delinquencies

General. Delinquencies in the payment of property taxes and, consequently, the Special Taxes, can occur because the owners of delinquent parcels may not have received property tax bills from the County in a timely manner, including situations in which the County initially sent property tax bills to the property developer or merchant builder at a time when the parcels in question had already been sold to individual homeowners. Delinquencies can also reflect economic difficulties and duress by the property owner. See “THE COMMUNITY FACILITIES DISTRICT – Special Tax Collection and Delinquency Rates.”

Sustained or increased delinquencies in the payment of the Special Taxes could cause a draw on the Reserve Fund established for the Bonds and perhaps, ultimately, a default in the payment on the Bonds.

Measures to Mitigate Consequences of Delinquencies. The Community Facilities District intends to take certain actions designed to mitigate the impact of future delinquencies, including: enforcing the lien of the Special Taxes through collection procedures that will include foreclosure actions under certain circumstances (see “SECURITY FOR THE BONDS – Covenant to Foreclose”); and increasing the levy of Special Taxes against non-delinquent property owners in the Community Facilities District, to the extent permitted under the Rate and Method and the Act and to the extent the Special Taxes are not already being levied at the maximum Special Tax rate.

Limitations on Increases in Special Tax Levy. If owners are delinquent in the payment of the Special Tax, the Community Facilities District may not increase Special Tax levies to make up for delinquencies for prior fiscal years above the maximum Special Tax rates specified in the Rate and Method.

In addition, the Community Facilities District’s ability to increase Special Tax levies on residential property to make up for delinquencies for prior Fiscal Years is limited by Government Code § 53321(d), which provides that the special tax levied against any parcel for which an occupancy permit for private residential use has been issued may not be increased as a consequence of delinquency or default by the owner of any other parcel by more than 10% above the amount that would have been levied in such Fiscal Year had there never been any such delinquencies or defaults.

In cases of significant delinquency, these factors may result in defaults in the payment of principal of and interest on the Bonds.

Concentration of Ownership

As of October 1, 2025, Lennar Homes (and the TPG Land Bank, which is under contract to sell parcels to Lennar Homes) owned 157 of the total 455 parcels in the Community Facilities District. As of September 29, 2025, Toll Brothers owned 61 of the total 455 parcels. See "PROPERTY OWNERSHIP AND PROPOSED DEVELOPMENT."

The owners of property in the Community Facilities District are not personally obligated to pay the Special Tax attributable to their property. Rather, the Special Tax is an obligation only against the parcel of property, secured by the amount which could be realized in a foreclosure proceeding against the property, and not by any promise of the owner to pay. If the value of the property is not sufficient, taking into account other obligations also constituting a lien against the property, the Community Facilities District, the Fiscal Agent and owners of the Bonds have no recourse against the owner, such as filing a lawsuit to collect money.

Failure of Lennar Homes or Toll Brothers to pay installments of Special Taxes when due could cause the depletion of the Reserve Fund prior to reimbursement from the resale of foreclosed property or payment of the delinquent Special Tax and, consequently, result in the delinquency rate reaching a level that would cause an insufficiency in collection of the Special Tax for the Community Facilities District to pay debt service with respect to the Bonds.

Failure to Complete Property Development

Continuing development of the parcels in the Community Facilities District may be adversely affected by changes in general or local economic conditions, fluctuations in or a deterioration of the real estate market, increased construction costs, development, financing and marketing capabilities of the Master Developer or Merchant Builders, water or electricity shortages, discovery on the undeveloped property of any plants or animals in their habitat that have been listed as endangered species, changes in laws, and other factors outside the control of the owners of land in the Community Facilities District. Development in the Community Facilities District may also be affected by development in surrounding areas, which may compete with the property in the Community Facilities District.

Undeveloped or partially developed land is inherently less valuable than developed land and provides less security to the Bond owners should it be necessary for the School District to foreclose on the property due to the nonpayment of Special Taxes. The failure to complete development of the proposed residences in the Community Facilities District as planned, or substantial delays in the completion of the development, may reduce the value of the property within the Community Facilities District and increase the length of time during which Special Taxes would be payable from undeveloped property, and may affect the willingness and ability of the owners of property within the Community Facilities District to pay the Special Taxes when due.

Risks Related to Homeowners With High Loan to Value Ratios

Any future decline in home values in the Community Facilities District could result in property owner unwillingness or inability to pay mortgage payments, as well as ad valorem property taxes and Special Taxes, when due. Under such circumstances, bankruptcies are likely to increase. Bankruptcy by homeowners with delinquent Special Taxes would delay the commencement and completion of foreclosure proceedings to collect delinquent Special Taxes.

It is possible that laws could be enacted in the future to assist homeowners in default in the payment of mortgages and property taxes. It is further possible that federal laws could be enacted that

would adversely impact the ability of the Community Facilities District to foreclose on parcels with delinquent Special Taxes. No assurance can be given that any such laws will be enacted, or if enacted will be effective in assisting affected homeowners.

Value-to-Debt Ratios

Value-to-debt 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-debt 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 “debt” of the assessments or special taxes. A value-to-debt 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 the value-to-debt ratios. Further, the value-to-debt ratio cited for a bond issue is an average. Individual parcels in a community facilities district may fall above or below the average, sometimes even below a 1:1 ratio. (With a 1:1 ratio, the land is worth less than the 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.

Finally, local agencies may form overlapping community facilities districts or assessment districts. They typically do not coordinate their bond issuances. Debt issuance by another entity can dilute value-to-debt ratios. See “THE COMMUNITY FACILITIES DISTRICT – Direct and Overlapping Governmental Obligations.”

Limited Number of Taxable Parcels

The Special Taxes may only be levied and collected on the property classified as Taxable Property within the Community Facilities District.

Numerous future delinquencies by the owners of Taxable Property in the Community Facilities District in the payment of property taxes (and, consequently, the Special Taxes, which are collected on the ordinary property tax bills) when due could result in a deficiency in Special Tax revenues necessary to pay debt service on the Bonds, which could in turn result in the depletion of the Reserve Fund, prior to reimbursement from the resale of foreclosed property or payment of the delinquent Special Tax. In that event, there could be a delay or failure in payments of the principal of and interest on the Bonds. See “SECURITY FOR THE BONDS – Reserve Fund,” and “THE COMMUNITY FACILITIES DISTRICT – Potential Consequences of Continuing Special Tax Delinquencies.”

Payment of Special Tax Is Not a Personal Obligation of the Property Owners

An owner of Taxable Property is not personally obligated to pay the Special Taxes. Rather, the Special Taxes are an obligation running only against the parcels of Taxable Property. If, after a default in the payment of the Special Tax and a foreclosure sale by the Community Facilities District, the resulting proceeds are insufficient, taking into account other obligations also constituting a lien against the affected parcels of Taxable Property, the Community Facilities District has no recourse against the owner.

Appraised Values

The Appraisal, which is attached as APPENDIX I, estimates the market value of the Taxable Property within the Community Facilities District. This market value is merely the opinion of the Appraiser as of the date of value set forth in the Appraisal, and is subject to the assumptions and limiting conditions

stated in the Appraisal. The Community Facilities District has not sought an updated opinion of value by the Appraiser subsequent to the date of value of the Appraisal, or an opinion of the value of the Taxable Property by any other appraiser. A different opinion of value might be rendered by a different appraiser.

The opinion of value assumes a sale by a willing seller to a willing buyer, each having similar information and neither being forced by other circumstances to sell or to buy. Consequently, the opinion 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.

In addition, the opinion of value is made as of the date of value set forth in the Appraisal, based upon facts and circumstances existing as of the date of value. Differing facts and circumstances may lead to differing opinions of value. The appraised value is not evidence of future value because future facts and circumstances may differ significantly from the facts and circumstances at the time the Appraisal was prepared.

No assurance can be given that any of the Taxable Property in the Community Facilities District could be sold for the estimated market value contained in the Appraisal if that property should become delinquent in the payment of Special Taxes and be foreclosed upon.

Property Values

The value of Taxable Property within the Community Facilities District is a critical factor in determining the investment quality of the Bonds. If a property owner defaults in the payment of the Special Tax, the Community Facilities District's only remedy is to foreclose on the delinquent property in an attempt to obtain funds with which to pay the delinquent Special Tax. Land values could be adversely affected by economic and other factors beyond the Community Facilities District's control, such as a general economic downturn, relocation of employers out of the area, shortages of water, electricity, natural gas or other utilities, destruction of property caused by earthquake, flood, landslides, wildfires, or other natural disasters, environmental pollution or contamination, outbreaks of disease, such as the COVID-19 pandemic, or unfavorable economic conditions.

Neither the School District nor the Community Facilities District has evaluated development risks. Since these are largely business risks of the type that property owners customarily evaluate individually, and inasmuch as changes in land ownership may well mean changes in the evaluation with respect to any particular parcel, the Community Facilities District is issuing the Bonds without regard to any such evaluation. Thus, the creation of the Community Facilities District and the issuance of the Bonds in no way implies that the School District or the Community Facilities District has evaluated these risks or their reasonableness.

The following is a discussion of specific risk factors that could affect the value of property in the Community Facilities District.

Natural Disasters. The value of the Taxable Property in the future can be adversely affected by a variety of natural occurrences, particularly those that may affect infrastructure and other public improvements and private improvements on the Taxable Property and the continued habitability and enjoyment of such private improvements.

Such natural disasters could include, without limitation, seismic activity, landslides, wildfires, floods, droughts or tornadoes. The areas in and surrounding the Community Facilities District, like those in much of California, may be subject to unpredictable seismic activity, including earthquakes and landslides. State law requires that all local jurisdictions identify very high fire hazard severity zones within

their areas of jurisdiction. Inclusion within these zones is based on vegetation density, slope severity and other relevant factors that contribute to fire severity.

One or more natural disasters could occur and could result in damage to improvements of varying seriousness. 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 there could be significant delinquencies in the payment of Special Taxes, and the value of the Taxable Property may well depreciate or disappear.

With respect to wildfires, in recent years, portions of California have experienced wildfires that have burned thousands of acres and destroyed thousands of homes and structures, even in areas not previously thought to be prone to wildfires. Such areas affected by wildfires are more prone to flooding and mudslides that can lead to the destruction of homes. While the Community Facilities District is not aware of any particular risk of wildfire within the Community Facilities District, there can be no assurances that wildfires will not occur within or near the Community Facilities District. Property damage due to wildfire could result in a significant decrease in the assessed value or market value of property in the Community Facilities District and in the ability or willingness of property owners to pay Special Taxes when due. State law requires that all local jurisdictions identify very high fire hazard severity zones within their areas of jurisdiction. Inclusion within these zones is based on vegetation density, slope severity and other relevant factors that contribute to fire severity. The Community Facilities District is located within a Very High Fire Hazard Severity Zone.

See "PROPERTY OWNERS AND PROPOSED PROPERTY DEVELOPEMENT – Environmental Conditions."

Legal Requirements. 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.

Hazardous Substances. One of the most serious risks in terms of the potential reduction in the value of Taxable Property is a claim with regard to a hazardous substance. In general, the owners and operators of Taxable Property may be required by law to remedy conditions of the parcel relating to releases or threatened releases of hazardous substances. The federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, sometimes referred to as "CERCLA" or the "Superfund Act," is the most well-known and widely applicable of these laws, but California laws with regard to hazardous substances are also stringent and similar. Under many of these laws, the owner or operator is obligated to remedy a hazardous substance condition of property whether or not the owner or operator has anything to do with creating or handling the hazardous substance. The effect, therefore, should any of the Taxable Property be affected by a hazardous substance, is to reduce the marketability and value of the parcel by the costs of remedying the condition, because the purchaser, upon becoming owner, will become obligated to remedy the condition just as is the seller.

The property values set forth in this Official Statement do not take into account the possible reduction in marketability and value of any of the Taxable Property by reason of the possible liability of the owner or operator for the remedy of a hazardous substance condition of the parcel. Although the Community Facilities District is not aware that the owner or operator of any of the Taxable Property has such a current liability with respect to any of the Taxable Property, it is possible that such liabilities do currently exist and that the Community Facilities District is not aware of them.

Further, it is possible that liabilities may arise in the future with respect to any of the Taxable Property resulting from the existence, currently, on the parcel of a substance presently classified as hazardous but that 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 that 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 it. All of these possibilities could significantly affect the value of Taxable Property that is realizable upon a delinquency.

Climate Change. Climate change caused by human activities may have adverse effects on the value of property within the Community Facilities District. As greenhouse gas emissions continue to accumulate in the atmosphere as a result of economic activity, many scientists expect that climate change will intensify, increasing the frequency, severity and timing of extreme weather events such as coastal storm surges, drought, wildfires, floods, heat waves, and rising sea levels. Projections of the impact of global climate change are complex and depend on a variety of factors outside of the Community Facilities District's control. The various scientific studies that forecast the amount and timing of adverse impacts of climate change are based on assumptions contained in such studies, but actual events may vary materially. In addition, the scientific understanding of climate change and its effects continues to evolve. Accordingly, the Community Facilities District is unable to forecast with certainty when or if adverse impacts of climate change will occur or the extent of such impacts.

Endangered Species. At present, the development of the property within the Community Facilities District has not been adversely affected by any plant or animal species on the endangered species list or that have been proposed by the California Fish and Game Commission or the United States Fish and Wildlife Service for addition to the endangered species list. Notwithstanding this fact, new species are proposed to be added to the State and federal protected lists on a regular basis. Any action by the State or federal governments to protect species located on or adjacent to the property within the Community Facilities District could negatively impact the ability of the Master Developer or Merchant Builders to complete their respective development as planned. This, in turn, could reduce the likelihood of timely payment of the Special Taxes and would likely reduce the value of the land in the Community Facilities District and the potential revenues available at a foreclosure sale for delinquent Special Taxes.

Other Possible Claims Upon the Value of Taxable Property

While the Special Taxes are secured by the Taxable Property, the security only extends to the value of such Taxable Property that is not subject to priority and parity liens and similar claims.

The table in the section entitled "THE COMMUNITY FACILITIES DISTRICT – Direct and Overlapping Governmental Obligations" shows 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 also states the additional amount of general obligation bonds the tax for which, if and when issued, 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 securing the Bonds.

In general, as long as the Special Tax 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. 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 or not, this result may not apply in the case of bankruptcy. See “– Bankruptcy Delays” below.

Risks Related to Rising Interest Rates; Recent Bank Failures

Increasing interest rates may increase unemployment, may affect mortgage interest rates, and may result in other economic impacts that result in lower home values. Declines in home values in could result in a property owner’s unwillingness or inability to pay mortgage payments, as well as ad valorem property taxes and Special Taxes, when due. Under such circumstances, bankruptcies could occur. Bankruptcy by homeowners with delinquent Special Taxes would delay the commencement and completion of foreclosure proceedings to collect delinquent Special Taxes.

Rising interest rates have resulted in unexpected runs on deposits of certain regional banks resulting in the Federal Deposit Insurance Corporation (the “**FDIC**”) in 2023 being appointed as receiver for Silicon Valley Bank (“**SVB**”) on March 10, 2023, Signature Bank (“**Signature Bank**”), on March 12, 2023, and First Republic Bank (“**First Republic Bank**”) on May 1, 2023. At the time of appointment as receiver, SVB, a large California based bank was the 16th largest bank in the United States, Signature Bank, a large New York based bank was the 29th largest bank in the country, and as of the end of 2022, First Republic Bank, a large California based bank, was the 14th largest bank in the United States. With First Republic Bank’s failure, the failures constituted the third, fourth, and second largest bank failures, respectively, in United State history. In each case, the FDIC indicated that all deposits at each institution would be honored, regardless of the dollar amount. The Community Facilities District cannot predict whether future changes in financial markets may occur which may impact interest rates, availability of mortgage loans, or availability of funding which impact home values in the Community Facilities District.

Availability of Property and Casualty Insurance

On May 26, 2023, State Farm General Insurance Company (“**State Farm**”) announced that it would cease accepting certain new applications, including all business and personal lines property and casualty insurance effective May 27, 2023. State Farm indicated in its release that the decision was due to historic increases in construction costs outpacing inflation, rapidly growing catastrophe exposure, and a challenging reinsurance market. State Farm indicated it would work constructively with the California Department of Insurance and State policy makers to help build market capacity in California. However, it was taking this action to improve the company’s financial strength and would continue to evaluate its approach based on changing market conditions. State Farm independent contractor agents licensed and authorized in California would continue to serve existing customers for these products and new customers for products not impacted by the decision. In November 2022, Allstate Corporation stopped issuing property and casualty coverage to new California customers. In the summer of 2023, Allstate Corporation announced the company would stop accepting insurance applications for all business and personal property in California.

Any adverse impact of the foregoing on the homeowners in the Community Facilities District and the real estate market in general cannot be predicted. The Community Facilities District cannot predict whether future changes in insurance markets may occur which adversely impact insurance costs or

availability of property and casualty insurance which may impact home values in the Community Facilities District. Each Merchant Builder has represented to the Community Facilities District that homeowner's insurance is available to homeowners within the Community Facilities District.

Potential Early Redemption of Bonds from Prepayments

Property owners within the Community Facilities District are permitted to prepay their Special Taxes at any time. Such payments will result in a mandatory redemption of Bonds from Special Tax Prepayments on the Interest Payment Date for which timely notice may be given under the Fiscal Agent Agreement following the receipt of such Special Tax Prepayment. The resulting redemption of Bonds purchased at a price greater than par could reduce the otherwise expected yield on such Bonds.

Enforcement of Special Taxes on Governmentally Owned Properties

General. The ability of the Community Facilities District to foreclose the lien of delinquent unpaid Special Tax installments may be limited with regard to properties in which the FDIC, the Drug Enforcement Agency, the Internal Revenue Service, or other federal agency has or obtains an interest. The FDIC has asserted a sovereign immunity defense to the payment of special taxes and assessments. The Community Facilities District is unable to predict what effect this assertion would have in the event of a delinquency in the payment of Special Taxes on a parcel within the Community Facilities District in which the FDIC has or obtains an interest.

Federal courts have held that, based on the supremacy clause of the United States Constitution, 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.

The supremacy clause of the United States Constitution reads as follows: "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."

This means that, unless Congress has otherwise provided, if a federal governmental entity owns a parcel that is subject to Special Taxes within the Community Facilities District, 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 a Community Facilities 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. In *Rust v. Johnson* (9th Circuit; 1979) 597 F.2d 174, the United States Court of Appeal, Ninth Circuit held that the Federal National Mortgage Association ("FNMA") is a federal instrumentality for purposes of this doctrine, and not a private entity, and that, as a result, an exercise of state power over a mortgage interest held by FNMA constitutes an exercise of state power over property of the United States.

The Community Facilities District has not undertaken to determine whether any federal governmental entity currently has, or is likely to acquire, any interest (including a mortgage interest) in any of the parcels subject to the Special Taxes within the Community Facilities District. No assurance

can be given as to the likelihood that the risks described above will materialize while the Bonds are outstanding.

FDIC. If any financial institution making any loan secured by real property within the Community Facilities District is taken over by the FDIC, and prior thereto or thereafter the loan (or loans) goes into default, resulting in ownership of the property by the FDIC, then the ability of the Community Facilities District to collect interest and penalties specified by State law and to foreclose the lien of delinquent unpaid Special Taxes may be limited.

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 non-ad valorem taxes, including special taxes and 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. The Ninth Circuit issued a ruling on August 28, 2001, in which it determined that the FDIC, as a federal agency, is exempt from Mello-Roos special taxes.

The Community Facilities District 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 Community Facilities District in which the FDIC has or obtains an interest, although prohibiting the lien of the Special Taxes 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.

Property Owned by Fannie Mae or Freddie Mac. If 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.

Exemptions Under Rate and Method and the Act. Certain properties are exempt from the Special Tax in accordance with the Rate and Method and the Act, which provides that properties or entities of the state, federal or local government are exempt from the Special Taxes; provided, however, that property within the Community Facilities District acquired by a public entity through a negotiated

transaction or by gift or devise, which is not otherwise exempt from the Special Taxes, will continue to be subject to the Special Taxes.

In addition, although the Act provides that if property subject to the Special Taxes is acquired by a public entity through eminent domain proceedings, the obligation to pay the Special Taxes with respect to that property is to be treated as if it were a special assessment, the constitutionality and operation of these provisions of the Act have not been tested, meaning that such property could become exempt from the Special Taxes. The Act further provides that no other properties or entities are exempt from the Special Taxes 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.

Depletion of Reserve Fund

The Reserve Fund is to be maintained at an amount equal to the Reserve Requirement. See "SECURITY FOR THE BONDS – Reserve Fund." The Reserve Fund will be used to pay principal of and interest on the Bonds if insufficient funds are available from the proceeds of the levy and collection of the Special Tax against property within the Community Facilities District. If the Reserve Fund is depleted, it can be replenished from the proceeds of the levy and collection of the Special Taxes that exceed the amounts to be paid to the Bond Owners under the Fiscal Agent Agreement. However, because the Special Tax levy is limited to the maximum annual Special Tax rates, it is possible that no replenishment would be possible if the Special Tax proceeds, together with other available funds, remain insufficient to pay all such amounts. Thus, it is possible that the Reserve Fund will be depleted and not be replenished by the levy and collection of the Special Taxes.

Limited Duration of Letter of Credit or Cash Deposit

As a condition precedent to issuance of the Bonds, the Master Developer is required to provide a letter of credit or cash deposit in an amount equal to the estimated annual amount of Special Taxes to be levied on the property owned by the Master Developer, Lennar Homes, or Toll Brothers in the Community Facilities District, assuming no capitalized interest and that all Taxable Property within the Community Facilities District is classified as Developed Property within the land use classes under the Rate and Method as provided by the Master Developer at the time of issuance of the Bonds, and inclusive of the Administrative Expense Requirement. The letter of credit or cash deposit requirement will generally be in effect until 60% or more of the Parcels within the Community Facilities District are owned by individual homeowners with record title. See "SECURITY FOR THE BONDS – Letter of Credit Fund."

The Master Developer has elected to initially satisfy the requirement through a cash deposit. Purchasers of the Bonds should not expect a letter of credit or cash deposit to be in effect throughout the term of the Bonds. There is also no guarantee that a letter of credit, if obtained in replacement of the cash deposit, will be renewed or extended.

Bankruptcy Delays

The payment of the Special Tax and the ability of the Community Facilities District to foreclose the lien of a delinquent unpaid Special Tax, as discussed in "SECURITY FOR THE BONDS," may be limited by bankruptcy, insolvency or other laws generally affecting creditors' rights or by the laws of the State of California relating to judicial foreclosure. The various legal opinions to be delivered concurrently with the delivery of the Bonds (including Bond Counsel's approving legal opinion) will be qualified as to the enforceability of the various legal instruments by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights, by the application of equitable principles and by the exercise of judicial discretion in appropriate cases.

Although bankruptcy proceedings would not cause the Special Taxes to become extinguished, bankruptcy of a property owner or any other person claiming an interest in the property could result in a delay in superior court foreclosure proceedings and could result in the possibility of Special Tax installments not being paid in part or in full. Such a delay would increase the likelihood of a delay or default in payment of the principal of and interest on the Bonds.

In addition, the amount of any lien on property 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 Tax, or any such delay or non-payment, would increase the likelihood of a delay or default in payment of the principal of and interest on the Bonds and the possibility of delinquent Special Taxes not being paid in full.

Cybersecurity

The School District, like many other public and private entities, relies on computer and other digital networks and systems to conduct its operations. As a recipient and provider of personal, private or other sensitive electronic information, the School District is potentially subject to multiple cyber threats, including without limitation hacking, viruses, ransomware, malware and other attacks. No assurance can be given that the School District's efforts to manage cyber threats and attacks will be successful in all cases, or that any such attack will not materially impact the operations or finances of the School District or the Community Facilities District, or the administration of the Bonds.

The School District is also reliant on other entities and service providers in connection with the administration of the Bonds, including without limitation the County controller and the County tax collector, respectively, for the levy and collection of Special Taxes, the Fiscal Agent, and the Dissemination Agent. No assurance can be given that the School District, the Community Facilities District and these other entities will not be affected by cyber threats and attacks in a manner that may affect the Bond owners.

Disclosure to Future Purchasers

The Community Facilities District has recorded a notice of the Special Tax lien in the Office of the County Recorder. While title companies normally refer to such notices in title reports, there can be no guarantee that such reference will 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 Community Facilities District or the lending of money secured by property in the Community Facilities District. The Act and the Goals and Policies require the subdivider of a subdivision (or its agent or representative) 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 an owner of the property to comply with these 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.

No Acceleration Provisions

The Bonds do not contain a provision allowing for their acceleration in the event of a payment default or other default under the terms of the Bonds or the Fiscal Agent Agreement. Under the Fiscal Agent Agreement, a Bondholder is given the right for the equal benefit and protection of all Bondowners similarly situated to pursue certain remedies. See “APPENDIX C – Summary of Certain Provisions of the Fiscal Agent Agreement.” So long as the Bonds are in book-entry form, DTC will be the sole Bondholder and will be entitled to exercise all rights and remedies of Bond holders.

Loss of Tax Exemption

As discussed under the caption “LEGAL MATTERS – Tax Exemption,” interest on the Bonds might become includable in gross income for purposes of federal income taxation retroactive to the date the Bonds were issued as a result of future acts or omissions of the Community Facilities District in violation of its covenants in the Fiscal Agent Agreement. The Fiscal Agent Agreement does not contain a special redemption feature triggered by the occurrence of an event of taxability. As a result, if interest on the Bonds were to become includable in gross income for purposes of federal income taxation, the Bonds would continue to remain outstanding until maturity unless earlier redeemed pursuant to optional or mandatory redemption or redemption upon prepayment of the Special Taxes. See “THE BONDS – Redemption.”

IRS Audit of Tax-Exempt Bond Issues

The Internal Revenue Service (the “**IRS**”) has initiated an expanded program for the auditing of tax-exempt bond issues, including both random and targeted audits. It is possible that the Bonds will be selected for audit by the IRS. It is also possible that the market value of such Bonds might be affected as a result of such an audit of such Bonds (or by an audit of similar bonds or securities).

Impact of Legislative Proposals, Clarifications of the Internal Revenue Code of 1986, as Amended, and Court Decisions on Tax Exemption

Future legislative proposals, if enacted into law, clarification of the Internal Revenue Code of 1986, as amended (the “**Code**”) or court decisions may cause interest on the 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 Bondowners from realizing the full current benefit of the tax status of such interest.

For example, various proposals have been made in Congress and by the President that, if enacted, would subject interest on bonds that is otherwise excludable from gross income for federal income tax purposes, including interest on the Bonds, to a tax payable by certain bondholders that are individuals, estates or trusts with adjusted gross income in excess of certain specified thresholds.

The introduction or enactment of any such legislative proposals, clarification of the Code or court decisions may also affect the market price for, or marketability of, the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation.

Voter Initiatives and State Constitutional Provisions

Under the California Constitution, the power of initiative is reserved to the voters for the purpose of enacting statutes and constitutional amendments. Since 1978, the voters have exercised this power through the adoption of Proposition 13 and similar measures, including Proposition 218, which was

approved in the general election held on November 5, 1996, and Proposition 26, which was approved on November 2, 2010.

Proposition 218. Proposition 218—Voter Approval for Local Government Taxes—Limitation on Fees, Assessments, and Charges—Initiative Constitutional Amendment, added Articles XIII C and XIII D to the California Constitution, imposing certain vote requirements and other limitations on the imposition of new or increased taxes, assessments and property-related fees and charges. Among other things, Section 3 of Article XIII C states that “. . . the initiative power shall not be prohibited or otherwise limited in matters of reducing or repealing any local tax, assessment, fee or charge.” The Act prohibits a legislative body from adopting any resolution to reduce the rate of any special tax or terminate the levy of any special tax pledged to repay any debt incurred pursuant to the Act unless the legislative body determines that the reduction or termination of the special tax would not interfere with the timely retirement of that debt.

Proposition 26. On November 2, 2010, California voters approved Proposition 26, entitled the “Supermajority Vote to Pass New Taxes and Fees Act.” Section 1 of Proposition 26 declares that Proposition 26 is intended to limit the ability of the State Legislature and local government to circumvent existing restrictions on increasing taxes by defining the new or expanded taxes as “fees.” Proposition 26 amended Articles XIII A and XIII C of the State Constitution. The amendments to Article XIII A limit the ability of the State Legislature to impose higher taxes (as defined in Proposition 26) without a two-thirds vote of the Legislature.

Article XIII C requires that all new local taxes be submitted to the electorate before they become effective. Taxes for general governmental purposes require a majority vote and taxes for specific purposes (“special taxes”) require a two-thirds vote. The Special Taxes and the Bonds were each authorized by not less than a two-thirds vote of the landowners within the Community Facilities District who constituted the qualified electors at the time of such voted authorization, and the statute of limitations period for any challenges to the formation of the Community Facilities District and the levy of the Special Taxes has expired. The Community Facilities District believes, therefore, that issuance of the Bonds does not require the conduct of further proceedings under the Act, Proposition 218 or Proposition 26.

Like their antecedents, Proposition 218 and Proposition 26 have undergone, are likely to undergo, both judicial and legislative scrutiny.

For example, in August 2014, in *City of San Diego. v. Melvin Shapiro*, an Appellate Court invalidated an election held by the City of San Diego to authorize the levying of special taxes on hotels City-wide pursuant to a City charter ordinance creating a convention center facilities district which specifically defined the electorate to consist solely of (1) the owners of real property in the City on which a hotel is located, and (2) the lessees of real property owned by a governmental entity on which a hotel is located. The court held that such landowners and lessees are neither “qualified electors” of the City for purposes of Articles XIII A, Section 4 of the California Constitution, nor a proper “electorate” under Article XIII C, Section 2(d) of the California Constitution. The court specifically noted that the decision did not require the Court to consider the distinct question of whether landowner voting to impose special taxes under Section 53326(b) of the Act (which was the nature of the voter approval through which the Community Facilities District was formed) violates the California Constitution in districts that lack sufficient registered voters to conduct an election among registered voters. Accordingly, this case should have no effect on the levy of the Special Taxes by the Community Facilities District.

The School District and the Community Facilities District cannot predict the ultimate outcome or effect of any such judicial scrutiny, legislative actions, or future initiatives. These initiatives, and any future initiatives, may affect the collection of fees, taxes and other types of revenue by local agencies

such as the Community Facilities District. Subject to overriding federal constitutional principles, such collection may be materially and adversely affected by voter-approved initiatives, possibly to the extent of creating cash-flow problems in the payment of outstanding obligations such as the Bonds.

Secondary Market for Bonds

There can be no guarantee that there will be a secondary market for the Bonds or, if a secondary market exists, that any Bonds can be sold for any particular price. Prices of bond issues for which a market is being made will depend upon then-prevailing circumstances. Such prices could be substantially different from the original purchase price.

No assurance can be given that the market price for the Bonds will not be affected by the introduction or enactment of any future legislation (including without limitation amendments to the Code), or changes in interpretation of the Code, or any action of the Internal Revenue Service, including but not limited to the publication of proposed or final regulations, the issuance of rulings, the selection of the Bonds for audit examination, or the course or result of any Internal Revenue Service audit or examination of the Bonds or obligations that present similar tax issues as the Bonds.

LEGAL MATTERS

Legal Opinions

The legal opinion of Atkinson, Andelson, Loya, Ruud & Romo, A Professional Law Corporation, Irvine, California, Bond Counsel, approving the validity of the Bonds will be made available to purchasers at the time of original delivery and is attached in substantially final form as APPENDIX G. A copy of the legal opinion will be attached to each Bond.

Jones Hall LLP, will pass upon certain legal matters for the Community Facilities District as disclosure counsel. Atkinson, Andelson, Loya, Ruud & Romo, A Professional Law Corporation, Irvine, California, will pass upon certain legal matters for the Community Facilities District as special counsel to the School District. Stradling, Yocca, Carlson & Rauth LLP, is serving as counsel to the Underwriter.

Tax Exemption

Tax Exemption – Opinion of Bond Counsel. In the opinion of Atkinson, Andelson, Loya, Ruud & Romo, A Professional Law Corporation, Irvine, California, Bond Counsel, subject, however, to certain qualifications described herein, based upon an analysis of existing statutes, regulations, rulings, and court decisions and assuming, among other things, compliance with certain representations and with certain covenants, interest the Bonds (including any original issue discount allocable to the owner thereof) is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended. In the opinion of Bond Counsel such interest is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. Interest on the Bonds is taken into account in determining annual adjusted financial statement income for the purpose of computing the alternative minimum tax imposed on certain corporations.

The opinions of Bond Counsel set forth in the preceding paragraph are subject to the condition that the Community Facilities District complies with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that such interest be, or continue to be, excluded from gross income for federal income tax purposes. The Community Facilities District has covenanted in the Fiscal Agent Agreement to comply with each such requirement. Failure to comply with certain of such requirements may cause the inclusion of such interest in gross income for federal income tax purposes to be retroactive to the date of issuance of the Bonds. Certain requirements and procedures contained or referred to in the Fiscal Agent Agreement and other relevant documents may be changed and certain actions may be taken, under the circumstances and subject to the terms and conditions set forth in such documents, upon the advice or with an approving opinion of nationally recognized bond counsel. Bond Counsel expresses no opinion as to the effect on any Bond or the interest thereon if any such change occurs or action is taken upon advice or approval of bond counsel other than Bond Counsel.

In the further opinion of Bond Counsel interest on the Bonds is exempt from personal income taxation imposed by the State.

Bond Counsel expresses no opinion regarding or concerning any other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Bonds.

Owners of the Bonds should also be aware that the ownership or disposition of, or the accrual or receipt of interest on, the Bonds may have federal or State tax consequences other than as described above. Bond Counsel expresses no opinion regarding any federal or State tax consequences arising with respect to the Bonds other than as expressly described above. See APPENDIX G for the proposed form of the opinion of Bond Counsel.

The opinion of Bond Counsel approving the validity of the Bonds, in substantially the form appearing in APPENDIX G, will be supplied to the original purchasers of the Bonds without cost. See APPENDIX G for the proposed form of the opinion of Bond Counsel. A copy of such opinion will be attached at the end of each Bond. The payment of fees of Bond Counsel is contingent upon the closing of the Bonds transaction.

Bond Counsel's employment is limited to a review of the legal proceedings required for the authorization and issuance of the Bonds and to rendering an opinion as to the validity of the Bonds, the exclusion from gross income for federal income tax purposes of interest on the Bonds and the exemption of interest paid on the Bonds from State personal income taxation. Bond Counsel has undertaken no responsibility for the accuracy, completeness or fairness of the Official Statement or other offering materials relating to the Bonds and expresses no opinion relating thereto.

Bond Counsel's engagement with respect to the Bonds ends with the issuance of the Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the Community Facilities District or the Owners regarding the federal tax-exempt status of interest paid on the Bonds in the event of an audit examination by the IRS. Under current procedures, parties other than the Community Facilities District and their respective appointed counsel, including the Owners, would have little, if any, right to participate in such an audit examination process. Moreover, because achieving judicial review in connection with an audit examination of federally tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the Community Facilities District legitimately disagrees may not be practicable. Any action of the IRS, including, but not limited to, selection of the Bonds for audit, or the course or result of such audit, or an audit of Bonds presenting similar tax issues may affect the market price for, or the marketability of, the Bonds, and may cause the Community Facilities District or the Owners to incur significant expense.

Although Bond Counsel has rendered an opinion that interest on the Bonds is excluded from gross income for federal income tax purposes, the accrual or receipt of interest on the Bonds may otherwise affect the recipient's federal or state tax liability. Owners of the Bonds should be aware that the ownership or disposition of, or the accrual or receipt of interest on, the Bonds may have federal or state tax consequences other than as described above. The nature and extent of these other tax consequences will depend upon the recipient's particular tax status and other items of income or deduction. Bond Counsel expresses no opinion regarding any federal or State tax consequences arising with respect to the Bonds other than as expressly described above.

Original Issue Discount; Premium Bonds. To the extent the issue price of any maturity of the Bonds is less than the amount to be paid at maturity of such Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Bonds), the difference constitutes "original issue discount," the accrual of which, to the extent properly allocable to each Owner thereof, is treated as interest on the Bonds which is excluded from gross income for federal income tax purposes and State personal income taxes. For this purpose, the issue price of a particular maturity of the Bonds is the first price at which a substantial amount of such maturity of the Bonds is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the Bonds accrues daily over the term to maturity of such Bonds on the basis of a constant interest rate compounded semi-annually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such Bonds to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Bonds. Owners of the Bonds should consult their own tax advisors with respect to the tax consequences of ownership of the Bonds with original issue discount, including the treatment of purchasers who do not purchase such Bonds in the original offering

to the public at the first price at which a substantial amount of such Bonds is sold to the public, the allowance of a deduction for any loss on a sale or other disposition, and the treatment of accrued original issue discount on such Bonds under the federal alternative minimum tax.

The Bonds purchased, whether at original issuance or otherwise, for an amount greater than their principal amount payable at maturity (or, in some cases, at their earlier call date) ("**Premium Bonds**") will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of bonds, like the Premium Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, a purchaser's basis in a Premium Bond, and under Treasury Regulations the amount of tax exempt interest received, will be reduced by the amount of amortizable bond premium properly allocable to such purchaser. Owners of Premium Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

Information Reporting; Backup Withholding. Information reporting requirements apply to interest (including original issue discount) paid after March 31, 2007, on federally tax-exempt obligations, including the Bonds. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with, a Form W-9, "Request for Taxpayer Identification Number and Certification," or unless the recipient is one of a limited class of exempt recipients, including corporations. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to "backup withholding," which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a "payor" generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an Owner purchasing Bonds through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the Bonds from gross income for federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the Owner's federal income tax once the required information is furnished to the IRS. Bond Counsel provides no opinion concerning such reporting or withholding with respect to the Bonds.

Internal Revenue Service Audit of Federally Tax-Exempt Bond Issues. The IRS has undertaken a program for the auditing of federal tax-exempt bond issues, including both random and targeted audits. It is possible that the Bonds will be selected for audit by the IRS. It is also possible that the market value of the might be affected as a result of such an audit of the Bonds (or by an audit of similar bonds or securities).

Impact of Legislative Proposals, Clarifications of the Code and Court Decisions on Tax Exemption. Future legislative proposals, if enacted into law, clarification of the Code and/or court decisions may cause interest paid on the 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 Bonds from realizing the full current benefit of the tax status of such interest.

The introduction or enactment of any such or future legislative proposals, clarification of the Code and/or court decisions may also affect the market price for, liquidity of, or marketability of, the Bonds. In recent years, legislative changes were proposed in Congress, which, if enacted, would result in additional federal income tax being imposed on certain owners of tax-exempt state or local obligations, such as the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors regarding any

pending or proposed federal or state tax legislation, regulations or litigation as to which Bond Counsel expresses no opinion.

As discussed in this Official Statement, under the above caption “Tax Exemption – Opinion of Bond Counsel,” interest on the Bonds could become includable in gross income for purposes of federal income taxation retroactive to the date the Bonds were issued as a result of future acts or omissions of the Community Facilities District in violation of its covenants in the Fiscal Agent Agreement. Should such an event of taxability occur, the Bonds are not subject to special redemption or acceleration and will remain outstanding until maturity or until redeemed under the other redemption provisions contained in the Fiscal Agent Agreement.

Other 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 Bonds for federal or state income tax purposes, and thus on the value or marketability of the 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) 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 affecting Owners of the Bonds may occur. Prospective purchasers of the Bonds should consult their own tax advisors regarding the impact of any such events on the Bonds. Bond Counsel has not undertaken to advise in the future whether any events after the date of issuance and delivery of the Bonds may affect the tax status of interest paid on the Bonds. Bond Counsel expresses no opinion as to any federal, state or local tax law consequences with respect to the Bonds, or the interest thereon, if any action is taken with respect to the Bonds or the proceeds thereof upon the advice or approval of other counsel.

IN ALL EVENTS, ALL INVESTORS SHOULD CONSULT THEIR OWN TAX ADVISORS IN DETERMINING THE FEDERAL, STATE, LOCAL, FOREIGN AND OTHER TAX CONSEQUENCES TO THEM OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF THE BONDS.

No Litigation

At the time of delivery of the Bonds, the Community Facilities District will certify that there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, pending with respect to which the Community Facilities District has been served with process, or to the actual knowledge of the Community Facilities District, threatened:

- that in any way questions the powers of the Board or the Community Facilities District, or
- that in any way questions the validity of any proceeding taken by the Board in connection with the issuance of the Bonds, or
- wherein an unfavorable decision, ruling or finding could materially adversely affect the transactions contemplated by the purchase agreement with respect to the Bonds, or
- that, in any way, could adversely affect the validity or enforceability of the resolutions of the Board adopted in connection with the formation of the Community Facilities District or the issuance of the Bonds, the Fiscal Agent Agreement, the Continuing Disclosure Certificate or the purchase agreement with respect to the Bonds, or

- to the knowledge of an authorized officer of the Community Facilities District, that in any way questions the exclusion from gross income of the recipients thereof of the interest on the Bonds for federal income tax purposes, or
- that in any other way questions the status of the Bonds under State tax laws or regulations.

CONTINUING DISCLOSURE

The Community Facilities District

The Community Facilities District will covenant for the benefit of owners of the Bonds to provide certain financial information and operating data relating to the Bonds by not later than nine months after the end of the Community Facilities District's fiscal year, or March 31 each year based on the Community Facilities District's current fiscal year end of June 30 (the "**Annual Report**") and to provide notices of the occurrence of certain listed events.

These covenants have been made in order to assist the Underwriter in complying with Securities Exchange Commission Rule 15c2-12(b)(5), as amended (the "**Rule**"). The specific nature of the information to be contained in the Annual Report or the notices of listed events by the Community Facilities District is set forth in APPENDIX E.

The Community Facilities District has not had any prior undertakings under the Rule. The School District and William S. Hart Joint School Financing Authority, a joint exercise of powers authority organized and existing under the laws of the State of California and a Joint Exercise of Powers Agreement dated November 9, 1994, between the School District and its Community Facilities District No. 88-4 (the "**Authority**"), have each entered into prior continuing disclosure undertakings under the Rule, in connection with the issuance of long-term obligations, and provided annual financial information and event notices in accordance with their respective undertakings. Based on a compliance review conducted by a consultant engaged by the School District, during the past five years, the School District revised its Fiscal Year 2023-24 audited financial reports and filed such revised audited reports with respect to one series of community facilities district bonds approximately 4 months after the revised reports became available, although filings were timely made with respect to other series of bonds for which the School District is obligated to make continuing disclosure filings.

Lennar Homes

Continuing Disclosure by Lennar Homes. Lennar Homes will covenant in a continuing disclosure certificate substantially in the form of APPENDIX F, for the benefit of holders and beneficial owners of the Bonds, to provide for a certain period of time certain information relating to itself and the status of its property in the Community Facilities District on a semi-annual basis on May 31 and November 30, beginning on May 31, 2026, and to provide notices of the occurrence of certain enumerated events. Lennar Homes is not considered to be an obligated person as defined under the Rule. A default under the Property Owner Continuing Disclosure Certificate by Lennar Homes will not, in itself, constitute an Event of Default under the Fiscal Agent Agreement, and the sole remedy under the Property Owner Continuing Disclosure Certificate in the event of any failure of obligor or the dissemination agent, as applicable, to comply with the Property Owner Continuing Disclosure Certificate will be an action to compel performance.

Among other events as detailed therein, Lennar Homes' obligations under the Property Owner Continuing Disclosure Certificate with respect to the Community Facilities District will terminate at such time as Lennar Homes (and the TPG Land Bank, for so long as the Lennar Option Agreement is effective) no longer owns or has under option 91 or more taxable parcels in the Community Facilities District.

Continuing Disclosure Compliance by Lennar Homes. Lennar Homes has advised the School District that, other than as disclosed in this paragraph, to the actual knowledge of Lennar Homes, Lennar Homes has not failed in any material respect to comply with any previous undertaking by it to provide periodic continuing disclosure reports or notices of material events with respect to community facilities districts or assessment districts in California within the past five years. However, (i) in connection with the \$16,780,000 California Municipal Finance Authority Special Tax Revenue Bonds BOLD Program Series 2020B, Lennar Homes inadvertently failed to file the initial Semi-Annual Report by the due date of May 1, 2021, but filed a curative report on May 21, 2021; and (ii) in connection with the \$5,795,000 City of Rancho Cordova Grantline 208 Community Facilities District No. 2018-1 Special Tax Bonds, Series 2021B, Lennar Homes inadvertently failed to file the initial annual report by the due date of April 1, 2022, but filed a curative report on September 21, 2022.

NO RATING

The Community Facilities District has not made, and does not contemplate making, any application to a rating agency for a rating on the Bonds. No such rating should be assumed from any credit rating that the School District or the Community Facilities District may obtain for other purposes. Prospective purchasers of the Bonds are required to make independent determinations as to the credit quality of the Bonds and their appropriateness as an investment.

UNDERWRITING

The Bonds are being purchased by Stifel, Nicolaus & Company, Incorporated, at a purchase price of \$_____ (which represents the aggregate principal amount of the Bonds (\$_____), plus/less an original issue premium/discount of \$_____, and less an Underwriter's discount of \$_____).

The purchase agreement relating to the Bonds provides that the Underwriter will purchase all of the Bonds, if any are purchased, the obligation to make such purchase being subject to certain terms and conditions set forth in such purchase agreement.

The Underwriter may offer and sell the Bonds to certain dealers and others at prices lower than the offering prices stated on the inside cover page hereof. The offering prices may be changed from time to time by the Underwriter.

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 School District and to persons and entities with relationships with the School District, 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 School District (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the School District.

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 School District.

PROFESSIONAL FEES

In connection with the issuance of the Bonds, fees or compensation payable to certain professionals are contingent upon the issuance and delivery of the Bonds. Those professionals include:

- the Underwriter;
- Jones Hall LLP, as Disclosure Counsel;
- Atkinson, Andelson, Loya, Ruud & Romo, A Professional Law Corporation, as Bond Counsel and Special District Counsel;
- Stradling, Yocca, Carlson & Rauth LLP, as Underwriter's Counsel;
- California Financial Services, as Municipal Advisor
- KeyAnalytics, as Special Tax Consultant and CFD Administrator;
- Zions Bancorporation, National Association, as Fiscal Agent.

EXECUTION

The execution and delivery of the Official Statement by the Community Facilities District have been duly authorized by the Governing Board of the William S. Hart Union High School District, acting as the legislative body of the Community Facilities District.

COMMUNITY FACILITIES DISTRICT NO. 2023-1
OF THE WILLIAM S. HART UNION HIGH
SCHOOL DISTRICT

By: _____
Jon Carrino,
Assistant Superintendent, Business Services,
William S. Hart Union High School District, on
behalf of Community Facilities District No. 2023-1
Of the William S. Hart Union High School District

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APPENDIX A

GENERAL INFORMATION ABOUT THE CITY OF SANTA CLARITA AND THE COUNTY OF LOS ANGELES

The following information concerning the City of Santa Clarita (the "City") and the County of Los Angeles (the "County") is included only for the purpose of supplying general information regarding the area within and surrounding the Community Facilities District. The Bonds are not a debt of the City, the County, the State of California or any of its political subdivisions (other than the Community Facilities District), and none of the City, the County, the State of California or any of their political subdivisions (other than the Community Facilities District) is liable therefor.

General Information

The School District is located in the Santa Clarita Valley area of northern portion of the County. The area is composed of seven communities: Canyon Country, Newhall, Saugus and Valencia, which are located in the city limits of the City, and the unincorporated communities of Castaic, Stevenson Ranch and Val Verde. These communities are briefly described below.

The City. The City was officially incorporated as a general law city on December 15, 1987 after a ballot measure was passed by the City's residents. The City operates under a council-manager form of government and provides, either directly or under contract with the County, a full range of municipal services including public safety, public works, parks and recreation and community development.

Canyon Country is the City's most populous community, and also features some industrial uses and several neighborhood shopping plazas.

Newhall represents the area's oldest established community, dating to its founding in 1876 along a key rail line. Newhall is an older diverse residential area with significant commercial and restaurant uses. The Newhall area has served as the locale for Disney Movie Ranch, Gene Autry's Melody Ranch, a park and nature center, and film star William S. Hart's former ranch, now a museum.

Saugus owes its existence to the Southern Pacific Railroad Line and was the home of an original railroad station. Saugus is a mix of new residential areas amid established neighborhoods, with additional commercial and retail centers.

Valencia is a master-planned community, developed by the Newhall Land and Farming Company. Based on the Valencia Master Plan, this community features a balance of business and residential land uses. Valencia includes park-like neighborhoods, golf courses and lighted landscaped walkways connecting homes, schools, shopping and recreational facilities, including Six Flags Magic Mountain.

Castaic is one of Santa Clarita Valley's major recreation area, with its lake serving as the center of the area's swimming, sailing, fishing, boating and water skiing. Because of its proximity to the San Joaquin Valley, this community is also a connection point in the north-south trucking network.

Stevenson Ranch is located west of the City. It has both residential and commercial uses.

Val Verde is a small rural resort area in the hilly northwestern portion of the Santa Clarita Valley, adjacent to Ventura County.

Newhall Ranch is an area that encompasses some 12,000 acres west of Valencia, which is being develop by the Newhall Land and Farming Company. The Newhall Ranch Specific Plan permits 21,600 homes, 1,000 acres of commercial, business park and mixed use development, with approximately 6,200 acres of open space.

The County. Located along the southern coast of California, the County covers about 4,083 square miles. It measures approximately 75 miles from north to south and 70 miles from east to west. The County includes Santa Catalina and San Clemente Islands and is bordered by the Pacific Ocean and Ventura, San Bernardino and Orange Counties.

Almost half of the County is mountainous and some 14% is a coastal plain known as the Los Angeles Basin. The low Santa Monica mountains and Hollywood Hills run east and west and form the northern boundary of the Basin and the southern boundary of the San Fernando Valley. The San Fernando Valley terminates at the base of the San Gabriel Mountains whose highest peak is over 10,000 feet. Beyond this mountain range the rest of the County is a semi-dry plateau, the beginning of the vast Mojave Desert.

According to the Los Angeles County Regional Planning Commission, the 86 incorporated cities in the County cover about 1,344 square miles or 27% of the total county. About 16% of the land in the County is devoted to residential use and over two thirds of the land is open space and vacant.

Population

The following table shows population estimates for the City, the County and the State of California for the past five years.

CITY OF SANTA CLARITA, COUNTY OF LOS ANGELES POPULATION ESTIMATES

Area	2021	2022	2023	2024	2025
City of Santa Clarita	228,294	229,938	232,092	231,573	232,377
Los Angeles County	9,966,353	9,870,212	9,834,286	9,848,643	9,876,811
State of California	39,369,530	39,179,680	39,228,444	39,420,663	39,529,101

Source: State of California, Department of Finance, as of January 1.

Employment and Industry

The Community Facilities District is included in the Los Angeles-Long Beach-Glendale Metropolitan District ("MD"). The seasonally adjusted unemployment rate in the County increased over the month to 5.8% in July 2025 from a revised 5.7% in June 2025 and was below the rate of 6.0% a year ago. Civilian employment increased by 1,000 to 4,781,000 in July 2025, while unemployment remained unchanged over the month at 292,000. The civilian labor force increased by 2,000 over the month to 5,074,000 in July 2025. All the above figures are seasonally adjusted. The unadjusted unemployment rate for the County was 6.4% in July 2025.

The State seasonally adjusted unemployment rate was 5.5% in July 2025, 5.4% in June 2025, and 5.4% a year ago in July 2024. The comparable estimates for the nation were 4.2% in July 2025, 4.1% in June 2025, and 4.2% a year ago.

LOS ANGELES-LONG BEACH-GLENDALE MD (LOS ANGELES COUNTY) Annual Average Civilian Labor Force, Employment and Unemployment, Employment by Industry (March 2024 Benchmark)

	2020	2021	2022	2023	2024
Civilian Labor Force ⁽¹⁾	4,972,600	4,999,700	5,021,800	5,055,300	5,109,800
Employment	4,363,200	4,551,600	4,771,700	4,799,000	4,812,600
Unemployment	609,400	448,100	250,100	256,200	297,200
Unemployment Rate	12.3%	9.0%	5.0%	5.1%	5.8%
<u>Wage and Salary Employment:</u> ⁽²⁾					
Agriculture	4,400	4,600	4,800	4,700	4,800
Mining and Logging	1,700	1,600	1,700	1,700	1,700
Construction	146,600	149,000	151,300	151,200	150,900
Manufacturing	315,400	313,100	321,700	318,400	310,800
Wholesale Trade	201,100	202,600	204,400	200,200	195,300
Retail Trade	375,700	396,100	405,500	404,900	400,100
Trans., Warehousing, Utilities	207,900	215,200	223,600	217,900	218,600
Information	191,100	208,800	234,900	193,100	189,800
Financial and Insurance	132,300	129,000	126,600	122,600	120,000
Real Estate, Rental & Leasing	80,900	84,100	89,200	88,300	88,800
Professional and Business Services	601,000	630,800	666,900	656,800	657,800
Educational and Health Services	821,700	844,400	871,100	920,300	969,400
Leisure and Hospitality	393,700	434,200	512,400	534,100	537,400
Other Services	128,800	135,700	153,000	157,400	158,400
Federal Government	50,200	47,700	47,100	47,900	48,300
State Government	89,000	90,700	95,400	98,500	100,300
Local Government	431,000	421,900	427,500	435,800	442,500
Total All Industries ⁽³⁾	4,172,500	4,309,700	4,536,900	4,553,700	4,594,700

(1) Labor force data is by place of residence; includes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.

(2) Industry employment is by place of work; excludes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.

(3) Totals may not add due to rounding.

Source: State of California Employment Development Department.

Employment

The following table lists the largest manufacturing and non-manufacturing employers within the County as of September 2025, in alphabetical order.

LOS ANGELES COUNTY Largest Employers September 2025

Employer Name	Location	Industry
All Nations Church	Sylmar	Churches
California State Univ Nrthrdg	Northridge	Schools-Universities & Colleges Academic
California State-Long Beach	Long Beach	Schools-Universities & Colleges Academic
Cedars-Sinai Health System	West Hollywood	Health Care Management
Emanate Health Queen-The Vly	West Covina	Hospitals
Infineon Technologies Americas	El Segundo	Semiconductor Devices (mfrs)
Kaiser Permanente Los Angeles	Los Angeles	Hospitals
Lac HARBOR Ucla Medical Ctr	Torrance	Hospitals
Live Nation	Los Angeles	Entertainment Bureaus
Long Beach City Hall	Long Beach	City Hall
Longshore Dispatch	Wilmington	Labor Organizations
Los Angeles County Sheriff	Monterey Park	Government Offices-County
Los Angeles General Med Ctr	Los Angeles	Hospitals
Los Angeles Intl Airport-Lax	Los Angeles	Airports
Los Angeles Medical Ctr	Los Angeles	Pathologists
Los Angeles Police Dept	Los Angeles	Police Departments
Memorialcare Long Beach Med	Long Beach	Hospitals
PIH Health	Whittier	Health Care Management
Security Industry Specialist	Culver City	Security Systems Consultants
Six Flags Magic Mountain	Valencia	Amusement & Theme Parks
Sony Pictures Entrtn Inc	Culver City	Motion Picture Producers & Studios
UCLA Community Based Learning	Los Angeles	Junior-Community College-Tech Institutes
Vision X	Los Angeles	Call Centers
Walt Disney Co	Burbank	Amusement & Theme Parks
Water Garden Management	Santa Monica	Office Buildings & Parks

Source: State of California Employment Development Department, extracted from The America's Labor Market Information System (ALMIS) Employer Database, 2025 1st Edition.

Commercial Activity

A summary of historic taxable sales within the City during the past five years in which data is available is shown in the following table. Total taxable sales during the first quarter of calendar year 2025 in the City were reported to be \$957,011,981, a 3.38% increase over the total taxable sales of \$925,761,848 reported during the first quarter of calendar year 2024.

CITY OF SANTA CLARITA
Taxable Retail Sales
Number of Permits and Valuation of Taxable Transactions
(Dollars in Thousands)

	Retail Stores		Total All Outlets	
	Number of Permits	Taxable Transactions	Number of Permits	Taxable Transactions
2020	5,231	\$2,427,851	8,449	\$2,944,704
2021	4,739	3,150,409	7,714	3,769,927
2022	4,887	3,436,613	7,957	4,087,842
2023	4,606	3,350,331	7,628	4,020,084
2024	4,517	3,303,392	7,624	3,962,309

Source: State Department of Tax and Fee Administration.

A summary of historic taxable sales within the County during the past five years in which data is available is shown in the following table. Total taxable sales during the first quarter of calendar year 2025 in the County were reported to be \$47,020,010,977, a 3.52% decrease over the total taxable sales of \$48,734,718,718 reported during the first quarter of calendar year 2024.

LOS ANGELES COUNTY
Taxable Retail Sales
Number of Permits and Valuation of Taxable Transactions
(Dollars in Thousands)

	Retail Stores		Total All Outlets	
	Number of Permits	Taxable Transactions	Number of Permits	Taxable Transactions
2020	226,643	\$113,415,974	376,990	\$157,737,984
2021	208,412	139,000,373	349,061	192,524,203
2022	210,441	150,622,624	354,092	213,716,609
2023	202,366	146,164,088	342,582	208,502,835
2024	202,854	143,821,035	344,742	205,810,069

Source: State Department of Tax and Fee Administration.

Effective Buying Income

“Effective Buying Income” is defined as personal income less personal tax and non-tax payments, a number often referred to as “disposable” or “after-tax” income. Personal income is the aggregate of wages and salaries, other labor-related income (such as employer contributions to private pension funds), proprietor’s income, rental income (which includes imputed rental income of owner-occupants of non-farm dwellings), dividends paid by corporations, interest income from all sources, and transfer payments (such as pensions and welfare assistance). Deducted from this total are personal taxes (federal, state and local), non-tax payments (fines, fees, penalties, etc.) and personal contributions to social insurance. According to U.S. government definitions, the resultant figure is commonly known as “disposable personal income.”

The following table summarizes the total effective buying income for the City, County of Los Angeles, the State of California and the United States for the period 2021 through 2025.

**CITY OF SANTA CLARITA, COUNTY OF LOS ANGELES,
STATE OF CALIFORNIA, AND THE UNITED STATES
Effective Buying Income
2021 through 2025**

Year	Area	Total Effective Buying Income (000's Omitted)	Median Household Effective Buying Income
2021	City of Santa Clarita	\$6,791,285	\$84,765
	Los Angeles County	289,720,470	62,353
	California	1,290,894,604	67,956
	United States	9,809,944,764	56,790
2022	City of Santa Clarita	\$7,514,205	\$95,568
	Los Angeles County	327,445,237	71,404
	California	1,452,426,153	77,058
	United States	11,208,582,541	64,448
2023	City of Santa Clarita	\$9,022,239	\$93,244
	Los Angeles County	332,188,114	71,057
	California	1,461,799,662	77,175
	United States	11,454,846,397	65,326
2024	City of Santa Clarita	\$9,413,124	\$97,106
	Los Angeles County	342,046,555	74,246
	California	1,510,708,521	80,973
	United States	11,987,185,826	67,876
2025	City of Santa Clarita	\$9,909,683	\$100,106
	Los Angeles County	351,923,537	75,103
	California	1,557,429,767	82,725
	United States	12,525,577,707	69,687

Claritas, LLC.

APPENDIX B

**RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAXES
OF
COMMUNITY FACILITIES DISTRICT NO. 2023-1 OF
WILLIAM S. HART UNION HIGH SCHOOL DISTRICT**

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RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAXES OF COMMUNITY FACILITIES DISTRICT NO. 2023-1 OF THE WILLIAM S. HART UNION HIGH SCHOOL DISTRICT

A Special Tax (as defined herein) shall be levied on and collected from all Assessor's Parcels within Community Facilities District No. 2023-1 ("CFO") of the William S. Hart Union High School District ("School District") each Fiscal Year commencing in Fiscal Year 2023/2024, in an amount determined by the Board through the application of the Rate and Method of Apportionment of Special Taxes ("RMA") described below. All the real property within the CFO, unless exempted by law or by provisions hereof, shall be taxed for the purposes, to the extent and in the manner herein provided.

SECTION A DEFINITIONS

For purposes of this RMA, the terms hereinafter set forth have the following meanings:

"Acreage" means the number of acres of land area of an Assessor's Parcel as shown on an Assessor's Parcel Map, or if the land area is not shown on an Assessor's Parcel Map, the Administrator may rely on the land area shown on the applicable Final Map. Notwithstanding the foregoing, in the case of an individual legal lot created by a Final Map upon which condominium units are entitled to be developed, the Acreage of such Assessor's Parcel shall include the allocable Acreage of any common interest land area within such Final Map, as reasonably determined by the Administrator, when calculating the Assigned Annual Special Tax for Undeveloped Property, the Assigned Annual Special Tax for Approved Property, and the Backup Annual Special Tax applicable to such Final Map.

"Act" means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5 of Part 1, Division 2 of Title 5 of the Government Code of the State of California.

"Administrative Expenses" means any ordinary and necessary expense incurred by the School District on behalf of the CFO related to the determination of the amount of the levy of Special Taxes, the collection of Special Taxes, including, but not limited to, the reasonable expenses of collecting delinquencies, the administration of Bonds, the proportionate payment of salaries and benefits of any School District employee whose duties are directly related to the administration of the CFO, and reasonable costs otherwise incurred in order to carry out the authorized purposes of the CFO including a proportionate amount of School District general administrative overhead related thereto.

"Administrator" means an official of the School District or designee thereof, responsible for determining the levy and collection of the Special Taxes.

"Annual Special Tax" means the Special Tax levied in any Fiscal Year on any Assessor's Parcel.

"Approved Property" means all Assessor's Parcels of Taxable Property that (i) are associated with a Lot in a Final Map that was recorded prior to the January 1 preceding the Fiscal Year in which the Special Tax is being levied and (ii) have not been issued a building permit on or before the May 1 preceding the Fiscal Year in which the Special Tax is being levied.

"Assessor's Parcel" means a parcel of land designated on an Assessor's Parcel Map with an assigned Assessor's Parcel Number within the boundaries of the CFO.

"Assessor's Parcel Map" means an official map of the Assessor of the County designating

parcels by Assessor's Parcel Number.

"Assessor's Parcel Number" means that number assigned to an Assessor's Parcel by the County for purposes of identification.

"Assigned Annual Special Tax" means the Special Tax of that name described in Section D hereof.

"Backup Annual Special Tax" means the Special Tax of that name described in Section E hereof.

"Board" means the Governing Board (Board of Trustees) of the School District, or its designee, acting as the Legislative Body of the CFD.

"Bond Index" means the national Bond Buyer Revenue Index, commonly referenced as the 25-Bond Revenue Index. In the event the Bond Index ceases to be published, the index used shall be based on a comparable index for revenue bonds maturing in 30 years with an average rating equivalent to Moody's A1 and/or Standard & Poor's A+, as determined by the Board.

"Bond Yield" means the yield of the most recently issued series of Bonds. For purposes of this calculation the yield of the Bonds shall be the yield calculated at the time such Bonds are issued, pursuant to Section 148 of the Internal Revenue Code of 1986, as amended, for the purpose of the Non-Arbitrage (Tax) Certificate or other similar bond issuance document.

"Bonds" means any obligation to repay a sum of money, including obligations in the form of bonds, notes, certificates of participation, long-term leases, loans from government agencies, or loans from banks, other financial institutions, private businesses, or individuals, or long-term contracts, or any refunding thereof, to which the Special Taxes have been pledged for repayment.

"Building Square Footage" or "BSF" means the square footage of assessable internal living space of a Unit, exclusive of any carports, walkways, garages, overhangs, patios, enclosed patios, detached accessory structure, other structures not used as living space, or any other square footage excluded under Government Code Section 65995 as determined by reference to the building permit(s) for such Unit.

"CFO" means Community Facilities District No. 2023-1 of the William S. Hart Union High School District.

"County" means the County of Los Angeles, California.

"Developed Property" means all Assessor's Parcels of Taxable Property for which building permit(s) were issued for one or more Units on or before May 1 of the prior Fiscal Year, provided that such Assessor's Parcels were created on or before January 1 of the prior Fiscal Year, as reasonably determined by the Administrator.

"Exempt Property" means all Assessor's Parcels within the CFD designated as being exempt from Special Taxes pursuant to Section K hereof.

"Final Map" means a final tract map, parcel map, lot line adjustment, condominium plan, or functionally equivalent map or instrument that creates individual Lots, recorded in the Office of the County Recorder.

"Fiscal Year" means the period commencing on July 1 of any year and ending on the following

June 30.

"Lot" means an individual legal lot created by a Final Map for which a building permit for residential construction has been or could be issued. Notwithstanding the foregoing, in the case of an individual legal lot created by such a Final Map upon which condominium units are entitled to be developed but for which a condominium plan or equivalent instrument has not been recorded, the number of Lots allocable to such legal lot for purposes of calculating the Backup Annual Special Tax applicable to such Final Map shall equal the number of Units which are approved to be constructed on such legal lot as reasonably determined by the Administrator.

"Maximum Special Tax" means for each Assessor's Parcel, the maximum Special Tax, determined in accordance with Section C, which can be levied by the CFD in a given Fiscal Year on such Assessor's Parcel.

"Mitigation Agreement" means the Amended and Restated School Facilities Funding and Mitigation Agreement made and entered into as of February 1, 2023 by and among the School District and BLC Tesoro LLC as it may be amended.

"Net Taxable Acreage" means the total Acreage of Taxable Property expected to exist within the CFD after all Final Maps are recorded.

"Partial Prepayment Amount" means the amount required to prepay a portion of the Special Tax obligation for an Assessor's Parcel as described in Section H hereof.

"Prepayment Administrative Fees" means any fees or expenses of the School District or the CFD associated with the prepayment of the Special Tax obligation of an Assessor's Parcel. Prepayment Administrative Fees shall include among other things the cost of computing the Prepayment Amount, redeeming Bonds, and recording any notices to evidence the prepayment and redemption of Bonds.

"Prepayment Amount" means the amount required to prepay the Special Tax obligation in full for an Assessor's Parcel as described in Section G hereof.

"Present Value of Taxes" means for any Assessor's Parcel the sum of (i) the unpaid portion, if any, of the Annual Special Tax applicable to such Assessor's Parcel in the current Fiscal Year and (ii) the present value of Special Taxes expected to be levied on such Assessor's Parcel in each remaining Fiscal Year, as determined by the Administrator, until the termination date specified in Section J, but in no event longer than 33 Fiscal Years. The discount rate used for this calculation shall be equal to (a) the Bond Yield after Bond issuance or (b) the most recently published Bond Index prior to Bond issuance.

"Proportionately" means that the ratio of the actual Annual Special Tax levy to the applicable Assigned Annual Special Tax is equal for all applicable Assessor's Parcels. In the case of Developed Property subject to apportionment of the Annual Special Tax under Step Four of Section F, "Proportionately" shall mean that the quotient of (i) the Annual Special Tax less the Assigned Annual Special Tax divided by (ii) the Backup Annual Special Tax less the Assigned Annual Special Tax is equal for all applicable Assessor's Parcels.

"Provisional Undeveloped Property" means all Assessor's Parcels of Taxable Property that would otherwise be classified as Exempt Property pursuant to Section K, but cannot be classified as Exempt Property because to do so would reduce the Net Taxable Acreage below the required minimum Acreage set forth in Section K, as applicable.

"Reserve Fund Credit" means an amount equal to the lesser of (i) the reduction in the applicable reserve fund requirement(s) resulting from the redemption of Bonds with the Prepayment Amount or (ii) ten percent (10%) of the amount of Bonds which will be redeemed. If a surety bond or other credit instrument satisfies the reserve requirement or the reserve requirement is underfunded at the time of the prepayment, no Reserve Fund Credit shall be given.

"School District" means the William S. Hart Union High School District, a public school district organized and operating pursuant to the Constitution and laws of the State of California.

"Special Tax" or "Special Taxes" means any of the special taxes authorized to be levied on Taxable Property within the CFO pursuant to the Act and this RMA.

"Special Tax Requirement" means the amount required in any Fiscal Year to pay (i) the debt service or the periodic costs on all outstanding Bonds, (ii) Administrative Expenses, (iii) the costs associated with the release of funds from an escrow account or accounts established in association with the Bonds, (iv) any amount required to establish or replenish any reserve funds (or accounts thereof) established in association with the Bonds, and (v) the collection or accumulation of funds for the acquisition or construction of school facilities and certain costs associated with the maintenance and operations of school facilities authorized by the CFO provided that the inclusion of such amount does not cause an increase in the levy of Special Tax on Approved Property, Undeveloped Property, or Provisional Undeveloped Property as set forth in Steps Two through Five of Section F, less (vi) any amount(s) available to pay debt service or other periodic costs on the Bonds pursuant to any applicable bond indenture, fiscal agent agreement, trust agreement, or equivalent agreement or document. In arriving at the Special Tax Requirement the Administrator shall take into account the reasonably anticipated delinquent Special Taxes, provided that the amount included cannot cause the Annual Special Tax of an Assessor Parcel of Developed Property to increase by greater than ten percent (10%) of what would have otherwise been levied.

"Taxable Property" means all Assessor's Parcels within the CFO which are not Exempt Property.

"Undeveloped Property" means all Assessor's Parcels of Taxable Property which are not Developed Property, Approved Property or Provisional Undeveloped Property.

"Unit" means each separate residential dwelling unit, including but not limited to, a single family attached or detached unit, condominium plan, an apartment unit, mobile home, or otherwise, excluding hotel and motels.

**SECTION B
CLASSIFICATION OF ASSESSOR'S PARCELS**

Each Fiscal Year, commencing with Fiscal Year 2023/2024, all Assessor's Parcels within the CFO shall be classified as either Taxable Property or Exempt Property. In addition, each Assessor's Parcel of Taxable Property shall be classified as Developed Property, Approved Property, Undeveloped Property or Provisional Undeveloped Property.

**SECTION C
MAXIMUM SPECIAL TAX RATE**

1. Developed property

The Maximum Special Tax for each Assessor's Parcel classified as Developed Property shall be the greater of the amount derived by the application of the (a) Assigned Annual Special Tax or (b) Backup Annual Special Tax.

2. Approved Property

The Maximum Special Tax for each Assessor's Parcel classified as Approved Property shall be derived by the application of the Assigned Annual Special Tax.

3. Undeveloped Property

The Maximum Special Tax for each Assessor's Parcel classified as Undeveloped Property or Provisional Undeveloped Property shall be derived by the application of the Assigned Annual Special Tax.

**SECTION D
ASSIGNED ANNUAL SPECIAL TAXES**

1. Developed Property

The Assigned Annual Special Tax for each Assessor's Parcel of Developed Property shall be \$969.00 per Unit, subject to increases as described below.

2. Approved Property, Undeveloped Property and Provisional Undeveloped Property

The Assigned Annual Special Tax for each Assessor's Parcel of Approved Property, Undeveloped Property, or Provisional Undeveloped Property shall be \$4,832.00 per acre of Acreage, subject to increases as described below.

3. Increases in the Assigned Annual Special Tax

a. Developed Property

On each July 1, commencing July 1, 2024, the Assigned Annual Special Tax rate applicable to Developed Property shall be increased by two percent (2.00%) of the amount in effect the prior Fiscal Year.

b. **Approved Property, Undeveloped Property and Provisional Undeveloped Property**

On each July 1, commencing July 1, 2024, the Assigned Annual Special Tax rate per acre of Acreage for Approved Property, Undeveloped Property and Provisional Undeveloped Property shall be increased by two percent (2.00%) of the amount in effect the prior Fiscal Year.

SECTION E
BACKUP ANNUAL SPECIAL TAX

Each Fiscal Year, each Assessor's Parcel of Developed Property shall be subject to a Backup Annual Special Tax.

1. **Calculation of the Backup Annual Special Tax Rate**

The Backup Annual Special Tax rate for an Assessor's Parcel of Developed Property within a Final Map shall be the rate per Lot calculated in accordance with the following formula in Fiscal Year 2023/2024 or such later Fiscal Year in which such Final Map is created, subject to increases as described below:

$$B = (U \times A) / L$$

The terms above have the following meanings:

B	=	Backup Annual Special Tax per Lot for the applicable Fiscal Year
U	=	Assigned Annual Special Tax per acre of Acreage of Undeveloped Property in the Fiscal Year the calculation is performed
A	=	Acreage of Taxable Property expected to exist at buildout within such Final Map at the time of calculation, as determined by the Administrator
L	=	Number of Lots within the applicable Final Map at the time of calculation

2. **Changes to a Final Map**

If the Final Map(s) described in the preceding Section E(1) are subsequently changed or modified, then the Backup Annual Special Tax for each Assessor's Parcel of Developed Property changed or modified in each such Final Map shall be a rate per square foot of Acreage calculated as follows:

- a. Determine the total Backup Annual Special Tax revenue anticipated to apply to the changed or modified Assessor's Parcels prior to the change or modification.
- b. The result of paragraph a above shall be divided by the Acreage of Taxable Property of the modified Assessor's Parcels, as reasonably determined by the Administrator.

- c. The result of paragraph b above shall be divided by 43,560. The result is the Backup Annual Special Tax per square foot of Acreage that shall be applicable to the modified Assessor's Parcels, subject to increases as described below.

3. Increase in the Backup Annual Special Tax

Each July 1, commencing the July 1 following the initial calculation of the Backup Annual Special Tax rate for Developed Property within a Final Map, the Backup Annual Special Tax for each Lot within such Final Map shall be increased by two percent (2.00%) of the amount in effect the prior Fiscal Year.

SECTION F METHOD OF APPORTIONMENT OF THE ANNUAL SPECIAL TAX

Commencing Fiscal Year 2023/2024 and for each subsequent Fiscal Year, the Board shall levy Annual Special Taxes on all Taxable Property in accordance with the following steps:

- Step One:** The Annual Special Tax shall be levied on each Assessor's Parcel of Developed Property at the Assigned Annual Special Tax applicable to each such Assessor's Parcel.
- Step Two:** If additional moneys are needed to satisfy the Special Tax Requirement after the first step has been completed, the Annual Special Tax shall be levied Proportionately on each Assessor's Parcel of Approved Property up to 100% of the Assigned Annual Special Tax applicable to each such Assessor's Parcel as needed to satisfy the Special Tax Requirement.
- Step Three:** If additional moneys are needed to satisfy the Special Tax Requirement after the second step has been completed, the Annual Special Tax shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property up to 100% of the Assigned Annual Special Tax applicable to each such Assessor's Parcel as needed to satisfy the Special Tax Requirement.
- Step Four:** If additional moneys are needed to satisfy the Special Tax Requirement after the third step has been completed, the Annual Special Tax on each Assessor's Parcel of Developed Property, for which the Maximum Special Tax is the Backup Annual Special Tax, shall be increased Proportionately from the Assigned Annual Special Tax up to 100% of the Backup Annual Special Tax applicable to each such Assessor's Parcel as needed to satisfy the Special Tax Requirement.
- Step Five:** If additional moneys are needed to satisfy the Special Tax Requirement after the fourth step has been completed, the Annual Special Tax shall be levied Proportionately on each Assessor's Parcel of Provisional Undeveloped Property up to 100% of the Assigned Annual Special Tax applicable to each such Assessor's Parcel as needed to satisfy the Special Tax Requirement.

**SECTION G
PREPAYMENT OF SPECIAL TAXES**

1. Special Tax Prepayment Times and Conditions

The Special Tax obligation of an Assessor's Parcel of Taxable Property may be prepaid, if there are no delinquent Special Taxes, penalties, or interest charges outstanding with respect to such Assessor's Parcel. An owner of an Assessor's Parcel intending to prepay the Special Tax shall provide the School District with written notice of intent to prepay. Within thirty (30) days of receipt of such written notice, the Administrator shall determine the Prepayment Amount for such Assessor's Parcel and shall notify such owner of such Prepayment Amount.

2. Special Tax Prepayment Calculation

The Prepayment Amount shall be calculated according to the following formula:

$$P = PVT - RFC + PAF$$

The terms above have the following meanings:

P	=	Prepayment Amount
PVT	=	Present Value of Taxes
RFC	=	Reserve Fund Credit
PAF	=	Prepayment Administrative Fees

3. Special Tax Prepayment Procedures and birotations

The amount representing the Present Value of Taxes attributable to the prepayment less the Reserve Fund Credit attributable to the prepayment shall, prior to the issuance of Bonds, be deposited into a separate account held with the School District and disbursed in accordance with the Mitigation Agreement and after the issuance of Bonds be deposited into the applicable account or fund established under the trust agreement, indenture agreement or fiscal agent agreement and used to pay debt service or redeem Bonds. The amount representing the Prepayment Administrative Fees attributable to the prepayment shall be retained and deposited into the applicable account by the CFO.

With respect to any Assessor's Parcel for which the Special Tax is prepaid, the Board shall indicate in the records of the CFO that there has been a prepayment of the Special Tax obligation and shall cause a suitable notice to be recorded in compliance with the Act to indicate the prepayment of the Special Tax obligation and the release of the Special Tax lien on such Assessor's Parcel, and the obligation of the owner of such Assessor's Parcel to pay such Special Tax shall cease.

Notwithstanding the foregoing, no prepayment will be allowed unless the amount of Assigned Annual Special Taxes, net of Administrative Expenses, that may be levied on all Taxable Property, excluding Provisional Undeveloped Property, after such prepayment shall be at least 1.1 times the regularly scheduled annual interest and principal payments on all currently outstanding Bonds in each future Fiscal Year and such prepayment will not impair the security of all currently outstanding Bonds, as reasonably determined by

the Administrator. Such determination shall include identifying all Assessor's Parcels that are expected to be classified as Exempt Property.

Notwithstanding the above, the ability to prepay the Special Tax obligation of an Assessor's Parcel may be suspended, by the Administrator, acting in his or her absolute and sole discretion for and on behalf of the CFO, without notice to the owners of property within the CFO for a period of time, not to exceed sixty (60) days, prior to the scheduled issuance of Bonds by the CFO to assist in the efficient preparation of the required bond market disclosure.

SECTION H PARTIAL PREPAYMENT OF SPECIAL TAXES

1. Partial Prepayment Times and Conditions

The Special Tax obligation for Assessor's Parcels of Taxable Property may be partially prepaid in increments of not less than five (5) Units prior to the issuance of building permits for such units, provided that there are no delinquent Special Taxes, penalties, or interest charges outstanding with respect to such Assessor's Parcels at the time the Special Tax obligation would be partially prepaid. An owner of an Assessor's Parcel(s) intending to partially prepay the Special Tax shall provide the CFO with written notice of their intent to partially prepay. Within thirty (30) days of receipt of such written notice, the Administrator shall determine the Partial Prepayment Amount of such Assessor's Parcel and shall notify such owner of such Partial Prepayment Amount.

2. Partial Prepayment Calculation

The Partial Prepayment Amount shall be calculated according to the following formula:

$$PP = PVT \times F - RFC + PAF$$

The terms above have the following meanings:

PP	=	the Partial Prepayment Amount
PVT	=	Present Value of Taxes
F	=	the percent by which the owner of the Assessor's Parcel is partially prepaying the Special Tax obligation
RFC	=	Reserve Fund Credit
PAF	=	Prepayment Administrative Fees

3. Partial Prepayment Procedures and Limitations

The amount representing the Present Value of Taxes attributable to the prepayment less the Reserve Fund Credit attributable to the prepayment shall, prior to the issuance of Bonds, be deposited into a separate account held with the School District and disbursed in accordance with the Mitigation Agreement and after the issuance of Bonds be deposited into the applicable account or fund established under the trust agreement or indenture

agreement or fiscal agent agreement and used to pay debt service or redeem Bonds. The amount representing the Prepayment Administrative. Fees attributable to the prepayment shall be retained and deposited into the applicable account by the CFO.

With respect to any Assessor's Parcel for which the Special Tax obligation is partially prepaid, the Board shall indicate in the records of the CFO that there has been a partial prepayment of the Special Tax obligation and shall cause a suitable notice to be recorded in compliance with the Act to indicate the partial prepayment of the Special Tax obligation and the partial release of the Special Tax lien on such Assessor's Parcel, and the obligation of the owner of such Assessor's Parcel to pay such prepaid portion of the Special Tax shall cease. Additionally, the notice shall indicate that the Assigned Annual Special Tax and the Backup Annual Special Tax if applicable for the Assessor's Parcel has been reduced by an amount equal to the percentage which was partially prepaid multiplied by the applicable Assigned Annual Special Tax and Backup Annual Special Tax prior to prepayment.

Notwithstanding the foregoing, no partial prepayment will be allowed unless the amount of Assigned Annual Special Taxes, net of Administrative Expenses, that may be levied on all Taxable Property, excluding Provisional Undeveloped Property, after such partial prepayment, shall be at least 1.1 times the regularly scheduled annual interest and principal payments on all currently outstanding Bonds in each future Fiscal Year and such partial prepayment will not impair the security of all currently outstanding Bonds, as reasonably determined by the Administrator. Such determination shall include identifying all Assessor's Parcels that are expected to be classified as Exempt Property.

Notwithstanding the above, the ability to prepay the Annual Special Tax obligation of an Assessor's Parcel may be suspended, by the Administrator, acting in his or her absolute and sole discretion for and on behalf of the CFO, without notice to the owners of property within the CFO for a period of time, not to exceed sixty (60) days, prior to the scheduled issuance of Bonds by the CFO to assist in the efficient preparation of the required bond market disclosure.

SECTION I ANNUAL SPECIAL TAX REMAINDER

In any Fiscal Year in which the Special Taxes collected from Developed Property exceed the amount needed to make regularly scheduled annual interest and principal payments on outstanding Bonds and pay Administrative Expenses, the School District may use such amount for the acquisition, construction or financing of school facilities, other authorized facilities of the CFO, and certain costs associated with the maintenance and operations of school facilities in accordance with the Mitigation Agreement, the Act, CFO proceedings and other applicable laws as determined by the Board.

SECTION J TERMINATION OF SPECIAL TAX

The Special Tax shall be levied for a term of three (3) Fiscal Years after the final maturity of the last series of Bonds, provided that the Special Tax shall not be levied later than Fiscal Year 2067/2068. However, the Special Tax may cease to be levied in an earlier Fiscal Year if the Board has determined (i) that all required interest and principal payments on the Bonds have been paid, (ii) all authorized facilities of the CFO have been acquired and all reimbursements have been paid, and (iii) all other obligations of the CFO have been satisfied.

SECTION K EXEMPTIONS

The Administrator shall classify as Exempt Property in the chronological order in which each Assessor Parcel becomes (i) owned by the State of California, federal or other local governments, (ii) used as places of worship and are exempt from *ad valorem* property taxes because they are owned by a religious organization, (iii) owned by a homeowners' association, (iv) burdened with a public or utility easements making impractical their utilization for other than the purposes set forth in the easement, or (v) any other Assessor's Parcels at the reasonable discretion of the Board, provided that no such classification would reduce the Net Taxable Acreage to less than 91.24 acres of Acreage ("Minimum Taxable Acreage").

Notwithstanding the above, the Administrator or Board shall not classify an Assessor's Parcel as Exempt Property if such classification would reduce the sum of the Acreage of all Taxable Property to less than the Minimum Taxable Acreage. Assessor's Parcels which cannot be classified as Exempt Property because such classification would reduce the Acreage of all Taxable Property to less than the Minimum Taxable Acreage will be classified as Provisional Undeveloped Property, as applicable, and will continue to be subject to Special Taxes accordingly.

SECTION L APPEALS

Any property owner claiming that the amount or application of the Special Tax is not correct may file a written notice of appeal with the Administrator to be received by the Administrator not later than six (6) months after having paid the first installment of the Special Tax that is disputed. The reissuance or cancellation of a building permit is not an eligible reason for appeal. In order to be considered sufficient, any notice of appeal must (i) specifically identify the property by address and Assessor's Parcel Number, (ii) state the amount in dispute and whether it is the whole amount or only a portion of the Special Tax, (iii) state all grounds on which the property owner is disputing the amount or application of the Special Tax, including a reasonably detailed explanation as to why the amount or application of such Special Tax is incorrect, (iv) include all documentation, if any, in support of the claim, and (v) be verified under penalty of perjury by the person who paid the Special Tax or his or her guardian, executor or administrator. The Administrator shall promptly review the appeal, and if necessary, meet with the property owner, consider written and oral evidence regarding the amount of the Special Tax, and rule on the appeal. If the representative's decision requires that the Special Tax for an Assessor's Parcel be modified or changed in favor of the property owner, a cash refund shall not be made (except for the last year of levy), but an adjustment shall be made to the Special Tax on that Assessor's Parcel in the subsequent Fiscal Year(s) as the representative's decision shall indicate.

SECTION M MANNER OF COLLECTION

The Special Tax shall be collected in the same manner and at the same time as ordinary *ad valorem* property taxes and shall be subject to the same penalties, the same procedure, sale and lien priority in the case of delinquency; provided, however, that the CFO may directly bill all or a portion of the Special Tax, may collect Special Taxes at a different time or in a different manner if necessary to meet its financial obligations, and if so collected, a delinquent penalty of ten percent (10%) of the Special Tax will attach at 5:00 p.m. on the date the Special Tax becomes delinquent and interest at 1.5% per month of the Special Tax will attach on the July 1 after the delinquency date and the first of each month thereafter until such Special Taxes are paid.

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APPENDIX C

SUMMARY OF CERTAIN PROVISIONS OF THE FISCAL AGENT AGREEMENT

COMMUNITY FACILITIES DISTRICT NO. 2023-1 OF THE WILLIAM S. HART UNION HIGH SCHOOL DISTRICT SERIES 2025 SPECIAL TAX BONDS

The following is a brief summary of certain provisions of the Fiscal Agent Agreement, relative to the above-referenced Series 2025 Special Tax Bonds. This summary is not intended to be definitive and is qualified in its entirety by reference to such Fiscal Agent Agreement for the complete terms thereof. Copies of the Fiscal Agent Agreement are available upon request from the William S. Hart Union High School District.

DEFINITIONS

The following are summaries of definitions of certain terms used in this Summary. All capitalized terms not defined therein or elsewhere in the Preliminary Official Statement have the meaning(s) set forth in the Fiscal Agent Agreement.

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

“Administrative Expense Fund” means the fund of that name established under and held by the Fiscal Agent pursuant to the terms of the Fiscal Agent Agreement.

“Administrative Expense Requirement” means an amount up to a maximum of \$31,212.00 per Fiscal Year, which amount will escalate at 2.00% per Fiscal Year beginning in Fiscal Year 2025-26.

“Administrative Expenses” means the administrative costs with respect to the calculation and collection of the Special Taxes and any other costs related to the Series 2025 Special Tax Bonds and the Fiscal Agent Agreement, including the fees and expenses of the Fiscal Agent and any Persons, parties, consultants or attorneys employed pursuant to certain sections set forth in the Fiscal Agent Agreement, costs and legal expenses of foreclosure actions undertaken pursuant to the terms thereof to the extent not recovered pursuant to statutory authorization, costs otherwise incurred by the District in order to carry out the authorized purposes of the Series 2025 Special Tax Bonds, rebate compliance, statutory disclosure for the District’s continuing disclosure obligations and reporting requirements and statutory and contractual disclosure for the District’s continuing disclosure obligations and reporting requirements for “Administrative Expenses” as defined in the Rate and Method.

“Annual Debt Service” means, with respect to any Outstanding Bonds, for each Bond Year, the sum of (a) the interest payable on such Bonds in such Bond Year, and (b) the principal amount of the Outstanding Bonds scheduled to be paid in such Bond Year.

“Authorized Investments” means, subject to the Fiscal Agent Agreement, any of the following investments, if and to the extent the same are at the time legal for investment of the School District’s funds:

(a) United States Treasury notes, bonds, bills, or certificates of indebtedness, or those for which the faith and credit of the United States of America are pledged for the payment of principal and interest, and which have a maximum term to maturity not to exceed three years.

(b) Obligations of any of the following federal agencies which obligations represent the full faith and credit of the United States of America, and which have a maximum term to maturity not to exceed three years, 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

(c) 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, and which have a maximum term to maturity not to exceed three years:

- Senior debt obligations rated “Aaa” by Moody’s and “AAA” by Standard & Poor’s 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

(d) Registered state warrants or treasury notes or bonds of the State of California (“State”), including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the State or by a department, board, agency, or authority of the State, which are rated in one of the two highest short-term or long-term rating categories by Moody’s or Standard & Poor’s.

(e) Registered bonds, notes, warrants or other evidences of indebtedness of any local agency of the State, including bonds payable solely out of revenues from a revenue-producing property owned, controlled, or operated by the local agency, where the interest on such local

agency obligation is exempt from federal and State income taxes and which are rated in one of the two highest short-term or long-term rating categories by Moody's or Standard & Poor's.

(f) Deposit accounts, time certificates of deposit or negotiable certificates of deposit issued by a state or nationally chartered bank or trust company, which may include the Fiscal Agent or its affiliates, or a state or federal savings and loan association; provided, that the certificates of deposit shall be one or more of the following:

- (1) Continuously and fully insured by the Federal Deposit Insurance Corporation.
- (2) Continuously and fully secured by securities described in clause (a) or (b) above which shall have a market value, as determined on a marked-to-market basis calculated at least weekly, and exclusive of accrued interest, or not less than one hundred two percent (102%) of the principal amount of the certificates on deposit.

(g) Commercial paper of "prime" quality of the highest ranking or of the highest letter and numerical rating as provided by Moody's and Standard & Poor's, which commercial paper is limited to issuing corporations that are organized and operating within the United States of America and that have total assets in excess of five hundred million dollars (\$500,000,000) and that have an "A2" or "A" or higher rating for the issuer's debentures, other than commercial paper, by Moody's and Standard & Poor's, provided that purchases of eligible commercial paper may not exceed 180 days' maturity nor represent more than ten percent (10%) of the outstanding commercial paper of an issuing corporation. Purchases of commercial paper may not exceed twenty percent (20%) of the proceeds of the Series 2025 Special Tax Bonds.

(h) A repurchase agreement with a state or nationally chartered bank or trust company or a national banking association or government bond dealer reporting to, trading with, and recognized as a primary dealer by the Federal Reserve Bank of New York, the long term debt of which is rated at least "A2" or "A" by Moody's and Standard & Poor's, provided that all of the following conditions are satisfied:

- (1) (A) The agreement is secured by any one or more of the securities described in clause (a) above of this definition of Authorized Investments ("Underlying Securities");
- (B) The Underlying Securities are required by the repurchase agreement to be held by a bank, trust company, or primary dealer having a combined capital and surplus of at least one hundred million dollars (\$100,000,000) and which is independent of the issuer of the repurchase agreement ("Holder of Collateral") and the Underlying Securities have been transferred to the Holder of Collateral in accordance with applicable state and federal laws (other than by means of entries on the transferor's books); and
- (C) The Underlying Securities are maintained at a market value, as determined on a marked-to-market basis calculated at

least weekly, of not less than one hundred three percent (103%) of the amount so invested and at such levels and additional conditions not otherwise in conflict with the terms above as would be acceptable to Standard & Poor's and Moody's to maintain an "A" or "A2" rating in an "A" or "A2" rated structured financing (with a market value approach).

- (2) The repurchase agreement shall provide that if during its term the provider's rating by Moody's and Standard & Poor's is withdrawn or suspended or falls below "A-" by Standard & Poor's or "A3" by Moody's, as appropriate, the provider must within ten (10) days of receipt of direction from the Fiscal Agent, repurchase all collateral and terminate the agreement, with no penalty or premium to the District or Fiscal Agent.

(i) An investment agreement or guaranteed investment contract with, or guaranteed by, a financial institution, the long-term unsecured obligations of which are rated "Aa2" or "AA" or better by Moody's and Standard & Poor's at the time of initial investment ("Provider"). The investment agreement shall be subject to a downgrade provision with at least the following requirements:

- (1) If within five Business Days after the Provider's long-term unsecured credit rating has been reduced below "AA-" by Standard & Poor's or below "Aa3" by Moody's (these events are called "Rating Downgrades"), the Provider shall give notice to the Fiscal Agent and the District and, within the five-day period, and for as long as the Rating Downgrade is in effect, shall deliver or transfer in the name of the District to the Fiscal Agent or a third party acting solely as agent therefore (the "Holder of Collateral") (other than by means of entries on the Provider's books) federal securities allowed as investments under clause (a) above with aggregate current market value equal to at least one hundred five percent (105%) of the principal amount of the investment agreement invested with the Provider at that time, and shall deliver additional such federal securities as needed to maintain an aggregate current market value equal to at least one hundred five percent (105%) of the principal amount of the investment agreement within three days after each evaluation date, which shall be at least weekly.
- (2) If the Provider's long-term unsecured credit rating is withdrawn, suspended, other than because of general withdrawal or suspension by Moody's or Standard & Poor's from the practice of rating that debt, or reduced below "Aa3" by Moody's or below "AA-" by Standard & Poor's, the Provider shall give notice of the rating downgrade to the District and the Fiscal Agent, shall, upon five Business Days' written notice to the Provider, withdraw the investment agreement, with

accrued but unpaid interest thereon to the date, and terminate such agreement.

(j) A taxable or tax-exempt government money market portfolio mutual fund restricted to obligations with either maturities of one year or less or a dollar weighted average maturity of 120 days or less, and either issued, guaranteed or collateralized as to payment of principal and interest by the full faith and credit of the United States of America or rated in one of the three highest categories by Moody's or Standard & Poor's. Such money market funds may include funds for which the Fiscal Agent, its affiliates or subsidiaries provide investment advisory or other management services.

(k) The Local Agency Investment Fund referred to in Section 16429.1 of the Government Code of the State to the extent the Fiscal Agent may deposit and withdraw funds directly.

(l) The County Investment Pool, provided the District may statutorily invest funds in such Investment Pool.

(m) The California Asset Management Program (CAMP).

"Authorized Representative(s)", "Authorized Officer(s)" or "District Representative(s)" means an officer of the School District authorized to provide written directives on behalf of the District, which shall include the School District's Superintendent, Assistant Superintendent, Business Services, and such other Persons as shall be designated in writing by the School District.

"Board" or "Governing Board" means the Governing Board (Board of Trustees) of the William S. Hart Union High School District.

"Bond Counsel" means (a) the firm of Atkinson, Andelson, Loya, Ruud & Romo, A Professional Law Corporation, or (b) any other attorney or firm of attorneys nationally recognized for expertise in rendering opinions as to the legality and tax-exempt status of securities issued by public entities.

"Bond Fund" means the fund of that name established under, and held by the Fiscal Agent pursuant to, the terms of the Fiscal Agent Agreement.

"Bond Register" means the books which the Fiscal Agent shall keep, or cause to be kept, on which the registration and transfer of the Series 2025 Special Tax Bonds shall be recorded.

"Bond Year" means each twelve-month period extending from September 2 in one calendar year to September 1 of the succeeding calendar year, except in the case of the initial Bond Year which shall be the period from the Dated Date to September 1, 2026, both dates inclusive.

"Bondowner(s)" or "Owner(s)" means the Person or Persons in whose name or names any Bond is registered.

"Bonds" or "Series 2025 Special Tax Bonds" means the Outstanding Community Facilities District No. 2023-1 of the William S. Hart Union High School District Series 2025 Special Tax Bonds issued pursuant to the terms of this Fiscal Agent Agreement and any Supplement(s) hereto.

“Business Day” means a day which is not a Saturday or a Sunday or a day on which banks in Los Angeles, California and New York, New York are not required or permitted to be closed.

“Capitalized Interest Subaccount” means that subaccount of the Interest Account of the Bond Fund established under, and held by the Fiscal Agent pursuant to, the terms of the Fiscal Agent Agreement.

“Cash Deposit(s)” means a cash deposit(s) provided pursuant to the terms of the Fiscal Agent Agreement.

“Code” means the Internal Revenue Code of 1986, as amended, and any successor provisions thereto.

“Community Facilities District Policy” means that policy adopted by the School District pursuant to Government Code Section 53312.7, and as such may be amended from time to time.

“Completion Date” means the date on which the Project is completed and all Project Costs have been paid as evidenced by a certificate to that effect delivered to the Fiscal Agent by the District.

“Construction Fund” means the fund of that name established under and held by the Fiscal Agent pursuant to the terms of the Fiscal Agent Agreement.

“Costs of Issuance” means items of expense payable or reimbursable directly or indirectly by the District or School District and related to the authorization, issuance, sale and delivery of the Series 2025 Special Tax Bonds, which items of expense shall include, but not be limited to, costs of formation of CFD No. 2023-1, printing costs, cost of reproducing and binding documents, closing costs, appraisal costs, mortgage study costs, filing and recording fees, fees and expenses of counsel to the District or School District, initial fees and expenses of the Fiscal Agent, including its first annual administration fee and fees of its counsel, expenses incurred by the District and the School District in connection with the authorization and issuance of the Series 2025 Special Tax Bonds and the establishment of the District, contractual reimbursements due from CFD No. 2023-1, legal fees and charges, including Bond Counsel and Disclosure Counsel, District financial consultants’ fees, costs of bond insurance and any reserve fund surety, charges for execution, transportation and safekeeping of the Series 2025 Special Tax Bonds and other costs, charges and fees in connection with the foregoing, including but not limited to, fees paid to the California Debt and Investment Advisory Commission.

“Costs of Issuance Account” means the account of that name established under, and held by the Fiscal Agent pursuant to, the terms of the Fiscal Agent Agreement.

“County” means the County of Los Angeles, a political subdivision of the State.

“Dated Date” or “Delivery Date” means the date the Series 2025 Special Tax Bonds are delivered.

“Depository” means any depository which holds Bonds pursuant to the terms of the Fiscal Agent Agreement, initially, with respect to the Series 2025 Special Tax Bonds, The Depository Trust Company (DTC).

“Designated Corporate Trust Office” means the corporate trust office of the Fiscal Agent, which, at the date of execution of the Fiscal Agent Agreement, is located at 550 South Hope Street, Suite 2875, Los Angeles, CA 90071, attention: Corporate Trust Office, or such other office(s) as the Fiscal Agent may designate from time to time; provided, however, that with respect to presentation of Bond for payment or for registration of transfer and exchange such term shall mean the office or agency of the Fiscal Agent at which, at any particular time, its corporate trust agency business shall be conducted.

“Developed Property” shall have the same meaning set forth in the Rate and Method.

“Developer(s)” means those parties developing the property within the boundaries of the District as identified under the terms of the School Facilities Funding Agreement and assignments thereof.

“Dissemination Agent” means KeyAnalytics, or any successor dissemination agent appointed by the District pursuant to the District Continuing Disclosure Certificate.

“District” or “CFD No. 2023-1” means Community Facilities District No. 2023-1 of the William S. Hart Union High School District.

“District Continuing Disclosure Certificate” shall mean that certain Continuing Disclosure Certificate delivered by the District, dated as of the Dated Date, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

“Excess Investment Earnings” shall mean an amount equal to the sum of:

(i) the excess of

(A) the aggregate amount earned from the Delivery Date on all Nonpurpose Investments in which Gross Proceeds are invested (other than amounts attributable to an excess described in this subparagraph (i)), over

(B) the amount that would have been earned if the yield on such Nonpurpose Investments (other than amounts attributable to an excess described in this subparagraph (i)) had been equal to the Yield on the Series 2025 Special Tax Bonds,

plus

(ii) any income attributable to the excess described in paragraph (i).

In determining the amount of Excess Investment Earnings, there shall be excluded any amount earned on any fund or account which is used primarily to achieve a proper matching of revenues and annual debt service on the Series 2025 Special Tax Bonds during each Bond Year and which is depleted at least once a year except for a reasonable carryover amount not in excess of the greater of one year’s earnings on such fund or account or one-twelfth (1/12) of annual debt service on the Series 2025 Special Tax Bonds, as well as amounts earned on said earnings. The District intends that the Bond Fund, including the Principal Account and the Interest Account established therein, the Special Tax Fund and the Redemption Fund will be the type of funds described in the preceding sentence.

“Federal Securities” means any of the following which are non-callable and which at the time of investment are legal investments under the laws of the State for funds held by the Fiscal Agent: 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.

“Fiscal Agent” means Zions Bancorporation, National Association, and its successors and assigns or any other fiscal agent which may be appointed pursuant to the terms of the Fiscal Agent Agreement.

“Fiscal Agent Agreement” means the Fiscal Agent Agreement entered into between the District and the Fiscal Agent as amended or supplemented pursuant to the terms thereof.

“Fiscal Year” means the period from July 1 to June 30 in any year.

“Gross Proceeds” means any proceeds of the Series 2025 Special Tax Bonds and any funds (other than proceeds of the Series 2025 Special Tax Bonds) that are part of a reserve or replacement fund for the Series 2025 Special Tax Bonds within the meaning of Section 1.148-1(b) of the Regulations.

“Gross Taxes” means the amount of all Special Taxes collected within the District as set out in the Rate and Method and proceeds from the sale of property collected pursuant to the foreclosure provisions of the Fiscal Agent Agreement for the delinquency of such Special Taxes.

“Independent Financial Consultant” means a consultant or firm of such consultants generally recognized to be qualified in the field of implementation and administration of community facilities districts, or the financial consulting field, appointed and paid by the District and who, or each of whom:

(1) is independent of the District and the School District or any of the property owners within the District;

(2) does not have any substantial interest, direct or indirect, with the District or any of the property owners within the District; and

(3) is not connected with the District as a member, officer or employee of the District or any of the property owners within the District, but who may be regularly retained to make annual or other reports to the District.

“Informational Services” means the Municipal Securities Rulemaking Board, through its Electronic Municipal Market Access (EMMA) system, and, in accordance with then current guidelines of the Securities and Exchange Commission and/or such other services providing information with respect to called bonds as the District may designate in a written request of the District delivered to the Fiscal Agent.

“Interest Account” means the account of that name established under, and held by the Fiscal Agent pursuant to, the terms of the Fiscal Agent Agreement.

“Interest Payment Date” means March 1 and September 1 of each year during which any Bonds are Outstanding, commencing March 1, 2026.

“Land Purchaser(s)” is defined in the Fiscal Agent Agreement.

“LC Developer” means the Developer, or a Land Purchaser.

“Legislative Body” or “Legislative Body of CFD No. 2023-1” means the Governing Board, acting as the Legislative Body of the District.

“Letter(s) of Credit” means that certain irrevocable, standby letter(s) of credit issued or provided pursuant to the terms of the Fiscal Agent Agreement by a Letter of Credit Bank(s), or any reissuance or extension thereof, which Letter(s) of Credit shall be in the applicable Stated Amount and shall be for an initial term of no less than one year.

“Letter of Credit Bank(s)” means the issuer from time to time of a Letter(s) of Credit and the respective successors and assigns of the issuer thereof and any surviving, resulting or transferee banking association or corporation with which, or into which, it may be consolidated or merged or to which it may transfer all of its banking business, provided that such entity shall have a minimum rating, at all times during the term of the Letter(s) of Credit, of Moody’s long-term rating of “A” and short-term rating of “P-1,” with the foregoing ratings to be evidenced by proof provided by the Letter of Credit Bank(s) to the School District/District and the Fiscal Agent in writing.

“Letter of Credit Fund” means the fund of that name established under, and held by the Fiscal Agent pursuant to, the terms of the Fiscal Agent Agreement.

“Mandatory Redemption Account” means the account of that name established under, and held by the Fiscal Agent pursuant to, the terms of the Fiscal Agent Agreement.

“Mandatory Sinking Payments” means the amounts to be applied to the redemption of the Term Bonds in accordance with the schedule set forth in the Fiscal Agent Agreement and any subsequent schedule set forth in any Supplement thereto.

“Maximum Annual Debt Service” means the maximum sum for any Bonds obtained for any remaining Bond Year prior to the final maturity on the Series 2025 Special Tax Bonds by totaling the following for each Bond Year:

- (1) the principal amount of all Outstanding Bonds payable in such Bond Year whether at maturity or by redemption together with any applicable premium thereon, if any premium is payable; and
- (2) the interest payable on the aggregate principal amount of all Outstanding Bonds in such Bond Year assuming the Series 2025 Special Tax Bonds are retired as scheduled.

“Moody’s” means Moody’s Investors Service, Inc., a corporation duly organized and existing under the laws of the State of Delaware, and its successors and assigns, except that if such entity shall be dissolved or liquidated or shall no longer perform the functions of a securities rating

agency, then the term “Moody’s” shall be deemed to refer to any other nationally recognized securities rating agency selected by the District.

“Net Taxes” means the amount of all Gross Taxes minus Administrative Expenses up to the Administrative Expense Requirement.

“Nominee” means the nominee of DTC, which may be DTC, as determined from time to time pursuant to the terms of the Fiscal Agent Agreement.

“Non-Homeowner Property” means property within the District that is owned by an LC Developer. Property within the District owned by individual homeowners of record shall not constitute Non-Homeowner Property.

“Nonpurpose Investments” means any security, investment, obligation, annuity, investment-type property, specified private activity bond or any other type of investment property defined in Section 148 of the Code in which Gross Proceeds are invested (other than tax-exempt securities which are described in Section 103(a) of the Code) and which is not acquired to carry out the governmental purpose of the Series 2025 Special Tax Bonds.

“Optional Redemption Account” means the account of that name established under, and held by the Fiscal Agent pursuant to, the terms of the Fiscal Agent Agreement.

“Ordinance” means, Ordinance No. LB22/23-1, adopted on April 19, 2023, and as such Ordinance may be supplemented or amended in the future pursuant to the provisions of the Act and related State law.

“Outstanding” means all Bonds theretofore issued by the District, except:

- (1) Bonds theretofore canceled by the Fiscal Agent or surrendered to the Fiscal Agent for cancellation;
- (2) Bonds for the transfer or exchange of or in lieu of or in substitution for which other Bonds shall have been authenticated and delivered by the Fiscal Agent pursuant to the terms of the Fiscal Agent Agreement; and
- (3) Bonds paid and discharged pursuant to the provisions of the Fiscal Agent Agreement.

“Participating Underwriter” shall have the meaning ascribed thereto in the District Continuing Disclosure Certificate.

“Person” means an individual, corporation, limited liability company, firm, association, partnership, trust or other legal entity or group of entities, including a governmental entity or any agency or political subdivision thereof.

“Prepaid Special Taxes” means all Special Taxes prepaid to the District pursuant to Resolution No. 22/23-24 of the School District, and the Rate and Method, during the term hereof, less related applicable Administrative Expenses.

“Prepayment Account” means the account of that name established under, and held by the Fiscal Agent pursuant to, the terms of the Fiscal Agent Agreement.

“Principal Account” means the account of that name established under, and held by the Fiscal Agent pursuant to, the terms of the Fiscal Agent Agreement.

“Project” means the “School Facilities,” or any portion thereof, as defined in the Resolution of Formation, and the Community Facilities District Report, dated March 15, 2023, to be designed, constructed, acquired, financed, installed or completed by the District, the School District.

“Project Costs” means the costs of design, acquisition, financing, construction and installation of the Project and all costs related thereto. Project Costs may include the payment, or prepayment, of lease payments necessary for the acquisition of all or part of the Project.

“Purchase Price” for the purpose of computation of the Yield of the Series 2025 Special Tax Bonds, has the same meaning as the term “issue price” in Sections 1273 (b) and 1274 of the Code, and, in general, means the initial offering price to the public (not including bond houses and brokers, or similar Persons or organizations acting in the capacity of underwriters or wholesalers) at which price a substantial amount of the Series 2025 Special Tax Bonds are sold or, if the Series 2025 Special Tax Bonds are privately placed, the price paid by the original purchaser or the acquisition cost of the original purchaser. The term “Purchase Price,” for the purpose of computation of the Yield of Nonpurpose Investments, means the fair market value of the Nonpurpose Investments on the date of use of Gross Proceeds for acquisition thereof, or, if later, on the date that Investment Property (as defined in Section 148(b)(2) and (3) of the Code) constituting a Nonpurpose Investment becomes a Nonpurpose Investment of the Series 2025 Special Tax Bonds, as the case may be.

“Rate and Method” means the Rate and Method of Apportionment of Special Taxes of the District, as set forth in the Ordinance, and as approved pursuant to the Act, and as such may be subsequently amended or interpreted from time to time.

“Rebate Fund” means the fund of that name established under, and held by the Fiscal Agent pursuant to, the terms of the Fiscal Agent Agreement.

“Record Date” means the fifteenth (15th) day of the calendar month preceding an Interest Payment Date whether or not such day is a Business Day.

“Redemption Fund” means the fund of that name established under, and held by the Fiscal Agent pursuant to, the terms of the Fiscal Agent Agreement.

“Regulations” means any temporary, proposed or final regulations of the United States Department of Treasury with respect to obligations issued pursuant to Section 103 and Sections 141 to 150 of the Code.

“Representation Letter” shall mean the Blanket Letter of Representations from the District to the Depository as described in the Fiscal Agent Agreement.

“Reserve Fund” means the fund of that name established under, and held by the Fiscal Agent pursuant to, the terms of the Fiscal Agent Agreement.

“Reserve Requirement” means, with respect to the Series 2025 Special Tax Bonds, an amount, as of any date of calculation, equal to the least of (i) 10% of the original principal amount of the Series 2025 Special Tax Bonds, less original issue discount, if any, plus original issue premium, if any, (ii) Maximum Annual Debt Service on the Series 2025 Special Tax Bonds, or (iii) 125% of average Annual Debt Service on the Series 2025 Special Tax Bonds.

“Residual Fund” means the fund of that name established under, and held by the Fiscal Agent pursuant to, the terms of the Fiscal Agent Agreement.

“Resolution of Issuance” means Resolution No. LB25/26-8 of the District adopted by the Legislative Body, on October 8, 2025, authorizing the issuance of the Series 2025 Special Tax Bonds, approving the Fiscal Agent Agreement and various other matters.

“Responsible Officer” of the Fiscal Agent means any officer within the corporate trust department of the Fiscal Agent, including the president, every senior vice president, every vice president, every assistant vice president, every assistant treasurer, every trust officer or any other authorized officer of the Fiscal Agent who customarily performs functions similar to those performed by the persons who at the time shall be such officers, respectively, or to whom any corporate trust matter is referred because of such person’s knowledge of and familiarity with the particular subject and who shall have direct responsibility for the administration of the Fiscal Agent Agreement, at its Principal Corporate Trust Office.

“School District” means the William S. Hart Union High School District a public district organized and operating pursuant to the laws of the State of California.

“School Facilities” means facilities, projects and project costs for facilities to be owned and operated by the School District which are otherwise included under the definition of Project in the Fiscal Agent Agreement.

“School Facilities Funding Agreement” means, that Amended and Restated School Facilities Funding and Mitigation Agreement, entered into by and between the School District and the therein-named developer(s), dated February 1, 2023, as assigned, and as such School Facilities Funding Agreement may be amended, or further assigned (in full or in part), from time to time.

“School Facilities Account” means the account of that name established under, and held by the Fiscal Agent pursuant to, the terms of the Fiscal Agent Agreement.

“Securities Depositories” means The Depository Trust Company (DTC), at its then-current address; and, in accordance with then-current guidelines of the Securities and Exchange Commission, such other addresses and/or such other securities depositories as the District may designate in a certificate delivered to the Fiscal Agent.

“Series 2025 Term Bonds” or “Term Bonds” means the Series 2025 Special Tax Bonds maturing September 1, 20____, September 1, 20____ and September 1, 20____.

“Sinking Fund Redemption Account” means the account of that name established under, and held by the Fiscal Agent pursuant to, the terms of the Fiscal Agent Agreement.

“Special Tax Fund” means the fund of that name established under, and held by the Fiscal Agent pursuant to, the terms of the Fiscal Agent Agreement.

“Special Taxes” means the Special Taxes levied within the District by action of the Legislative Body pursuant to the Rate and Method, the 2023 Resolution of Formation, the Ordinance, and the voter approvals obtained at the 2023 Election and pursuant to the provisions of the Act.

“Standard & Poor’s” or “S&P” means S&P Global Ratings, a subsidiary of Standard & Poor’s Financial Services, LLC, a limited liability company duly organized and existing under the law of the State of New York, and its successors and assigns, except that if such entity shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term “S&P” shall be deemed to refer to any other nationally recognized securities rating agency selected by the District.

“State” means the State of California.

“Stated Amount(s)” means, during the time that a Cash Deposit(s) or Letter(s) of Credit is required in accordance with the requirements set forth in the Fiscal Agent Agreement as to the Series 2025 Special Tax Bonds, the estimated annual amount of Special Taxes to be levied in the current Fiscal Year on land in the District as listed in the Fiscal Agent Agreement, assuming, for the purpose of the calculation of the Stated Amount and the determination of the estimated annual Special Taxes, that such land, if classified as Undeveloped Property, is classified as Developed Property(ies) under the Rate and Method and assigned to the Land Use Class such property was projected to be assigned to at the time of bond issuance, owned by any LC Developer. The initial Stated Amount(s) applicable to the property owned by the Developer is: \$253,990.10.

“Supplement” means any supplemental agreement amending or supplementing the Fiscal Agent Agreement.

“Tax Certificate” means the certificate of that name (or a substantially similar designation) to be executed by an authorized representative of the District on the closing date with respect to the Series 2025 Special Tax Bonds to establish certain facts and expectations and which contains certain covenants relevant to compliance with the Code.

“Term Bond(s)” means the Series 2025 Special Tax Bonds maturing on September 1, 20__, September 1, 20__ and September 1, 20__.

“Underwriter” means Stifel, Nicolaus & Company, Incorporated.

“Undeveloped Property” shall have the same meaning set forth in the Rate and Method and in the Ordinance.

“Yield” means that yield which, when used in computing the present worth of all payments of principal and interest (or other payments in the case of Nonpurpose Investments which require payments in a form not characterized as principal and interest) on a Nonpurpose Investment or on the Series 2025 Special Tax Bonds produces an amount equal to the Purchase Price of such Nonpurpose Investment or Series 2025 Special Tax Bonds, as the case may be, all computed as prescribed in the applicable Regulations.

ISSUANCE OF THE SERIES 2025 SPECIAL TAX BONDS

The Series 2025 Special Tax Bonds are issued pursuant to the Resolution of Issuance, the Act and the Fiscal Agent Agreement in the amounts and maturities set forth in the Fiscal Agent Agreement (see “THE BONDS – Authority for Issuance” and “– General Bond Terms” in the Preliminary Official Statement for further information).

Limited Obligation

The Series 2025 Special Tax Bonds shall be and are limited obligations of the District and shall be payable as to the principal thereof and interest thereon and any premiums upon the redemption thereof solely from the Net Taxes and amounts in certain funds and accounts created pursuant to the Fiscal Agent Agreement as specified therein. The Net Taxes are pledged and set aside for the payment of the Series 2025 Special Tax Bonds pursuant to the terms of the Fiscal Agent Agreement.

The Series 2025 Special Tax Bonds and interest thereon are not payable from the general fund of the District or the School District. Except with respect to the Net Taxes, neither the credit nor the taxing power of the District or the School District is pledged for the payment of the Series 2025 Special Tax Bonds or interest thereon, and no Owner of the Series 2025 Special Tax Bonds may compel the exercise of the taxing power by the District (except with respect to the Net Taxes) or the School District or the forfeiture of any of their property. The principal of and interest on the Series 2025 Special Tax Bonds, and premiums, if any, upon the redemption of any thereof, are not a debt of the District or the School District, the State nor any of its political subdivisions within the meaning of any constitutional or statutory limitation or restriction. The Series 2025 Special Tax Bonds are not a legal or equitable pledge, charge, lien or encumbrance, upon any property or income, receipts or revenues of the District or the School District, except the Net Taxes which are, under the terms of the Fiscal Agent Agreement, pledged and set aside for the payment of the Series 2025 Special Tax Bonds and interest thereon. Neither the members of the Legislative Body or the Board nor any Persons executing the Series 2025 Special Tax Bonds are personally liable on the Series 2025 Special Tax Bonds by reason of their issuance (see “INTRODUCTION,” “SECURITY FOR THE BONDS – Limited Obligation” and “BOND OWNERS’ RISKS – Limited Obligation of the Community Facilities District to Pay Debt Service” in the Preliminary Official Statement for further information).

Equality of Bonds, Pledge of Net Taxes

Pursuant to the Act and the provisions of the Fiscal Agent Agreement, the Series 2025 Special Tax Bonds shall be equally payable from the Net Taxes without priority for number, date of the Series 2025 Special Tax Bonds, date of sale, date of execution or date of delivery, and the payment of the interest on and principal of the Series 2025 Special Tax Bonds and any premiums upon the redemption thereof shall be exclusively paid from the Net Taxes and amounts held in certain funds and accounts created under the terms of the Fiscal Agent Agreement, as specified therein. All of the Net Taxes are pledged and set aside for the payment of the Series 2025 Special Tax Bonds, and such Net Taxes and any interest earned on the Net Taxes shall constitute pledged funds for the payment of the interest on, principal of and premium, if any, on the Series 2025 Special Tax Bonds and so long as any of the Series 2025 Special Tax Bonds or interest thereon are unpaid, the Net Taxes and interest thereon shall not be used for any other purpose, except as

permitted by the Fiscal Agent Agreement or any Supplement, and shall be held for the benefit of the Bondowners and shall be applied pursuant to the Fiscal Agent Agreement, or to the Fiscal Agent Agreement as modified pursuant to provisions therein. Notwithstanding any provision contained in the Fiscal Agent Agreement to the contrary, Net Taxes deposited in the Administrative Expense Fund, the Construction Fund (and its accounts) and the Residual Fund shall no longer be considered to be pledged to the Series 2025 Special Tax Bonds and the Administrative Expense Fund, the Construction Fund and the Residual Fund shall not be construed as pledged funds held for the benefit of the Bondowners.

In the event that the Fiscal Agent lacks sufficient amounts to make timely payment of principal and interest and premium upon redemption, if any, on the Series 2025 Special Tax Bonds when due, such principal of and interest and premium on the Series 2025 Special Tax Bonds shall be paid from available amounts held by the Fiscal Agent in the Special Tax Fund (and its accounts), Bond Fund (and its accounts), Reserve Fund, Letter of Credit Fund or Redemption Fund under the Fiscal Agent Agreement (not including those amounts deposited in the Construction Fund (and its accounts), Administrative Expense Fund, Rebate Fund and the Residual Fund) in accordance with such terms without preference or priority of interest over principal or principal over interest, or of any installment of principal or interest over any other installment of principal or interest, ratably to the aggregate amount of such principal and interest (see also “SECURITY FOR THE BONDS – General” in the Preliminary Official Statement for further information).

Nothing in this Fiscal Agent Agreement or any Supplement shall preclude the redemption of any Bonds subject to call and redemption prior to maturity and payment of the Series 2025 Special Tax Bonds from proceeds of refunding bonds issued under the Act, as the same now exists or is hereafter amended, or under any other law of the State.

Funds and Accounts

The Fiscal Agent Agreement creates specified funds, accounts and subaccounts to be created, maintained and held by the Fiscal Agent for specified purposes:

Special Tax Fund. The Special Taxes, and other amounts constituting Gross Taxes, received or collected by the District shall be transferred (exclusive of Prepaid Special Taxes received which shall be deposited into the Prepayment Account of the Special Tax Fund, and Special Taxes relating to property with respect to which a draw has been made on the corresponding Letter of Credit, or Cash Deposit, which shall be deposited into the Letter of Credit Fund to be used to reimburse the Letter of Credit Bank or the LC Developer, as the case may be), no later than 10 days after receipt thereof, to the Fiscal Agent and shall be held in the Special Tax Fund for the benefit of the District and the Bondowners (exclusive of the Administrative Expense Requirement, as set forth below) and shall, exclusive of the Prepaid Special Taxes, be transferred from the Special Tax Fund in the following order of priority:

(a) To the Administrative Expense Fund, an amount equal to the Administrative Expense Requirement.

(b) To the Interest Account of the Bond Fund, an amount such that the balance in the Interest Account one Business Day prior to each Interest Payment Date shall be equal to the installment of interest due on the Series 2025 Special Tax Bonds on said Interest Payment Date.

Moneys in the Interest Account shall be used for the payment of interest on the Series 2025 Special Tax Bonds as the same become due.

(c) To the Principal Account of the Bond Fund, an amount up to the amount needed to make the principal payment due on the Series 2025 Special Tax Bonds during the current Bond Year.

(d) To the Sinking Fund Redemption Account of the Redemption Fund an amount up to the amount needed to make the Mandatory Sinking Payments due on the Series 2025 Special Tax Bonds which are Term Bonds during the current Bond Year.

(e) To the Reserve Fund, the amount, if any, necessary to replenish the Reserve Fund to the Reserve Requirement.

(f) To the extent that Administrative Expenses are not fully satisfied in (a) above, to the Administrative Expense Fund in the amount(s) required to bring the balance therein to the amount identified by the District to the Fiscal Agent to meet such additional Administrative Expenses (over and above the Administrative Expense Requirement) in the coming Fiscal Year, or Administrative Expenses from a prior Fiscal Year which remain unpaid.

(g) To the Optional Redemption Account of the Redemption Fund, the amount, if any, that the District directs the Fiscal Agent to deposit pursuant to the provisions of the Fiscal Agent Agreement.

(h) Any remaining Special Taxes and other amounts constituting Net Taxes shall remain in the Special Tax Fund subject to the provisions of (i), below.

(i) Any remaining Special Taxes and other amounts constituting Net Taxes, if any, shall remain in the Special Tax Fund until the end of the Bond Year. At the end of the Bond Year any remaining funds in the Special Tax Fund, which are not required to cure a delinquency in the payment of principal and interest on the Series 2025 Special Tax Bonds (including payment of Mandatory Sinking Payments due during the current Bond Year), to restore the Reserve Fund as provided for in (e), above, or to pay current or pending Administrative Expenses as provided for in (a) and (f) above, shall, be retained in the Special Tax Fund and applied to the purposes set forth in (a)-(g) above in the next following Bond Year until such time as the District provides to the Fiscal Agent a certification, which shall be confirmed by a special tax consultant to the District, that: (i) the Special Taxes levied on Developed Property are equal to or greater than the amount needed to satisfy the requirements of (a)-(e), above, in such Bond Year; (ii) the Administrative Expense Requirement of the District in such Bond Year has been, or will be, satisfied; and (iii) no Special Taxes are being levied on Undeveloped Property. Upon making such certification, and following the end of the corresponding Bond Year, any remaining funds in the Special Tax Fund, which are not required to cure a delinquency in the payment of principal and interest on the Series 2025 Special Tax Bonds (including payment of Mandatory Sinking Payments due during the current Bond Year), to restore the Reserve Fund as provided for in (e), above, or to pay current or pending Administrative Expenses as provided for in (a) and (f) above, shall, without further action by any party, be transferred by the Fiscal Agent on September 2 of each such year into the Residual Fund, which funds shall thereafter be used in accordance with the Fiscal Agent Agreement and shall be free and clear of any lien thereon. The Fiscal Agent shall promptly confirm the amount

of such transfer(s) into the Residual Fund in writing to the District. **Moneys deposited into, or held within, the Residual Fund are not pledged to the payment of principal, interest or premiums on the Series 2025 Special Tax Bonds.** Any funds which are required to cure any such delinquency shall be retained in the Special Tax Fund and expended or transferred, at the earliest possible date, for such purpose.

At the date of the redemption, defeasance or maturity of the last Series 2025 Special Tax Bond and after all principal and interest then due on any Series 2025 Special Tax Bond has been paid or provided for, all other covenants are complied with and all fees and expenses of the Fiscal Agent have been paid, moneys in the Special Tax Fund will be transferred to the District by the Fiscal Agent and may be used by the District for any lawful purpose. Funds in the Special Tax Fund shall be invested in accordance with the provisions of the Fiscal Agent Agreement. Investment earnings on amounts in the Special Tax Fund, if any, shall be retained therein (see “SECURITY FOR THE BONDS – Special Tax Fund” in the Preliminary Official Statement for further information).

Prepayment Account of the Special Tax Fund. Prepaid Special Taxes collected by the District (net of any costs of collection) shall be transferred, no later than 10 days after receipt thereof, to the Fiscal Agent; and the District shall direct the Fiscal Agent to deposit the Prepaid Special Taxes in the Prepayment Account of the Special Tax Fund (which the Fiscal Agent shall then establish). The Prepaid Special Taxes shall be held in the Prepayment Account for the benefit of the Series 2025 Special Tax Bonds and shall be transferred by the Fiscal Agent to the Mandatory Redemption Account of the Redemption Fund to call Series 2025 Special Tax Bonds on the next Interest Payment Date for which notice can be given in accordance with the special mandatory redemption provisions as set forth in the Fiscal Agent Agreement. The Prepaid Special Taxes shall be transferred to the Mandatory Redemption Account and applied to call Series 2025 Special Tax Bonds as set out in the Fiscal Agent Agreement. Moneys representing the Prepaid Special Taxes shall be invested in accordance with the terms of the Fiscal Agent Agreement. Investment earnings on amounts in the Prepayment Account not needed to redeem the Series 2025 Special Tax Bonds pursuant to the special mandatory redemption provisions of the Fiscal Agent Agreement shall be transferred to the Special Tax Fund by the Fiscal Agent at the time of transfer of the Prepaid Special Taxes to the Mandatory Redemption Account of the Redemption Fund. See “THE BONDS – Redemption” and “SPECIAL RISK FACTORS – Potential Early Redemption of Bonds from Prepayments” in the Preliminary Official Statement.

Administrative Expense Fund. Upon receipt of Gross Taxes the Fiscal Agent shall transfer from the Special Tax Fund to the Administrative Expense Fund, from time to time, the Administrative Expense Requirement, and any amount(s) that the District has determined and of which the District has notified the Fiscal Agent of pursuant to the provisions of the Fiscal Agent Agreement. The Administrative Expense Requirement, and the deposit of funds into the Administrative Expense Fund, shall be subject to the provisions and priorities set forth in the Fiscal Agent Agreement. Upon receipt of a duly executed payment request provided for under the provisions of the Fiscal Agent Agreement, the Fiscal Agent shall pay Administrative Expenses from amounts in the Administrative Expense Fund, directly to the contractor or such other Person, corporation or entity designated as the payee on such form, which payee may include the District, or School District, or shall reimburse the District, or School District, for Administrative Expenses paid by the District, or School District, as applicable, from such amounts. Moneys in the Administrative Expense Fund shall not be construed as a trust fund for the benefit of the

Bondowners and are not pledged for payment of the principal of, or interest or premium on, the Series 2025 Special Tax Bonds, and are not subject to any Bondowners' lien. Moneys in the Administrative Expense Fund shall be invested in accordance with the terms of the Fiscal Agent Agreement. Investment Earnings on amounts in the Administrative Expense Fund, if any, shall be retained therein.

Bond Fund. The Bond Fund (in which there is established an Interest Account and a Principal Account), is used to disperse payments of principal and interest to the Bondowners on each respective Interest Payment Date. Two (2) Business Days prior to each Interest Payment Date, the Fiscal Agent shall withdraw from the Special Tax Fund, the Letter of Credit Fund (if applicable) or the Reserve Fund in the event that sufficient moneys are unavailable in the Special Tax Fund, and deposit in the Principal Account and the Interest Account of the Bond Fund an amount equal to all of the principal and all of the interest due and payable on Series 2025 Special Tax Bonds on the ensuing Interest Payment Date, less amounts on hand in the Bond Fund available to pay principal and/or interest on such Series 2025 Special Tax Bonds. Notwithstanding the foregoing, amounts in the Bond Fund resulting from transfers from the Construction Fund pursuant to the Fiscal Agent Agreement shall be used to pay the principal of and interest on such Series 2025 Special Tax Bonds prior to the use of any other amounts in the Bond Fund for such purpose. The Fiscal Agent shall apply moneys in the Interest Account and Principal Account to the payment of interest and principal, respectively, on the Series 2025 Special Tax Bonds on each Interest Payment Date.

Moneys in the Interest Account are allocated to the payment of interest due on the Series 2025 Special Tax Bonds on each Interest Payment Date and moneys in the Principal Account are allocated to the repayment of principal on the Series 2025 Special Tax Bonds on the corresponding Interest Payment Date (see "SECURITY FOR THE BONDS - Bond Fund" in the Preliminary Official Statement for further information). Funds held in the Capitalized Interest Subaccount of the Interest Account shall be applied to pay interest coming due on the Series 2025 Special Tax Bonds until such funds are exhausted (see "SECURITY FOR THE BONDS - Capitalized Interest Subaccount" in the Preliminary Official Statement for more information).

Reserve Fund - The Reserve Fund will be initially funded in an amount equal to the Reserve Requirement applicable to the Series 2025 Special Tax Bonds from the net proceeds of the Series 2025 Special Tax Bonds. Thereafter, the terms of the Fiscal Agent Agreement provide for transfers of funds (as described therein and herein) to maintain funds in the Reserve Fund at the Reserve Requirement. Notwithstanding the foregoing, in the event of a redemption or partial defeasance of the Series 2025 Special Tax Bonds, the Reserve Requirement shall thereafter be determined by the District and communicated to the Fiscal Agent in writing and any funds in excess of such redetermined Reserve Requirement shall be utilized as set forth in the Fiscal Agent Agreement.

(b) Except as set out in the Fiscal Agent Agreement concerning investment earnings, moneys in the Reserve Fund shall be used solely for the purpose of (i) making transfers to the Bond Fund or Redemption Fund to pay the principal of, including Mandatory Sinking Payments, and interest and premium on the Series 2025 Special Tax Bonds when due to the extent that moneys in the Interest Account (including moneys on deposit in the Capitalized Interest Subaccount) and the Principal Account of the Bond Fund or moneys in the Sinking Fund Redemption Account, including any funds drawn from the Letter of Credit Fund as provided in the Fiscal Agent Agreement, are insufficient therefor; (ii) making any required transfer to the

Rebate Fund pursuant to the Fiscal Agent Agreement upon written direction from the District; (iii) making any transfers to the Bond Fund or Redemption Fund in connection with prepayments of the Special Taxes; (iv) paying the principal of and interest due on Bonds in the final Bond Year; and (v) application to the defeasance of Bonds in accordance with the terms of the Fiscal Agent Agreement. If the amounts in the Interest Account (including amounts in the Capitalized Interest Subaccount) or the Principal Account of the Bond Fund and the Sinking Fund Redemption Account of the Redemption Fund, including any funds drawn from the Letter of Credit Fund as provided for in the Fiscal Agent Agreement, are insufficient to pay the principal of, including Mandatory Sinking Payments, or interest on the Series 2025 Special Tax Bonds when due, the Fiscal Agent shall, one Business Day prior to the corresponding Interest Payment Date, withdraw from the Reserve Fund for deposit in the Interest Account and the Principal Account of the Bond Fund, or the Sinking Fund Redemption Account of the Redemption Fund, moneys necessary for such purpose. Following any transfer to the Interest Account or the Principal Account of the Bond Fund, or the Sinking Fund Redemption Account of the Redemption Fund, the Fiscal Agent shall notify the District of the amount needed to replenish the Reserve Fund to the Reserve Requirement and the District shall include such amount as is required at that time to correct such deficiency in the next Special Tax levy to the extent of the maximum permitted Special Tax rates.

Funds held in the Reserve Fund shall be invested in accordance with the terms of the Fiscal Agent Agreement. Any moneys in the Reserve Fund, if any, in excess of the corresponding Reserve Requirement shall be withdrawn by the Fiscal Agent two (2) Business Days prior to each Interest Payment Date and deposited into the Interest Account of the Bond Fund. The Fiscal Agent shall transfer to the Rebate Fund Excess Investment Earnings from the Reserve Fund earnings upon written direction of the District pursuant to the provisions of the Fiscal Agent Agreement.

Notwithstanding anything in the Fiscal Agent Agreement to the contrary, the Fiscal Agent shall transfer to the Reserve Fund, from available moneys in the Special Tax Fund, the amount needed to restore the Reserve Fund to the Reserve Requirement as specified in the Fiscal Agent Agreement. Moneys in the Special Tax Fund shall be deemed available for transfer to the Reserve Fund only if such amounts will not be needed to make the deposit required to be made to the Interest Account and the Principal Account of the Bond Fund or the Sinking Fund Redemption Account of the Redemption Fund for the next Interest Payment Date.

(See “SECURITY FOR THE BONDS - Reserve Fund” in the Preliminary Official Statement and “**Funds and Accounts** - Special Tax Fund” above for more information).

Construction Fund. The Fiscal Agent Agreement establishes the Construction Fund, in which there are established the School Facilities Account and the Costs of Issuance Account. Funds deposited in the Construction Fund, and the accounts thereof, are not pledged to the payment of principal or interest on the Series 2025 Special Tax Bonds.

A portion of the net proceeds of the Series 2025 Special Tax Bonds will be deposited in the School Facilities Account and into the Costs of Issuance Account (see “FINANCING PLAN – Estimated Sources and Uses” in the Preliminary Official Statement for further information).

Moneys in the School Facilities Account, together with interest earnings thereon, will be utilized to pay for Project Costs as set forth in the Fiscal Agent Agreement (see

“INTRODUCTION – General,” and “FINANCING PLAN” in the Preliminary Official Statement for further information).

Upon the Completion Date, funds held in the School Facilities Account of the Construction Fund will be utilized as set out in the Fiscal Agent Agreement and such account shall thereafter be closed by the Fiscal Agent.

Moneys deposited into the Costs of Issuance Account will be expended at the direction of the District for payment of Costs of Issuance as further set forth in the Fiscal Agent Agreement.

Letter of Credit Fund. As a condition precedent to issuance of the Series 2025 Special Tax Bonds, the District shall cause the Developer to provide one or more Letter(s) of Credit or Cash Deposit(s), as applicable, in the corresponding Stated Amount, naming the Fiscal Agent as beneficiary. The Fiscal Agent shall establish a separate account for any Letter(s) of Credit or Cash Deposit(s) provided by the Developer (or LC Developer, as the case may be). Any Letter(s) of Credit or Cash Deposit(s) provided by each Developer (or LC Developer as the case may be) shall secure payment only of Special Taxes levied on the Non-Homeowner Property within the District secured by such Letter(s) of Credit or Cash Deposit(s), as determined by reference to the terms of the Fiscal Agent Agreement. The initial Letter(s) of Credit or Cash Deposit(s) provided by the Developer secures the Special Taxes levied on Non-Homeowner Property as described in the Fiscal Agent Agreement.

Notwithstanding anything in the Fiscal Agent Agreement to the contrary, the following two conditions precedent (“Cash Deposit(s) Conditions”) apply to all instances where a Cash Deposit(s) will be provided by an LC Developer, whether in partial or total satisfaction of the requirements under the Fiscal Agent Agreement. The Cash Deposit(s) Conditions, which must both be satisfied before the Cash Deposit(s) will be deemed to be in compliance with the requirements of the Fiscal Agent Agreement, are: (i) the satisfaction of the requirements of the Fiscal Agent Agreement with a Cash Deposit(s) in lieu of a Letter(s) of Credit must receive the prior written approval of a District Representative, such approval to be at the sole discretion of the District; and (ii) the deposit of the Cash Deposit(s) with the Fiscal Agent by the applicable owner of the property lien by the Special Taxes secured by the Cash Deposit(s) for a period of not less than 91 days (unless such period is expressly waived by an Authorized Representative of the District, in its sole discretion). The foregoing Cash Deposit(s) Conditions apply in every instance where a Cash Deposit(s) is being made by an LC Developer, whether such requirement is specifically stated in any of the references to “Cash Deposit(s)” in the Fiscal Agent Agreement or not.

A Letter(s) of Credit or Cash Deposit(s) shall be in effect until individual homeowners are record owners of 60% or more of the total of all residential assessor parcels (“Parcels”) within the District. For purposes of the Fiscal Agent Agreement the total number of Parcels within the District shall be determined by reference to all subdivision maps recorded, or to be recorded, covering the territory within the boundaries of the District. On or before each July 1, commencing July 1, 2026 (or, on a date at least 30 but not more than 45 days prior to the expiration of any existing Letter(s) of Credit), the District shall determine the number of Parcels owned by individual homeowners within the District. If fewer than 60% of the Parcels within the District are owned by individual homeowners, the District shall certify to the Fiscal Agent: (A) the number of such Parcels owned by individual homeowners within the District and the number of such Parcels

owned by each LC Developer, and (B) the Stated Amount of the corresponding Letter(s) of Credit or Cash Deposit(s) required to be in effect for each LC Developer.

In the event fewer than 60% of the Parcels within the District are owned by individual homeowners with record title as of such July 1 (or as of a date at least 30 but not more than 45 days prior to the expiration of any existing Letter(s) of Credit), then each LC Developer shall provide to the Fiscal Agent, no later than the following August 1 (or a date 15 days prior to the expiration date of any existing Letter(s) of Credit), (i) an irrevocable Letter(s) of Credit in the revised Stated Amount, (ii) an extension of any existing Letter(s) of Credit in an amount equal to the revised Stated Amount, (iii) a Cash Deposit(s) satisfying the Cash Deposit(s) Conditions in the amount of the revised Stated Amount (subject to the conditions stated above), or (iv) some combination of a Cash Deposit(s) satisfying the Cash Deposit(s) Conditions and a Letter(s) of Credit equaling the revised Stated Amount (for each LC Developer, the “Revised Letter(s) of Credit/Cash Deposit(s)”).

If a Letter of Credit is currently in place for an LC Developer, and if such LC Developer is required to post a Revised Letter(s) of Credit/Cash Deposit(s), and in the event the Fiscal Agent has not received the required Revised Letter(s) of Credit/Cash Deposit(s) that satisfies the Cash Deposit Conditions by the applicable LC Developer by said August 1 (or a date 15 days prior to the applicable expiration date of the Letter(s) of Credit), the Fiscal Agent shall immediately notify the District thereof, and upon the written direction of an Authorized Representative, immediately, with no further authorization or instruction, draw upon the Letter(s) of Credit that is not being replaced with the Revised Letter(s) of Credit/Cash Deposit(s) in the full Stated Amount. The Fiscal Agent shall deposit the proceeds of such draw into the corresponding account of the Letter of Credit Fund for use as described below and in the Fiscal Agent Agreement.

If a Cash Deposit is currently in place for an LC Developer, and if such LC Developer is required to post a Revised Letter(s) of Credit/Cash Deposit(s), and in the event the Fiscal Agent does not receive the required Revised Letter(s) of Credit/Cash Deposit(s) by an LC Developer by such August 1 (or a date 15 days prior to the applicable expiration date of the Letter(s) of Credit), the District shall not return any Cash Deposit(s) to the applicable LC Developer until the amount on deposit in the Letter of Credit Fund for such LC Developer is equal to the Revised Letter(s) of Credit/Cash Deposit(s) and in the case of a Cash Deposit(s), the Cash Deposit Conditions are satisfied.

If the recalculation of the Stated Amount for any Letter (s) of Credit or Cash Deposit(s) determines that the recalculated Stated Amount is less than the amount theretofore in effect, and all other conditions have been satisfied as stated in the Fiscal Agent Agreement, then the District shall direct the Fiscal Agent to execute and deliver the appropriate annex to the applicable Letter(s) of Credit that will cause a reduction in the Stated Amount of such Letter(s) of Credit, and/or refund to the applicable LC Developer a portion of a Cash Deposit(s) so the Cash Deposit(s) equals the revised Stated Amount, as applicable.

When renewing or extending a Letter(s) of Credit, which shall be for a term no less than 12 months, each LC Developer shall request that the District calculate the amount (the applicable Stated Amount) of the Letter(s) of Credit for the proposed term of the renewed or extended Letter(s) of Credit, which calculation shall include amounts to cover applicable Special Tax projections for the applicable Fiscal Year(s).

If the District determines at any time that 60% or more of the Parcels within the District are owned by individual homeowners, then it shall so certify in writing to the Fiscal Agent and direct the Fiscal Agent to release the Letter(s) of Credit or Cash Deposit(s) to the corresponding Letter of Credit Bank(s) or the applicable LC Developer, as the case may be.

Upon the release of each such Letter(s) of Credit or Cash Deposit(s) pursuant to the terms hereof and thereof, and upon the expenditure, pursuant to the terms hereof, of all funds from the corresponding account in the Letter of Credit Fund, the Fiscal Agent shall notify the District of such condition, and/or the Fiscal Agent shall close the respective account, and, as applicable, the Letter of Credit Fund.

If at any time, a Developer (“Land Seller”) sells Parcels to another merchant builder (each a “Land Purchaser”), the Land Purchaser shall provide a Letter(s) of Credit or Cash Deposit(s), which shall meet the Cash Deposit Conditions, or a combination thereof, in the Stated Amount applicable to the Parcels purchased by the Land Purchaser. Upon the provision of the Cash Deposit(s) or the Letter(s) of Credit by the Land Purchaser, and provided the Cash Deposit(s) Conditions are met if applicable, the District shall (i) direct the Fiscal Agent to execute and deliver the appropriate annex to the existing Letter(s) of Credit that will cause a reduction in the Stated Amount of the Land Seller’s Letter(s) of Credit by the amount of the Land Purchaser’s Letter(s) of Credit or Cash Deposit(s) and/or refund to the applicable Developer an amount of any Cash Deposit(s) equal to the amount of the Land Purchaser’s Letter(s) of Credit or Cash Deposit(s); and (ii) amend the Exhibit of the Fiscal Agent Agreement to reflect the addition of Letter(s) of Credit or Cash Deposit(s) of the Land Purchaser securing the purchased Parcels and the elimination of the purchased Parcels from the security of the Land Seller’s Letter(s) of Credit or Cash Deposit(s). All Parcels sold to individual homeowners of record shall be removed from the listing contained in the Fiscal Agent Agreement and shall no longer be secured by any Letter of Credit or Cash Deposit. All of the terms set forth in the Fiscal Agent Agreement, except for subsection (b), shall apply to the Letter(s) of Credit and Cash Deposit(s) provided by a Land Purchaser. If, for any reason, the Land Purchaser does not post the appropriate Letter(s) of Credit or Cash Deposit(s) for the Parcels acquired as required, the Letter(s) of Credit or Cash Deposit(s) of the Land Seller securing the Parcels acquired shall continue to secure the Parcels acquired until such time as the Land Purchaser posts the appropriate Letter(s) of Credit or the Cash Deposit(s) satisfy the Cash Deposit(s) Conditions. Any Letter(s) of Credit or Cash Deposit(s) provided by a Land Purchaser shall secure payment only of Special Taxes levied on the Non-Homeowner Property in the District secured by such Letter(s) of Credit or Cash Deposit(s), as determined by reference to the listing contained in the Fiscal Agent Agreement. The provisions of this subsection (b) shall also apply to any sale of Parcels from the Land Purchaser to another land purchaser that is not an individual homeowner.

Deposits into the Letter of Credit Fund; Transfers from the Letter of Credit Fund; Final Release. Five Business Days prior to each Interest Payment Date, the Fiscal Agent shall determine whether amounts on deposit in the Special Tax Fund, after deducting Administrative Expenses authorized to be transferred to the Administrative Expense Fund, and the Bond Fund on that Interest Payment Date, will be sufficient to pay principal of and interest on the Series 2025 Special Tax Bonds that will be due and payable on such Interest Payment Date and shall notify the District of any deficiency. If amounts in the Special Tax Fund and the Bond Fund will be insufficient to pay principal of and interest on the Series 2025 Special Tax Bonds, the Fiscal Agent shall

immediately notify the District, in writing, of such deficiency, and if such insufficiency is attributable to a delinquency in the payment of Special Taxes for Non-Homeowner Property secured by an LC Developer's Letter(s) of Credit or Cash Deposit(s), as determined by the District by reference to the listing contained in the Fiscal Agent Agreement, upon the written direction of a District Representative (and prior to any withdrawals from the Reserve Fund permitted under the terms of the Fiscal Agent Agreement), the Fiscal Agent shall draw upon the applicable Letter(s) of Credit or Cash Deposit(s); provided, however, that only the Letter(s) of Credit or Cash Deposit(s) which secure the delinquent Non-Homeowner Property (as determined by reference to the listing contained in the Fiscal Agent Agreement) may be drawn upon, and the amount of such draw (as set forth in said written direction of the Authorized Representative) shall be no greater than the amount of the delinquent Special Taxes levied on the Non-Homeowner Property secured by the applicable LC Developer's Letter(s) of Credit or Cash Deposit(s) as shown on the listing contained in the Fiscal Agent Agreement. The Letter(s) of Credit or Cash Deposit(s) may not be drawn upon for the delinquency of any Parcels owned by individual homeowners.

The Fiscal Agent shall deposit the proceeds of any such draw upon a Letter(s) of Credit or Cash Deposit(s) into the corresponding account of the Letter of Credit Fund one Business Day prior to the Interest Payment Date, and prior to any transfers from the Reserve Fund, transfer such amounts from the account of the Letter of Credit Fund to the corresponding Account(s) of the Bond Fund.

The District shall have no obligation to reimburse the Letter of Credit Bank(s) for any such draw on any Letter(s) of Credit, or, as applicable, each LC Developer for any Cash Deposit(s), except from: (i) any proceeds of the draw on any Letter(s) of Credit and any interest earnings thereon not required to pay debt service on the Series 2025 Special Tax Bonds on such Interest Payment Date, which proceeds of any Letter(s) of Credit provided by an LC Developer shall be paid only to such LC Developer; and (ii) delinquent Special Taxes subsequently received by the District (whether by payment or foreclosure) corresponding to the delinquent Non-Homeowner Property, which delinquent Special Taxes paid for such delinquent Non-Homeowner Property secured by an LC Developer's Letter(s) of Credit or Cash Deposit(s) shall be paid to the applicable LC Developer's Letter of Credit Bank (or its designee) or, in the case of a Cash Deposit that was drawn upon, deposited back into the applicable account of the Letter of Credit Fund. Draws upon any Letter(s) of Credit or Cash Deposit(s), as the case may be, shall not bar or otherwise preclude the District from taking any actions or enforcing any remedies, including but not limited to foreclosure actions, against the corresponding property within the District for satisfaction of unpaid Special Taxes.

In the event the Fiscal Agent draws upon a Letter(s) of Credit or Cash Deposit(s), as the case may be, as described above, the Fiscal Agent shall immediately deposit the proceeds of such draw into the corresponding account (if any) of the Letter of Credit Fund and, pending any transfer to the Bond Fund for the purposes described in the Fiscal Agent Agreement, such proceeds shall be invested and reinvested by the Fiscal Agent in Authorized Investments at the written instruction of a District Representative. At no time shall the proceeds of a draw on any Letter(s) of Credit or Cash Deposit(s), as the case may be, held in the accounts of the Letter of Credit Fund be invested by the Fiscal Agent at a yield exceeding the Yield on the Series 2025 Special Tax Bonds. Investment earnings and profits from such investments shall be retained in the corresponding account(s) of the Letter of Credit Fund.

In the event that an LC Developer provides a Cash Deposit in lieu of a Letter(s) of Credit, such monies shall be deposited into the corresponding account of the Letter of Credit Fund and invested by the Fiscal Agent at the direction of the District in Authorized Investments at a rate not in excess of the Yield on the Series 2025 Special Tax Bonds. On or after July 1 of each year, commencing July 1, 2024, any earnings on monies held in an account of the Letter of Credit Fund in excess of the corresponding Stated Amount shall, upon the written request of the applicable LC Developer, approved in writing by the District, be mailed by the Fiscal Agent by check to such LC Developer provided that (i) such earnings are not required to pay principal or interest on the Series 2025 Special Tax Bonds on the following Interest Payment Date as a result of delinquencies in the payment of Special Taxes on Non-Homeowner Property secured by the applicable LC Developer's Letter(s) of Credit or Cash Deposit(s) and (ii) the District confirms that there are no delinquent Special Taxes on Non-Homeowner Property secured by the applicable LC Developer's Letter(s) of Credit or Cash Deposit(s) then payable.

If at any time an Authorized Representative provides written certification to the Fiscal Agent that (i) 60% or more of the Parcels within the District are owned by individual homeowners with record title, (ii) such monies are not required to pay principal or interest on the Series 2025 Special Tax Bonds on the following Interest Payment Date as a result of delinquencies in the payment of Special Taxes for the Non-Homeowner Property secured by a LC Developer's Letter(s) of Credit or Cash Deposit(s), and (iii) all the Special Taxes then payable on the Non-Homeowner Property secured by such LC Developer's Letter(s) of Credit or Cash Deposit(s) are not delinquent, then the District shall provide written direction to the Fiscal Agent, and the Fiscal Agent shall, promptly return all (or such portion of the) amounts on deposit in the Letter of Credit Fund to applicable LC Developer, or Letter of Credit Bank(s), as the case may be. The delinquency on Non-Homeowner Property secured by Letter(s) of Credit or Cash Deposit(s) of a LC Developer shall not prevent the release of amounts on deposit for Non-Homeowner Property secured by other LC Developer's Letter(s) of Credit or Cash Deposit(s), provided that the delinquent Non-Homeowner Property is not owned by the LC Developer posting the other Letter(s) of Credit or Cash Deposit(s) securing such amounts to be otherwise released.

In the event any Letter of Credit Bank(s) wrongfully refuses to honor any drawing made on any Letter(s) of Credit, the District, on behalf of the Owners of the Series 2025 Special Tax Bonds, shall immediately bring an action and pursue any remedy available at law or in equity for the purpose of compelling the corresponding Letter of Credit Bank(s) to honor such drawing and to enforce the provisions of the corresponding Letter(s) of Credit; provided, however, that the foregoing shall not be construed to require the District to expend any funds other than monies in the Administrative Expense Fund available for such purposes.

In the event either party proposes to revise, amend, or otherwise change any term of the Fiscal Agent Agreement concerning the Letter of Credit Fund that could adversely affect each Developer's obligations under the Fiscal Agent Agreement, the District shall obtain each Developer's prior written consent prior to such change, which consent shall not be unreasonably withheld. (See "SECURITY FOR THE BONDS – Letter of Credit Fund; Transfers from the Letter of Credit Fund; Final Release" and "BOND OWNER'S RISKS – Limited Duration of Letter of Credit" in the Preliminary Official Statement.)

Redemption Fund - The Redemption Fund is established by the Fiscal Agent Agreement and includes an Optional Redemption Account, Sinking Fund Redemption Account and

Mandatory Redemption Account. Each of the redemption accounts is used for the temporary retention of moneys allocated to the redemption of Bonds corresponding to that account. Moneys in each such account shall be applied solely for such redemption purpose (see “THE BONDS – Redemption” in the Preliminary Official Statement for further information).

Rebate Fund - The Fiscal Agent Agreement provides for the creation of the Rebate Fund when and as required to make arbitrage rebate payments as required under the terms of the Fiscal Agent Agreement and the Tax Certificate in order to comply with the requirements of the Code and the Regulations. Funds deposited into the Rebate Fund are not available to pay principal and interest on the Series 2025 Special Tax Bonds.

Residual Fund - The Residual Fund shall be funded from remaining Special Taxes transferred to the Residual Fund from the Special Tax Fund pursuant to the provisions of the Fiscal Agent Agreement.

Moneys in the Residual Fund may be used by the District for (i) acquisition and/or construction of the Project; (ii) to make deposits to the Rebate Fund under the provisions of the Fiscal Agent Agreement for the purposes of paying Rebatable Arbitrage (as defined in the Tax Certificate) as and when such is due in accordance with the Tax Certificate and the Regulations; (iii) to pay for Administrative Expenses; (iv) at the option of the District, for the optional redemption of any of the Series 2025 Special Tax Bonds under the provisions of the Fiscal Agent Agreement; or (v) any lawful purpose(s) of such funds as set out in the Act.

Moneys on deposit in the Residual Fund are not pledged for payment of principal of, or interest or premium(s) on, the Series 2025 Special Tax Bonds, and are not subject to any Bondowner’s lien.

Moneys in the Residual Fund shall be invested in accordance with the Fiscal Agent Agreement. Interest earnings and profits from such investment(s) shall remain therein and be applied in the manner provided in the Fiscal Agent Agreement.

Investment Earnings - Investment Earnings on the Reserve Fund in excess of the Reserve Requirement shall be transferred to the Interest Account of the Bond Fund on a semi-annual basis as further described in the Fiscal Agent Agreement. Interest income on other funds and accounts will be retained in the account or fund in which it is earned and shall be applied for the purpose for which such account or fund was established except as otherwise specified in the Fiscal Agent Agreement. The Fiscal Agent is required to invest and reinvest all moneys held the accounts and funds established under the Fiscal Agent Agreement (in accordance with written directives from a representative of the District) in Authorized Investments and as specified in the Fiscal Agent Agreement (see “SECURITY FOR THE BONDS – Investment of Moneys in Funds” in the Preliminary Official Statement for further information).

Redemption of Bonds

The Series 2025 Special Tax Bonds may be redeemed, prior to maturity, in whole or in part, at the option of the District on the terms set out in the Fiscal Agent Agreement. The Series 2025 Special Tax Bonds which are Term Bonds shall be redeemed as set out in the Fiscal Agent

Agreement. The Series 2025 Special Tax Bonds are subject to redemption prior to maturity from prepayments of Special Taxes as set out in the Fiscal Agent Agreement.

The Fiscal Agent shall select the Series 2025 Special Tax Bonds subject to redemption in accordance with the terms set out in the Fiscal Agent Agreement. See “THE BONDS – Redemption” in the Preliminary Official Statement for further information.

Notice of Redemption. When the Fiscal Agent shall receive written notice from the District of its election to redeem Series 2025 Special Tax Bonds, or when the Fiscal Agent is required to redeem Series 2025 Special Tax Bonds, the Fiscal Agent shall give notice, at the District’s expense, in the name of the District of the redemption of such Series 2025 Special Tax Bonds. In such event, the District shall provide the Fiscal Agent with the form of the notice required to be delivered under the Fiscal Agent Agreement and the Fiscal Agent shall not be liable for any defect in such notice. Such notice shall be provided by the District to the Fiscal Agent at least five Business Days prior to the desired date(s) for provision of such notice by the Fiscal Agent as set out in the Fiscal Agent Agreement. Such notice of redemption shall: (a) specify the CUSIP® numbers and serial numbers of the Series 2025 Special Tax Bonds selected for redemption, except that where all the Series 2025 Special Tax Bonds or all Series 2025 Special Tax Bonds of a single maturity are subject to redemption, the serial numbers thereof need not be specified; (b) state the original issue date, the interest rate and the maturity date of the Series 2025 Special Tax Bond selected for redemption; (c) state the date fixed for redemption; (d) state the redemption price; (e) state the place or places where the Series 2025 Special Tax Bonds are to be redeemed; and (f) in the case of Series 2025 Special Tax Bonds to be redeemed only in part, state the portion of such Series 2025 Special Tax Bond which is to be redeemed. Such notice shall further state that, on the date fixed for redemption, there shall become due and payable on each Series 2025 Special Tax Bond or portion thereof called for redemption the principal thereof, together with any premium, and interest accrued to the redemption date, and that, from and after such date, interest thereon shall cease to accrue and be payable.

At least 20 days but no more than 60 days prior to the redemption date, the Fiscal Agent shall mail by first-class mail a copy of such notice, postage prepaid, to the respective Owners thereof at their addresses appearing on the Bond Register. The actual receipt by the Owner of any Series 2025 Special Tax Bond of notice of such redemption shall not be a condition precedent thereto, and neither failure to receive such notice nor any defect therein shall affect the validity of the proceedings for the redemption of such Series 2025 Special Tax Bond, or the cessation of interest on the redemption date. A certificate by the Fiscal Agent that notice of such redemption has been given as provided in the Fiscal Agent Agreement shall be conclusive as against all parties, and it shall not be open to any Owner to show that he or she failed to receive notice of such redemption.

In addition to the foregoing notice, notice of redemption shall also be given by the Fiscal Agent to the Information Services and Securities Depositories as set out below, but no defect in such notice nor any failure to give all or any portion of such notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as prescribed above.

(1) Each notice of redemption given under the Fiscal Agent Agreement shall contain the information required above for an official notice of redemption plus (i) the date of issue of the Series 2025 Special Tax Bonds as originally issued; (ii) the rate of interest borne by each Series

2025 Special Tax Bond being redeemed; and (iii) any other descriptive information needed to identify accurately the Series 2025 Special Tax Bonds being redeemed.

(2) Each such notice of redemption shall be sent at least 20 days before the designated redemption date to the Securities Depositories at such address as shall then be in effect, and to the Information Services, at such address as shall then be in effect.

Upon the payment of the redemption price of any Series 2025 Special Tax Bonds being redeemed, each check or other transfer of funds issued to a registered securities depository for such purpose shall bear the registration number identifying, by issue and maturity, or otherwise be identified to the satisfaction of such Securities Depository and the Fiscal Agent, the Series 2025 Special Tax Bonds being redeemed with the proceeds of such check or other transfer.

Partial Redemption of Series 2025 Special Tax Bonds. Upon surrender of any Series 2025 Special Tax Bond to be redeemed in part only, the District shall execute and the Fiscal Agent shall authenticate and deliver to the Bondowner, at the expense of the District, a new Series 2025 Special Tax Bond or Series 2025 Special Tax Bonds of authorized denominations equal in aggregate principal amount and maturity to the unredeemed portion of the Series 2025 Special Tax Bond surrendered.

Effect of Notice and Availability of Redemption Money. Notice of redemption having been duly given, as provided in the Fiscal Agent Agreement, and the amount necessary for the redemption having been made available for that purpose and being available therefor on the date fixed for such redemption: (1) the Series 2025 Special Tax Bonds, or portions thereof, designated for redemption shall, on the date fixed for redemption, become due and payable at the redemption price thereof as provided in the Fiscal Agent Agreement, anything in the Fiscal Agent Agreement, or in the Series 2025 Special Tax Bonds, to the contrary notwithstanding; (2) upon presentation and surrender thereof at the Principal Corporate Trust Office of the Fiscal Agent, or such other location as may be designated by the Fiscal Agent, such Series 2025 Special Tax Bond shall be redeemed at the said redemption price; (3) from and after the redemption date, the Series 2025 Special Tax Bonds or portions thereof so designated for redemption shall be deemed to be no longer Outstanding and such Series 2025 Special Tax Bonds or portions thereof shall cease to bear further interest; and (4) from and after the date fixed for redemption, no Owner of any of the Series 2025 Special Tax Bonds or portions thereof so designated for redemption shall be entitled to any of the benefits of the Fiscal Agent Agreement, or to any other rights, except with respect to payment of the redemption price and interest accrued to the redemption date from the amounts so made available.

Contingent Redemption; Rescission of Redemption. Series 2025 Special Tax Bonds designated for such redemption on the specified date will be subject to the receipt by the District and/or the Fiscal Agent, as applicable, of moneys sufficient to cause such redemption (and will specify the proposed source of such moneys), and neither the District nor the Fiscal Agent will have any liability to the Owners of any Series 2025 Special Tax Bonds, or any other party, as a result of the District's failure to redeem the Series 2025 Special Tax Bonds designated for redemption as a result of insufficient moneys therefor.

Any notice of optional or special mandatory redemption under the Fiscal Agent Agreement may be cancelled and annulled if for any reason funds are not, or will not be, available on the date

fixed for redemption for the payment in full of the Series 2025 Special Tax Bonds then called for redemption. Such cancellation and annulment is not a default under the Fiscal Agent Agreement. The District will not have any liability to the Bondowners, or any other party, as a result of the District's failure to redeem any of the Series 2025 Special Tax Bond designated for redemption as a result of insufficient moneys therefor.

Additionally, the District may rescind any optional redemption of the Series 2025 Special Tax Bonds, and notice thereof, for any reason on any date prior to the date fixed for such redemption by causing written notice of the rescission to be given to the Owners of the Series 2025 Special Tax Bonds so called for redemption. Notice of rescission of redemption shall be given in the same manner in which notice of redemption was originally given. The actual receipt by the Owner of any Series 2025 Special Tax Bond of notice of such rescission shall not be a condition precedent to rescission, and failure to receive such notice or any defect in such notice shall not affect the validity of the rescission. Neither the District nor the Fiscal Agent will have any liability to the Owners of any Series 2025 Special Tax Bonds, or any other party, as a result of the District's decision to rescind a redemption of any Series 2025 Special Tax Bonds pursuant to the terms of the Fiscal Agent Agreement.

Covenants

So long as any of the Series 2025 Special Tax Bonds issued pursuant to the Fiscal Agent Agreement are Outstanding and unpaid, the District makes the following covenants with the Owners under the provisions of the Act and the Fiscal Agent Agreement and all Supplements (to be performed by the District or its proper officers, agents or employees), which covenants are necessary, convenient and desirable to secure the Series 2025 Special Tax Bonds; provided, however, that the provision of such covenants do not, and shall not, require the District to expend any funds or moneys other than the Net Taxes or any moneys deposited in the funds and accounts created under the Fiscal Agent Agreement and legally available therefor.

Covenant 1. Punctual Payment. The District will duly and punctually pay, or cause to be paid, the principal of and interest on every Bond issued pursuant to the Fiscal Agent Agreement, together with the premium thereon, if any be payable, on the date, at the place and in the manner mentioned in the Series 2025 Special Tax Bonds and in accordance with the Fiscal Agent Agreement and any Supplement to the extent Net Taxes are available therefor, and that the payments into the Bond Fund and the Reserve Fund will be made, all in strict conformity with the terms of the Series 2025 Special Tax Bonds and the Fiscal Agent Agreement, and that it will faithfully observe and perform all of the conditions, covenants and requirements of the Fiscal Agent Agreement and any Supplement and of the Series 2025 Special Tax Bonds issued under the Fiscal Agent Agreement, and that time of such payment and performance is of the essence of the District's contract with the Bondowners.

Covenant 2. Levy and Collection of Special Taxes. Subject to the maximum Special Tax rates, the District will comply with all requirements of the Act so as to assure the timely collection of the Special Taxes, including, without limitation, the enforcement of delinquent Special Taxes.

On or before each June 1, commencing June 1, 2026, the Fiscal Agent shall provide a written notice to the District stating the amounts then on deposit in the various funds and accounts established by the Fiscal Agent Agreement. The receipt of such notice by the District shall in no way affect the obligations of the District under the following paragraphs. Upon receipt of a copy

of such notice, the District shall communicate with the County Treasurer-Tax Collector or other appropriate official of the County to ascertain the relevant parcels on which the Special Taxes are to be levied, taking into account any parcel splits during the preceding and then current year.

The District shall retain an Independent Financial Consultant to assist in the levy of the Special Taxes each Fiscal Year, in accordance with the Ordinances, such that the computation of the levy is complete before the final date on which the County Treasurer-Tax Collector will accept the transmission of the Special Tax amounts for the parcels within the District for inclusion on the next secured tax roll. Upon the completion of the computation of the amounts of the levy, and approval by the Legislative Body, the District shall prepare or cause to be prepared, and shall transmit to the County Treasurer-Tax Collector, such data as the County Treasurer-Tax Collector requires to include the levy of the Special Taxes on the next secured tax roll.

The District shall fix and levy the amount of Special Taxes within the District required for the payment of principal of and interest on Outstanding Bonds becoming due and payable during the ensuing year including any necessary replenishment or expenditure of the Reserve Fund for the Series 2025 Special Tax Bonds, an amount equal to the Administrative Expense Requirement and any additional amounts necessary for expenses incurred in connection with administration or enforcement of delinquent Special Taxes.

Notwithstanding the provisions of such Covenant 2, or elsewhere in the Fiscal Agent Agreement, the District reserves the right under the terms of the Fiscal Agent Agreement to levy the Special Taxes at a rate below the Maximum Annual Special Tax rate (as defined in the Rate and Method) within a given Fiscal Year so long as the minimum Special Taxes to be collected in such Fiscal Year shall conform to the requirements set out in Covenant 5, which shall be certified to, in writing, by an Independent Financial Consultant.

The Special Taxes shall be payable and collected in the same manner and at the same time and in the same installment as the general taxes on real property are payable, and have the same priority, become delinquent at the same times and in the same proportionate amounts and bear the same proportionate penalties and interest after delinquency as do the general taxes on real property; provided, the Legislative Body may provide for direct collection of the Special Taxes in certain circumstances.

In order to determine if there are delinquencies with respect to the payment of the Special Taxes, no later than March 1 and August 1 in each year (“reconciliation date”) commencing March 1, 2026, the District shall reconcile or cause to be reconciled the amount of Special Taxes levied to the amount of Special Taxes actually theretofore reported by the County as paid and received.

The fees and expenses of the Independent Financial Consultant retained by the District to assist in computing the levy of the Special Taxes under the terms of the Fiscal Agent Agreement and any reconciliation of amounts levied to amounts received, as well as the costs and expenses of the District (including a charge for District staff time) in conducting its duties under the terms of the Fiscal Agent Agreement, shall be an Administrative Expense under the terms of the Fiscal Agent Agreement.

(See “SECURITY FOR THE BONDS – Special Taxes,” and “– Rate and Method” and “BOND OWNERS’ RISKS – Levy and Collection of the Special Tax” in the Preliminary Official Statement for further information.)

Covenant 3. Commence Foreclosure Proceedings.

On or about March 1 and July 1 of each Fiscal Year, the District will compare the amount of Special Taxes theretofore levied in the District to the amount of Special Taxes theretofore received by the District, and:

(A) Individual Delinquencies. If the District determines that (i) any single parcel within the District is delinquent in the payment of five (5) or more installments of the Special Taxes or (ii) any owner owns one or more parcels subject to a Special Tax delinquency in an aggregate amount of \$10,000 or more, then the District shall send, or cause to be sent, a notice of delinquency (and a demand for immediate payment thereof) to the property owner within forty-five (45) days of such July 1 determination, and (if the delinquency remains uncured) the District shall take action to authorize the commencement of foreclosure proceedings within ninety (90) days of such July 1 determination, to the extent permissible under applicable law, and shall thereafter diligently prosecute such proceedings in Superior Court to the extent permitted by law.

(B) Aggregate Delinquencies. If the District determines that the total amount of delinquent Special Taxes for the current Fiscal Year for the District as it relates to the March 1 determination or for the prior Fiscal Year as it relates to the July 1 determination for the District (including the total of delinquencies under paragraph (A) above) exceeds five percent (5%) of the total Special Taxes due and payable for the applicable Fiscal Year, the District shall notify, or cause to be notified, all property owners who are then delinquent in the payment of Special Taxes (and demand immediate payment of the delinquency) within forty-five (45) days of such determination, and (to the extent such delinquencies remain uncured) the District shall take action to authorize the commencement of foreclosure proceedings within ninety (90) days of such July 1 determination against each parcel of land within the District with a Special Tax delinquency to the extent permissible under applicable law and shall thereafter diligently proceed with such foreclosure action(s) and/or proceedings in Superior Court to the extent permitted by law.

(C) Limiting Provision. Notwithstanding the foregoing, however, the District shall not be required to order, or take action upon, the commencement of foreclosure proceedings under subsections (A) and/or (B), above, if such delinquencies, if not remedied, will not result in a draw on the Reserve Fund such that the Reserve Fund will fall below the Reserve Requirement and no draw has been made on the Reserve Fund, which has not been restored, such that the Reserve Fund shall be funded to at least the Reserve Requirement. The foregoing sentence shall not affect the requirement(s) for notices of delinquencies as provided for in subsection (A) above.

(D) Additional Limitations. Notwithstanding any of the foregoing, in certain instances the amount of a Special Tax delinquency on a particular parcel in relation to the cost of appropriate foreclosure proceedings may be such that the costs do not warrant the foreclosure proceedings costs. In such cases, foreclosure

proceedings may be delayed by the District until there are sufficient Special Tax delinquencies accruing to such parcel (including interest and penalties thereon) to warrant the cost of such foreclosure proceedings.

The net proceeds received following a judicial foreclosure sale of land within the District resulting from a property owner's failure to pay the Special Taxes when due are included within the Net Tax revenues pledged to the payment of principal of and interest on the Series 2025 Special Tax Bonds under the Fiscal Agent Agreement.

The District reserves the right to elect to accept payment from a property owner of at least the enrolled amount of the Special Taxes for a parcel(s) but less than the full amount of the penalties, interest, costs and attorneys' fees related to the Special Tax delinquency for such parcel(s). The Bondowners are deemed to have consented to the foregoing reserved right of the District, notwithstanding any provision of the Act or other law of the State, or any other term set forth in the Fiscal Agent Agreement to the contrary. The Bondowners, by their acceptance of the Series 2025 Special Tax Bonds, have consented to such payment acceptance for such lesser amounts.

Further, notwithstanding any provision of the Act or other law of the State, or any other term set forth in the Fiscal Agent Agreement to the contrary, in connection with any judicial foreclosure proceeding related to delinquent Special Taxes:

(i) The District or the Fiscal Agent, acting on behalf of the District, is expressly authorized to credit bid at any foreclosure sale, without any requirement that funds be set aside in the amount so credit bid, in the amount specified in Section 53356.5 of the Act, or such lesser amount as determined under clause (ii) below or otherwise under Section 53356.6 of the Act.

(ii) The District may permit, in its sole and absolute discretion, property with delinquent Special Tax payments to be sold for less than the amount specified in Section 53356.5 of the Act, if it determines that such sale is in the interest of the Bondowners. **The Bondowners, by their acceptance of the Series 2025 Special Tax Bonds, have consented to such sale for such lesser amounts (as such consent is described in Section 53356.6 of the Act), and have released the District and the School District, and their respective officers and agents, from any liability in connection therewith.** If such sale for lesser amounts would result in less than full payment of principal of and interest due and owing on the Series 2025 Special Tax Bonds, the District will use its best efforts to seek approval of the Bondowners.

The Board hereby specifically delegates to the School District's Assistant Superintendent, Business Services, or their respective designee(s), all necessary authority in order to:

(i) pursue collection of all such Special Taxes pursuant to the provisions of this Covenant 3 and the terms and conditions of the Fiscal Agent Agreement;

(ii) contract for such services as necessary for collection of such Special Taxes, including, but not limited to, legal services for any applicable foreclosure proceedings, the cost thereof to be borne by the District (subject to Board ratification of any expenditures which are not drawn from the Administrative Expense Fund) and the property owners that

have failed to timely pay such Special Taxes, including all costs, interest, and penalties consistent with applicable law;

(iii) file, or authorize to be filed, actions up to and including legal action(s) necessary to collect any delinquent Special Taxes including foreclosure of any lien securing such Special Taxes;

(iv) that as provided by the Act, authorize the payment of the costs and attorneys' fees for prosecution of such litigation as is authorized on behalf of the District on redemption prior to entry of judgment as well as on post-judgment redemption, and the District hereby authorizes such counsel retained by the District to require payment on the District's behalf of all costs and all attorneys' fees incurred in applicable litigation as a condition of such redemption; and/or

(v) in conjunction with counsel retained by the District, and other District consultants, authorize, pursuant to Government Code Section 53356.2: (i) the recording of notices of intent to remove the delinquent Special Taxes from the tax rolls, and (ii) requests that the applicable County officials remove current and future delinquent Special Taxes from the tax rolls.

All actions undertaken by the Assistant Superintendent, Business Services pursuant to the provisions of this Covenant shall be reported to the Board on a regular basis and are subject to the authority of the Board to subsequently direct different or alternative action(s) in such regard.

The District is expressly authorized under the terms of the Fiscal Agent Agreement to include costs and attorneys' fees related to foreclosure of delinquent Special Taxes as Administrative Expenses under the terms of the Fiscal Agent Agreement.

(See "SECURITY FOR THE BONDS – Covenant to Foreclose" and "BOND OWNERS' RISKS – Property Tax Delinquencies" in the Preliminary Official Statement for further information.)

Covenant 4. Against Encumbrances. The District will not encumber, pledge or place any charge or lien upon any of the Net Taxes or other amounts pledged to the Series 2025 Special Tax Bonds superior to, or on a parity with, the pledge and lien created in the Fiscal Agent Agreement for the benefit of the Series 2025 Special Tax Bonds, except as permitted by the Fiscal Agent Agreement and as to bonds issued to fully or partially refund the Series 2025 Special Tax Bonds.

Covenant 5. Modification of Maximum Authorized Special Tax. The District covenants that no modification of the maximum authorized Special Taxes applicable to the District shall be approved by the District which would prohibit the District from levying the Special Tax on Developed Property within the District in any Fiscal Year at such a rate as could generate Special Taxes within the District in each Fiscal Year at least equal to 110% of Annual Debt Service plus estimated annual Administrative Expenses.

The District further covenants that in the event an ordinance is adopted by initiative pursuant to Section 3 of Article XIII C of the California Constitution, which purports to reduce or otherwise alter the maximum authorized Special Taxes, it will, to the extent of available District

funds therefore, commence and pursue legal action seeking to preserve its ability to comply with its covenant contained in the preceding paragraph.

Covenant 6. Protection of Security and Rights of Owners. The District will preserve and protect the security of the District and the rights of the Owners, and will warrant and defend their rights against all claims and demands of all Persons. From and after the delivery of any of the Series 2025 Special Tax Bonds by the District, the Series 2025 Special Tax Bonds shall be incontestable by the District.

Covenant 7. Compliance with Law, Completion of Project. The District will comply with all applicable provisions of the Act and law in completing the acquisition and construction of the Project; provided, that the District shall have no obligation to advance any funds to complete the Project in excess of the amounts available therefore in the School Facilities Account of the Construction Fund or other facilities account(s) of the Construction Fund as may be established.

Covenant 8. Books and Accounts. The District will keep, or cause to be kept, proper books of records and accounts, separate from all other records and accounts of the Series 2025 Special Tax Bonds, in which complete and correct entries shall be made of all transactions relating to the Series 2025 Special Tax Bonds and the Project, the levy of the Special Tax within the District and the deposits to the Special Tax Fund including the Prepayment Account. Such books of record and accounts shall at all times during business hours be subject to the inspection of the Fiscal Agent or of the Owners of not less than ten percent (10%) of the principal amount of the Series 2025 Special Tax Bonds then Outstanding or their representatives authorized in writing.

Covenant 9. Tax Covenant. The District covenants and represents that until the last Bonds shall have been fully paid or redeemed, the District will comply with all requirements of the Tax Certificate, the Code and all applicable Regulations, such that the interest paid on the Series 2025 Special Tax Bonds will remain excluded from gross income for federal income tax purposes.

Covenant 10. Additional Tax Covenants. Covenant 10, as set forth in the Fiscal Agent Agreement, provides for additional covenants of the District in order to preserve and protect the federal tax-exempt status of interest paid on the Series 2025 Special Tax Bonds.

Covenant 11. Further Assurances. The District will adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the obligations and covenants under the Fiscal Agent Agreement and any Supplement, and for the better assuring and confirming unto the Owners of the rights and benefits provided in the Fiscal Agent Agreement and in any Supplement.

Covenant 12. Additional Opinion(s). The District will not make any change in requirements or procedures or take any action, as to which change or action the Fiscal Agent Agreement or related documents require an opinion of nationally recognized Bond Counsel, unless it obtains an opinion of Bond Counsel to the effect that (a) interest on the Series 2025 Special Tax Bonds was excluded from gross income for federal income tax purposes from their date of issuance until the date of such change, assuming compliance with the covenants in the Fiscal Agent Agreement as they were in effect prior to the change (except that such opinion need not be given as to any interest for which a similar opinion has previously been given and remains in effect subsequent to such change), and (b) assuming continued compliance by the District with the

covenants as changed, interest on the Series 2025 Special Tax Bonds is excluded from gross income for purposes of federal income taxation.

Covenant 13. Tender of Bonds. The District will not, in collecting the Special Taxes within the District or in processing any such judicial foreclosure proceedings, exercise any authority which it has pursuant to Sections 53340, 53344.1, 53344.2, 53356.1 and 53356.5 of the California Government Code in any manner which would be inconsistent with the interests of the Owners and, in particular, will not permit the tender of Bonds in full or partial payment of Special Taxes except upon receipt of a certificate of an Independent Financial Consultant confirming that to accept such tender will not result in the District having insufficient Net Taxes to pay the principal of and interest on the Series 2025 Special Tax Bonds remaining Outstanding following such tender.

Covenant 14. Additional Special Tax Bonds or Obligations. The District shall not issue any additional bonds, notes or other similar evidences of indebtedness payable, in whole or in part, out of Net Taxes except: (i) bonds issued to fully or partially refund the Outstanding Series 2025 Special Tax Bonds; and (ii) subordinate bonds, notes or other similar evidences of indebtedness (see “SECURITY FOR THE BONDS – No Additional Parity Bonds Except for Refunding” in the Preliminary Official Statement).

Covenant 15. Annual Reports.

(a) Annual Reports to the California Debt and Investment Advisory Commission. Not later than October 30 of each year, commencing October 30, 2026, and until the October 30 following the final maturity of the Series 2025 Special Tax Bonds, the District shall supply to the California Debt and Investment Advisory Commission the information required to be provided thereto pursuant to Section 53359.5(b) of the Act, as it may be amended from time to time. Such information shall be made available to any Owner upon written request to the District accompanied by a fee determined by the District to pay the costs of the District in connection therewith. The District shall in no event be liable to any Owner or any other Person or entity in connection with any error in any such information.

(b) If at any time the Fiscal Agent fails to pay principal or interest due on any scheduled payment date for the Series 2025 Special Tax Bonds, or if funds are withdrawn from the Reserve Fund to pay principal or interest on the Series 2025 Special Tax Bonds, such that the amount(s) in the Reserve Fund are reduced below the Reserve Requirement, the Fiscal Agent shall notify the District in writing of such failure or withdrawal, and the District shall notify the California Debt and Investment Advisory Commission of such failure or withdrawal within 10 days of the failure to make such payment or the date of such withdrawal.

(c) The reporting requirements of such Covenant 15 shall be amended from time to time, without action by the District or the Fiscal Agent, to reflect any future amendments to Section 53359.5(b) or Section 53359.5(c) of the Act. The District shall provide the Fiscal Agent with a copy of any such amendment. Delivery of such reports, information and documents to the Fiscal Agent is for informational purposes only and the Fiscal Agent’s receipt of such shall not constitute constructive notice of any information contained therein or determinable from information contained therein, including the

District's compliance with any of its covenants under the Fiscal Agent Agreement (as to which the Fiscal Agent is entitled to rely exclusively on written directives from the District). Notwithstanding the foregoing, any such amendment shall not, in itself, affect the District's obligations under any continuing disclosure documentation relating to the Series 2025 Special Tax Bonds.

(d) The District shall cause annual reports to be filed in conformance with the requirements of Government Code Section 8855(k).

(e) None of the District, its officers, agents, employees or Authorized Representatives, or the Fiscal Agent, shall be liable to any Person or party for any inadvertent error in reporting the information contained in such Covenant 15.

Continuing Disclosure Covenant. The District covenants and agrees that it will comply with and carry out all of its obligations under the District Continuing Disclosure Certificate. Notwithstanding any other provision of the Fiscal Agent Agreement, failure of the District to comply with its obligations under the District Continuing Disclosure Certificate shall not be considered an event of default under the Fiscal Agent Agreement, and the sole remedy, in the event of any failure of the District to comply with the District Continuing Disclosure Certificate, shall be an action to compel performance thereof. The Fiscal Agent may (and, at the request of any Participating Underwriter or the Owners of at least 25% aggregate principal amount of Outstanding Series 2025 Special Tax Bonds, shall upon the receipt of security or indemnity acceptable to the Fiscal Agent for its fees and costs), or any Bondowner or Beneficial Owner 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 such Covenant. For purposes of such Covenant, "Beneficial Owners" means any Person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Series 2025 Special Tax Bonds (including Persons holding Series 2025 Special Tax Bonds through nominees, depositories or other intermediaries), or (b) is treated as the Owner of any Series 2025 Special Tax Bonds for federal income tax purposes.

See "INTRODUCTION – Continuing Disclosure" and "CONTINUING DISCLOSURE – The Community Facilities District" in the Preliminary Official Statement for further information.

Amendments to Fiscal Agent Agreement

The District may from time to time, and at any time, without notice to, or consent of, any of the Owners, adopt Supplements to the Fiscal Agent Agreement for any of the following purposes:

(a) to cure any ambiguity, to correct or supplement any provision in the Fiscal Agent Agreement which may be inconsistent with any other provision to the Fiscal Agent Agreement, or to make any other provision with respect to matters or questions arising under the Fiscal Agent Agreement, or in any Supplement, provided that such action shall not have a material adverse effect on the interests of the Bondowners;

(b) to add to the covenants and agreements of and the limitations and the restrictions upon the District contained in the Fiscal Agent Agreement which are not contrary to or inconsistent with the Fiscal Agent Agreement as theretofore in effect; or

(c) to modify, alter, amend or supplement the Fiscal Agent Agreement in any other respect which is not materially adverse to the Bondowners including, but not limited to, providing for the rating and/or insuring of the Series 2025 Special Tax Bonds.

Exclusive of amendments supplemental to the Fiscal Agent Agreement covered by subsection (a) above, the Owners of not less than 60% in aggregate principal amount of the Series 2025 Special Tax Bonds then Outstanding shall have the right to consent to and approve the adoption by the District of such amendments or orders supplemental to the Fiscal Agent Agreement as shall be deemed necessary or desirable by the District for the purpose of waiving, modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in the Fiscal Agent Agreement; provided, however, that nothing in the Fiscal Agent Agreement shall permit, or be construed as permitting, (a) an extension of the maturity date of the principal of, or the payment date of interest on, any Bonds, (b) a reduction in the principal amount of, or redemption premium on, any Bonds or the rate of interest thereon, (c) a preference or priority of any Bonds over any other Bonds, or (d) a reduction in the aggregate principal amount of the Series 2025 Special Tax Bonds the Owners of which are required to consent to such Supplement, without, in the case of (a) or (b), the consent of the affected Owner, or, in the case of (c), the consent of the Owners of all Bonds then Outstanding.

Supplements Requiring Owner Consent. If at any time the District shall desire to adopt a Supplement to the Fiscal Agent Agreement which, pursuant to the terms of the Fiscal Agent Agreement, shall require the consent of the Owners, the District shall so notify the Fiscal Agent and shall deliver to the Fiscal Agent a copy of the proposed Supplement to be mailed, postage prepaid, to all Owners at their addresses as they appear in the Bond Register as provided for in the Fiscal Agent Agreement. Such notice shall briefly set forth the nature of the proposed Supplement and shall state that a copy thereof is on file at the Principal Corporate Trust Office of the Fiscal Agent for inspection by all Owners. The failure of any Owner to receive such notice shall not affect the validity of such Supplement when consented to and approved as provided in the Fiscal Agent Agreement. Whenever at any time within one year after the date of the first mailing of such notice the Fiscal Agent shall receive an instrument or instruments purporting to be executed by the Owners of not less than 60% in aggregate principal amount of the Series 2025 Special Tax Bonds then Outstanding, which instrument or instruments shall refer to the proposed Supplement described in such notice, and shall specifically consent to and approve the adoption thereof by the District substantially in the form of the copy thereof referred to in such notice as on file with the Fiscal Agent, such proposed Supplement, when duly adopted by the District, shall thereafter become a part of the proceedings for the issuance of the Series 2025 Special Tax Bonds. In determining whether the Owners of 60% of the aggregate principal amount of the Series 2025 Special Tax Bonds have consented to the adoption of any Supplement, Bonds which are known by the Fiscal Agent to be owned by the District or by any Person directly or indirectly controlling or controlled by or under the direct or indirect common control with the District, shall be disregarded and shall be treated as though they were not Outstanding for the purpose of any such determination.

Upon the adoption of any Supplement and the receipt of consent to any such amendment from the Owners of the appropriate aggregate principal amount of Bonds in instances where such consent is required pursuant to the provisions of the Fiscal Agent Agreement, the Fiscal Agent Agreement shall be, and shall be deemed to be, modified and amended in accordance therewith, and the respective rights, duties and obligations under the Fiscal Agent Agreement of the District

and all Owners of Bonds then Outstanding shall thereafter be determined, exercised and enforced thereunder, subject in all respects to such modifications and amendments. Notwithstanding anything in the Fiscal Agent Agreement to the contrary, no Supplement shall be entered into which would modify the duties of the Fiscal Agent under the Fiscal Agent Agreement, without the prior written consent of the Fiscal Agent.

Fiscal Agent

The Fiscal Agent is appointed and takes authorized actions under the terms of the Fiscal Agent Agreement. The initial Fiscal Agent may be removed or replaced by the District upon 30 days' prior written notice (except during the continuance of an event of default, as further discussed below) or may resign in favor of a successor Fiscal Agent. The Fiscal Agent Agreement provides for certain minimum qualifications of the Fiscal Agent and provides for notice and procedures in the event a successor Fiscal Agent is required or appointed.

The duties of the Fiscal Agent are specified within the Fiscal Agent Agreement and include mailing interest payments to the Owners, selecting Bonds for redemption pursuant to the terms of the Fiscal Agent Agreement, giving notice of redemption and meetings of the Owners, maintaining the Bond Register and maintaining and administering the funds and accounts established pursuant to the Fiscal Agent Agreement. The Fiscal Agent also performs all other acts authorized or directed of the Fiscal Agent pursuant to the terms of the Fiscal Agent Agreement.

The Fiscal Agent Agreement provides that the recitals of fact and all promises, covenants and agreements contained therein and in the Series 2025 Special Tax Bonds are to be taken as statements, promises, covenants and agreements of the District, and the Fiscal Agent assumes no responsibility for the correctness of the same and makes no representations as to the validity or sufficiency of the Fiscal Agent Agreement or the Series 2025 Special Tax Bonds. The Fiscal Agent Agreement provides for certain protections from liability of the Fiscal Agent except for its own negligence or willful misconduct, as further specified in the Fiscal Agent Agreement. Included as part of such protections, 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, order or direction of any of the Owners pursuant to the provisions of the Fiscal Agent Agreement unless such Owners shall have offered to the Fiscal Agent security or indemnity acceptable to the Fiscal Agent against the costs, expenses, and liabilities which may be incurred therein or thereby.

Events of Default: Remedies

Events of Default. Any one or more of the following events shall constitute an "event of default":

(a) Default in the due and punctual payment of the principal of or redemption premium, if any, on any Bond when and as the same shall become due and payable, whether at maturity as therein expressed or from mandatory redemption;

(b) Default in the due and punctual payment of the interest on any Bond when and as the same shall become due and payable; or

(c) Default by the District in the observance of any of the other agreements, conditions or covenants on its part contained in the Fiscal Agent Agreement or in the Series 2025 Special Tax

Bonds, and the continuation of such default for a period of 30 days after the District shall have been given notice in writing of such default by the Fiscal Agent, provided that if within 30 days the District has commenced curing of the default and diligently pursues elimination thereof, such period shall be extended to permit such default to be eliminated; and provided further, that any noncompliance with the terms of the Continuing Disclosure Covenant, identified in the Fiscal Agent Agreement, shall not be an event of default under the terms of the Fiscal Agent Agreement and is limited to the remedies specifically identified therein (see “CONTINUING DISCLOSURE – The Community Facilities District” in the Preliminary Official Statement for further information).

Remedies of Owners. Following the occurrence of an event of default, any Owner shall have the right for the equal benefit and protection of all Owners similarly situated:

(a) By mandamus or other suit or proceeding at law or in equity to enforce his or her rights against the District and any of the members, officers and employees of the District, and to compel the District or any such members, officers or employees to perform and carry out their duties under the Act and their agreements with the Owners as provided in the Fiscal Agent Agreement;

(b) By suit in equity to enjoin any actions or things which are unlawful or violate the rights of the Owners; or

(c) Upon the happening of an event of default (as defined in the Fiscal Agent Agreement), by a suit in equity to require the District and its members, officers and employees to account as the trustee of an express trust.

Nothing in the Fiscal Agent Agreement, or in the Series 2025 Special Tax Bonds, shall affect or impair the obligation of the District, which is absolute and unconditional, to pay the interest on and principal of the Series 2025 Special Tax Bonds to the respective Owners of the Series 2025 Special Tax Bonds at the respective dates of maturity, as provided in the Fiscal Agent Agreement, out of the Net Taxes pledged for such payment, or affect or impair the right of action, which is also absolute and unconditional, of such Owners to institute suit to enforce such payment by virtue of the contract embodied in the Series 2025 Special Tax Bonds and in the Fiscal Agent Agreement.

A waiver of any default or breach of duty or contract by any Owner shall not affect any subsequent default or breach of duty or contract, or impair any rights or remedies on any such subsequent default or breach. No delay or omission by any Owner to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein, and every power and remedy conferred upon the Owners by the Act or by the Fiscal Agent Agreement may be enforced and exercised from time to time and as often as shall be deemed expedient by the Owners.

If any suit, action or proceeding to enforce any right or exercise any remedy is abandoned or determined adversely to the Owners, the District and the Owners shall be restored to their former positions, rights and remedies as if such suit, action or proceeding had not been brought or taken.

No remedy conferred through the Fiscal Agent Agreement upon or reserved to the Owners is intended to be exclusive of any other remedy. Every such remedy shall be cumulative and shall

be in addition to every other remedy given under the Fiscal Agent Agreement or now or thereafter existing, at law or in equity or by statute or otherwise, and may be exercised without exhausting and without regard to any other remedy conferred by the Act or any other law.

It is intended that no one or more Owner(s) of Series 2025 Special Tax Bonds shall have any right in any manner whatever by their action to affect, disturb or prejudice the security of the Fiscal Agent Agreement or the rights of any other Owners of Series 2025 Special Tax Bonds, or to enforce any right under the Series 2025 Special Tax Bonds, the Fiscal Agent Agreement, the Act or other applicable law with respect to the Series 2025 Special Tax Bonds (it being understood that the Fiscal Agent does not have an affirmative duty to ascertain whether or not such actions or forbearances are unduly prejudicial to such Owners), except in the manner provided in the Fiscal Agent Agreement, and that all proceedings at law or in equity to enforce any such right(s) shall be instituted, had and maintained in the manner provided in the Fiscal Agent Agreement and for the benefit and protection of all Owners of the Outstanding Series 2025 Special Tax Bonds.

Application of Net Tax Revenues After Default. If an Event of Default shall occur and be continuing, all Net Taxes and any other funds thereafter received by the Fiscal Agent under any of the provisions of the Fiscal Agent Agreement shall be applied by the Fiscal Agent as follows and in the following order:

(a) To the payment of any expenses necessary in the opinion of the Fiscal Agent to protect the interests of the Owners of the Series 2025 Special Tax Bonds and 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;

(b) To the payment of the principal of and interest then due with respect to the Series 2025 Special Tax Bonds (upon presentation of the Series 2025 Special Tax Bonds to be paid, and stamping thereon of the payment if only partially paid, or surrender thereof if fully paid) subject to the provisions of the Fiscal Agent Agreement, as follows:

First: To the payment to the Owners entitled thereto of all installments of interest then due in the order of the maturity of such installments and, if the amount available shall not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon, to the Owners entitled thereto, without any discrimination or preference; and

Second: To the payment to the Owners entitled thereto of the unpaid principal of any Bonds which shall have become due, whether at maturity or by call for redemption, with interest on the overdue principal at the rate borne by the respective Bonds on the date of maturity or redemption, and, if the amount available shall not be sufficient to pay in full all the Series 2025 Special Tax Bonds, together with such interest, then to the payment thereof ratably, according to the amounts of principal due on such date to the Owners entitled thereto, without any discrimination or preference.

Any remaining funds shall be transferred by the Fiscal Agent to the Special Tax Fund.

No Acceleration. The Series 2025 Special Tax Bonds are not subject to acceleration in the payment of interest or principal. (See “BOND OWNERS’ RISKS – No Acceleration Provisions” in the Preliminary Official Statement for further information.)

Limitation on Bondowners’ Right to Sue. No Owner of any Bonds shall have the right to institute any suit, action or proceeding at law or in equity, for the protection or enforcement of any right or remedy under the Fiscal Agent Agreement, the Act or any other applicable law with respect to such Bonds, unless (a) such Owner shall have 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 the Series 2025 Special Tax Bonds then Outstanding shall have made written request upon the Fiscal Agent to exercise the powers thereinbefore granted or to institute such suit, action or proceeding in its own name, (c) such Owner, or said Owners, shall have tendered to the Fiscal Agent security or indemnity acceptable to the Fiscal Agent against the costs, expenses and liabilities to be incurred in compliance with such request, and (d) the Fiscal Agent shall have refused or omitted to comply with such request for a period of 60 days after such written request shall have been received by, and such tender of indemnity shall have been made to, the Fiscal Agent.

Such notification, request, tender of indemnity and refusal or omission are declared within the Fiscal Agent Agreement, in every case, to be conditions precedent to the exercise by any Owner of Bonds of any remedy thereunder or under law; it being understood and intended that no one or more Owners of Bonds shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of the Fiscal Agent Agreement or the rights of any other Owners of Bonds, or to enforce any right under the Series 2025 Special Tax Bonds, the Fiscal Agent Agreement, the Act or other applicable law with respect to the Series 2025 Special Tax Bonds, except in the manner therein provided, and that all proceedings at law or in equity to enforce any such right shall be instituted, had and maintained in the manner therein provided and for the benefit and protection of all Owners of the Outstanding Bonds, subject to the provisions of the Fiscal Agent Agreement.

Defeasance

If the District shall pay, or cause to be paid, or there shall otherwise be paid, to the Owner of an Outstanding Bond the interest due thereon and the principal thereof, at the times and in the manner stipulated in the Fiscal Agent Agreement, or any Supplement, then the Owner of such Bond shall cease to be entitled to the pledge of Net Taxes and other amounts pledged under the Fiscal Agent Agreement to the repayment of such Bond, and, other than as set forth below, all covenants, agreements and other obligations of the District to the Owner of such Bond under the Fiscal Agent Agreement, and any Supplement, shall thereupon cease, terminate and become void and be discharged and satisfied; provided that certain specified covenants shall survive the defeasance or payment of the Series 2025 Special Tax Bonds as set out in the Fiscal Agent Agreement. In the event of a defeasance of all Outstanding Bonds pursuant to the Fiscal Agent Agreement, the Fiscal Agent shall execute and deliver to the District all such instruments as may be desirable to evidence such discharge and satisfaction, and, after payment of any amounts due the Fiscal Agent thereunder, the Fiscal Agent shall pay over or deliver to the District’s general fund all money or securities other than that required for the payment of the interest due on and the principal of and premium, if any, on such Bonds.

Any Outstanding Bond(s) shall be deemed to have been paid within the meaning expressed in the Fiscal Agent Agreement if such Bond is paid in any one or more of the following ways:

(a) by paying or causing to be paid the principal of and interest due on such Bond, as and when the same become due and payable;

(b) by depositing with the Fiscal Agent or a designated bank or trust company as escrow holder, in irrevocable escrow, at or before maturity, money which, together with the amounts then on deposit in the Special Tax Fund, the Bond Fund, the Redemption Fund and the Reserve Fund and available for such purpose, is fully sufficient to pay the principal of and interest on such Bond as and when the same shall become due and payable; or

(c) by depositing with the Fiscal Agent, or a designated bank or trust company as escrow holder, in irrevocable escrow, Federal Securities in such amount as certified by a nationally recognized certified public accountant which will, together with the interest to accrue thereon and moneys then on deposit in the Special Tax Fund, the Bond Fund, the Redemption Fund and the Reserve Fund available for such purpose, together with the interest to accrue thereon, be fully sufficient to pay and discharge the principal of and interest and any premium on such Bond as and when the same shall become due and payable;

then, notwithstanding that any such Bond shall not have been surrendered for payment, all obligations of the District under the Fiscal Agent Agreement, and any Supplement, with respect to such Bond shall cease and terminate, except for the obligation of the Fiscal Agent to pay or cause to be paid to the Owners of any such Bonds not so surrendered and paid, all sums due thereon and except for specified covenants of the District contained and identified in the Fiscal Agent Agreement.

In connection with a defeasance under (b) or (c) above, there shall be provided to the District and the Fiscal Agent a certificate of a certified public accountant stating its opinion as to the sufficiency of the moneys or securities deposited with the Fiscal Agent, or the designated escrow holder, to pay and discharge the principal of, premium, if any, and interest on the Outstanding Bonds to be defeased in accordance with the provisions of the Fiscal Agent Agreement, as and when the same shall become due and payable, and an opinion of Bond Counsel (which may rely upon the opinion of the certified public accountant) to the effect that the Series 2025 Special Tax Bonds being defeased have been legally defeased in accordance with the provisions of the Fiscal Agent Agreement. Upon such a defeasance, the Fiscal Agent shall release the rights of the Owners of such Bonds which have been defeased under the provisions of the Fiscal Agent Agreement and execute and deliver to the District all such instruments as may be desirable to evidence such release, discharge and satisfaction. In the case of a defeasance under the provisions of the Fiscal Agent Agreement of all Outstanding Bonds, the Fiscal Agent shall pay over or deliver to the District any funds held by the Fiscal Agent at the time of a defeasance, which are not required for the purpose of paying and discharging the principal of or interest on the Series 2025 Special Tax Bonds when due. The Fiscal Agent shall, at the written direction and expense of the District, mail, first-class, postage prepaid, a notice to the Owners whose Bonds have been defeased, in the form directed by the District, stating that the defeasance has occurred.

Miscellaneous Provisions

Execution of Documents and Proof of Ownership. Any request, direction, consent, revocation of consent, or other instrument in writing required or permitted by the Fiscal Agent Agreement to be signed or executed by Owners may be in any number of concurrent instruments of similar tenor, and may be signed or executed by such Owners in person or by their attorneys appointed by an instrument in writing for that purpose, or by any commercial bank, trust company or other depository for such Bond. Proof of the execution of any such instrument, or of any instrument appointing any such attorney, and of the ownership of such Bond shall be sufficient for the purposes of the Fiscal Agent Agreement (except as otherwise therein provided), if made in the following manner:

(a) The fact and date of the execution by any Owner or their attorney of any such instrument and of any instrument appointing any such attorney may be proved by a signature guarantee of any bank or trust company located within the United States of America. Where any such instrument is executed by an officer of a corporation or association or a member of a partnership on behalf of such corporation, association or partnership, such signature guarantee shall also constitute sufficient proof of this authority; provided, however, that nothing contained in the Fiscal Agent Agreement shall be construed as limiting the Fiscal Agent to such proof, it being intended that the Fiscal Agent may accept any other evidence of the matters therein stated which the Fiscal Agent may deem sufficient. Any request or consent of the Owner of any Bond shall bind every future Owner of the same Bond in respect to anything done or suffered to be done by the Fiscal Agent in pursuance of such request or consent; and

(b) As to any Bond, the Person in whose name the same shall be registered in the Bond Register shall be deemed and regarded as the absolute Owner thereof for all purposes, and payment of or on account of the principal of any such Bond, and the interest thereon, shall be made only to or upon the order of the registered Owner thereof or his legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond and the interest thereon to the extent of the sum or sums so paid. The Fiscal Agent shall not be affected by any notice to the contrary.

Provisions Constitute Contract. The provisions of the Fiscal Agent Agreement, including any Supplements thereto, and the Series 2025 Special Tax Bonds shall constitute a contract between the District and the Owners (“Contract”) and the provisions thereof shall be enforceable by any Owner for the equal benefit and protection of all Owners similarly situated by mandamus, accounting, mandatory injunction or any other suit, action or proceeding at law or in equity that is now or may thereafter be authorized under the laws of the State in any court of competent jurisdiction. The Contract is made under and is to be construed in accordance with the laws of the State.

No remedy conferred thereby upon any Owner is intended to be exclusive of any other remedy, but each such remedy is cumulative and in addition to every other remedy and may be exercised without exhausting and without regard to any other remedy conferred by the Act or any other law of the State. No waiver of any default or breach of duty or contract by any Owner shall affect any subsequent default or breach of duty or contract or shall impair any rights or remedies on said subsequent default or breach. No delay or omission of any Owner to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed as a

waiver of any such default or acquiescence therein. Every substantive right and every remedy conferred upon the Owners may be enforced and exercised as often as may be deemed expedient. In case any suit, action or proceeding to enforce any right or exercise any remedy shall be brought or taken and the Owner shall prevail, said Owner shall be entitled to receive from the Net Taxes reimbursement for reasonable costs, expenses, outlays and attorneys' fees and should said suit, action or proceeding be abandoned, or be determined adversely to the Owners then, and in every such case, the District's positions, rights and remedies shall be construed in a manner as if such suit, action or proceeding had not been brought or taken.

After the issuance and delivery of the Series 2025 Special Tax Bonds, the Fiscal Agent Agreement shall not be subject to repeal, but shall be subject to modification to the extent and in the manner provided in the Fiscal Agent Agreement, but to no greater extent and in no other manner.

Limitation of Rights. Nothing in the Fiscal Agent Agreement or in the Series 2025 Special Tax Bonds expressed or implied is intended or shall be construed to give to any Person other than the Fiscal Agent, the District and the Bondowners any legal or equitable right, remedy or claim under or in respect to the Fiscal Agent Agreement or any covenant, condition or provision therein or therein contained, and all such covenants, conditions and provisions are and shall be held to be for the sole and exclusive benefit of the Fiscal Agent, the District and the Bondowners.

Payment on Non-Business Days. In the event any payment is required to be made pursuant to the terms of the Fiscal Agent Agreement on a day which is not a Business Day, such payment shall be made on the next succeeding Business Day with the same effect as if made on such non-Business Day.

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APPENDIX D

DTC AND THE BOOK-ENTRY ONLY SYSTEM

The following description of The Depository Trust Company ("DTC"), the procedures and record keeping with respect to beneficial ownership interests in the Bonds, payment of principal, interest and other payments on the Bonds (herein, the "Securities") to DTC Participants or Beneficial Owners, confirmation and transfer of beneficial ownership interest in the Securities and other related transactions by and between DTC, the DTC Participants and the Beneficial Owners is based solely on information provided by DTC. Accordingly, no representations can be made concerning these matters and neither the DTC Participants nor the Beneficial Owners should rely on the foregoing information with respect to such matters, but should instead confirm the same with DTC or the DTC Participants, as the case may be.

Neither the issuer of the Securities (the "Issuer") nor the trustee, fiscal agent or paying agent appointed with respect to the Securities (the "Agent") takes any responsibility for the information contained in this Appendix.

No assurances can be given that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the Securities, (b) certificates representing ownership interest in or other confirmation or ownership interest in the Securities, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Securities, or that they will so do on a timely basis, or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Appendix. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "Procedures" of DTC to be followed in dealing with DTC Participants are on file with DTC.

1. The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the securities (the "Securities"). The Securities 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 Security certificate will be issued for each issue of the Securities, each in the aggregate principal amount of such issue, and will be deposited with DTC. If, however, the aggregate principal amount of any issue exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.

2. 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 3.6 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 Standard & Poor's 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. *The information contained on this Internet site is not incorporated herein by reference.*

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

4. To facilitate subsequent transfers, all Securities 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 Securities 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 Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities 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.

5. 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 Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities 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.

6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue 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.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer 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 Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities 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 Issuer or Agent, on 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, Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or 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.

9. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to Issuer or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

10. Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

11. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that Issuer believes to be reliable, but Issuer takes no responsibility for the accuracy thereof.

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APPENDIX E

FORM OF CONTINUING DISCLOSURE CERTIFICATE

CONTINUING DISCLOSURE CERTIFICATE

\$ _____
**COMMUNITY FACILITIES DISTRICT NO. 2023-1
OF THE WILLIAM S. HART UNION HIGH SCHOOL DISTRICT
SERIES 2025 SPECIAL TAX BONDS**

This Continuing Disclosure Certificate (this “Disclosure Certificate”) is executed and delivered by Community Facilities District No. 2023-1 of the William S. Hart Union High School District (the “District”) in connection with the issuance of the bonds captioned above (the “Bonds”). The Bonds are being issued pursuant to a Fiscal Agent Agreement dated as of November 1, 2025 (the “Fiscal Agent Agreement”), by and between the District and Zions Bancorporation, National Association, as fiscal agent (the “Fiscal Agent”). The District hereby covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the District for the benefit of the holders and beneficial owners of the Bonds and in order to assist the Participating Underwriter in complying with S.E.C. Rule 15c2-12(b)(5).

Section 2. Definitions. In addition to the definitions set forth above and in the Fiscal Agent Agreement, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“*Annual Report*” means any Annual Report provided by the District pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“*Annual Report Date*” means the date that is nine months after the end of the District's fiscal year (currently March 31 based on the District's fiscal year end of June 30).

“*Dissemination Agent*” means KeyAnalytics, or any successor Dissemination Agent designated in writing by the District and which has filed with the District a written acceptance of such designation.

“*EMMA System*” means the Electronic Municipal Market Access System of the MSRB (as defined below) or such other electronic system designated by the MSRB or the Securities and Exchange Commission for compliance with the Rule and any successor entity designated by the Securities and Exchange Commission as the repository for filings made pursuant to the Rule.

“*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 a clause (i) debt obligation or of a clause (ii) a derivative instrument described above; provided, however, that the term “Financial Obligation” shall not include “municipal securities” (as such term is defined in the Securities Exchange Act of 1934, as amended) as to which a “final official statement” (as such term is defined in the Rule) has been provided to the MSRB consistent with the Rule.

“*Listed Events*” means any of the events listed in Section 5(a) of this Disclosure Certificate.

“MSRB” means the Municipal Securities Rulemaking Board, which has been designated by the Securities and Exchange Commission as the sole repository of disclosure information for purposes of the Rule.

“Obligated Person” means any person, including an issuer of municipal securities, who is either generally or thorough an enterprise, fund, or account of such person committed by contract or other arrangement (e.g., the District as to the Bonds) to support payment of all, or part of the obligations of the municipal securities to be sold (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities).

“Official Statement” means the final official statement dated _____, 2025, executed by the District in connection with the issuance of the Bonds.

“Participating Underwriter” means Stifel, Nicolaus & Company, Incorporated, the original underwriter of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“Rule” means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as it may be amended from time to time.

“School District” means the William S. Hart Union High School District.

Section 3. Provision of Annual Reports.

(a) The District shall, or shall cause the Dissemination Agent to, not later than the Annual Report Date, commencing March 31, 2026, with the report for the 2024-25 fiscal year, provide to the MSRB, through the EMMA System, in an electronic format as prescribed by the MSRB, an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than 15 Business Days prior to the Annual Report Date, the District shall provide the Annual Report to the Dissemination Agent (if other than the District). If by the Annual Report Date the Dissemination Agent (if other than the District) has not received a copy of the Annual Report, the Dissemination Agent shall contact the District to determine if the District is in compliance with the previous sentence. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4 of this Disclosure Certificate; provided that if the audited financial statements of the School District are not available by the Annual Report Date, the Annual Report shall contain unaudited financial statements, and the audited financial statements of the School District may be submitted separately from the balance of the Annual Report, and later than the Annual Report Date, when they become available. The audited financial statements of the District may be included within or constitute a portion of the audited financial statements of the School District. 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(b).

(b) If the District does not provide, or cause the Dissemination Agent to provide, an Annual Report by the Annual Report Date as required in subsection (a) above, the Dissemination Agent shall provide a notice to the MSRB through the EMMA System, in a timely manner, in an electronic format as prescribed by the MSRB.

(c) The Dissemination Agent shall:

(i) determine each year prior to the Annual Report Date the then-applicable rules and electronic format prescribed by the MSRB for the filing of annual continuing disclosure reports; and

(ii) if the Dissemination Agent is other than the District, file a report with the District and the Participating Underwriter certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, and stating the date it was provided and confirming that it has been filed with the MWRB through the EMMA System.

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

(a) The School District's audited financial statements 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 the School District does not prepare audited financial statements, or if the School District's audited financial statements, if any, are not available by the Annual Report Date, the Annual Report shall contain unaudited financial statements, which shall consist of the information required to be included in the Annual Report under Section 4(b) hereof, and the audited financial statements, if any, shall be filed in the same manner as the Annual Report when if they become available. When filed, the School District's annual Report shall be accompanied by the following statement:

THE SCHOOL DISTRICT'S ANNUAL FINANCIAL STATEMENT IS PROVIDED SOLELY TO COMPLY WITH THE SECURITIES EXCHANGE COMMISSION STAFF'S INTERPRETATION OF RULE 15c2-12. NO FUNDS OR ASSETS OF THE DISTRICT OR THE SCHOOL DISTRICT, OTHER THAN NET TAXES, ARE REQUIRED TO BE USED TO PAY DEBT SERVICE ON THE BONDS, AND NEITHER THE DISTRICT NOR THE SCHOOL DISTRICT IS OBLIGATED TO ADVANCE AVAILABLE FUNDS TO COVER ANY DELINQUENCIES. INVESTORS SHOULD NOT RELY ON THE FINANCIAL CONDITION OF THE DISTRICT OR THE SCHOOL DISTRICT IN EVALUATING WHETHER TO BUY, HOLD OR SELL THE BONDS.

(b) To the extent not included in the audited financial statements, the following information:

(i) The principal amount of the Bonds and any other outstanding bonds issued under the Fiscal Agent Agreement (including refunding bonds).

(ii) The balances in the funds and accounts established under the Fiscal Agent Agreement.

(iii) The current debt service schedule for the Bonds.

(iv) A statement of the then-current Reserve Requirement, whether or not the amount on deposit in the Reserve Fund is equal to the Reserve Requirement and, if not, the amount of the delinquency or surplus, as applicable.

(v) The total dollar amount of delinquencies, if any, in the District as of June 30 of the prior calendar year and, in the event that the total delinquencies within the District as of June 30 in the prior calendar year exceed 5% of the Special Tax for the previous fiscal year, delinquency information for each parcel responsible for more than \$5,000 in the payment of Special Tax, amounts of delinquencies, length of delinquency and status of any foreclosure of each such parcel.

(vi) The amount of prepayments of the Special Tax with respect to the District for the prior Fiscal Year.

(vii) An updated table in substantially the form of the table in the Official Statement entitled "Table 2a, Actual Fiscal Year 2025-26 Assigned Annual Special Tax Levy and Special Tax Revenues by Tax Class," based upon the Special Tax levy for the then-current Fiscal Year.

(viii) An updated table in substantially the form of the table in the Official Statement entitled "Table 4a, Appraised Values and Value-to-Burden Ratios by Property Owner and Development Status Allocated by Projected Fiscal Year 2027-28 Special Tax Levy," but using assessed property values based upon the most recent equalized tax roll prior to the September next preceding the Annual Report Date.

(ix) Any changes to the Rate and Method of Apportionment of Special Taxes of Community Facilities District No. 2023-1 of William S. Hart Union High School District set forth in Appendix B to the Official Statement.

(x) A copy of the most recent annual information required to be filed by the District with the California Debt and Investment Advisory Commission pursuant to the Act and relating generally to outstanding District bond amounts, fund balances, assessed values, special tax delinquencies and foreclosure information.

(c) In addition to any of the information expressly required to be provided under paragraph (b) above, the District shall provide such further information, if any, as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

(d) 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, which are available to the public on the MSRB's Internet web site 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 Listed Events.

(a) The District shall give, or cause to be given, notice of the occurrence of any of the following Listed Events with respect to the 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 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 determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds.

- (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 repayment of the securities, if material.
- (11) Rating changes.
- (12) Bankruptcy, insolvency, receivership or similar event of the District.
- (13) The consummation of a merger, consolidation, or acquisition involving the District, or the sale of all or substantially all of the assets of the District (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 Fiscal Agent or the change of name of the Fiscal Agent, if material.
- (15) Incurrence of a Financial Obligation of the Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Obligated Person, any of which affect security holders, 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 Obligated Person, any of which reflect financial difficulties.

(b) If a Listed Event occurs, the District shall, or shall cause the Dissemination Agent (if not the District) to, file a notice of such occurrence with the MSRB through the EMMA System, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of 10 business days after the occurrence of the Listed Event. Notwithstanding the foregoing, notice of Listed Events regarding bond calls described in subsection (a)(8) above need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Bonds under the Fiscal Agent Agreement.

(c) The District acknowledges that the events described in subparagraphs (a)(2), (a)(7), (a)(8) (if the event is a bond call), (a)(10), (a)(13), (a)(14), and (a)(15) of this Section 5 contain the qualifier “if material” and that subparagraph (a)(6) also contains the qualifier “material” with respect to certain notices, determinations or other events affecting the tax status of the Bonds. The District shall cause a notice to be filed as set forth in paragraph (b) above with respect to any such event only to the extent that it determines the event’s occurrence is material for purposes of U.S. federal securities law. Upon occurrence of any of these Listed Events, the District will as soon as possible determine if such event would be material under applicable federal securities law. If such event is determined to be material, the District will cause a notice to be filed as set forth in paragraph (b) above.

(d) For purposes of this Disclosure Certificate, any event described in paragraph (a)(12) above is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or

similar officer for the District in a proceeding under the United States 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 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.

Section 6. Identifying Information for Filings with the MSRB. All documents provided to the MSRB under the Disclosure Certificate shall be accompanied by identifying information as prescribed by the MSRB.

Section 7. Termination of Reporting Obligation. The District's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the District shall give notice of such termination in the same manner as for a Listed Event under Section 5(b).

Section 8. Dissemination Agent. The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The initial Dissemination Agent will be KeyAnalytics.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the District may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) if the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a), 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 an Obligated Person with respect to the Bonds, 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 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 either (i) is approved by holders of the 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 interests of the holders or beneficial owners of the Bonds.

If the annual financial information or operating data to be provided in the Annual Report is amended pursuant to the provisions hereof, the first annual financial information filed pursuant hereto 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 filed with the MSRB through the EMMA System in the same manner as for a Listed Event under Section 5(b).

Section 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the District shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 11. Default. In the event of a failure of the District to comply with any provision of this Disclosure Certificate, the Participating Underwriter or any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Fiscal Agent Agreement, and the sole remedy under this Disclosure Certificate in the event of any failure of the District to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the District agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which 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 Dissemination Agent shall have no duty or obligation to review any information provided to it hereunder and shall not be deemed to be acting in any fiduciary capacity for the District, the Fiscal Agent, the Bond owners or any other party. The obligations of the District under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

Section 13. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the District, the Fiscal Agent, the Dissemination Agent, the Participating Underwriter and holders and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Section 14. Counterparts. This Disclosure Certificate may be executed in several counterparts, each of which shall be regarded as an original, and all of which shall constitute one and the same instrument.

Date: _____, 2025

COMMUNITY FACILITIES DISTRICT NO. 2023-1
OF THE WILLIAM S. HART UNION HIGH
SCHOOL DISTRICT

By: _____

Jon Carrino,
Assistant Superintendent, Business Services,
William S. Hart Union High School District, on
behalf of Community Facilities District No. 2023-1
Of the William S. Hart Union High School District

AGREED AND ACCEPTED:

KeyAnalytics,
as Dissemination Agent

By: _____

Name: _____

Title: _____

APPENDIX F

FORM OF PROPERTY OWNER DISCLOSURE CERTIFICATE

CONTINUING DISCLOSURE CERTIFICATE (Lennar Homes)

\$ _____
**COMMUNITY FACILITIES DISTRICT NO. 2023-1
OF THE WILLIAM S. HART UNION HIGH SCHOOL DISTRICT
SERIES 2025 SPECIAL TAX BONDS**

This Continuing Disclosure Certificate (Lennar Homes) (this “Property Owner Disclosure Certificate”) is executed and delivered by Lennar Homes of California, LLC (the “Property Owner”) in connection with the issuance by Community Facilities District No. 2023-1 of the William S. Hart Union High School District (the “District”) of the bonds captioned above (the “Bonds”). The Bonds are being issued under a Fiscal Agent Agreement dated as of November 1, 2025 (the “Fiscal Agent Agreement”), by and between the District and Zions Bancorporation, National Association, as fiscal agent (the “Fiscal Agent”). The Property Owner hereby covenants and agrees as follows:

Section 1. Purpose of the Property Owner Disclosure Certificate. This Property Owner Disclosure Certificate is being executed and delivered by the Property Owner for the benefit of the holders and beneficial owners of the Bonds.

Section 2. Definitions. In addition to the definitions set forth above and in the Fiscal Agent Agreement, which apply to any capitalized term used in this Property Owner Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“*Affiliate*” means any person presently directly (or indirectly through one or more intermediaries) under managerial control of the Property Owner, and about whom information could be material to potential investors in their investment decision regarding the Bonds (including without limitation information relevant to the proposed development of the Property or to the Property Owner’s ability to pay the Special Taxes levied on the Property prior to delinquency). The Landbank is not an Affiliate of the Property Owner.

“*Assumption Agreement*” means an undertaking of a Major Owner, for the benefit of the holders and beneficial owners of the Bonds, containing terms substantially similar to this Property Owner Disclosure Certificate (as modified for such Major Owner’s development and financing plans with respect to the District), whereby such Major Owner agrees to provide semi-annual reports and notices of listed events, setting forth the information described in sections 4 and 5 hereof, respectively, with respect to the portion of the property in the District owned by such Major Owner and agrees to indemnify the Dissemination Agent (if any) pursuant to a provision substantially in the form of Section 12 hereof. The conveyance of property from the Landbank to the Property Owner under the Option Agreement is subject to this Property Owner Disclosure Certificate and shall not require the Property Owner to enter into an Assumption Agreement.

“*Dissemination Agent*” means the Property Owner, or any successor Dissemination Agent designated in writing by the Property Owner, and who has accepted such obligation in writing, and for which the Property Owner has filed with the District notice of such designation and acceptance, and which

is experienced in providing dissemination agent services such as those required under this Property Owner Disclosure Certificate.

“EMMA System” means the Electronic Municipal Market Access System of the MSRB or such other electronic system designated by the MSRB (as defined below) or the Securities and Exchange Commission.

“Landbank” shall mean TPG AG EHC III (LEN) CA 2, L.P., a Delaware limited partnership, and its successors and assigns.

“Listed Events” means any of the events listed in Section 5(a) of this Property Owner Disclosure Certificate.

“Major Owner” means, as of any Report Date, a Person that, together with the Person’s affiliates, owns, or has under option, 91 or more residential lots in the District. During the term of the Option Agreement, the Landbank shall not be considered a Major Owner.

“MSRB” means the Municipal Securities Rulemaking Board, which has been designated by the Securities and Exchange Commission as the sole repository of disclosure information.

“Official Statement” means the final Official Statement dated _____, 2025, executed by the District in connection with the issuance of the Bonds.

“Option Agreement” shall mean the Option Agreement (as amended) by and between the Property Owner and the Landbank that provides an option to the Property Owner to acquire certain parcels of the property in the District from the Landbank pursuant to a takedown schedule.

“Participating Underwriter” means Stifel, Nicolaus & Company, Incorporated, the original underwriter of the Bonds.

“Person” means an individual, a corporation, a partnership, a limited liability company, an association, a joint stock company, a trust, any unincorporated organization or a government or political subdivision thereof.

“Property” means, on the date of determination, (i) the property owned by the Property Owner in the District, (ii) during the term of the Option Agreement, the parcels of taxable property in the District owned by the Landbank for which the Property Owner has the option to purchase under the Option Agreement, and (iii) the property in the District that the Property Owner sold to a Major Owner who has not assumed the undertakings of this Property Owner Disclosure Certificate under Section 7(b).

“Report Date” means (a) May 31 of each year, and (b) November 30 of each year.

“Semi-Annual Report” means any Semi-Annual Report provided by the Property Owner pursuant to, and as described in, Sections 3 and 4 of this Property Owner Disclosure Certificate.

“School District” means the William S. Hart Union High School District.

“Special Taxes” means the special taxes for facilities levied by the District on the Property.

Section 3. Provision of Semi-Annual Reports.

(a) So long as the Developer's obligations under this Property Owner Disclosure Certificate have not been terminated pursuant to Section 7 herein, the Developer shall provide, or shall cause to be provided, not later than the Report Date, commencing May 31, 2026, to the MSRB through the EMMA System, in an electronic format and accompanied by the identifying information as prescribed by the MSRB, a Semi-Annual Report which is consistent with the requirements of Section 4 of this Property Owner Disclosure Certificate with a copy to the Participating Underwriter and the School District. Not later than 15 calendar days prior to the Report Date, the Property Owner shall provide the Semi-Annual Report to the Dissemination Agent (if different from the Property Owner). The Property Owner shall provide a written certification with (or included as a part of) each Semi-Annual Report furnished to the Dissemination Agent (if different from the Property Owner), Participating Underwriter and the District to the effect that such Semi-Annual Report constitutes the Semi-Annual Report required to be furnished by it under this Property Owner Disclosure Certificate. The Dissemination Agent, the Participating Underwriter and the District may conclusively rely upon such certification of the Property Owner and shall have no duty or obligation to review the Semi-Annual Report. The Semi-Annual Report may be submitted as a single document or as separate documents comprising a package, and may incorporate by reference other information as provided in Section 4 of this Property Owner Disclosure Certificate.

(b) If the Dissemination Agent is not the Property Owner and it does not receive a Semi-Annual Report by 15 calendar days prior to the Report Date, the Dissemination Agent shall send a reminder notice to the Property Owner that the Semi-Annual Report has not been provided as required under Section 3(a) above. The reminder notice shall instruct the Property Owner to determine whether its obligations under this Property Owner Disclosure Certificate have terminated (pursuant to Section 7 below) and, if so, to provide the Dissemination Agent with a notice of such termination in the same manner as for a Listed Event (pursuant to Section 5 below). If the Property Owner does not provide, or cause the Dissemination Agent to provide, a Semi-Annual Report to the MSRB through the EMMA System by the Report Date as required in subsection (a) above, the Dissemination Agent shall provide a notice that the Property Owner did not provide the Semi-Annual Report to the MSRB through the EMMA System, in an electronic format as prescribed by the MSRB.

(c) The Dissemination Agent shall:

(i) determine prior to each Report Date the then-applicable rules and electronic format prescribed by the MSRB for the filing of continuing disclosure reports; and;

(ii) to the extent the Semi-Annual Report has been furnished to it, file a report with the Property Owner (if the Dissemination Agent is other than the Property Owner), the District and the Participating Underwriter certifying that the Semi-Annual Report has been provided to the MSRB through the EMMA System pursuant to this Property Owner Disclosure Certificate, and stating the date it was provided.

Section 4. Content of Semi-Annual Reports. Each Semi-Annual Report shall contain or incorporate by reference the information set forth in Exhibit A, any or all of which may be included by specific reference to other documents, which are available to the public on the EMMA System 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 Property Owner shall clearly identify each such other document so included by reference.

In addition to any of the information expressly required to be provided in Exhibit A, each Semi-Annual Report shall include such further information, if any, as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

Section 5. Reporting of Listed Events.

(a) So long as the Property Owner's obligations under this Property Owner Disclosure Certificate have not been terminated pursuant to Section 7 herein, the Property Owner shall give, or cause to be given, notice of the occurrence of any of the following Listed Events with respect to itself or the Property, if material:

(i) bankruptcy or insolvency proceedings commenced by or against the Property Owner or, if known, any bankruptcy or insolvency proceedings commenced by or against any Affiliate of the Property Owner;

(ii) failure of the Property Owner to pay any taxes, special taxes (including the Special Taxes) or assessments due with respect to the Property prior to the delinquency date, to the extent such failure is not promptly cured by the Property Owner upon discovery thereof;

(iii) filing of a lawsuit against the Property Owner or, if known, an Affiliate of the Property Owner, seeking damages which, if successful, could have a material and adverse impact on the Property Owner's ability to pay Special Taxes with respect to the Property prior to delinquency or to sell or develop the Property;

(iv) material damage to or destruction of any of the improvements on the Property;

(v) the termination of the Option Agreement; and

(vi) any payment default or other material default by the Property Owner that continues to exist beyond any applicable notice and cure periods on any loan with respect to the construction of improvements on the Property.

(b) Whenever the Property Owner obtains knowledge of the occurrence of a Listed Event, the Property Owner shall as soon as possible determine if such event would be material under applicable Federal securities law.

(c) If the Property Owner determines that knowledge of the occurrence of a Listed Event would be material under applicable Federal securities law, the Property Owner shall, or shall cause the Dissemination Agent to, promptly file a notice of such occurrence with the MSRB, in an electronic format as prescribed by the MSRB, with a copy to the District and the Participating Underwriter.

Section 6. Identifying Information for Filings with the MSRB. All documents provided to the MSRB under this Property Owner Disclosure Certificate shall be accompanied by identifying information as prescribed by the MSRB.

Section 7. Duration of Reporting Obligation.

(a) All of the Property Owner's obligations hereunder shall commence on the date hereof and shall terminate (except as provided in Section 12) on the earliest to occur of the following:

(i) upon the legal defeasance, prior redemption or payment in full of all the Bonds,
or

(ii) at such time as the Property Owner is no longer a Major Owner;

(iii) the date on which all of the Special Taxes attributable to the Property in the District are paid in full.

The Property Owner shall give notice of the termination of its obligations under this Property Owner Disclosure Certificate in the same manner as for a Listed Event under Section 5.

(b) The Property Owner's obligations hereunder shall terminate with respect to any portion of the Property on the date such portion of the Property is sold to a Person that is not a Major Owner. If a portion of the Property is conveyed to a person or entity that, upon such conveyance, will be a Major Owner, or if the Option Agreement is terminated and the Landbank would be a Major Owner, the Property Owner shall remain obligated hereunder with respect to such Property unless the obligations of the Property Owner hereunder with respect to such Property are assumed by such Major Owner or the Landbank (if the Landbank is then a Major Owner), as applicable, pursuant to an Assumption Agreement. The Property Owner's obligations under this Property Owner Disclosure Certificate with respect to a Major Owner or the Landbank (in the event the Option Agreement is terminated and the Landbank is then a Major Owner) that has not executed an Assumption Agreement shall terminate upon the earlier to occur of (i) the date on which the Property Owner's obligations with respect to such Major Owner or Landbank are assumed under an Assumption Agreement entered into pursuant to this Section 7(b), or (ii) the date on which the Major Owner or Landbank is no longer considered a Major Owner. The Property Owner shall provide a copy of the executed Assumption Agreement to the Authority and the Participating Underwriter. However, a Major Owner shall not be required to enter into an Assumption Agreement if such Major Owner is already a party to a continuing disclosure certificate in form and substance similar to this Property Owner Disclosure Certificate with respect to the Bonds, and under which the property conveyed to such Major Owner will become subject to future Semi-Annual Reports. The conveyance of property from the Landbank to the Property Owner under the Option Agreement is subject to this Property Owner Disclosure Certificate and shall not require the Property Owner to enter into an Assumption Agreement.

Section 8. Dissemination Agent. The Property Owner may, from time to time, with the written consent of the District, appoint or engage a Dissemination Agent to assist the Property Owner in carrying out its obligations under this Property Owner Disclosure Certificate, and may discharge any such Dissemination Agent with or without appointing a successor Dissemination Agent. The Dissemination Agent may resign by providing 30 days' written notice to the Property Owner.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Property Owner Disclosure Certificate, the Property Owner may amend this Property Owner Disclosure Certificate, and any provision of this Property Owner Disclosure Certificate may be waived, provided that the following conditions are satisfied (provided, however, that the Dissemination Agent shall not be obligated under

any such amendment that modifies or increases its duties or obligations hereunder without its written consent thereto):

(a) if the amendment or waiver relates to the provisions of sections 3(a), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, or change in law; and

(b) the proposed amendment or waiver either (i) is approved by holders of the Bonds in the manner provided in the Fiscal Agent Agreement with the consent of holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the holders or beneficial owners of the Bonds.

Section 10. Additional Information. Nothing in this Property Owner Disclosure Certificate shall be deemed to prevent the Property Owner from disseminating any other information, using the means of dissemination set forth in this Property Owner Disclosure Certificate or any other means of communication, or including any other information in any Semi-Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Property Owner Disclosure Certificate. If the Property Owner chooses to include any information in any Semi-Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Property Owner Disclosure Certificate, the Property Owner shall have no obligation under this Property Owner Disclosure Certificate to update such information or include it in any future Semi-Annual Report or notice of occurrence of a Listed Event.

Section 11. Default. In the event of a failure of the Property Owner to comply with any provision of this Property Owner Disclosure Certificate, the Participating Underwriter and any holder or beneficial owner of the Bonds may, take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Property Owner to comply with its obligations under this Property Owner Disclosure Certificate. A default under this Property Owner Disclosure Certificate shall not be deemed an Event of Default under the Fiscal Agent Agreement, and the sole remedy under this Property Owner Disclosure Certificate in the event of any failure of the Property Owner to comply with this Property Owner Disclosure Certificate shall be an action to compel performance.

Section 12. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Property Owner Disclosure Certificate, and the Property Owner agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the reasonable costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding (i) losses, expenses and liabilities due to the Dissemination Agent's, and its officers', directors', employees', and agents' negligence or willful misconduct, or failure to perform its duties hereunder, and (ii) losses, expenses and liabilities due to the failure of the District to pay the fees and expenses of the Dissemination Agent. The obligations of the Property Owner under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds, but shall be assumed by a Major Owner from and after the date of such assumption when property is sold to a Major Owner and such Major Owner enters into an assumption agreement.

Section 13. Notices. Any notice or communications to be given relating to this Property Owner Disclosure Certificate may be given by electronic, overnight, or regular mail as follows:

To the District: William S. Hart Union High School District
21380 Centre Pointe Parkway
Santa Clarita, CA 91350
Attn: Assistant Superintendent, Business Services
Email: jcarrino@hartdistrict.org

To the Property Owner: Lennar Homes of California, LLC
2000 FivePoint, 3rd Floor
Irvine, CA 92618
Attn: Rick Bianchi
Email: rick.bianchi@lennar.com

To the Participating Underwriter: Stifel, Nicolaus & Company, Incorporated
2121 Avenue of the Stars, Ste. 2150
Los Angeles, CA 90067
Email: dvincent@stifel.com
Email: tjacob@stifel.com

To the Dissemination Agent: KeyAnalytics
27201 Puerta Real, Suite 260
Mission Viejo, CA 92691
Email: jbjorgan@calschools.com

Any person may, by written notice to the other persons listed above, designate a different address or telephone number(s) to which subsequent notices or communications should be sent.

Section 14. Beneficiaries. This Property Owner Disclosure Certificate shall inure solely to the benefit of the District, the Property Owner (its successors and assigns), the Dissemination Agent, the Participating Underwriter and holders and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity. All obligations of the Property Owner hereunder shall be assumed by any legal successor to the obligations of Property Owner as a result of a sale, merger, consolidation or other reorganization.

[Remainder of Page Intentionally Blank; Signature Page Follows]

IN WITNESS WHEREOF, the undersigned has executed this Property Owner Disclosure Certificate as of the date first written above.

LENNAR HOMES OF CALIFORNIA, LLC,
a California limited liability company

By: _____
Name: _____
Title: _____

EXHIBIT A

SEMI-ANNUAL REPORT

[MAY 31, ____ / NOVEMBER 30, ____]

**\$ _____
COMMUNITY FACILITIES DISTRICT NO. 2023-1
OF THE WILLIAM S. HART UNION HIGH SCHOOL DISTRICT
SERIES 2025 SPECIAL TAX BONDS**

This Semi-Annual Report is hereby submitted under Section 4 of the Continuing Disclosure Certificate (Lennar Homes) (the "Property Owner Disclosure Certificate") dated as of _____, executed by the undersigned (the "Property Owner") in connection with the issuance of the bonds captioned above (the "Bonds") for Community Facilities District No. 2023-1 of the William S. Hart Union High School District (the "District").

Capitalized terms used in this Semi-Annual Report but not otherwise defined have the meanings given to them in the Disclosure Certificate.

I. Property Ownership and Development

The information in this section is provided as of _____ (this date must be not more than 60 days before the date of this Semi-Annual Report).

A. Description of the Property currently owned by the Property Owners in the District (the "Property"), in substance and form similar to such information in the Official Statement for the Bonds:

B. Updated information regarding land development and home construction activities with respect to the Property described in the Official Statement for the Bonds or the Semi-Annual Report last filed in accordance with the Property Owner Disclosure Certificate:

C. Status of building permits and any material changes to the description of land use or development entitlements for the Property described in the Official Statement for the Bonds or the Semi-Annual Report last filed in accordance with the Property Owner Disclosure Certificate:

D. Status of any land purchase contracts with regard to the Property, whether acquisition of land in the District by the Property Owner or sales of land to other property owners (other than individual homeowners).

II. Legal and Financial Status of Property Owner

Unless such information has previously been included or incorporated by reference in a Semi-Annual Report, describe any material change in the legal structure of the Property Owner or the financial condition and financing plan of the Property Owner that would materially and adversely interfere with its ability to complete the development plan with respect to the Property described in the Official Statement. To the extent that the ownership of the Property Owner has changed, describe all material terms of the new ownership structure.

III. Change in Development or Financing Plans

Unless such information has previously been included or incorporated by reference in a Semi-Annual Report, describe any development plans or financing plans of the Property Owner relating to the Property *that are materially different from* the proposed development and financing plans of the Property Owner for the Property described in the Official Statement or in a previous Semi-Annual Report.

IV. Official Statement Updates

Unless such information has previously been included or incorporated by reference in a Semi-Annual Report, describe any other significant changes in the information relating to the Property Owner or the Property contained in the Official Statement under the headings "PROPERTY OWNERSHIP AND PROPOSED PROPERTY DEVELOPMENT--Lennar Homes" that would materially and adversely interfere with the Property Owner's ability to develop and sell the Property as described in the Official Statement.

V. Status of Tax Payments

Describe status of payment of taxes, special taxes (including the Special Taxes) or assessments due with respect to the Property owned by the Property Owner.

VI. Other Material Information

In addition to any of the information expressly required above, provide such further information, if any, with respect to the Property and the Property Owner as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

Certification

On behalf of the Property Owner, the undersigned officer or representative of the Property Owner, based on actual knowledge after reasonable inquiry of its employees, hereby certifies that this Semi-Annual Report constitutes the Semi-Annual Report required to be furnished under the Property Owner Disclosure Certificate.

ANY OTHER STATEMENTS REGARDING THE PROPERTY OWNER, THE DEVELOPMENT OF THE PROPERTY, THE PROPERTY OWNER'S FINANCING PLAN OR FINANCIAL CONDITION, OR THE BONDS, OTHER THAN STATEMENTS MADE BY THE PROPERTY OWNER IN AN OFFICIAL RELEASE, OR FILED WITH THE MUNICIPAL SECURITIES RULEMAKING BOARD, ARE NOT AUTHORIZED BY THE PROPERTY OWNER. THE PROPERTY OWNER IS NOT RESPONSIBLE FOR THE ACCURACY, COMPLETENESS OR FAIRNESS OF ANY SUCH UNAUTHORIZED STATEMENTS.

THE PROPERTY OWNER HAS NO OBLIGATION TO UPDATE THIS SEMI-ANNUAL REPORT OTHER THAN AS EXPRESSLY PROVIDED IN THE PROPERTY OWNER DISCLOSURE CERTIFICATE.

Dated:_____

LENNAR HOMES OF CALIFORNIA, LLC,
a California limited liability company

By:_____
Name:_____
Title:_____

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APPENDIX G

PROPOSED FORM OF OPINION OF BOND COUNSEL

Upon delivery of the Bonds, Atkinson, Andelson, Loya, Ruud & Romo, A Professional Law Corporation, Irvine, California, Bond Counsel to Community Facilities District No. 2023-1 of the William S. Hart Union High School District, proposes to render their final approving opinion with respect to the Bonds in substantially the following form:

[Dated Date]

Governing Board of the
William S. Hart Union High School District
21380 Centre Pointe Parkway
Santa Clarita, CA 91350

Re: \$ _____ Community Facilities District No. 2023-1 of the
William S. Hart Union High School District Series 2025 Special Tax Bonds
Final Opinion of Bond Counsel

Ladies and Gentlemen:

We have acted as Bond Counsel in connection with the issuance and sale by Community Facilities District No. 2023-1 of the William S. Hart Union High School District (“District”) of \$ _____ aggregate principal amount of bonds designated “Community Facilities District No. 2023-1 of the William S. Hart Union High School District Series 2025 Special Tax Bonds” (“Bonds”). The Bonds are issued pursuant to the Mello-Roos Community Facilities Act of 1982, as amended (comprising Chapter 2.5 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California), Resolution No. LB25/26-8, adopted by the Governing Board of the William S. Hart Union High School District (“School District”), acting in its capacity as the Legislative Body of the District on October 8, 2025 and the Fiscal Agent Agreement dated as of November 1, 2025 (“Fiscal Agent Agreement”), by and between the District and Zions Bancorporation, National Association, as Fiscal Agent (“Fiscal Agent”). Capitalized terms used herein and not otherwise defined shall have the meaning(s) given such terms in the Fiscal Agent Agreement.

As Bond Counsel, we have examined copies certified to us as being true and complete copies of the proceedings in connection with the formation of the District, the issuance of the Bonds and certain related matters (“District Proceedings”). We have also examined certificates and representations made by public officials and officers of the District, the School District and the underwriter of the Bonds, including certificates as to factual matters, including, but not limited to, the Tax Certificate, as we have deemed necessary to render the opinions set forth herein.

Attention is called to the fact that we have not been requested to examine, and have not examined, any documents or information relating to the District or the School District other than the record of the District Proceedings hereinabove referred to, and no opinion is expressed as to any financial or other information, or the adequacy thereof which has been or may be supplied to any purchaser of the Bonds. In rendering the opinions set forth herein, we have relied upon the representations of fact and certifications referred to herein, and we have not undertaken by independent investigation to verify the authenticity of signatures or the accuracy of the factual matters represented, warranted or certified therein. Furthermore, we have assumed compliance with all covenants contained in the Fiscal Agent Agreement, the Tax Certificate and other documents relating to the District Proceedings including, without limitation, covenants compliance with which is necessary to assure that future actions or events will not cause the interest on the Bonds to be included in gross income for federal income tax purposes. Failure to comply with certain of such covenants may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of original issuance of the Bonds.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur or any matters that come to our attention after the date hereof. Accordingly, this opinion speaks only as of its date and is not intended to, and may not, be relied upon in connection with any such actions, events or matters. Our engagement with respect to the Bonds has concluded with the issuance thereof and we disclaim any obligation to update this letter.

In addition, we call attention to the fact that the rights and obligations under the Bonds, the Fiscal Agent Agreement and other documents related to the District Proceedings are subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights and remedies, to the application of equitable principles heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement may also be subject to exercise of judicial discretion in appropriate cases and to limitations on legal remedies against school districts in the State of California ("State"). We express no opinion with respect to any indemnification, contribution, penalty, choice of law, choice of forum, choice of venue, waiver or severability provisions contained in the foregoing documents. We express no opinion with regard to "Blue Sky" laws in connection with the Bonds. We have not been engaged or undertaken to review the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Bonds (except to the extent, if any, stated in the Official Statement) and we express no opinion relating thereto (excepting only matters set forth as our opinion in the Official Statement).

The Fiscal Agent Agreement, the Tax Certificate and other documents related to the District Proceedings refer to certain requirements and procedures which may be changed and certain actions which may be taken or omitted under the circumstances and subject to terms and conditions set forth in such documents, in certain cases upon the advice or with an approving opinion of nationally recognized bond counsel. No opinion is expressed herein as to the effect on any Bond, or the interest paid thereon, if any such change is made, or action is taken or omitted, upon the advice or approval of counsel other than ourselves.

Based on and subject to the foregoing, and in reliance thereon, and our consideration of such questions of law as we have deemed relevant to the circumstances, we are of the following opinions:

1. The District has, and the District Proceedings show, full power and authority to issue the Bonds. The Bonds constitute legal, valid and binding obligations of the District, payable in accordance with their terms. The Bonds are limited obligations of the District payable solely from and secured by a pledge of the Net Taxes, and from other funds and accounts held pursuant to the Fiscal Agent Agreement, and are not obligations of the School District, the State or any public agency thereof (other than the District). The District has the full right, power and authority to levy and pledge the Net Taxes to the Owners of the Bonds.
2. The Fiscal Agent Agreement has been duly and validly authorized, executed and delivered by, and constitutes a valid and binding obligation of, the District.
3. Interest on the Bonds (including any original issue discount properly allocable to the owner thereof) is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended. Interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. Interest on the Bonds is taken into account in determining annual adjusted financial statement income for the purpose of computing the alternative minimum tax imposed on certain corporations. In addition, interest on the Bonds is exempt from personal income taxation imposed by the State. We express no opinion regarding other tax consequences related to the Bonds or to the accrual or receipt of the interest on the Bonds.

We express no opinion as to any matter other than as expressly set forth above.

Very truly yours,

ATKINSON, ANDELSON, LOYA, RUUD &
ROMO

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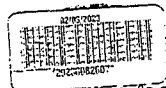
APPENDIX H

COMMUNITY FACILITIES DISTRICT BOUNDARY MAP

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SHEET 1 OF 2

PROPOSED BOUNDARIES OF
WILLIAM S. HART UNION HIGH SCHOOL DISTRICT
COMMUNITY FACILITIES DISTRICT NO. 2023-1
LOS ANGELES COUNTY
STATE OF CALIFORNIA



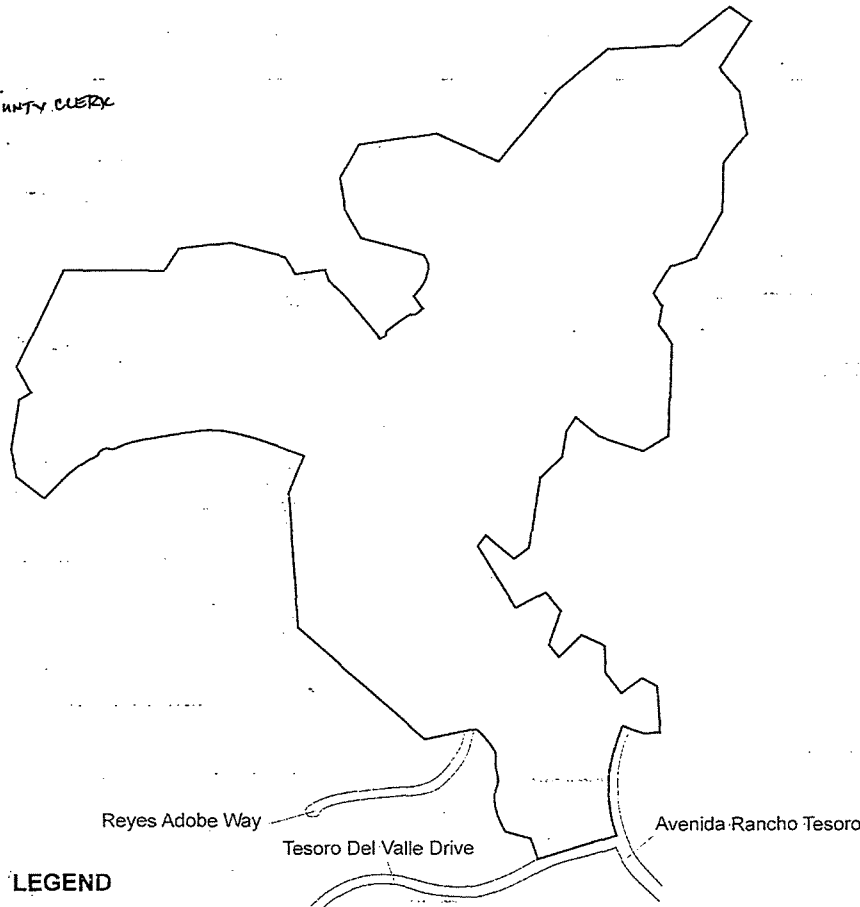
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IN BOOK 196

PAGE 48-49

LOS ANGELES COUNTY CA.
REGISTERAR-RECORDER/ COUNTY CLERKBY [Signature] DEPUTY
FEB 11 2023

DA.FEE CODE 20 5.08



LEGEND



Boundaries of Community Facilities District No. 2023-1
(See Sheet 2)

Prepared by:
California Financial Services

(1) Filed in the office of the Clerk of the Governing Board of the William S. Hart Union High School District this 1st day of February, 2023

[Signature] Clerk of the Governing Board,
William S. Hart Union High School District,
State of California

(2) I hereby certify that the within map showing the proposed boundaries of Community Facilities District No. 2023-1 of the William S. Hart Union High School District, Los Angeles County, State of California, was approved by the Governing Board of the William S. Hart Union High School District at the regular meeting thereof, held on this 1st day of February, 2023 by its Resolution No. 22/23-28

[Signature] Clerk of the Governing Board,
William S. Hart Union High School District,
State of California

(3) FILED AT THE REQUEST OF WILLIAM S. HART UNION HIGH SCHOOL DISTRICT, THIS ____ DAY OF _____, 20____, AT _____ M. IN BOOK ____ OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS AT PAGE(S) ____ OF AND AS INSTRUMENT NO. _____ IN THE OFFICE OF THE COUNTY RECORDER OF LOS ANGELES COUNTY, STATE OF CALIFORNIA.

LOS ANGELES COUNTY
REGISTRAR — RECORDER

BY: _____
DEPUTY RECORDER

Reference is hereby made to the Assessor maps of the County of Los Angeles for an exact description of the lines and dimensions of each lot and parcel.

SHEET 2 OF 2

PROPOSED BOUNDARIES OF
WILLIAM S HART UNION HIGH SCHOOL DISTRICT
COMMUNITY FACILITIES DISTRICT NO 2023-1
LOS ANGELES COUNTY
STATE OF CALIFORNIA

LEGAL DESCRIPTION OF COMMUNITY FACILITIES DISTRICT NO. 2023-1

ASSESSOR'S PARCEL NUMBERS 3244-160-017, 3244-160-018, 3244-161-007, 3244-161-008, 3244-161-010, 3244-161-011, 3244-161-015, 3244-162-001 AND THE PORTIONS OF ASSESSOR'S PARCEL NUMBERS 3244-161-001, 3244-161-004, 3244-161-005, 3244-161-006, 3244-161-009, 3244-161-013, 3244-161-016, 3244-161-018, 3244-161-019, 3244-162-002, 3244-162-003, 3244-162-004, 3244-162-005, AND 3244-162-006, BEING
PARCELS 3, 9, 10, 11, 12, 13, 14, AND 15 OF PARCEL MAP NO 82721, SUCH PARCEL MAP BEING RECORDED ON APRIL 20, 2022 AS INSTRUMENT NUMBER 20220433653 IN BOOK 415 AT PAGES 13 THROUGH 41 IN THE PARCEL MAP RECORDS OF THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA

Prepared by
California Financial Services

Reference is hereby made to the Assessor maps of the
County of Los Angeles for an exact description of the
lines and dimensions of each lot and parcel

APPENDIX I

APPRAISAL REPORT

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APPRAISAL REPORT
COVERING
Community Facilities District No. 2023-1
of the William S. Hart Union High School District

DATE OF VALUE:

August 15, 2025

SUBMITTED TO:

William S. Hart Union High School District
21380 Centre Pointe Parkway
Santa Clarita, CA 91350

Attn: Jon Carrino
Assistant Superintendent,
Business Services

DATE OF REPORT:

August 27, 2025

SUBMITTED BY:

Stephen G. White, MAI
1801 Lexington Drive
Fullerton, CA 92835

Stephen G. White, MAI



Real Estate Appraiser

1801 LEXINGTON DRIVE • FULLERTON, CALIFORNIA 92835
(714) 738-1595 • swhite@white-appraisal.com

August 27, 2025

William S. Hart Union High School District
21380 Centre Pointe Parkway
Santa Clarita, CA 91350

Re: Community Facilities
District No. 2023-1

Attn: Jon Carrino
Assistant Superintendent,
Business Services

Dear Mr. Carrino:

In accordance with your request and authorization, I have completed an appraisal of the taxable properties within the above-referenced Community Facilities District (CFD). The taxable properties included in this appraisal consist of a total of 455 residential lots that are being developed by Lennar Homes and Toll Brothers with six separate product types of detached homes comprising part of the community called Tesoro Highlands. The construction status by product type is summarized in the following table:

Product Type/ (Builder)	Completed Homes	Homes Under Construction	Vacant Lots	Total Lots
Campana (Lennar Homes)	100	9	0	109
Arches (Lennar Homes)	25	12	49	86
Montilla (Lennar Homes)	20	22	31	73
Avila (Lennar Homes)	50	0	0	50
Alta Monte (Toll Brothers)	45	25	7	77
Bella Terra (Toll Brothers)	<u>47</u>	<u>8</u>	<u>5</u>	<u>60</u>
	287	76	92	455

The purpose of this appraisal is to estimate the separate aggregate market values of the as is condition of the properties within each of the six product types, reflecting the status of the completed-closed homes (closed builder sales), completed-unclosed homes (model homes & standing inventory), homes under construction, and vacant lots.

The values within each product type are also allocated to Individual Owners (completed-closed homes) and Builder Ownership (completed-unclosed homes, homes under construction and vacant lots). In addition, this appraisal reflects the proposed CFD bond financing, as well as the effective tax rates estimated at averages of $\pm 1.7\%$ to $\pm 2.0\%$, reflecting the appraised average values for the completed-closed homes, and including special taxes for this CFD and other overlapping special assessments.

MR. JON CARRINO
AUGUST 27, 2025
PAGE 2

Based on the general inspections of the properties and analysis of matters pertinent to value, the following conclusions of market value have been arrived at, subject to the Assumptions and Limiting Conditions, and as of August 15, 2025:

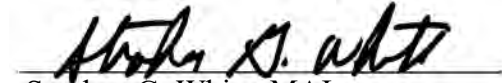
<u>Product Type (Builder)</u>	<u>No. Lots</u>	<u>Market Value</u>
Campana (Lennar Homes)		
<i>Individual Owners (completed-closed homes):</i>	83	\$95,450,000
<i>Builder Ownership (completed-unclosed homes):</i>	17	\$15,640,000
<i>Builder Ownership (homes under construction):</i>	<u>9</u>	<u>\$6,390,000</u>
	109	\$117,480,000
Arches (Lennar Homes)		
<i>Individual Owners (completed-closed homes):</i>	5	\$5,650,000
<i>Builder Ownership (completed-unclosed homes):</i>	20	\$18,000,000
<i>Builder Ownership (homes under construction):</i>	12	\$5,040,000
<i>Builder Ownership (vacant lots):</i>	<u>49</u>	<u>\$20,570,000</u>
	86	\$49,260,000
Montilla (Lennar Homes)		
<i>Individual Owners (completed-closed homes):</i>	3	\$3,420,000
<i>Builder Ownership (completed-unclosed homes):</i>	17	\$15,980,000
<i>Builder Ownership (homes under construction):</i>	22	\$11,130,000
<i>Builder Ownership (vacant lots):</i>	<u>31</u>	<u>\$13,010,000</u>
	73	\$43,540,000
Avila (Lennar Homes)		
<i>Individual Owners (completed-closed homes):</i>	49	\$63,700,000
<i>Builder Ownership (completed-unclosed homes):</i>	<u>1</u>	<u>\$1,230,000</u>
	50	\$64,930,000
Alta Monte (Toll Brothers)		
<i>Individual Owners (completed-closed homes):</i>	36	\$75,600,000
<i>Builder Ownership (completed-unclosed homes):</i>	9	\$15,120,000
<i>Builder Ownership (homes under construction):</i>	25	\$21,810,000
<i>Builder Ownership (vacant lots):</i>	<u>7</u>	<u>\$4,390,000</u>
	77	\$116,920,000
Bella Terra (Toll Brothers)		
<i>Individual Owners (completed-closed homes):</i>	32	\$54,400,000
<i>Builder Ownership (completed-unclosed homes):</i>	15	\$20,400,000
<i>Builder Ownership (homes under construction):</i>	8	\$4,780,000
<i>Builder Ownership (vacant lots):</i>	<u>5</u>	<u>\$2,640,000</u>
	60	\$82,220,000
TOTALS	455	\$474,350,000

(FOUR HUNDRED SEVENTY-FOUR MILLION
THREE HUNDRED FIFTY THOUSAND DOLLARS)

MR. JON CARRINO
AUGUST 27, 2025
PAGE 3

The following is the balance of this 88-page Appraisal Report which includes the Certification, Assumptions and Limiting Conditions, definitions, property data, exhibits, valuation and market data from which the value conclusions were derived.

Sincerely,


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

SGW:sw
Ref: 25016

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APPRAISAL SUMMARY

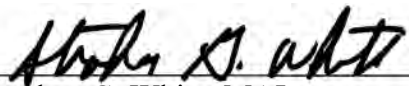
Property Type:	Completed-closed homes (208 total), completed-unclosed homes (79 total), homes under construction (76 total); vacant lots (92 total); overall total of 455 lots	
Ownership:	Individual Owners (completed-closed homes) Builder Ownership (completed-unclosed homes, homes under construction and vacant lots)	
Date of Value/Effective Date of the Appraisal:	August 15, 2025	
Date of Report:	August 27, 2025	
Location:	Tesoro Highlands; both sides of Avenida Rancho Tesoro, northerly of Tesoro del Valle Dr., City of Santa Clarita (Valencia area)	
APNs:	3244-199 to 201, 207 to 213 & 215 to 218	
Legal Description:	Tract Nos. 51644-12, -16, -17 & -18	
Minimum Lot/Pad Sizes:	Lot Sizes: 5,206 s.f. to 23,256 s.f. Pad Sizes: 5,000 s.f. to 9,900 s.f.	
Home Sizes:	3,285 s.f. to 5,088 s.f.	
Years Built:	2023-current	
Highest & Best Use:	As Improved/Planned	
Method of Analysis:	Sales Comparison Approach/Mass Appraisal	
Value Conclusions:	Campana:	\$117,480,000
	Arches:	\$ 49,260,000
	Montilla:	\$ 43,540,000
	Avila:	\$ 64,930,000
	Alta Monte:	\$116,920,000
	Bella Terra:	<u>\$ 82,220,000</u>
	Total:	\$474,350,000

CERTIFICATION

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the properties that are the subject of this report, and no personal interest with respect to the parties involved.
- I have no bias with respect to the properties that are the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of the appraisal.
- I have made a general inspection of the properties that are the subject of this report.
- No one provided significant real property appraisal assistance to the person signing this Certification, other than data research by my associate, Kirsten Patterson.
- I have performed no services, as an appraiser or in any other capacity, regarding the subject properties within the three-year period prior to accepting this assignment.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

As of the date of this report, I have completed the continuing education program for Designated Members of the Appraisal Institute.



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

ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal has been based upon the following assumptions and limiting conditions:

1. No responsibility is assumed for the legal descriptions provided or for matters pertaining to legal or title considerations. Title to the properties is assumed to be good and marketable unless otherwise stated.
2. The properties are appraised free and clear of any or all liens or encumbrances unless otherwise stated.
3. Responsible ownership and competent property management are assumed.
4. The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.
5. All engineering studies, if applicable, are assumed to be correct. Any plot plans or other illustrative material in this report are included only to help the reader visualize the property.
6. It is assumed that there are no hidden or unapparent conditions of the properties, subsoil, or structures that render them more or less valuable. No responsibility is assumed for such conditions or for obtaining the engineering studies that may be required to discover them.
7. It is assumed that the properties are in full compliance with all applicable federal, state and local environmental regulations and laws unless the lack of compliance is stated, described and considered in the appraisal report.
8. It is assumed that the properties conform to all applicable zoning and use regulations and restrictions unless a nonconformity has been identified, described and considered in the appraisal report.
9. It is assumed that all required licenses, certificates of occupancy, consents and other legislative or administrative authority from any local, state or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimates contained in the report are based.
10. It is assumed that the use of the land and improvements is confined within the boundaries or property lines of the properties described and that there are no encroachments or trespasses unless noted in the report.
11. Unless otherwise stated in this report, the existence of hazardous materials, which may or may not be present on the properties, was not observed by the appraiser. However, the appraiser is not qualified to detect such substances. The presence of such substances may affect the value of the property, but the values estimated in this

ASSUMPTIONS AND LIMITING CONDITIONS, Continuing

appraisal are based on the assumption that there is no such material on or in the properties that would cause a loss in value. No responsibility is assumed for such conditions or for any expertise or engineering knowledge required to discover them. The client should retain an expert in this field, if desired.

12. Possession of this report, or a copy thereof, does not carry with it the right of publication, unless otherwise authorized. It is understood and agreed that this report will be utilized in the Official Statement, as required for the CFD bond issuance.
13. The appraiser, by reason of this appraisal, is not required to give further consultation or testimony or to be in attendance in court with reference to the properties in question unless arrangements have previously been made.

EXTRAORDINARY ASSUMPTIONS

1. It has been assumed that there are no soil, geologic, seismic or environmental conditions that would negatively impact the existing or planned uses of the subject properties, and all appropriate and required mitigation measures have been or will be incorporated into the land development and home construction in the community.
2. An estimate of the remaining costs and fees to get the subject lots from their as is condition to finished lot condition has been provided by the builder, and these estimates have been relied upon in this appraisal as being reasonably accurate and reliable; in addition, the valuations have reflected the proposed CFD bond financing such that the deductions of estimated remaining costs/fees do not include any amounts that are to be funded by the planned CFD bond proceeds.

PURPOSE AND INTENDED USE/USER OF THE APPRAISAL

The purpose of this appraisal is to estimate the market value of the as is condition of the taxable properties located within Community Facilities District No. 2023-1 of the William S. Hart Union High School District, including reflecting the proposed CFD bond financing. It is intended that this Appraisal Report is to be used by the client, consisting of the William S. Hart Union High School District and other appropriate parties as part of the planned CFD bond issuance.

SCOPE OF THE APPRAISAL

It is the intent of this appraisal that all appropriate data considered pertinent in the valuation of the subject properties be collected, confirmed and reported in an Appraisal Report, in conformance with the Uniform Standards of Professional Appraisal Practice and the guidelines of the California Debt and Investment Advisory Commission. The scope of work has included an identification of the appraisal problem to be solved, which in this case is the market value of the taxable subject properties in as is condition as of the date of value of the appraisal; a general inspection of the subject properties and their surroundings; obtaining of pertinent property data on the subject properties, including review of various maps and documents relating to the properties and the home development; obtaining of comparable home sales and land sales from a variety of sources; analysis of all of the data to the value conclusions; and completion of the Appraisal Report.

DATE OF VALUE (EFFECTIVE DATE OF THE APPRAISAL)

The date of value for this appraisal or the effective date of the appraisal is August 15, 2025.

PROPERTY RIGHTS APPRAISED

This appraisal is of the fee simple interest in the subject properties, subject to the CFD special tax and existing assessment liens.

DEFINITION OF MARKET VALUE

The most probable price, as of a specified date, in cash, or in terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue duress. (The Dictionary of Real Estate Appraisal, Seventh Edition)

DEFINITION OF FEE SIMPLE INTEREST (ESTATE)

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat. (The Dictionary of Real Estate Appraisal, Seventh Edition)

DEFINITION OF MASS APPRAISAL

The process of valuing a universe of properties as of a given date using standard methodology, employing common data, and allowing for statistical testing. (USPAP, 2020-2021 ed.) Often associated with real property tax assessment valuation. (The Dictionary of Real Estate Appraisal, Seventh Edition)

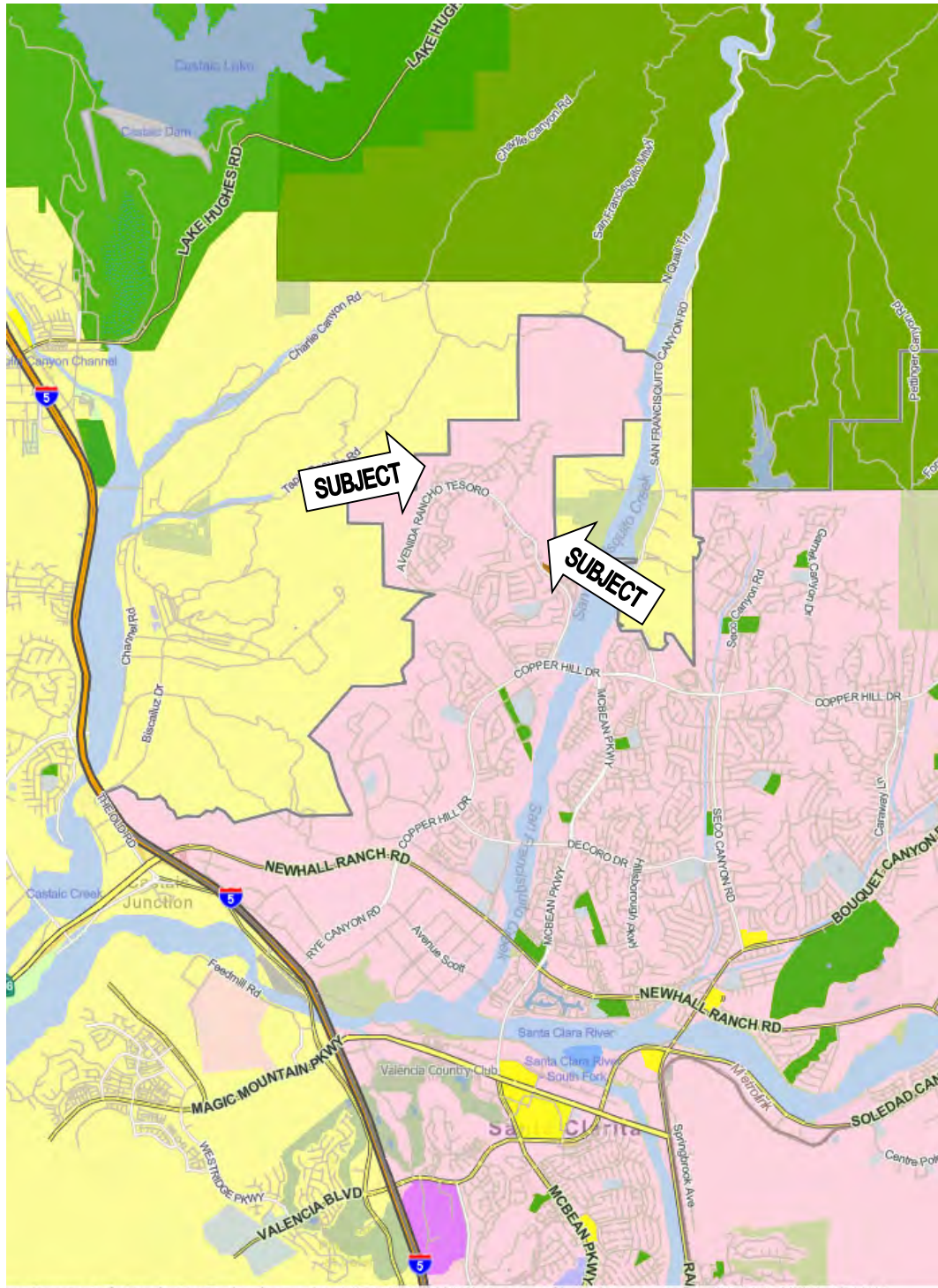
DEFINITION OF FINISHED LOT

This term describes the condition of residential lots in a single-family subdivision for detached homes in which the lots are fully improved and ready for homes to be built. This reflects that the lots have all development entitlements, infrastructure improvements completed, finish grading completed, all in-tract utilities extended to the property line of each lot, street improvements completed, common area improvements/landscaping (associated with the tract) completed, resource agency permits (if necessary), and all development fees paid, exclusive of building permit fees, in accordance with the conditions of approval of the specific tract map.

EXPOSURE TIME

This is defined as the estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date or date of value of the appraisal. Assuming a reasonable marketing effort and at or reasonably near market value, I have concluded that the exposure time for the subject homes, as well as the bulk of homes under construction and vacant lots would have been within 6 months for a sale to be negotiated, and with appropriate escrow time for the sales to close.

LOCATION MAP



GENERAL PROPERTY DATA

LOCATION

The community of Tesoro Highlands is located along Avenida Rancho Tesoro in the areas westerly of and northerly from Tesoro del Valle Dr., in the Valencia area of the City of Santa Clarita. The community extends well to the north and northeast in this area, beyond the adjacent community of Tesoro del Valle. The subject properties, totaling the 455 lots, comprise the north and east parts of the Tesoro Highlands community.

This location is toward the northerly end of the northwest part of Santa Clarita, about 3 miles northeast of the I-5 Freeway, with a full interchange at Newhall Ranch Rd./Hwy. 126 West.

GENERAL AREA DESCRIPTION

To the east of Tesoro Highlands is a large area of vacant and hilly land sloping down to the San Francisquito Creek. The creek is a wide and shallow seasonal watercourse which generally runs north-south through this area and flows into the Santa Clara River approximately 3.5 miles to the south. In this area there are a few scattered residences and outdoor storage related uses with dirt road access from San Francisquito Canyon Rd. to the east.

To the southeast, at the northerly corner of Avenida Rancho Tesoro and Stoney Creek Dr., is the Tesoro del Valle Recreation Center and Clubhouse which was part of the original Tesoro del Valle community. This facility covers approximately 16.3 acres of land, and includes a lake, several swimming pools, tennis courts, basketball and sport courts, sand volley ball court, and softball diamond, as well as various other recreational amenities.

Along the northeasterly side of Avenida Rancho Tesoro, and surrounded by the recreation center property, is a 2.26-acre parcel owned and operated by the City of Santa Clarita as Tesoro Adobe Historic Park. The property includes the 1930's residence of western film actor and Tesoro del Valle owner Harry Carey, and is operated as a museum and events venue.

To the south of Tesoro Highlands is the master planned community of Tesoro del Valle which was constructed in the early 2000's and extends south to Copper Hill Dr. It comprises a total of 1,077 homes, the Tesoro del Valle Elementary School campus and the Tesoro del Valle Recreation Center and Clubhouse as described above. The homes include 657 single-family homes on traditional lots and 420 small-lot detached homes. Home sizes span the broad range from approximately 1,500 s.f. to just over 5,000 s.f. with 2025 home sale prices reported from \$680,000 to \$1,775,000.

COMMUNITY FACILITIES DISTRICT NO. 2023-1
OF THE WILLIAM S. HART UNION HIGH SCHOOL DISTRICT



GENERAL AREA DESCRIPTION, Continuing

To the southwest of the subject lots is the balance of Tesoro Highlands community. This area comprises 365 age-qualified residences in four different product types of homes by Lennar Homes. The age-qualified portion of Tesoro Highlands has gated access and includes a community recreation center on just under 4 acres for active adult residents with pool, spa, clubhouse, fitness center, pickleball courts, putting green and dog park. Farther to the west and northwest of Tesoro Highlands is much vacant and hilly land extending north to the Angeles National Forest and Castaic Lake and State Recreation Area.

STREETS AND ACCESS

Primary access to the subject part of Tesoro Highlands is by Avenida Rancho Tesoro which extends about a mile northerly from Copper Hill Dr. to the community. Copper Hill Dr. extends to the west and southwest for several miles to Newhall Ranch Rd., which then extends westerly for less than 2 miles to the 5 Freeway.

Avenida Rancho Tesoro is a two-lane residential collector street that extends north and northwest into Tesoro Highlands, then curves westerly and southerly around the west and southwest sides of the overall community, and then extends east a short distance to connect with Tesoro del Valle Dr.

Avenida Rancho Tesoro provides direct access to the Campana and Arches product types. Camino Los Robles and Avenida Sierra Madre extend northeast off of Avenida Rancho Tesoro and provide access to or into and through the Montilla, Avila, Alta Monte and Bella Terra product types.

UTILITIES

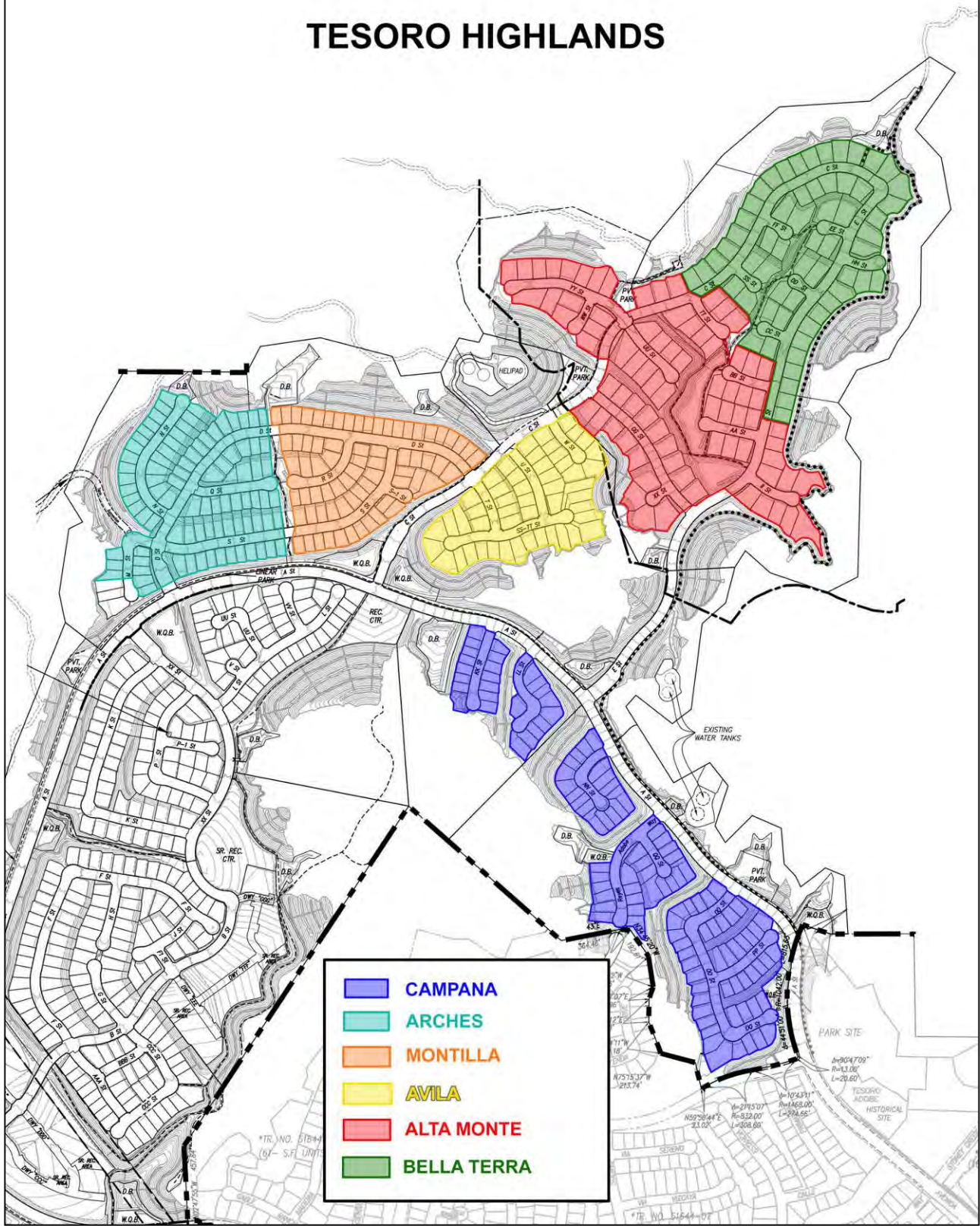
The utilities have been constructed within the community to all of the subject lots, and are provided as follows:

- Water Santa Clarity Valley Water Agency
- Sewer: Santa Clarita Valley Sanitation District
- Electric: Southern California Edison Company
- Natural Gas: Southern California Gas Company

ZONING/GENERAL PLAN/APPROVALS

The subject lots in the Tesoro Highlands community have City zoning and General Plan Land Use designations of UR 2 (Urban Residential 2) which permits single-family homes and other residential uses at a maximum density of 5 dwelling units per acre. The more specific approvals for the residential development are by the final maps for Tract Nos. 51644-12, -16, -17 and -18 which recorded from November 9, 2022 through July 31, 2024.

TESORO HIGHLANDS



OVERVIEW OF TESORO HIGHLANDS

The original Tesoro del Valle Master Plan was approved by the County of Los Angeles in 1999, and construction of the 1,077 homes was substantially completed by 2008. In 2015 the remaining Tesoro del Valle property was acquired by Newport Pacific Land and a revised plan for completion of the Tesoro del Valle Master Plan was submitted to the County for review. The new plan featured much more open space than the original plan, as well as numerous private amenities to be available to all Tesoro del Valle homeowners. The County approved The Highlands at Tesoro del Valle in November 2018.

The Highlands at Tesoro del Valle, now called Tesoro Highlands, comprises ±1,274 acres which is being developed with 820 homes, with more than 75% of the land preserved as permanent open space. Amenities will include two new recreation centers, various smaller parks, and approximately 22 miles of improved trails which connect to other regional trails and open space.

The 820 homes will be comprised of 455 conventional homes and 365 age-qualified homes. The age-qualified homes (which are not included in this appraisal) being constructed by Lennar Homes are in a separate gated area with a private recreation area, and include the following four product types:

Sierra Bella: 1,653 to 2,269 s.f., 2 bedrooms, 2 to 2.5 baths, 1 & 2-story

Estrada: 2,338 to 2,564 s.f., 2 to 3 bedrooms, 2.5 to 3.5 baths, 1-story

Toscana: 2,200 to 2,327 s.f., 2 to 3 bedrooms, 2.5 to 3.5 baths, 1-story

Paseo: 2,214 to 2,675 s.f., 2 to 3 bedrooms, 2.5 to 3.5 baths, 1-story

The conventional homes (which are included in this appraisal) being constructed by Lennar Homes and Toll Brothers are in a non-gated area and a separate gated area, with a separate recreation area, and include the following six product types:

Campana: (non-gated) 3,285 to 3,920 s.f., 4 to 5 bedrooms, 3.5 to 4.5 baths, 2-story

Arches: (gated) 3,421 to 4,615 s.f., 4 bedrooms, 3.5 to 4.5 baths, 2-story

Montilla: (gated) 3,801 to 4,581 s.f., 4 to 5 bedrooms, 4.5 to 5.5 baths, 2-story

Avila: (gated) 3,897 to 4,527 s.f., 2 to 3 bedrooms, 2.5 to 3.5 baths, 1-story

Alta Monte: (gated) 4,718 to 5,088 s.f., 5 to 6 bedrooms, 5.5 to 6.5 baths, 2-story

Bella Terra: (gated) 3,377 to 3,685+ s.f., 4 to 5 bedrooms, 4.5 to 5.5 baths, 1-story

The Oasis is the completed recreation center located within the gated age-qualified area. It includes clubhouse, fitness center, pool, spa, pickleball courts, putting green and dog park. The Retreat will be the recreation center for the overall community. It

OVERVIEW OF TESORO HIGHLANDS, Continuing

is located along Avenida Rancho Tesoro opposite Camino Los Robles, and is currently in the early stage of construction. It will also include clubhouse, fitness center, pool, spa and other amenities. In addition, there are and will be various other small parks that include picnic and barbecue areas, tennis courts and open grass areas. Lastly, there is the trail system within the overall community, and connecting with the regional trails system.

For the 455 subject homes, the monthly HOA dues for the Lennar Homes product types are \$250 for Campana due to being outside of the gated area and \$335 for Arches, Montilla and Avila due to being within the gated area; and the monthly HOA dues for the Toll Brothers product types are \$298.

SCHOOL DISTRICT/SCHOOLS

The Tesoro Highlands community is located within the boundaries of the Saugus Union School District (K-6) and the William S. Hart Union High School District (7-12). The community is served by Tesoro del Valle Elementary School (± 0.5 mile to the south), Rio Norte Junior High School (± 1.25 miles to the south), and Valencia High School (± 2.5 miles to the south).

TOPOGRAPHY/VIEWS

The Tesoro Highlands community is located in a hilly area in the northerly part of Santa Clarita, with the lots generally graded and terracing up to the north. Thus, many of the lots have views to the south toward Santa Clarita and of nearby hills and distant mountains. In addition, many other lots have views of nearby hills and distant mountains to the north, northwest and/or northeast.

DRAINAGE/FLOOD HAZARD

Drainage of the subject lots is generally to the streets and in curbs and other facilities that have been constructed within the community. Per FEMA Flood Zone Panel No. 065043-0810G dated June 2, 2021, all of the Tesoro Highlands community is located in Zone X which indicates an area of minimal flood hazard and out of the Special Flood Hazard Area.

FIRE HAZARD ZONE

Per the current 2025 CalFire map, all of the subject properties are located within the Very High Fire Hazard Severity Zone within a Local Responsibility Area. As a result, Fuel Modification Plans were submitted and approved by the fire department to meet the required defensible space per fire code. Native species which are fire resistant and have lower flammability were required. In addition, a new Los Angeles

FIRE HAZARD ZONE, Continuing

County Fire Department helispot was constructed for local and regional aerial firefighting purposes, which serves as a first line of defense for the project.

SOIL/GEOLOGIC/SEISMIC CONDITIONS

The Tesoro del Valle (Phases A, B, C) Project Draft Supplemental EIR from February 2018 indicates that there are no active or potentially active faults known to exist on the project site. The nearest known fault is the San Gabriel Fault located approximately 1.5 miles to the south and west of the project site. Thus, the subject community is not within an Alquist-Priolo Earthquake Fault Zone.

The Draft Supplemental EIR also reports that impacts related to geologic and seismic conditions, and soil engineering constraints existing on the project site or resulting from the development of the project, would be less than significant with implementation of all recommendations identified in all geotechnical reports prepared for the project site.

This appraisal has assumed that all grading of the subject lots was properly completed, and that there are no soil, geologic or seismic conditions that would negatively impact the use or valuation of the existing and planned subject homes.

TITLE REPORTS

Preliminary Reports by First American Title Company and Lennar Title/Doma Title Insurance, Inc. dated from July 19 through September 9, 2024 have been provided for review. These reports cover various portions of the ownerships of BLC Tesoro LLC, Lennar Homes of California, LLC and AG EHC II (LEN) CA 3, L.P. as of those dates. Noted exceptions to title include the following:

- Community Facilities District No. 2002-1 of the William S. Hart Union High School District as disclosed by Notice of Special Tax Lien recorded April 1, 2003
- Community Facilities District No. 2004-1 of the William S. Hart Union High School District as disclosed by Notice of Special Tax Lien recorded October 24, 2004.
- Community Facilities District No. 2004-1 of the Saugus Union School District as disclosed by Notice of Special Tax Lien recorded December 20, 2004.
- Community Facilities District No. 2022-25, Improvement Area No. 1 of California Municipal Finance Authority (City of Santa Clarita – Tesoro Highlands) as disclosed by Notice of Special Tax Lien recorded December 14, 2022.
- Community Facilities District No. 2022-25, Improvement Area No. 2 of California Municipal Finance Authority (City of Santa Clarita – Tesoro Highlands) as disclosed by Notice of Special Tax Lien recorded December 21, 2022.
- Community Facilities District No. 2023-1 of the William S. Hart Union High School District as disclosed by Notice of Special Tax Lien recorded March 24, 2023.
- Various agreements for items including school facilities funding, fuel modification covenant, habitat monitoring and reporting funding, and offsite improvements/drainage alteration.
- Various easements for items including public utilities, multi-use trail, storm drains, and solar energy equipment.

TITLE REPORTS, Continuing

These exceptions are fairly typical of residential developments such as the subject project, and it has been assumed that these have been incorporated into the approvals for development of the Tesoro Highlands community.

RESIDENTIAL MARKET OVERVIEW

In the third quarter of 2025, the Southern California housing market is being shaped by a complex variety of factors. While demand for housing remains high, and inventory is up as sellers are increasingly choosing to sell, slowing price growth and a slower pace of sales have been evident even during the typically busy Spring season. Many analysts eyeing 2025 have forecast slow but positive price growth in the market, supported by strong buyer demand and growing inventory levels. However, political and economic uncertainty, including evolving tariff, immigration and international policies, have led to fluctuating consumer confidence.

The Housing Forecast Midyear Update from Realtor.com released in July predicts that mortgage rates will remain higher than originally projected ending the year at 6.4%, up from earlier projections of 6.2%. Sales volume for existing homes, previously forecast for slight growth over the year is now expected to decrease 1.5% which would result in the slowest year for existing home sales since 1995. However, home prices are expected to remain relatively stable with a projected growth of 2.5% through the end of the year. Affordability remains a significant challenge for homebuyers with elevated mortgage rates and high home prices presenting significant hurdles for home purchases.

According to data provided by Freddie Mac, the average rate on a 30-year fixed loan opened the year at 6.91% and quickly peaked two weeks later at 7.04%. It has subsequently fluctuated in the high 6% range with a more recent downward trend, holding steady at 6.58% for weeks ending August 14 and August 21, 2025. Mortgage rates are generally expected to remain stable in the latter part of 2025, though market response to concerns surrounding inflation, employment and ongoing changes in tariff policies may contribute to some variability.

Increases in available inventory have been a significant boon for buyers as a growing number of sellers are choosing to sell. Data provider Redfin reports that in July across California there were 117,809 homes for sale, up from 114,022 in June and up 16.3% year over year. Listings remained on the market for a median of 44 days, up from 35 days in June and 30 days in July 2024. The statewide median home sale price of \$831,300 for July 2025 was down from \$866,900 in June and down 0.74% year over year and the number of homes sold at 25,255 for July 2025 was up from 24,453 in June but down 2.9% year over year.

Statewide and national trends are reflected in Los Angeles County, with Redfin reporting 4,611 homes sold in July 2025, down 1.0% year over year. Listings were

RESIDENTIAL MARKET OVERVIEW, Continuing

on market for a median of 52 days, up 16 days year over year and the median price of \$926,500 for July 2025 reflected a 0.7% increase from July 2024.

In the City of Santa Clarita, Redfin reports a median sale price of \$841,000 in July 2025, up 8.2% year over year. A total of 198 homes were sold in July, up 4.8% from July 2024 and the median number of days on market was 57, up sharply from 34 in July 2024. On average, homes in the market sold at 99.0% of list price (down from 100.5% in July 2024) with 32.8% of homes selling above list price (compared to 51.8% in July 2024) and 34.2% of homes showing price drops compared to 27.4% a year ago

More specific to the subject properties in the Tesoro Highlands community, home sales have been good as evidenced by the 89 closed builder sales thus far in 2025 as well as the grand opening of two new product types, Arches and Montilla, in April. The Avila neighborhood is due to closeout by the end of August and there are a total of 58 pending sales of homes within the six different product types that are scheduled to close from late August 2025 through the fourth quarter of 2026.

HIGHEST AND BEST USE

The term highest and best use is defined as the reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity. Furthermore, the highest and best use of land or a site as though vacant is defined as among all reasonable, alternative uses, the use that yields the highest present land value, after payments are made for labor, capital, and coordination.

In terms of legal permissibility, the completed and ongoing residential development is permitted by the zoning and General Plan designations, as well as by the specific development approvals reflected by the recorded final Tract Maps as previously discussed. In terms of physical possibility, the subject lots have been graded to fairly flat buildable pads, and with all needed infrastructure of streets, utilities and drainage facilities completed for the home construction that has been completed and is still ongoing.

In terms of the financial feasibility, as previously discussed in the Residential Market Overview, the current residential market conditions evidence reasonably good demand for new and resale homes in the general subject area. This is also evident by the good home sales activity that has taken place in the six subject product types of homes, reflected by the closed and pending builder home sales, and by the resales of homes in the nearby areas. In terms of the maximum productivity, this is represented by the completed and ongoing residential development, with an appropriate array of

HIGHEST AND BEST USE, Continuing

home sizes, floor plans with various options, and pricing within the six different product types of homes.

In summary, the highest and best use is concluded to be as improved with the completed homes and as planned for the homes under construction and the vacant lots.

CAMPANA

PROPERTY DATA

Location

This product type is located along the west/southwest side of Avenida Rancho Tesoro, extending northerly from Tesoro del Valle Dr., with access points at Camino Saguaro, Camino La Tinta, Camino Azar, Paseo Tranquilo and Corte Ballenas. In addition to these access point streets, the lots also front on Corte La Brocha and Corte Azulejo.

Record Owner/Ownership History

As of the August 15, 2025 date of value, individual homeowners owned 83 of these lots (Lots 1 to 45 & 58 to 85 of Tract No. 51644-12 and Lots 1 to 10 of Tract No. 51644-16); Lennar Homes of California, LLC owned 17 lots (Lots 50 to 52 of Tract No. 51644-12 and Lots 11 to 24 of Tract No. 51644-16); and AG EHC II (LEN) CA 2, L.P. owned 9 lots (Lots 46 to 49 & 53 to 57 of Tract No. 51644-12).

The southerly 85 lots sold from BLC Tesoro LLC to AG EHC II (LEN) CA 2, L.P. (a land banking entity on behalf of Lennar) by deed recorded March 1, 2023. Subsequently, there were multiple takedowns of all but 9 of these lots to Lennar Homes of California, LLC that recorded from July 25, 2023 and thereafter. The remaining takedown of 9 lots is scheduled to close on August 27, 2025. The northerly 24 lots sold from BLC Tesoro LLC to Lennar Homes of California, LLC by deed recorded November 6, 2024.

The builder sales of the 83 completed homes to the homeowners closed from September 22, 2023 through June 30, 2025. In addition, as of August 17, 2025 there were 9 pending builder sales with scheduled closing dates from August 18 to September 25, 2025.

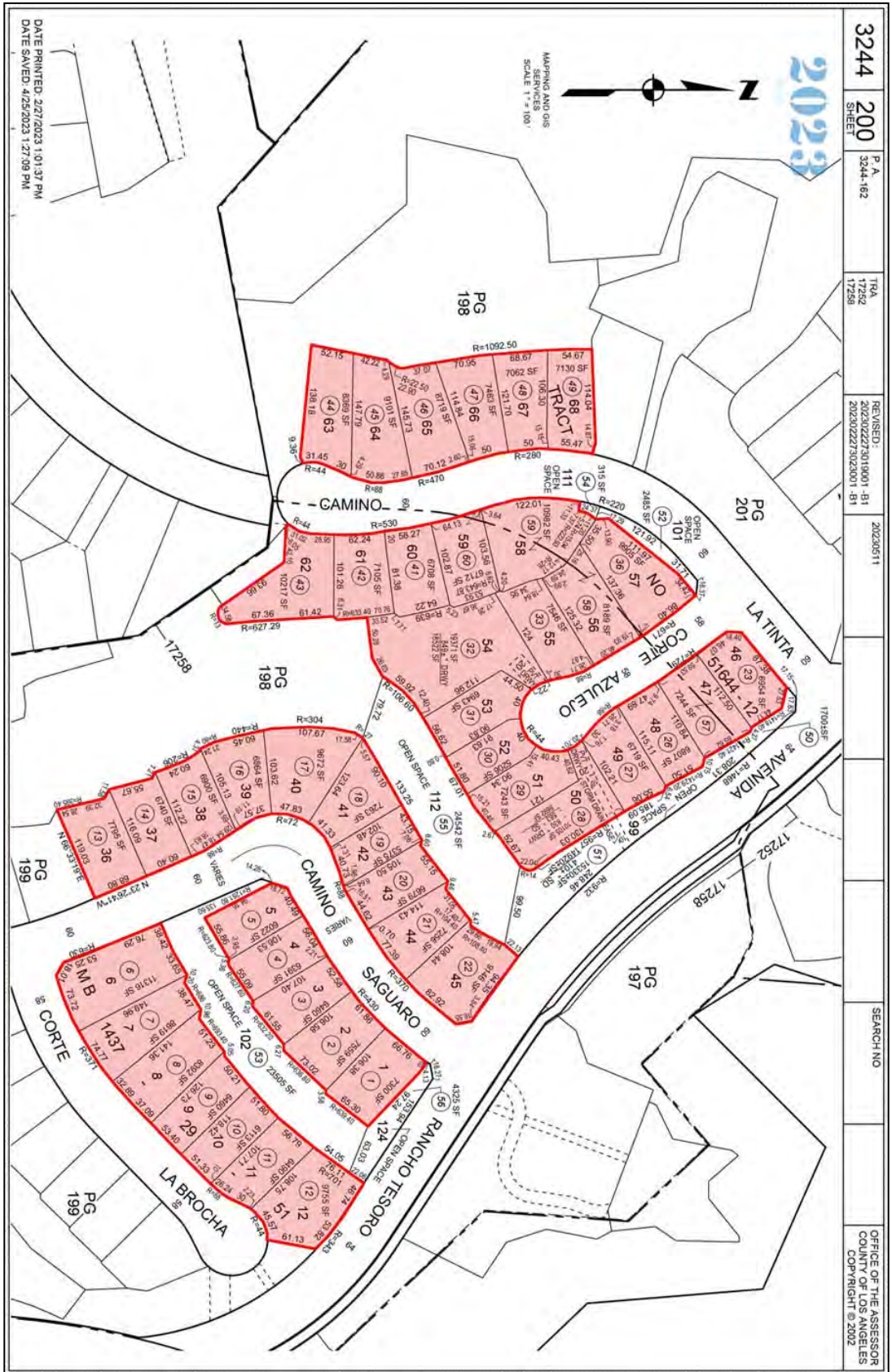
Legal Description

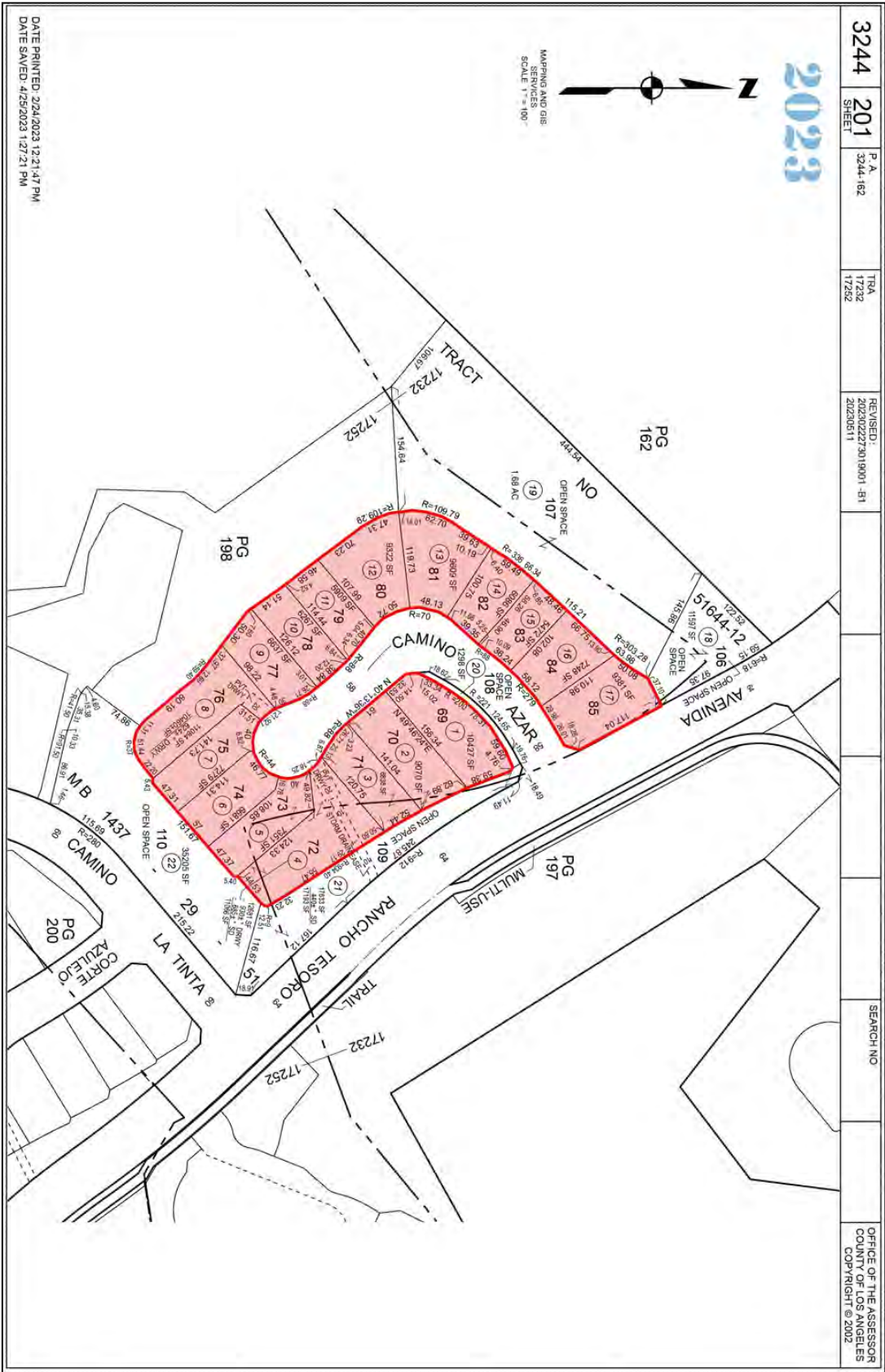
The 109 lots are described as Lot Nos. 1 to 85 of Tract No. 51644-12 and Lots 1 to 24 of Tract No. 51644-16.

Assessor Data-2025/2026

The 109 lots comprise the following Assessor Parcel Nos.:

3244-199-001 to 023
3244-200-001 to 023, 026 to 033, 036, 041 to 049 & 057 to 060
3244-201-001 to 017
3244-207-001 to 024





PROPERTY DATA, Continuing

The assessed values range from \$349,400 to \$1,657,489, or an average of \$939,805. The tax rate areas are 17232, 17252 and 17258 which had an indicated tax rate for 2024/2025 of 1.182773%, but the effective tax rate including special taxes for this CFD and other overlapping liens is estimated at $\pm 1.9\%$ based on the appraised average value for the completed-closed homes.

No. of Lots/Lot Sizes

This product type comprises a total of 109 lots, and per the Tract Map the lots range in size from 5,206 s.f. to 19,371 s.f., or an average of 7,876 s.f. Many of the lots include some or a significant amount of side and/or rear slope areas, and a marketing brochure for the sale of the lots indicated a fairly even mix of lot pad sizes at 5,000 s.f., 5,500 s.f. and 6,000 s.f. (50-60' wide by 100' deep).

Description of Homes/Status of Construction

These lots are being developed by Lennar Homes with a product type of detached homes called Campana. As of the August 15, 2025 date of value, there were 83 completed-closed homes (closed builder sales); 17 completed-unclosed homes (including the 3 models); and 9 homes under construction considered as an average of $\pm 75\%$ completed.

(Note: The 83 completed-closed homes are Lots 1 to 45 & 58 to 85 of Tract No. 51644-12 and Lots 1 to 10 of Tract No. 51644-16; the 17 completed-unclosed homes are Lots 50 to 52 of Tract No. 51644-12 and Lots 11 to 24 of Tract No. 51644-16; the 9 homes under construction are Lots 46 to 49 & 53 to 57 of Tract No. 51644-12.)

There are three floor plans and per marketing information are described as follows:

Plan 1 (Campana 2): 3,285 s.f., two-story, with 4 bedrooms and 4 baths; first floor has living room-dining room-kitchen with walk-in pantry, flex space, foyer, bedroom and bath; second floor has 3 bedrooms (including owner's suite), 3 baths, bonus room and laundry; plus California Room off of living room, covered deck off of bonus room, 2-bay garage with extended storage space or possible 3-bay tandem garage, and covered front porch.

Plan 2 (Campana 1X): 3,348 s.f., two-story, with 4 bedrooms and 3.5 baths; first floor has living room-dining room-kitchen with walk-in pantry, flex space, foyer, bedroom with ensuite bath, and half bath; second floor has 3 bedrooms (including owner's suite), 2 baths, bonus room and laundry; plus California Room off of living room, 2-bay garage, and covered front porch.

Plan 3 (Campana 3): 3,920 s.f., two-story, with 5 bedrooms and 4.5 baths; first floor has living room-dining room-kitchen with walk-in pantry, flex space, half bath, foyer, and Next Gen suite with living room, bedroom, bath and laundry; second floor has 4 bedrooms (including owner's suite), 3 baths, bonus room and laundry; plus California Room off of living room, 2-bay garage with large extended storage area or possible 4-bay tandem garage, and covered front porch.

PROPERTY DATA, Continuing

Per building permit data, the sizes are mostly 3,285 s.f. for Plan 1 (5 lots indicate 3,095 to 3,097 s.f.); 3,348 to 3,365 s.f. for Plan 2; and 3,920 s.f. for Plan 3. The 83 completed-closed homes have an average size of 3,512 s.f. and the 17 completed-unclosed homes have an average size of 3,414 s.f.

VALUATION

Method of Analysis

The analysis of the completed-closed homes is of the aggregate value on a mass appraisal basis, and by means of the Sales Comparison Approach. Consideration is given to the closed and pending builder sales of the subject homes, builder sales of other product types in Tesoro Highlands, resales of subject homes, and resales of homes in other product types of Tesoro Highlands and in nearby neighborhoods of the Tesoro del Valle and West Hills communities. For the completed-unclosed homes, the analysis considers a discount due to the bulk ownership by the builder with the discount reflecting holding/sales costs, minor finishing costs and profit in order to sell off the homes.

For the homes under construction, a simplified Cost Approach is used in which the value is based on an estimate of construction costs expended plus the estimated value of the vacant lot. The analysis of the vacant lots is based on the Sales Comparison Approach, considering recent sales of residential land or bulk lots in the general area. The analysis is of the finished lot condition, and then deducting the estimated remaining costs and fees to get to this condition, resulting in a value for the as is partially finished condition.

Analysis of Completed-Closed Homes

Builder Sales of Subject Homes: The builder sales of these 83 completed homes closed from September 22, 2023 through June 30, 2025. In addition, as of August 17, 2025 there were 9 pending builder sales that were scheduled to close from August 18 through September 25, 2025. The average base pricing and average net pricing (base pricing plus homesite premium and option revenue, less price reduction incentives, option incentives, lender fee incentives, closing costs and other incentives) over periods of time are shown in the following table:

VALUATION, Continuing

<u>No. of Sales</u>	<u>Time Frame (Closing Dates)</u>	<u>Avg. Base Price</u>	<u>Avg. Net Price</u>	<u>Avg. Home Size (s.f.)</u>	<u>Avg. Net Price/s.f.</u>
83	Sep'23-Jun'25	\$1,222,034	\$1,254,328	3,512	\$357.15
24	Sep-Nov'23	\$1,217,488	\$1,251,790	3,360	\$372.56
18	Feb-Jun'24	\$1,297,917	\$1,340,460	3,548	\$377.81
26	Aug-Dec'24	\$1,179,806	\$1,211,368	3,627	\$333.99
<u>15</u> 83	Jan-Jun'25	\$1,211,504	\$1,229,495	3,510	\$350.28
9 (pend.)	Aug-Sep'25	\$1,143,803	\$1,105,432	3,323	\$332.66

It is noted that, when also considering the average home sizes, the average net prices decreased in the latter part of 2024, increased slightly in the first half of 2025, but with a decrease indicated by the pending sales. Thus, the indication at \$1,229,495 tends to support a firm upper limit indication of average value for the 83 completed-closed homes considering the similar average home size but with price softening subsequent to the dates of sale; and the indication at \$1,105,432 supports a firm lower limit due to the much smaller average home size, and due to the smaller size the indication at \$332.66 per s.f. supports a firm upper limit as follows:

$$3,512 \text{ s.f. @ } \$332.66/\text{s.f.} = \$1,168,302$$

Resale of Subject Home: There has been one closed resale located at 24071 Corte La Brocha (Lot 8/Tract No. 51644-12), which is a 3,285 s.f. (Plan 1) home that closed on November 6, 2024 at the net price of \$1,300,000 (net of \$25,000 in seller concessions). The home is on a non-view lot, it was in good/upgraded condition, and the original builder sale closed on November 14, 2023 at the net price of \$1,289,990.

It is of interest that the resale reflects a minor price increase from the builder sale, though this could reflect seller improvements completed since the original purchase. As the smallest floor plan and a non-view lot, the indication at \$1,300,000 would tend to support a firm lower limit as an average value for all completed-closed homes.

Builder Sales of Arches Homes: As discussed next in this report for the Arches product type, the closed and pending builder sales indicate an average net price of \$1,142,680 for an average home size of 4,028 s.f., or \$283.68 per s.f. While the average home size is larger than the subject Campana homes the functional utility is fairly similar, and while the location within the gated area is superior, the view potential of these sales is inferior. Thus, the indication at \$1,142,680 tends to support a fairly close indication of average value for the Campana homes, and due to

VALUATION, Continuing

the larger size the indication at \$283.68 supports a far lower limit indication as follows:

$$3,512 \text{ s.f. @ } \$283.68/\text{s.f.} = \$996,284$$

Builder Sales of Montilla Homes: As discussed later in this report for the Montilla product type, the closed and pending builder sales indicate an average net price of \$1,179,524 for an average home size of 4,171 s.f. per s.f., or \$282.79 per s.f. Considering the much larger average home size but similar functional utility and smaller garages, and the superior location within the gated area but the inferior view potential of these sales, the indication at \$1,179,524 tends to support a firm upper limit indication of average value for the Campana homes, and the indication at \$282.79 per s.f. supports a far lower limit as follows:

$$3,512 \text{ s.f. @ } \$282.79/\text{s.f.} = \$993,158$$

Builder Sales of Avila Homes: Also as discussed later in this report for the Avila product type, the most recent closed builder sales (excluding the 3 models) indicate an average net price of \$1,288,540 for an average home size of 4,107 s.f., or \$313.74 per s.f. Considering the larger average home size, the superior location within the gated area, the larger lots and the superior view potential from this elevated site, the indication at \$1,288,540 supports a far upper limit indication of average value for the Campana homes; and due to the larger size, the indication at \$313.74 per s.f. supports a firm lower limit as follows:

$$3,512 \text{ s.f. @ } \$313.74/\text{s.f.} = \$1,101,855$$

Resales of Homes from Nearby Areas: First, sales of homes from various neighborhoods in the adjacent community of Tesoro del Valle have been considered, and are shown in the following table:

VALUATION, Continuing

<u>No.</u>	<u>Address</u>	<u>COE Date</u>	<u>Sale Price*</u>	<u>Home Size</u>	<u>Yr. Blt.</u>	<u>BR/ BA</u>	<u>Stories/ Garages</u>	<u>Lot Size</u>	<u>Comments</u>
1	29272 Las Palmas Ct.	1/28/25	\$1,217,000	3,568	2004	4/4	2 3	20,759	Good cond; pool/spa; \$2,800 seller concessions
2	29242 Bernardo Way	4/7/25	\$1,235,000	3,571	2004	5/3.5	2 3	9,267	Pool/spa; territorial views; no seller concessions
3	23968 Francisco Way	4/16/25	\$1,170,000	3,246	2004	5/3	2 2	6,186	Avg. cond.; pool; \$5,000 seller concessions
4	29332 Via Milagro	4/17/25	\$1,000,000	3,437	2003	4/3	2 3	7,836	Avg. cond.; upgraded yard; \$25,000 seller concessions
5	29373 Via Milagro	5/13/25	\$1,040,000	3,437	2003	4/2.5	2 3	6,860	Avg. cond.; no seller concessions
6	29232 Mission Trail Ln.	5/19/25	\$1,060,000	3,389	2003	5/3.5	2 3T	6,335	Good cond./upgrades; view; no seller concessions
7	23839 Rio Ranch Way	7/23/25	<u>\$1,205,000</u>	<u>3,389</u>	2003	5/3.5	2 3T	7,779	Upgraded; pool/spa; \$22,500 seller concessions
		Avg.	\$1,132,457	3,434					
*Net of concessions									

In comparison to the subject completed-closed homes, the community is generally similar in terms of location, amenities, and CFD and HOA assessments; the average home size is slightly smaller; the age of 21 to 22 years is inferior; the lot sizes are larger; the views overall are inferior; and the yard improvements are superior. Overall, the average price of \$1,132,457 is considered to support a close lower limit indication of average value for the subject homes.

Second, sales of homes from various neighborhoods in the community of West Hills, located west/northwest of Copper Hill Dr. and nearby to the southwest of Tesoro del Valle, have been considered and are shown in the following table:

<u>No.</u>	<u>Address</u>	<u>COE Date</u>	<u>Sale Price*</u>	<u>Home Size</u>	<u>Yr. Blt.</u>	<u>BR/ BA</u>	<u>Stories/ Garages</u>	<u>Lot Size</u>	<u>Comments</u>
1	24563 Rosette Ln.	3/25/25	\$1,370,000	3,568	2014	5/3	2 3T	11,624	Well upgraded; no seller concessions
2	28504 Farrier Dr.	3/26/25	\$1,381,786	3,571	2015	6/6	2 3T	7,504	Well upgraded; no seller concessions
3	28425 Steel Ln.	4/18/25	\$1,475,000	3,246	2015	5/5	2 3T	7,107	Highly upgraded; pool; no seller concessions
4	24912 Hearth Ct.	8/4/25	<u>\$1,202,800</u>	<u>3,389</u>	2013	4/3.5	2 2	6,971	Upgraded; view/back to open space; \$37,200 seller concessions
		Avg.	\$1,357,397	3,502					
*Net of concessions									

VALUATION, Continuing

In comparison to the subject completed-closed homes, this is also a desirable community with good amenities, and similar CFD and HOA assessments; the average home size is similar to the subject; the well/highly upgraded condition is considered superior to the average of the subject homes; the age of 10 to 12 years is inferior; the lot sizes are larger; the views overall are inferior; and the yard improvements are superior. Overall, the average price of \$1,357,397 is considered to support a firm upper limit indication of average value for the subject homes.

Conclusion: In summary, the indications of average value from the builder sales of the subject homes are a firm lower limit at \$1,105,432 and firm upper limits at \$1,168,302 and \$1,229,495; from the resale of a subject home a firm lower limit at \$1,300,000; from builder sales of other product types are far lower limits at \$993,158 and \$996,284, a closer but firm lower limit at \$1,105,855, a close indication at \$1,142,680, a firm upper limit at \$1,179,524, and a far upper limit at \$1,288,540; and from resales in other neighborhoods are a close lower limit at \$1,132,457 and a firm upper limit at \$1,357,397.

Greatest weight is given to the most recent closed and pending builder sales of the subject homes; with general interest given to the resale of the subject home but inadequate resale data of subject homes at this point in time; and supported by the other data. Overall, the conclusion is an average value of \$1,150,000 for the 83 completed-closed homes.

Analysis of Completed-Unclosed Homes

These 17 homes include 14 production homes and the 3 model homes, with pending sales on 8 of the production homes that are scheduled to close from August 18 through September 25, 2025. The average size of these 17 homes is 3,414 s.f. which is slightly smaller than the size of 3,512 s.f. for the completed-closed homes, mostly offset by the upgrades to the 3 models. Thus, the initial conclusion is similar to the conclusion for the completed-closed homes, or an average of \$1,150,000.

Then, a discount of 20% is made due to being part of the bulk ownership by the builder, and reflecting sell-off time, holding/sales costs, any minor finishing costs and profit. This results in a discounted amount of \$920,000 for the 17 completed-unclosed homes.

Analysis of Homes Under Construction

For the 9 homes considered at $\pm 75\%$ completion, I have used a cost amount of 75% of direct costs estimated at a conservative amount of $\pm \$100.00$ per s.f. for these homes, or \$75.00 per s.f. This is applied to the average home size of 3,504 s.f. for these 9 homes, or an amount of \$262,800. This is added to the estimated value of \$450,000 for the vacant lot (as discussed in the following Analysis of Vacant Lot

VALUATION, Continuing

Value), resulting in a total of \$712,800, rounded to \$710,000 as an average for these 9 homes.

Analysis of Vacant Lot Value

The analysis is similar to that for the Arches product type, as discussed next in this report, except that these Campana lots have superior views resulting in a higher-priced neighborhood of homes in spite of being smaller homes and outside of the gated area. Thus, the conclusion for the Campana lots is above the \$440,000 per finished lot conclusion for the Arches product type. Considering the finished lot ratio of 39-40% applied to the concluded average value of \$1,150,000 for the completed-closed Campana homes, the following indication results:

$$\$1,150,000 \times .39 \text{ to } .40 = \$448,500 \text{ to } \$460,000/\text{finished lot}$$

The conclusion is a value of \$450,000 if in finished lot condition. Per builder information, all lots in Campana are in fully finished condition, with no remaining land development costs or development impact fees. Thus, the conclusion of vacant lot value is \$450,000 per lot.

Conclusion of Value

Based on the foregoing, the total value indication for the subject Campana product type in its as-is condition, is calculated as follows:

83 completed-closed homes @ \$1,150,000 =	\$ 95,450,000
17 completed-unclosed homes @ \$920,000 =	\$ 15,640,000
9 homes, ±75% completion @ \$710,000 =	<u>\$ 6,390,000</u>
Value Indication, As-Is Condition:	\$117,480,000

Thus, as the result of this analysis, I have arrived at the following overall conclusion of market value for the as is condition of the subject Campana product type, subject to the Assumptions and Limiting Conditions, and as of August 15, 2025:

\$117,480,000

**(ONE HUNDRED SEVENTEEN MILLION
FOUR HUNDRED EIGHTY THOUSAND DOLLARS)**

ARCHES



ARCHES

PROPERTY DATA

Location

This product type is located along the northerly side of Avenida Rancho Tesoro at Camino Oceano. The lots front on Camino Oceano, Calle La Roca, Camino La Cumbre and Corte Parillada.

Record Owner/Ownership History

As of the August 15, 2025 date of value, individual homeowners owned 5 of these lots (Lots 95, 97, 101, 103 & 104); Lennar Homes of California, LLC owned 20 lots (Lots 9 to 11, 91 to 94, 96, 98 to 100, 102 & 105 to 112); and TPG AG EHC III (LEN) CA 2, L.P. owned 61 lots (Lots 1 to 5, 12 to 49 & 142 to 159).

In conjunction with lots for the Montilla product type, the 25 lots for the models and Phases 1, 2 & 3 (Lots 9 to 11 & 91 to 112) sold from BLC Tesoro LLC to Lennar Homes of California, LLC by deed recorded November 15, 2024; and the remaining 61 lots sold from BLC Tesoro LLC to TPG AG EHC III (LEN) CA 2, L.P. (a land banking entity on behalf of Lennar) by deed recorded April 24, 2025.

The builder sales of the 5 completed homes to the homeowners closed from July 25 through August 14, 2025. In addition, as of August 17, 2025 there were 7 pending builder sales with scheduled closing dates from August 18 through October 15, 2025.

Legal Description

The 86 lots are described as Lot Nos. 1 to 5, 9 to 49, 91 to 112 & 142 to 159 of Tract No. 51644-18.

Assessor Data-2025/2026

The 86 lots comprise the following Assessor Parcel Nos.:

3244-215-001 to 004, 012 to 054 & 073
3244-216-001 to 038

The assessed values are not yet available for these parcels. The tax rate areas are 17232 and 17262 which had an indicated tax rate for 2024/2025 of 1.182773%, but the effective tax rate including special taxes for this CFD and other overlapping liens is estimated at $\pm 2.0\%$ based on the appraised average value for the completed-closed homes.

PROPERTY DATA, Continuing

No. of Lots/Lot Sizes

This product type comprises a total of 86 lots, and per the Tract Map the lots range in size from 5,313 s.f. to 13,408 s.f., or an average of 7,660 s.f. Many of the lots include some or a significant amount of side and/or rear slope areas, and a marketing brochure for the sale of the lots indicated a mix of lot pad sizes at 5,000 s.f., 5,500 s.f. and 6,000 s.f. (50-60' wide by 100' deep).

Description of Homes/Status of Construction

These lots are being developed by Lennar Homes with a product type of detached homes called Arches. As of the August 15, 2025 date of value, there were 5 completed-closed homes (closed builder sales); 20 completed-unclosed homes (including the 3 models); 12 homes under construction in the early stage; and 49 vacant lots in near-finished condition.

(Note: The 5 completed-closed homes are Lots 95, 97, 101, 103 & 104; the 20 completed-unclosed homes are Lots 9 to 11, 91 to 94, 96, 98 to 100, 102 & 105 to 112; the 12 homes in the early stage of construction are Lots 148 to 159; and the 49 vacant lots are Lots 1 to 5, 12 to 49 & 142 to 147.)

There are three floor plans and per marketing information are described as follows:

Plan 1 (Arches 1): 3,421 s.f., two-story, with 4 bedrooms and 3.5 baths; first floor has family room-dining room-kitchen with walk-in pantry, foyer, bedroom with ensuite bath, and half bath; second floor has 3 bedrooms (including owner's suite), 2 baths, bonus room and laundry; plus covered patio off of family room, 2-bay garage with extended storage space, and covered front porch.

Plan 2 (Arches 2): 3,838 s.f., two-story, with 4 bedrooms and 4 baths; first floor has family room-dining room-kitchen with walk-in pantry, flex space, foyer, bedroom and bath; second floor has 3 bedrooms (including owner's suite), 3 ensuite baths, bonus room and laundry; plus California Room off of dining room-kitchen area, 2-bay garage, and covered front porch.

Plan 3 (Arches 3): 4,615 s.f., two-story, with 4 bedrooms and 4.5 baths; first floor has family room-dining room-kitchen with walk-in pantry, flex space, half bath, foyer, and Next Gen suite with living room, bedroom, bath and laundry; second floor has 3 bedrooms (including owner's suite), 3 ensuite baths, bonus room and laundry; plus California Room off of family room, covered deck off of owner's suite, 3-bay tandem garage, and covered front porch.

Per building permit data, the sizes are 3,421 s.f. for Plan 1; 3,838 s.f. for Plan 2; and 4,615 s.f. for Plan 3. The 5 completed-closed homes have an average size of 3,910 s.f. and the 20 completed-unclosed homes have an average size of 4,006 s.f.

VALUATION

Method of Analysis

This is similar to the previous analysis of Campana.

Analysis of Completed-Closed Homes

Builder Sales of Subject Homes: The builder sales of these 5 completed homes closed from July 25 through August 14, 2025. In addition, as of August 17, 2025 there were 7 pending builder sales that were scheduled to close from August 18 through October 15, 2025. The average base pricing and average net pricing (base pricing plus homesite premium and option revenue, less price reduction incentives, option incentives, lender fee incentives, closing costs and other incentives) are shown in the following table:

<u>No. of Sales</u>	<u>Time Frame (Closing Dates)</u>	<u>Avg. Base Price</u>	<u>Avg. Net Price</u>	<u>Avg. Home Size (s.f.)</u>	<u>Avg. Net Price/s.f.</u>
5 (closed)	Jul-Aug'25	\$1,211,611	\$1,136,724	3,910	\$290.72
7 (pending)	Aug-Oct'25	\$1,193,373	\$1,146,935	4,111	\$278.99
12 (combined)		\$1,200,972	\$1,142,680	4,028	\$283.68

It is noted that, when also considering the average home sizes, the average net prices appear to have softened slightly when comparing the closed sales to the pending sales, likely reflecting earlier contract dates of sale for the closed sales than the pending sales. Thus, the indication at \$1,136,724 would tend to support a close upper limit at current date as an average value for the closed homes; the indication at \$1,146,935 supports a firm upper limit due to the larger average size; and, due to the larger size, the indication at \$283.68 per s.f. supports a firm lower limit as follows:

$$3,910 \text{ s.f. @ } \$283.68/\text{s.f.} = \$1,109,189$$

Builder Sales of Campana Homes: As previously discussed for the Campana product type, the most recent closed builder sales indicate an average net price of \$1,229,495 for an average home size of 3,510 s.f. per s.f. While the average home size is smaller than the subject Arches homes the functional utility is fairly similar, and while the location outside the gated area is inferior, the view potential of these sales is superior. Thus, the indication at \$1,229,495 tends to support a firm upper limit indication of average value for the subject Arches completed-closed homes.

Builder Sales of Montilla Homes: As discussed next in this report for the Montilla product type, the closed and pending builder sales indicate an average net price of

VALUATION, Continuing

\$1,179,524 for an average home size of 4,171 s.f. per s.f., or \$282.79 per s.f. Considering the fairly similar product type and location, due to the larger average home size the indication at \$1,179,524 supports a firm upper limit indication of average value for the subject Arches completed-closed homes, and the indication at \$282.79 per s.f. supports a firm lower limit as follows:

$$3,910 \text{ s.f. @ } \$282.79/\text{s.f.} = \$1,105,709$$

Builder Sales of Avila Homes: As discussed later in this report for the Avila product type, the most recent closed builder sales (excluding the 3 models) indicate an average net price of \$1,288,540 for an average home size of 4,107 s.f., or \$313.74 per s.f. Considering the larger average home size, the larger lots and the superior view potential from this elevated site, the indication at \$1,288,540 supports a far upper limit indication of average value for the subject Arches completed-closed homes, and the indication at \$313.74 per s.f. supports a closer but still far upper limit as follows:

$$3,910 \text{ s.f. @ } \$313.74/\text{s.f.} = \$1,226,723$$

Resales of Homes from Nearby Areas: First, the sales of larger homes from various neighborhoods in the adjacent community of Tesoro del Valle are shown in the following table:

<u>No.</u>	<u>Address</u>	<u>COE Date</u>	<u>Sale Price*</u>	<u>Home Size</u>	<u>Yr. Blt.</u>	<u>BR/ BA</u>	<u>Stories/ Garages</u>	<u>Lot Size</u>	<u>Comments</u>
1	29272 Las Palmas Ct.	1/28/25	\$1,217,000	3,568	2004	4/4	2 3	20,759	Good cond; pool/spa; \$2,800 seller concessions
2	24229 Reyes Adobe Way	4/1/25	\$1,772,000	4,484	2004	5/4.5	2 3	13,717	Yard has pool/spa, cabanas, kitchen; \$3,000 seller concessions
3	29242 Bernardo Way	4/7/25	\$1,235,000	3,571	2004	5/3.5	2 3	9,267	Pool/spa; territorial views; no seller concessions
4	29332 Via Milagro	4/17/25	\$1,000,000	3,437	2003	4/3	2 3	7,836	Avg. cond.; upgraded yard; \$25,000 seller concessions
5	29373 Via Milagro	5/13/25	\$1,040,000	3,437	2003	4/2.5	2 3	6,860	Avg. cond.; no seller concessions
6	24402 Gable Ranch Ln.	6/30/25	\$1,647,000	5,023	2003	5/6	2 4T	10,003	Former model; view; \$1,000 seller concessions
7	24234 Reyes Adobe Way	8/7/25	<u>\$1,564,000</u>	<u>4,086</u>	2004	5/4.5	2 2	8,366	Well upgraded; pool/spa; view; \$36,000 seller concessions
		Avg.	\$1,353,600	3,944					

*Net of concessions

Similar to the discussion for the Campana product type, the superior factors of much larger lots, superior views and superior yard improvements are more than offsetting

VALUATION, Continuing

to the slightly smaller average home size and age of homes, resulting in a far upper limit indication of average value for the subject homes at \$1,353,600.

Second, the sales of larger homes from various neighborhoods in the community of West Hills are shown in the following table:

<u>No.</u>	<u>Address</u>	<u>COE Date</u>	<u>Sale Price*</u>	<u>Home Size</u>	<u>Yr. Blt.</u>	<u>BR/ BA</u>	<u>Stories/ Garages</u>	<u>Lot Size</u>	<u>Comments</u>
1	28504 Farrier Dr.	3/26/25	\$1,381,786	3,571	2015	6/6	2 3T	7,504	Well upgraded; no seller concessions
2	28425 Steel Ln.	4/18/25	\$1,475,000	3,246	2015	5/5	2 3T	7,107	Highly upgraded; pool; no seller concessions
3	28422 Farrier Dr.	5/9/25	\$1,485,000	3,959	2015	5/5	2 3	9,123	Well upgraded; pool/spa; no seller concessions
4	28360 Steel Ln.	6/20/25	<u>\$1,581,000</u>	<u>3,959</u>	2014	6/4.5	2 3	8,842	Well upgraded; pool/spa/outdoor kitchen; backs open space; \$19,000 seller concessions
		Avg.	\$1,480,697	3,819					

*Net of concessions

Similar to the discussion for the Campana product type, the superior factors of significantly larger lots, superior views, superior yard improvements, and larger garages on average are more than offsetting to the slightly smaller average home size and age of homes, resulting in a far upper limit indication of average value for the subject homes at \$1,480,697.

Conclusion: In summary, the indications of average value from the builder sales of the subject homes are a firm lower limit at \$1,109,189, a close upper limit at \$1,136,724, and a firm upper limit at \$1,146,935; from builder sales of other product types are a firm lower limit at \$1,105,709, firm upper limits at \$1,179,524 and \$1,229,495, and far upper limits at \$1,226,723 and \$1,288,540; and from resales in other neighborhoods are far upper limits at \$1,353,600 and \$1,480,697.

Greatest weight is given to the builder sales of the subject homes, and well supported by the other data. Overall, the conclusion is an average value of \$1,130,000 for the 5 completed-closed homes.

Analysis of Completed-Unclosed Homes

These 20 homes include 17 production homes and the 3 model homes, with pending sales on 7 of the production homes that are scheduled to close from August 18 through October 15, 2025. The average size of these 20 homes is 4,006 s.f. which is slightly larger than the size of 3,910 s.f. for the completed-closed homes. Thus, the initial conclusion is similar to the conclusion for the completed-closed homes, or an average of \$1,130,000.

VALUATION, Continuing

Then, a discount of 20% is made due to being part of the bulk ownership by the builder, and reflecting sell-off time, holding/sales costs, any minor finishing costs and profit. This results in a discounted amount rounded to \$900,000 for the 20 completed-unclosed homes.

Analysis of Homes Under Construction

For the 12 homes in the early stage of construction, these are considered as land value. In the following Analysis of Vacant Lots, the conclusion was a value of \$419,825, and this is rounded to \$420,000.

Analysis of Vacant Lots

This analysis is pertinent to the vacant lots, as well as to the lot value allocated to the homes under construction. The pertinent land sales data is shown in the following table, with discussion and analysis of the data thereafter.

<u>No.</u>	<u>Location/APN</u>	<u>Rec. Date</u>	<u>No. Lots Min Size</u>	<u>Price/Lot Price/Fin Lot</u>	<u>Remarks</u>
1	Subject Campana product type	3/1/23 11/6/24	109 5,200	\$352,711 \$447,000	Recorded Tract Maps; semi-finished lots
2	Subject Alta Monte & Bella Terra product types	12/20/23- 5/29/25	137 9,000	\$532,073 \$600,000	Recorded Tract Maps; semi-finished lots
3	NWC Golden Yarrow St. & Middleton St., Valencia 2826-203-018	9/1/23	54 3,600	\$398,741 ±\$460,000	Espirit at Valencia by FivePoint; Richmond American Homes; 2,720-3,230 s.f. homes; priced from low \$1,100,000's
4	N/NW of Golden Yarrow St., N/NE of Velvet Ash Way, Valencia 2826-202-various	8/31/23	62 ±5,700	±\$407,661 ±\$510,000	Skylar II at Valencia by FivePoint; Toll Brothers; 3,622-3,731+ s.f. homes; priced from ±\$1,500,000
5	N/NW of Golden Yarrow St., N/NE of Velvet Ash Way, Valencia 2826-202-037 to 054 & 074 to 085	8/31/23	30 ±6,800	±\$460,833 ±\$560,000	Volara at Valencia by FivePoint Toll Brothers; 4,045-4,273 s.f. homes; priced from \$1,800,000's
6	Sterling Ridge Rd. SE/O Sand Canyon Rd., Santa Clarita 2839-058-008, 019, 021 & 024	12/23/24	119 3,000- 3,500	\$181,513 ±\$335,000	Pelona Hills San Canyon; Intracorp Homes; 1,830-2,181 s.f. homes; anticipated pricing from the \$800,000's

Data No. 1 consists of the purchase by Lennar Homes of the lots for the Campana product type. The sale was negotiated in late 2021 and the two takedowns of the lots recorded on March 1, 2023 and November 6, 2024 at a total indicated price of \$38,445,500 or \$352,711 per lot for the semi-finished condition, based on a reported \$447,000 per finished lot.

As a comparison to the subject Arches lots, the date of sale/market conditions is considered to be fairly similar, reflecting an increase and subsequent decrease since

VALUATION, Continuing

the sale date; the location outside of the gated area is slightly inferior; the lot sizes are fairly similar; and the view potential is superior. Overall, this sale is considered to support a close indication to close upper limit indication of value for the subject lots at \$447,000 per finished lot.

Data No. 2 consists of the purchase by Toll Brothers of the lots for the Alta Monte and Bella Terra product types. The sale was negotiated in late 2021 and the four takedowns of the lots recorded from December 20, 2023 to May 29, 2025 at a total indicated price of \$72,894,000 or \$532,073 per lot for the semi-finished condition, based on a reported \$600,000 per finished lot.

As a comparison to the subject Arches lots, the date of sale/market conditions is considered to be fairly similar, the location within the gated area is similar; the much larger lot sizes are far superior; and the view potential is far superior. Thus, this sale supports a far upper limit indication of value for the subject lots at \$600,000 per finished lot.

Data Nos. 3, 4 and 5 are located in a newer part of the master-planned community of Valencia by FivePoint, northerly of Golden Yarrow St. between Middleton St. at the east and Velvet Ash Way at the west, in the unincorporated area of Valencia and nearby to the west of Santa Clarita. This is a desirable community with significant recreational amenities, a hilly location with views, in fairly close proximity to the 5 Freeway. These were sales that recorded in late August and early September 2023 of semi-finished lots from the master developer to two homebuilders.

Data No. 3 consisted of 54 lots, 3,600 s.f. minimum size, that sold to Richmond American Homes at a price reflecting $\pm$ \$460,000 per finished lot. The lots are being developed with homes ranging in size from 2,720 to 3,230 s.f., with current pricing from the low \$1,100,000's, and with some view lots. In comparison to the subject, the date of sale/market conditions is fairly similar, the location is superior, and the lots are much smaller and with fairly similar view potential. Overall, this sale supports a close upper limit indication for the subject at $\pm$ \$460,000 per finished lot.

Data No. 4 consisted of 62 lots, $\pm$ 5,700 s.f. minimum size, that sold to Toll Brothers at a price reflecting $\pm$ \$510,000 per finished lot. The lots are being developed with homes ranging in size from 3,622 to 3,731+ s.f., with current pricing from $\pm$ \$1,500,000, and with a number of view lots. In comparison to the subject, the date of sale/market conditions is fairly similar, the location is superior, and the lots are fairly similar in size but with superior view potential. Overall, this sale supports a firm upper limit indication for the subject at $\pm$ \$510,000 per finished lot.

Data No. 5 consisted of 30 lots, $\pm$ 6,800 s.f. minimum size, that sold to Toll Brothers at a price reflecting $\pm$ \$560,000 per finished lot. The lots are being developed with homes ranging in size from 4,045 to 4,273 s.f., with current pricing from the

VALUATION, Continuing

\$1,800,000's, and with many good view lots. In comparison to the subject, the date of sale/market conditions is fairly similar, the location is superior, and the lots are larger and with far superior view potential. Overall, this sale supports a far upper limit indication for the subject at $\pm \$560,000$ per finished lot.

Data No. 6 is located along Sterling Ridge Rd. nearby to the southeast of Sand Canyon Rd., and nearby to the north of Soledad Canyon Rd., in the easterly part of Santa Clarita. This sale is part of the master-planned project called Sand Canyon Plaza, and consisted of 119 lots, 3,000 and 3,500 s.f. minimum, on a hilltop area with good view potential. The sale of the entitled land in unimproved condition recorded in December 2024 at the price reflecting $\pm \$335,000$ per finished lot. The buyer, Intracorp Homes, plans homes from 1,830 s.f. to 2,181 s.f., with anticipated pricing from the \$800,000's.

In comparison to the subject, the date of sale/market conditions is similar, the location is inferior, the lot sizes are much smaller, the view potential is fairly similar, and the unimproved condition of the land at time of sale was inferior due to the time and risk to get to buildable lot condition. Overall, this sale supports a far lower limit indication for the subject at $\pm \$335,000$ per finished lot.

In summary, on a finished lot basis, the analysis of the data supports a far lower limit indication of value at \$335,000; a close indication to close upper limit indication at \$447,000; a close upper limit at \$460,000; a firm upper limit at \$510,000; and far upper limits at \$560,000 and \$600,000.

As an alternative analysis, a typical finished lot ratio (finished lot price divided by average home price) can be in the wide range from 35% to 45%, per broker input and per land sales data where adequate information is available. Considering a range of 39-40%, and applied to the average home price of \$1,130,000 (average value previously concluded for completed-closed homes), the resulting indication is as follows:

$$\$1,130,000 \times .39-.40 = \$440,700 \text{ to } \$452,000/\text{finished lot}$$

The conclusion for the subject lots is \$440,000 per lot if in finished condition.

Then, a deduction is made for the remaining land development costs and development impact fees to get all lots to a fully finished condition. Per builder information provided to the appraiser, the remaining total costs and fees are \$2,300,000 for the combined Arches and Montilla product types. Allocated over the total of 114 lots that are either vacant or with homes under construction, this indicates a cost allocation of \$20,175 per lot.

VALUATION, Continuing

Thus, the conclusion of finished lot value at \$440,000 less the cost allocation of \$20,175 per lot results in a value of \$419,825 per lot for the as is condition. For the 49 vacant lots, this results in the following indication:

49 vacant lots, as is condition @ \$419,825/lot =	\$20,571,425
Rd.	\$20,570,000

Conclusion of Value

Based on the foregoing, the total value indication for the subject Arches product type in its as-is condition, is calculated as follows:

5 completed-closed homes @ \$1,130,000 =	\$ 5,650,000
20 completed-unclosed homes @ \$900,000 =	\$18,000,000
12 homes, early stage of const. @ \$420,000 =	\$ 5,040,000
49 vacant lots =	<u>\$20,570,000</u>
Value Indication, As-Is Condition:	\$49,260,000

Thus, as the result of this analysis, I have arrived at the following overall conclusion of market value for the as is condition of the subject Arches product type, subject to the Assumptions and Limiting Conditions, and as of August 15, 2025:

\$49,260,000

(FORTY-NINE MILLION TWO HUNDRED SIXTY THOUSAND DOLLARS)

MONTILLA



MONTILLA

PROPERTY DATA

Location

This product type is located northerly from Avenida Rancho Tesoro, and westerly from Avenida Sierra Madre at Camino Oceano. The lots front on Calle La Roca, Corte Tiburon, Corte Cambur and Camino Oceano.

Record Owner/Ownership History

As of the August 15, 2025 date of value, individual homeowners owned 3 of these lots (Lots 87 to 89); Lennar Homes of California, LLC owned 17 lots (Lots 6 to 8, 82 to 86, 90 & 113 to 120); and TPG AG EHC III (LEN) CA 2, L.P. owned 53 lots (Lots 50 to 81 & 121 to 141).

In conjunction with the lots for the Arches product type, the 20 lots for the models and Phases 1 & 2 (Lots 6 to 8, 82 to 90 & 113 to 120) sold from BLC Tesoro LLC to Lennar Homes of California, LLC by deed recorded November 15, 2024; and the remaining 53 lots sold from BLC Tesoro LLC to TPG AG EHC III (LEN) CA 2, L.P. (a land banking entity on behalf of Lennar) by deed recorded April 24, 2025.

The builder sales of the 3 completed homes to the homeowners closed from July 25 through August 15, 2025. In addition, as of August 17, 2025 there were 10 pending builder sales with scheduled closing dates from August 19 through November 13, 2025.

Legal Description

The 73 lots are described as Lot Nos. 6 to 8, 50 to 90 & 113 to 141 of Tract No. 51644-18.

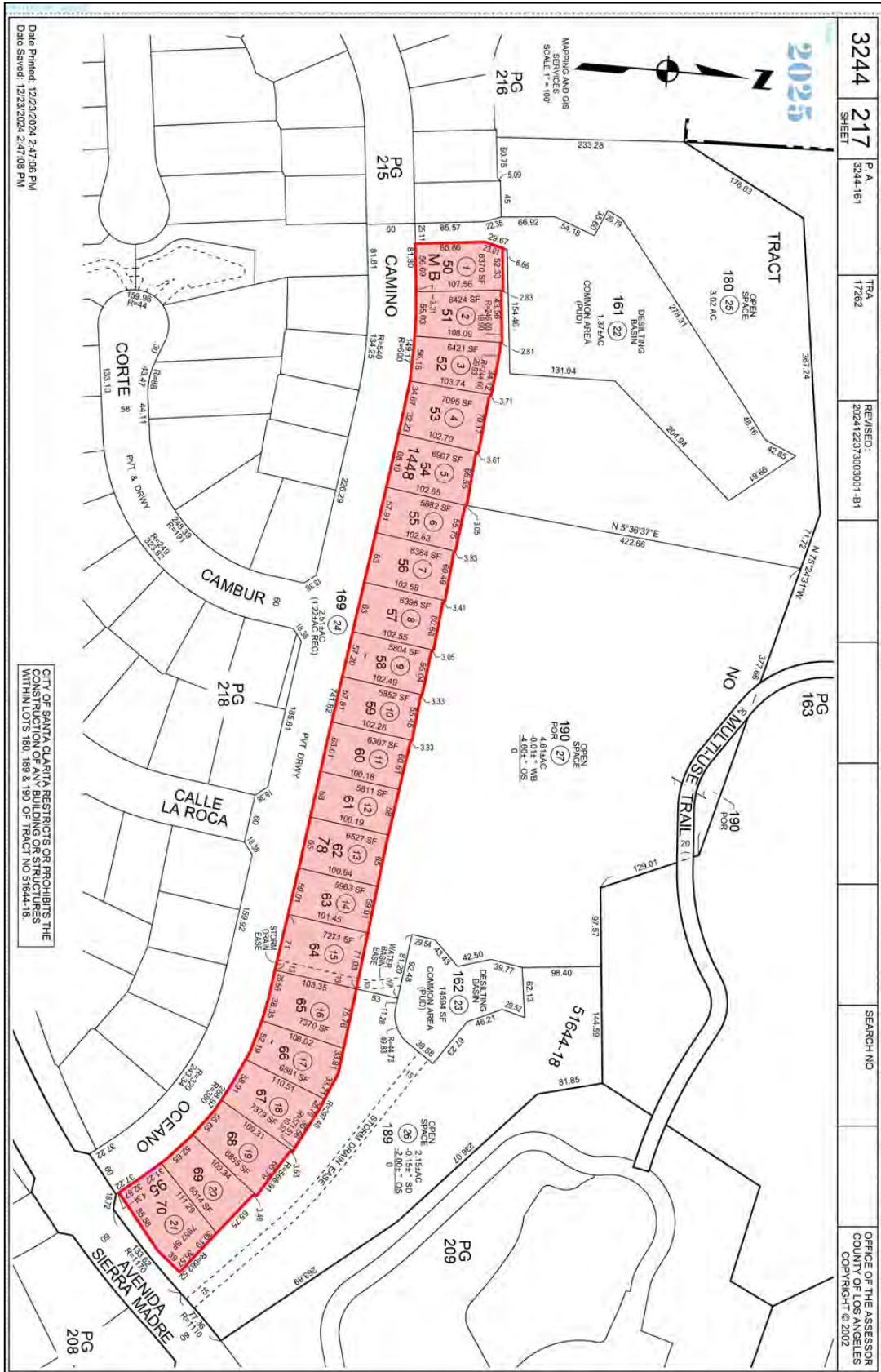
Assessor Data-2025/2026

The 73 lots comprise the following Assessor Parcel Nos.:

3244-215-007, 074 & 075
3244-217-001 to 021
3244-218-001 to 049

The assessed values are not yet available for these parcels. The tax rate areas are 17232 and 17262 which had an indicated tax rate for 2024/2025 of 1.182773%, but the effective tax rate including special taxes for this CFD and other overlapping liens is estimated at $\pm 2.0\%$ based on the appraised average value for the completed-closed homes.





PROPERTY DATA, Continuing

No. of Lots/Lot Sizes

This product type comprises a total of 73 lots, and per the Tract Map the lots range in size from 5,804 s.f. to 14,819 s.f., or an average of 7,726 s.f. Many of the lots include some or a significant amount of side and/or rear slope areas, and a marketing brochure for the sale of the lots indicated a mix of lot pad sizes at 5,000 s.f., 5,500 s.f. and 6,000 s.f. (50-60' wide by 100' deep).

Description of Homes/Status of Construction

These lots are being developed by Lennar Homes with a product type of detached homes called Montilla. As of the August 15, 2025 date of value, there were 3 completed-closed homes (closed builder sales); 17 completed-unclosed homes (including the 3 models); 22 homes under construction of which 9 were considered to be an average of $\pm 50\%$ completed and 13 were considered to be in the early stage of construction; and 31 vacant lots in near-finished condition.

(Note: The 3 completed-closed homes are Lots 87 to 89; the 17 completed-unclosed homes are Lots 6 to 8, 82 to 86, 90 & 113 to 120; the 9 homes at $\pm 50\%$ completion are Lots 76 to 81 & 121 to 123; the 13 homes in the early stage of construction are Lots 63 to 75; and the 31 vacant lots are Lots 50 to 62, 124 to 141.)

There are three floor plans and per marketing information are described as follows:

Plan 1 (Montilla 1): 3,801 s.f., two-story, with 4 bedrooms and 4.5 baths; first floor has family room-dining room-kitchen with walk-in pantry, foyer, flex space, bedroom with ensuite bath, and half bath; second floor has 3 bedrooms (including owner's suite), 3 ensuite baths, bonus room and laundry; plus covered patio off of dining room-kitchen, 2-bay garage with extended storage space, and covered front porch.

Plan 2 (Montilla 2): 4,138 s.f., two-story, with 4 bedrooms and 4.5 baths; first floor has family room-dining room-kitchen with walk-in pantry, den, foyer, bedroom with ensuite bath, and half bath; second floor has 3 bedrooms (including owner's suite with retreat), 3 ensuite baths, bonus room and laundry; plus covered patio off of family room, 2-bay garage, and covered front porch.

Plan 3 (Montilla 3): 4,581 s.f., two-story, with 5 bedrooms and 5.5 baths; first floor has family room-dining room-kitchen with walk-in pantry, foyer, half bath, and Next Gen suite with living room-kitchenette, bedroom, bath and laundry; second floor has 4 bedrooms (including owner's suite), 4 baths, bonus room and laundry; plus covered patio off of dining room-kitchen area, 2-bay garage, and covered front porch.

Per building permit data, the sizes are 3,801 s.f. for Plan 1; 4,138 s.f. for Plan 2; and 4,581 s.f. for Plan 3. The 3 completed-closed homes have an average size of 4,026 s.f. and the 17 completed-unclosed homes have an average size of 4,195 s.f.

VALUATION

Method of Analysis

This is similar to previous analyses.

Analysis of Completed-Closed Homes

Builder Sales of Subject Homes: The builder sales of these 3 completed homes closed from July 25 through August 15, 2025. In addition, as of August 17, 2025 there were 10 pending builder sales that were scheduled to close from August 19 through November 13, 2025. The average base pricing and average net pricing (base pricing plus homesite premium and option revenue, less price reduction incentives, option incentives, lender fee incentives, closing costs and other incentives) are shown in the following table:

<u>No. of Sales</u>	<u>Time Frame (Closing Dates)</u>	<u>Avg. Base Price</u>	<u>Avg. Net Price</u>	<u>Avg. Home Size (s.f.)</u>	<u>Avg. Net Price/s.f.</u>
3 (closed)	Jul-Aug'25	\$1,173,323	\$1,131,550	4,026	\$281.06
10 (pending)	Aug-Nov'25	\$1,209,356	\$1,193,916	4,214	\$283.32
13 (combined)		\$1,201,041	\$1,179,524	4,171	\$282.79

It is noted that, when also considering the average home sizes, the average net prices appear to have increased slightly when comparing the pending sales to the closed sales. Thus, the indication at \$1,131,550 would tend to support a close lower limit as an average value for the closed homes; the indication at \$1,193,916 supports a firm upper limit due to the larger average size; and, due to the larger size, the indication at \$283.32 per s.f. would tend to support a firm lower limit as follows:

$$4,026 \text{ s.f. @ } \$283.32/\text{s.f.} = \$1,140,646$$

Builder Sales of Campana Homes: The most recent closed builder sales indicate an average net price of \$1,229,495 for an average home size of 3,510 s.f. per s.f. While the average home size is smaller than the subject Montilla homes the functional utility is fairly similar, and while the location outside the gated area is inferior, the view potential of these sales is superior. Thus, the indication at \$1,229,495 tends to support a firm upper limit indication of average value for the subject Montilla completed-closed homes.

Builder Sales of Arches Homes: The closed and pending builder sales indicate an average net price of \$1,142,680 for an average home size of 4,028 s.f. Considering the similar average home size and the otherwise generally similar product type, the

VALUATION, Continuing

indication at \$1,142,680 supports a close indication of average value for the Montilla homes.

Builder Sales of Avila Homes: The most recent closed builder sales (excluding the 3 models) indicate an average net price of \$1,288,540 for an average home size of 4,107 s.f. Considering the larger average home size, the larger lots and the superior view potential from this elevated site, the indication at \$1,288,540 supports a far upper limit indication of average value for the Montilla homes.

Resales of Homes from Nearby Areas: This discussion is similar to that for the previous Arches product type, with the sales from Tesoro del Valle and West Hills supporting far upper limit indications of average value for the subject Montilla homes at \$1,353,600 and \$1,480,697.

Conclusion: In summary, the indications of average value from the builder sales of the subject homes are a firm lower limit at \$1,140,646, a close lower limit at \$1,131,550, and a firm upper limit at \$1,193,916; from builder sales of other product types are a close indication at \$1,142,680, a firm upper limit at \$1,229,495 and a far upper limit at \$1,288,540; and from resales in other neighborhoods are far upper limits at \$1,353,600 and \$1,480,697.

Greatest weight is given to the builder sales of the subject homes, and well supported by the other data. Overall, the conclusion is an average value of \$1,140,000 for the 3 completed-closed homes.

Analysis of Completed-Unclosed Homes

These 17 homes include 14 production homes and the 3 model homes, with pending sales on 8 of the production homes that are scheduled to close from August 19 through September 25, 2025. The average size of these 17 homes is 4,195 s.f. which is larger than the size of 4,026 s.f. for the completed-closed homes. Thus, the initial conclusion is slightly higher than the conclusion for the completed-closed homes, or an average of \$1,180,000.

Then, a discount of 20% is made due to being part of the bulk ownership by the builder, and reflecting sell-off time, holding/sales costs, any minor finishing costs and profit. This results in a discounted amount rounded to \$940,000 for the 17 completed-unclosed homes.

Analysis of Homes Under Construction

For the 9 homes considered at $\pm 50\%$ completion, I have used a cost amount of 50% of direct costs estimated at a conservative amount of $\pm \$100.00$ per s.f. for these homes, or \$50.00 per s.f. This is applied to the average home size of 4,260 s.f. for

VALUATION, Continuing

these 9 homes, or an amount of \$213,000. This is added to the estimated value of \$419,825 for the vacant lot (as discussed in the following Analysis of Vacant Lots), resulting in a total of \$632,825, rounded to \$630,000 as an average for these 9 homes.

For the 13 homes in the early stage of construction, these are considered as land value at \$419,815, rounded to \$420,000.

Analysis of Vacant Lots

This is similar to the discussion and analysis for the Arches product type. Thus, the conclusion of finished lot value is \$440,000, less the cost allocation of \$20,175 per lot, resulting in a value of \$419,825 per lot for the as is condition. For the 31 vacant lots, this results in the following indication:

31 vacant lots, as is condition @ \$419,825/lot =	\$13,014,575
Rd.	\$13,010,000

Conclusion of Value

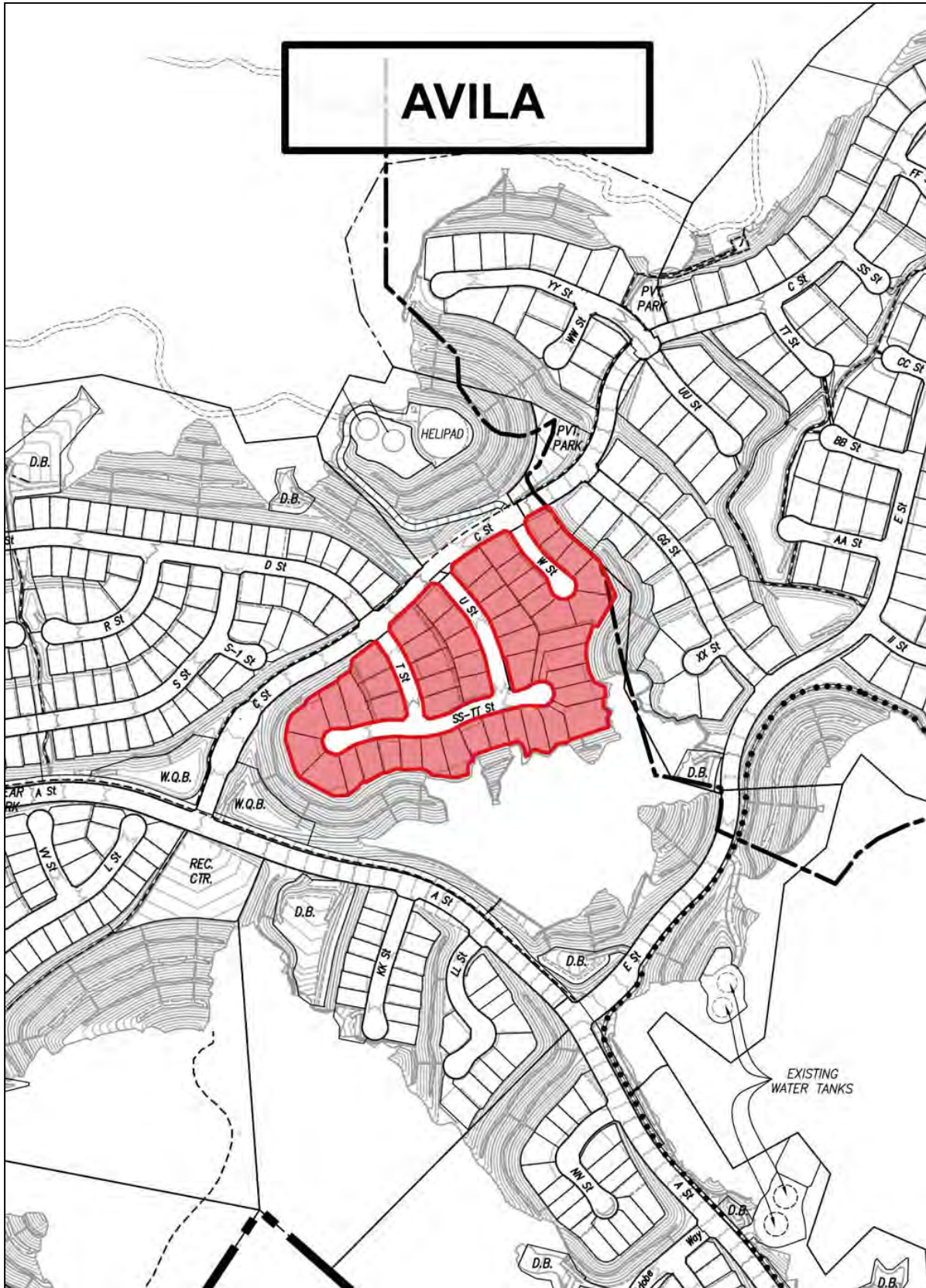
Based on the foregoing, the total value indication for the subject Montilla product type in its as-is condition, is calculated as follows:

3 completed-closed homes @ \$1,140,000 =	\$ 3,420,000
17 completed-unclosed homes @ \$940,000 =	\$15,980,000
9 homes, ±50% completion @ \$630,000 =	\$ 5,670,000
13 homes, early stage of const. @ \$420,000 =	\$ 5,460,000
31 vacant lots =	<u>\$13,010,000</u>
Value Indication, As-Is Condition:	\$43,540,000

Thus, as the result of this analysis, I have arrived at the following overall conclusion of market value for the as is condition of the subject Montilla product type, subject to the Assumptions and Limiting Conditions, and as of August 15, 2025:

\$43,540,000

(FORTY-THREE MILLION FIVE HUNDRED FORTY THOUSAND DOLLARS)



AVILA

PROPERTY DATA

Location

This product type is located along the southeast side of Avenida Sierra Madre at Camino Oceano, Camino La Perdiz and Corte Trono. The lots front on Calle Aruga as well as Camino Oceano, Camino La Perdiz and Corte Trono.

Record Owner/Ownership History

As of the August 15, 2025 date of value, individual homeowners owned 49 of these lots (Lots 25 to 71, 73 & 74) and Lennar Homes of California, LLC owned 1 lot (Lot 72).

The 50 lots were acquired by Lennar Homes of California, LLC from BLC Tesoro LLC by deed recorded September 20, 2023. The lots were subsequently deeded to AG EHC II (LEN) CA 3, L.P. (a land banking entity on behalf of Lennar), and then transferred back to Lennar Homes of California, LLC in multiple takedowns that recorded from February 16, 2024 through August 20, 2024.

The builder sales of the 49 completed homes to the homeowners closed from April 23, 2024 through July 31, 2025. In addition, the 1 pending sale was scheduled to close on August 29, 2025.

Legal Description

The 50 lots are described as Lot Nos. 25 to 74 of Tract No. 51644-16.

Assessor Data-2025/2026

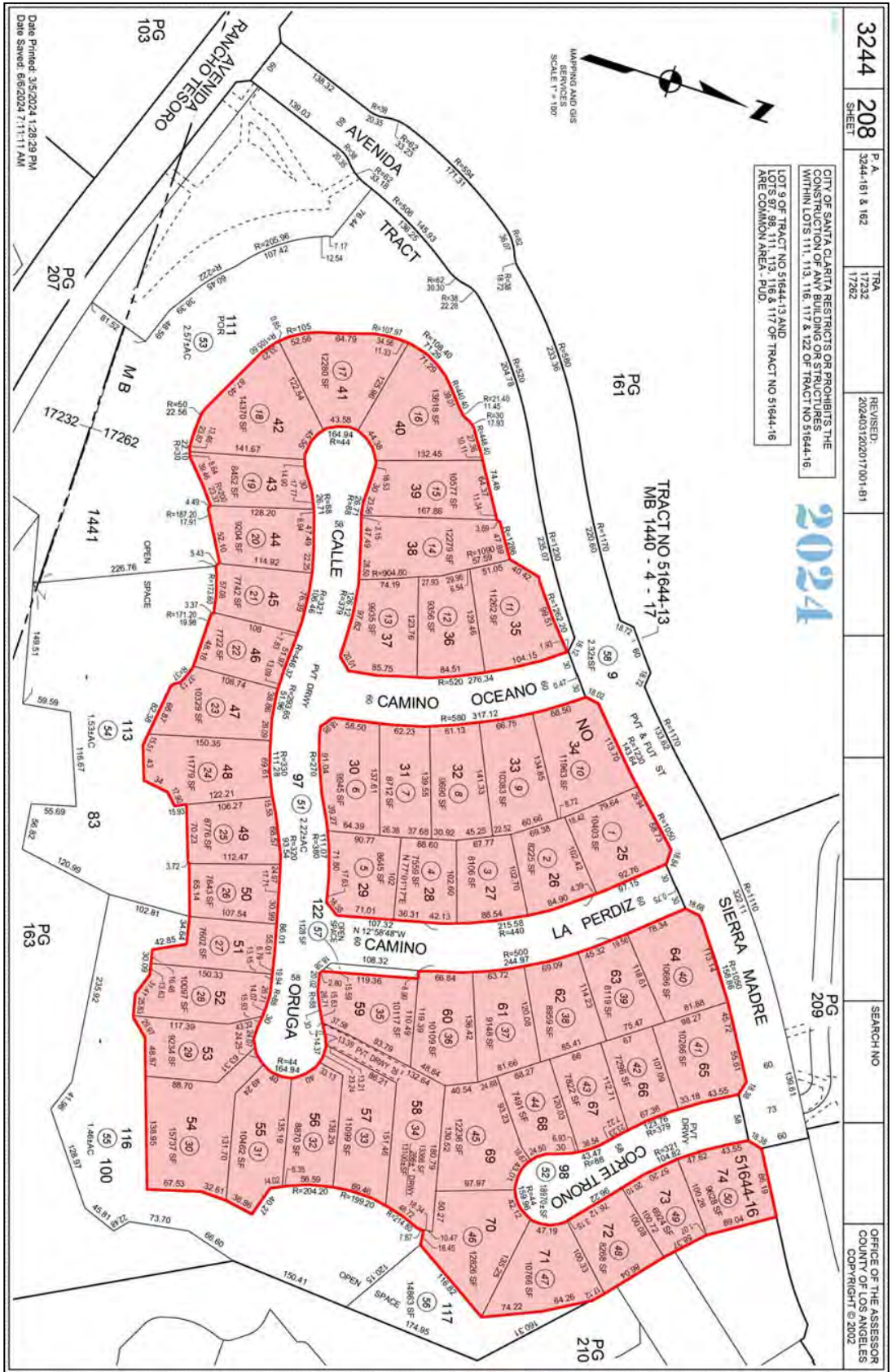
The 50 lots comprise the following Assessor Parcel Nos.:

3244-208-001 to 050

The current assessed values range from \$368,158 to \$1,840,000, or an average of \$1,021,042. The tax rate area is 17262 which had an indicated tax rate for 2024/2025 of 1.182773%, but the effective tax rate including special taxes for this CFD and other overlapping liens is estimated at $\pm 2.0\%$ based on the appraised average value for the completed-closed homes.

No. of Lots/Lot Sizes

This product type comprises a total of 50 lots, and per the Tract Map the lots range in size from 6,924 s.f. to 15,737 s.f., or an average of 9,922 s.f. Many of the lots include some or a significant amount of side and/or rear slope areas, and a marketing



PROPERTY DATA, Continuing

brochure for the sale of the lots indicated a mix of lot pad sizes at 6,000 s.f., 6,500 s.f. and 7,000 s.f. (60-70' wide by 100' deep), with a greater number of the two larger sizes.

Description of Homes/Status of Construction

These lots have been developed by Lennar Homes with a product type of detached homes called Avila. As of the August 15, 2025 date of value, there were 49 completed-closed homes (closed builder sales) and 1 completed-unclosed home.

(Note: The 49 completed-closed homes are Lots 25 through 71, 73 & 74 and the 1 completed-unclosed home is Lot 72.)

There are three floor plans and per marketing information are described as follows:

Plan 1 (3897 Plan): 3,897 s.f., two-story, with 4 bedrooms and 3.5 baths; first floor has family room-dining area-kitchen with walk-in pantry, office, bedroom with ensuite bath, half bath, and entry; second floor has 3 bedrooms (including owner's suite), 2 baths, bonus room and laundry; plus California Room off kitchen, 3-bay tandem garage, and covered front porch.

Plan 2 (4108 Plan): 4,108 s.f., two-story, with 5 bedrooms and 4.5 baths; first floor has family room-dining area-kitchen with walk-in pantry, bedroom with ensuite bath, half bath, and entry; second floor has 4 bedrooms (including owner's suite), 3 baths, bonus room and laundry; plus California Room off family room, 3-bay tandem garage, and covered front porch.

Plan 3 (4527 Plan): 4,527 s.f., two-story, with 5 bedrooms and 5.5 baths; first floor has family room-dining area-kitchen with walk-in pantry, office, half bath, and Next Gen suite with living room, bedroom, bath and laundry; second floor has 4 bedrooms (including owner's suite), 4 baths, bonus room and laundry; plus California Room off dining area and Next Gen bedroom, 3-bay tandem garage, and covered front porch.

Per building permit data, the sizes are 3,897 s.f. for Plan 1; 4,108 s.f. for Plan 2; and 4,527 s.f. for Plan 3. The 49 completed-closed homes have an average size of 4,197 s.f. and the 1 completed-unclosed home is a size of 4,527 s.f.

VALUATION

Method of Analysis

This is similar to previous analyses.

Analysis of Completed-Closed Homes

Builder Sales of Subject Homes: The builder sales of these 49 completed homes closed from April 23, 2024 through July 31, 2025. In addition, there is 1 pending

VALUATION, Continuing

sale that is scheduled to close on August 29, 2025. The average base pricing and average net pricing (base pricing plus homesite premium and option revenue, less price reduction incentives, option incentives, lender fee incentives, closing costs and other incentives) over periods of time for the 46 closed sales excluding the 3 models are shown in the following table:

<u>No. of Sales</u>	<u>Time Frame (Closing Dates)</u>	<u>Avg. Base Price</u>	<u>Avg. Net Price</u>	<u>Avg. Home Size (s.f.)</u>	<u>Avg. Net Price/s.f.</u>
46	Apr'24-Jul'25	\$1,332,666	\$1,398,681	4,199	\$333.10
23	Apr-Aug'24	\$1,403,771	\$1,466,814	4,272	\$343.36
9	Oct'24-Jan'25	\$1,305,936	\$1,395,896	4,154	\$336.04
<u>14</u> 46	Feb-Jul'25	\$1,233,035	\$1,288,540	4,107	\$313.74

When considering the differing average home sizes, and also that the superior view lots were sales from May 2024 through January 2025, the average net prices indicate a slight decrease in the latter part of 2024 and into early 2025, but have been fairly stable since then. Thus, the indication at \$1,395,896 tends to support a firm upper limit indication of average value for all completed-closed homes due to the dates of sale and higher percentage of view lots being more than offsetting to the smaller average size. In addition, the indication at \$1,288,540 supports a close lower limit due to the slightly smaller average home size.

It is also noted that the pending builder sale of the Plan 3 home is at a net price of \$1,226,100, and reflecting a perimeter but average view. Other recent sales of this floor plan have ranged from net pricing of \$1,340,000 to just over \$1,550,000. Thus, it would appear that this pending sale reflected a discount in order to achieve sell-out of the Avila homes.

Builder Sales of Campana Homes: The most recent closed builder sales indicate an average net price of \$1,229,495 for an average home size of 3,510 s.f. per s.f., or \$350.28 per s.f. Due to the smaller average home size, smaller lot sizes, and inferior location outside of the gated area, the indication at \$1,229,495 supports a firm lower limit indication of average value for the Avila homes, and due to the much smaller size the indication at \$350.28 per s.f. supports a far upper limit as follows:

$$4,197 \text{ s.f. @ } \$350.28/\text{s.f.} = \$1,470,125$$

Builder Sales of Arches Homes: The closed and pending builder sales indicate an average net price of \$1,142,680 for an average home size of 4,028 s.f., or \$283.68 per s.f. Due to the smaller average home size, smaller lots and far inferior view potential of the sales, the indication at \$1,142,680 supports a far lower limit

VALUATION, Continuing

indication of average value for the Avila homes, and the indication at \$283.68 supports a closer but still firm lower limit indication as follows:

$$4,197 \text{ s.f. @ } \$283.68/\text{s.f.} = \$1,190,605$$

Builder Sales of Montilla Homes: The closed and pending builder sales indicate an average net price of \$1,179,524 for an average home size of 4,171 s.f. per s.f., or \$282.79 per s.f. Due to the slightly smaller average home size but primarily the smaller lot sizes and far inferior view potential of the sales, the indication at \$1,179,524 supports a far lower limit indication of average value for the Avila homes.

Resales of Homes from Nearby Areas: The sales data is the same as previously discussed for the Arches product type. However, considering the larger size of the subject Avila homes, as well as the larger lots and the good views from many of the lots, the sales from Tesoro del Valle support a close indication of average value for the Avila homes at \$1,353,600, and the sales from West Hills support a firm upper limit indication at \$1,480,697.

Conclusion: In summary, the indications of average value from the builder sales of the subject homes are a close lower limit at \$1,288,540 and a firm upper limit at \$1,395,896; from builder sales of other product types are far lower limits at \$1,142,680 and \$1,179,524, a closer but firm lower limit at \$1,229,495, and far upper limit at \$1,470,125; and from resales in other neighborhoods are a close indication at \$1,353,600 and a firm upper limit indication at \$1,480,697.

Greatest weight is given to the builder sales of the subject homes, and well supported by the other data. Overall, the conclusion is an average value of \$1,300,000 for the 49 completed-closed homes.

Analysis of Completed-Unclosed Home

The completed-unclosed home is a 4,527 s.f. (Plan 3) home, that has a pending sale scheduled to close on August 29, 2025 at the net price of \$1,226,100. As previously discussed, other recent sales of this floor plan have ranged from net pricing of \$1,340,000 to just over \$1,550,000, thus the pending sale appears to be a discounted price. The conclusion of value for this is based on the pending sale price, rounded to \$1,230,000, and with no discount for being part of a bulk ownership or other factors.

Conclusion of Value

Based on the foregoing, the total value indication for the subject Avila product type in the as-is condition, is calculated as follows:

VALUATION, Continuing

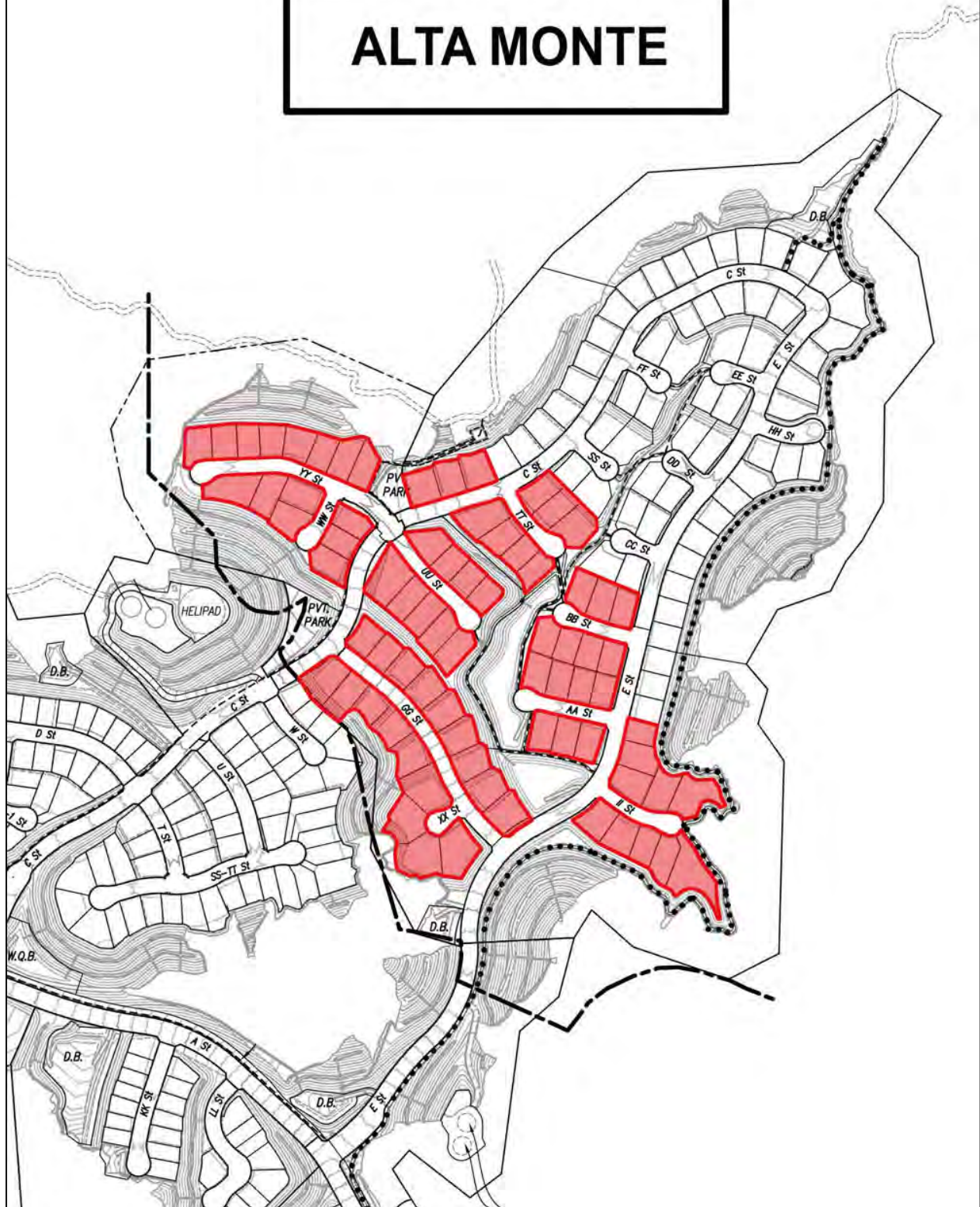
49 completed-closed homes @ \$1,300,000 =	\$63,700,000
1 completed-unclosed home @ \$1,230,000 =	<u>\$ 1,230,000</u>
Value Indication, As-Is Condition:	\$64,930,000

Thus, as the result of this analysis, I have arrived at the following overall conclusion of market value for the as-is condition of the subject Avila product type, subject to the Assumptions and Limiting Conditions, and as of August 15, 2025:

\$64,930,000

(SIXTY-FOUR MILLION NINE HUNDRED THIRTY THOUSAND DOLLARS)

ALTA MONTE



ALTA MONTE

PROPERTY DATA

Location

This product type is located along both sides of Avenida Sierra Madre and both sides of Camino Los Robles, $\pm\frac{1}{4}$ mile northeast of Avenida Rancho Tesoro. The lots front on Avenida Sierra Madre, Calle Palomino, Paseo Templada, Corte Alegre, Corte Profundo, Camino Cascada, Corte Temprano, Camino Los Robles, Corte Ala, Corte Monarca and Corte Escarpa.

Record Owner/Ownership History

As of the August 15, 2025 date of value, individual homeowners owned 36 of these lots (Lots 1, 5 to 18 & 60 to 80 of Tract No. 51644-17) and Toll West Coast LLC owned 41 lots (Lots 2 to 4, 19 to 34, 81 to 84 & 120 to 122 of Tract No. 51644-17 and Lots 75 to 89 of Tract No. 51644-16).

The sale of all 137 lots for the Alta Monte and Bella Terra product types from BLC Tesoro LLC (known as Newport Pacific Land, the master developer of Tesoro Highlands) to Toll West Coast LLC was negotiated in the early part of 2022 and closed in four takedowns of 12 to 60 lots each from December 20, 2023 through May 29, 2025.

The builder sales of the 36 completed homes to the homeowners closed from October 1, 2024 through July 31, 2025. In addition, as of August 17, 2025 there were 22 pending builder sales with estimated closing dates from August 2025 through June 2026.

Legal Description

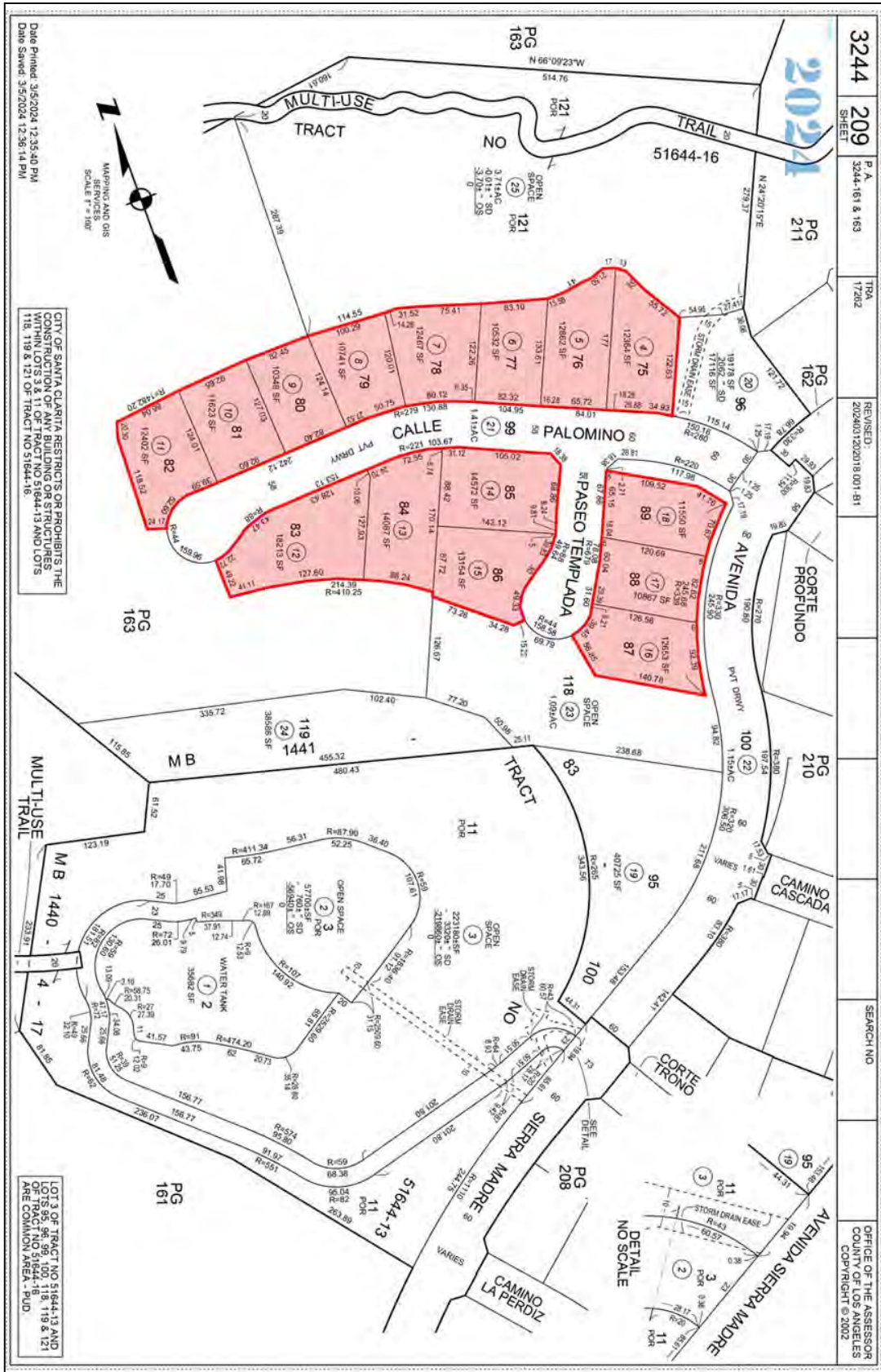
The 77 lots are described as Lot Nos. 75 to 89 of Tract No. 51644-16 and Lots 1 to 34, 60 to 84 & 120 to 122 of Tract No. 51644-17.

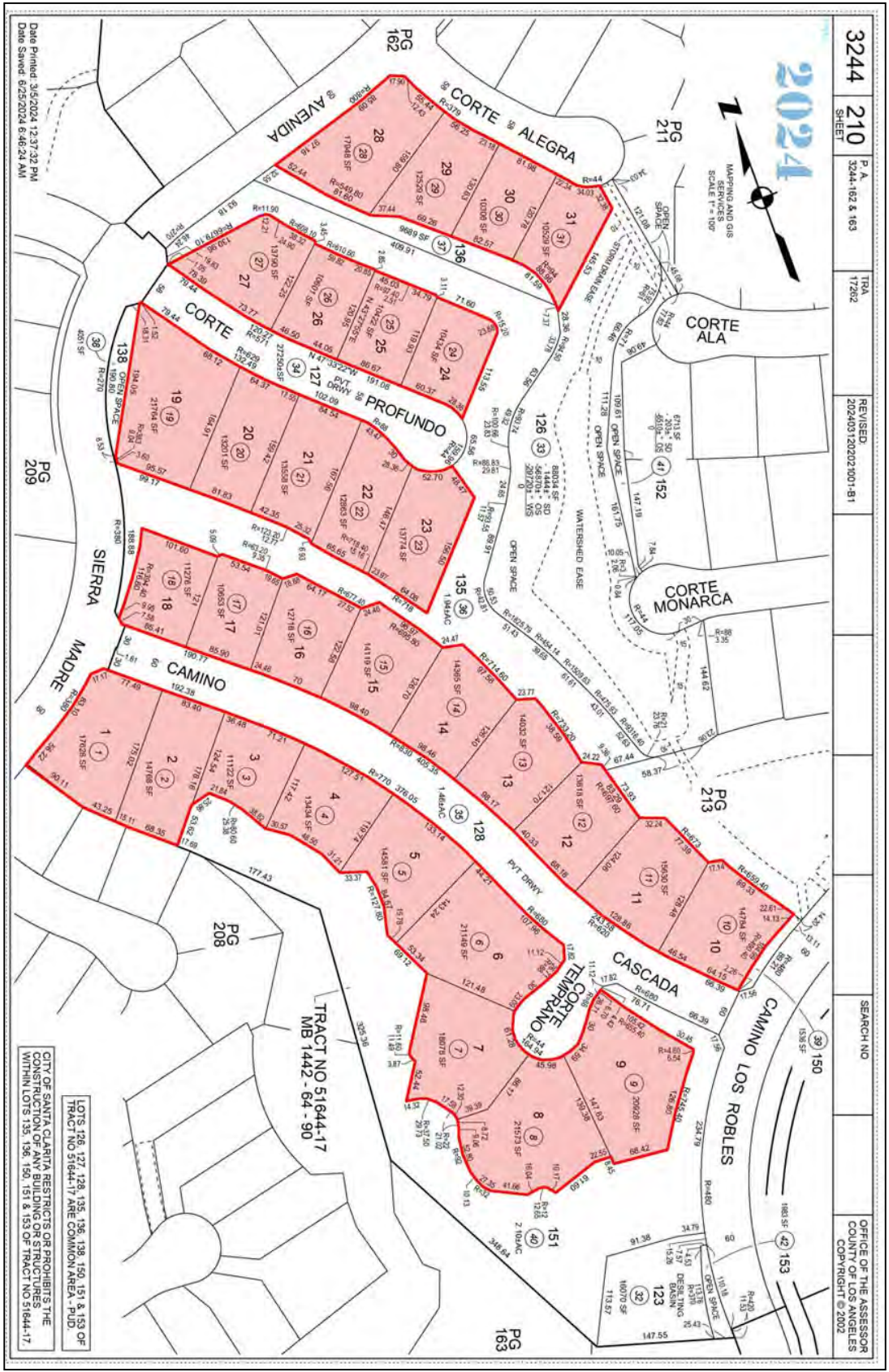
Assessor Data-2025/2026

The 77 lots comprise the following Assessor Parcel Nos.:

3244-209-004 to 018
3244-210-001 to 031
3244-211-001 to 003 & 023 to 025
3244-213-001 to 025

The assessed values range from \$49,074 to \$2,312,400 or an average of \$640,809. The tax rate area is 17262 which had an indicated tax rate for 2024/2025 of 1.182773%, but the effective tax rate including special taxes for this CFD and other





PROPERTY DATA, Continuing

overlapping liens is estimated at $\pm 1.7\%$ based on the appraised average value for the completed-closed homes.

No. of Lots/Lot Sizes

This product type comprises a total of 77 lots, and per the Tract Maps the lots range in size from 8,990 s.f. to 22,649 s.f., or an average of 13,348 s.f. Many of the lots include some or a significant amount of side and/or rear slope areas, and a marketing brochure for the sale of the lots indicated a mix of lot pad sizes ranging from 8,800 s.f. to 9,900 s.f. (80-90' wide by 110 to 120' deep).

Description of Homes/Status of Construction

These lots are being developed by Toll Brothers with a product type of detached homes called Alta Monte. As of the August 15, 2025 date of value, there were 36 completed-closed homes (closed builder sales); 9 completed-unclosed homes (including the 2 models); 25 homes under construction of which 12 were considered to be an average of $\pm 75\%$ completed, 6 were considered to be an average of $\pm 50\%$ completed, and 7 were in the early stage of construction; and 7 vacant lots in near-finished condition.

(Note: The 36 completed-closed homes are Lots 1, 5 to 18 & 60 to 80 of Tract No. 51644-17; the 9 completed-unclosed homes are Lots 2 to 4, 81 to 83 & 120 to 122 of Tract No. 51644-17; the 12 homes at $\pm 75\%$ completion are Lots 19 to 29 & 32 of Tract No. 51644-17; the 6 homes at $\pm 50\%$ completion are Lots 75 & 77 to 81 of Tract No. 51644-16; the 7 homes in the early stage of construction are Lots 82 to 84 of Tract No. 51644-16 and Lots 30, 31, 33 & 34 of Tract No. 51644-17; and the 7 vacant lots are Lots 76 & 85 to 89 of Tract No. 51644-16 and Lot 84 of Tract No. 51644-17.)

There are three floor plans and per marketing information are described as follows:

Plan 1 (Arpina): 4,718+ s.f., two-story, with 5 to 6 bedrooms and 5.5 to 6.5 baths; first floor has great room-casual dining area-kitchen with walk-in pantry (two-story height great room-dining area), flex room or optional office off great room, small work space off kitchen, bedroom suite with bath, laundry, half bath, and two-story high foyer; second floor has 4 bedrooms (including primary bedroom suite), 4 baths (3 ensuite), and loft or optional bedroom/bath (loft and walkway are open to great room-casual dining area-foyer below).

Plus 3-car tandem garage with extended storage space, luxury outdoor living space at rear off kitchen, and large covered front porch; additional options include extended workspace off kitchen in lieu of garage storage area; prep kitchen or finished room off kitchen in lieu of 3rd car tandem garage; extended luxury outdoor living space at rear off great room-casual dining area-kitchen; and covered deck off primary bedroom suite.

Plan 2 (Chara): 4,988+ s.f., two-story, with 5 to 6 bedrooms and 5.5 to 6.5 baths; first floor has great room-casual dining area-kitchen with walk-in pantry (two-story height dining area),

PROPERTY DATA, Continuing

flex room or optional office, bedroom suite with bath, half bath, and two-story high foyer with dual staircases; second floor has 4 bedrooms (including primary bedroom suite), 4 ensuite baths, laundry, loft or optional bedroom with ensuite bath, and open area to below or optional bonus room.

Plus 2-car garage and separate 1-car garage, large ell-shaped luxury outdoor living space at rear off casual dining area, and large covered front porch; additional options include multi-generational suite with living area and kitchenette including first floor bedroom suite and in lieu of 1-car garage; and covered deck off bonus room and primary bedroom suite.

Plan 3 (Rhea): 5,088 s.f., two-story, with 5 to 6 bedrooms and 5.5 to 6.5 baths; first floor has great room-kitchen with walk-in pantry (two-story height great room), dining room, flex room or optional office, bedroom suite with bath, half bath, and two-story high foyer with dual staircases; second floor has 4 bedrooms (including primary bedroom suite), 4 ensuite baths, laundry, loft or optional bedroom with bath, and open area to below or optional bonus room off loft.

Plus two separate 2-car garages, luxury outdoor living space at rear off kitchen and optional additional space off flex room or office, and small covered front porch; additional option is a covered deck off primary bedroom suite.

Per building permit data, the sizes are 4,742 s.f. to 4,972 s.f. for Plan 1; 4,988 s.f. to 5,066 s.f. for Plan 2; and 5,088 s.f. to 5,301 s.f. for Plan 3. The 36 completed-closed homes have an average size of 4,965 s.f. and the 9 completed-unclosed homes have an average size of 4,998 s.f.

VALUATION

Method of Analysis

This is similar to previous analyses.

Analysis of Completed-Closed Homes

Builder Sales of Subject Homes: The builder sales of these 36 completed homes closed/recorded from October 1, 2024 through July 31, 2025. In addition, as of August 17, 2025 there were 22 pending builder sales that were scheduled to close from August 2025 through June 2026. The average base pricing and average net pricing (base pricing plus homesite premium and option revenue, less option incentives, lender fee incentives, closing costs and other incentives) over periods of time are shown in the following table:

VALUATION, Continuing

<u>No. of Sales</u>	<u>Time Frame (Closing Dates)</u>	<u>Avg. Base Price</u>	<u>Avg. Net Price</u>	<u>Avg. Home Size (s.f.)</u>	<u>Avg. Net Price/s.f.</u>
36	Oct'24-Jul'25	\$1,746,078	\$2,191,733	4,965	\$441.44
11	Oct-Dec'24	\$1,740,359	\$2,028,963	4,987	\$406.85
13	Jan-Apr'25	\$1,740,918	\$2,451,658	4,988	\$491.51
<u>12</u> 36	May-Jul'25	\$1,756,912	\$2,059,352	4,919	\$418.65
22 (pend.)	Aug'25-Jun'26	\$1,782,404	\$2,136,847	5,035	\$424.40

It is noted that the average home sizes are fairly similar in all periods. The primary differential is the much higher average net price for the period of January through March 2025, which is primarily due to the much higher percentage of view and/or larger lots for this group of sales. In addition, it is noted that the pending sales also have a higher percentage of view lots, and the average net price reflects some softening subsequent to the closed sales.

Thus, the indication at \$2,191,733 is concluded to support a firm upper limit as an average value at current date for the 36 completed-closed homes; the indications at \$2,028,963 and \$2,059,352 support firm lower limits due to much lower percentage of view/larger size lots in these groups of sales; and the indication at \$2,136,847 from the pending sales supports a fairly close indication of average value.

Resale of Subject Home: There has been one closed resale located at 24111 Corte Escarpa (Lot 79/Tract No. 51644-17), which is a 5,088 s.f. (Plan 3) home. The original builder sale closed on April 3, 2025 at the net price of \$2,796,940 (reflecting a premium view lot). Per broker input, the buyer's plans changed and special permission from the builder was needed to resell it. The resale recorded on July 22, 2025 at the price of \$2,780,000, or similar to the original builder price.

Builder Sales of Bella Terra Homes: As discussed next in this report for the Bella Terra product type, the most recent closed builder sales indicate an average net price of \$1,706,953 for an average home size of 3,561 s.f., or \$479.35 per s.f. The average home size is smaller than the subject Alta Monte homes but this is partially offset by the more desirable one-story floorplans, the lots are fairly similar in size, but the views of these lots are inferior to Alta Monte. Thus, the indication at \$1,706,953 supports a far lower limit indication of average value for the Alta Monte homes, but due to the smaller size the indication at \$479.35 per s.f. supports a far upper limit indication as follows:

$$4,965 \text{ s.f. @ } \$479.35/\text{s.f.} = \$2,379,973$$

VALUATION, Continuing

Also as discussed for Bella Terra, the pending sales indicate the slightly lower average net price of \$1,608,554 for an average home size of 3,573 s.f., or \$450.20 per s.f. It is noted that the average home size is fairly similar to the most recent closed sales and the percentage of view lots is higher, thus reflecting softening in the pricing. Similar to the above discussion, the indication at \$1,608,554 supports a far lower limit of average value for the Alta Monte homes, and the indication at \$450.20 per s.f. supports a far upper limit as follows:

$$4,965 \text{ s.f. @ } \$450.20/\text{s.f.} = \$2,235,243$$

Resales of Homes from Nearby Areas: As previously discussed for the Arches product type, considering the sales of just the three largest homes in Tesoro del Valle (Data Nos. 2, 6 & 7), the average net price is \$1,661,000 for an average home size of 4,531 s.f. Due to the smaller average home size, the age of the homes, the inferior quality of product type, the smaller lots and inferior views on average, this indication at \$1,661,000 supports a far lower limit as an average value for the Alta Monte homes.

Also as previously discussed for the Arches product type, the sales of larger homes from various neighborhoods in the community of West Hills indicated an average net price of \$1,480,697 for an average home size of 3,819 s.f. For the same reasons as above, this indication at \$1,480,697 supports a far lower limit as an average value for the Alta Monte homes.

However, one additional sale from the West Hills community is shown as follows:

<u>No.</u>	<u>Address</u>	<u>COE Date</u>	<u>Sale Price</u>	<u>Home Size</u>	<u>Yr. Blt.</u>	<u>BR/ BA</u>	<u>Stories/ Garages</u>	<u>Lot Size</u>	<u>Comments</u>
1	28265 Forge Ct.	5/15/25	\$2,100,000	3,959	2016	5/5	2 3	61,457	Well upgraded; pool/spa; large lot on top of hill/good views/much slope; no seller concessions

In comparison to the Alta Monte homes, this sale is inferior in size and age, similar in quality, and superior in yard improvements, lot size and view (on average). In general, it is supportive of the ±\$2,100,000 range as an average for the subject homes.

Conclusion: In summary, the indications of average value from the builder sales of the subject homes are firm lower limits at \$2,028,963 and \$2,059,352, a close indication at \$2,136,847, and a firm upper limit at \$2,191,733; from builder sales of the Bella Terra product type are far lower limits at \$1,608,554 and \$1,706,953 and far upper limits at \$2,235,243 and \$2,379,973; and from resales in other neighborhoods are far lower limits at \$1,480,967 and \$1,661,000, and a generally close indication at \$2,100,000.

VALUATION, Continuing

Greatest weight is given to the builder sales of the subject homes, and well supported by the other data. Overall, the conclusion is an average value of \$2,100,000 for the 36 completed-closed homes.

Analysis of Completed-Unclosed Homes

These 9 homes include 7 production homes and the 2 model homes, with pending sales on 3 of the production homes that are scheduled to close from August through October 2025. The average size of these 9 homes is 4,998 s.f. which is fairly similar to the size of 4,965 s.f. for the completed-closed homes. Considering the fairly similar view premium potential, the initial conclusion is similar to the conclusion for the completed-closed homes, or an average of \$2,100,000.

Then, a discount of 20% is made due to being part of the bulk ownership by the builder, and reflecting sell-off time, holding/sales costs, any minor finishing costs and profit. This results in a discounted amount of \$1,680,000 for the 9 completed-unclosed homes.

Analysis of Homes Under Construction

For the 12 homes considered at $\pm 75\%$ completion, I have used a cost amount of 75% of direct costs estimated at a conservative amount of $\pm \$100.00$ per s.f. for these homes, or \$75.00 per s.f. This is applied to the average home size of 5,041 s.f. for these 12 homes, or an amount of \$378,075. This is added to the estimated value of \$627,778 for the vacant lot in as-is condition (as discussed in the following Analysis of Vacant Lot Value), resulting in a total of \$1,005,853, rounded to \$1,010,000 as an average for these 12 homes.

For the 6 homes considered at $\pm 50\%$ completion, a cost amount of \$50.00 per s.f. on the average home size of 5,030 s.f. for these 6 homes, is an amount of \$251,500. This is added to the estimated value of \$627,778 for the vacant lot resulting in a total of \$879,278, rounded to \$880,000 as an average for these 6 homes.

For the 7 homes in the early stage of construction, these are considered as land value, or \$627,778 rounded to \$630,000.

Analysis of Vacant Lots

This is similar to the previous analysis as discussed for the Arches product type. On a finished lot basis, Data Nos. 1, 3 and 4 support far lower limit indications of value for the subject Alta Monte lots at \$447,000 to \$510,000, and Data No. 5 supports a closer but still firm lower limit indication at \$560,000. Data No. 2, which is the sale of all lots for the Alta Monte and Bella Terra product types, supports a close lower

VALUATION, Continuing

limit at \$600,000 when considering the Alta Monte product type being the larger and higher-priced homes, with similar view potential.

Considering a lower finished lot ratio of 35-36% due to the higher-priced product type, applied to the conclusion of \$2,100,000 for the completed-closed homes, the following indication results:

$$\$2,100,000 \times .35 \text{ to } .36 = \$735,000 \text{ to } \$756,000/\text{finished lot}$$

The conclusion is a value of \$650,000 per lot if in a finished condition.

Then, a deduction is made for the remaining land development costs and development impact fees to get all lots to a fully finished condition. Per builder information provided to the appraiser, the remaining total costs and fees are \$1,000,000 for the combined Alta Monte and Bella Terra product types. Allocated over the total of 45 lots that are either vacant or with homes under construction, this indicates a cost allocation of \$22,222 per lot.

Thus, the conclusion of finished lot value at \$650,000 less the cost allocation of \$22,222 per lot results in a value of \$627,778 per lot for the as is condition. For the 7 vacant lots, this results in the following indication:

7 vacant lots, as is condition @ \$627,778/lot =	\$4,394,446
Rd.	\$4,390,000

Conclusion of Value

Based on the foregoing, the total value indication for the subject Alta Monte product type in its as-is condition, is calculated as follows:

36 completed-closed homes @ \$2,100,000 =	\$ 75,600,000
9 completed-unclosed homes @ \$1,680,000 =	\$ 15,120,000
12 homes, ±75% completion @ \$1,010,000 =	\$ 12,120,000
6 homes, ±50% completion @ \$880,000 =	\$ 5,280,000
7 homes, early stage of const. @ \$630,000 =	\$ 4,410,000
7 vacant lots =	<u>\$ 4,390,000</u>

Value Indication, As-Is Condition:	\$116,920,000
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Thus, as the result of this analysis, I have arrived at the following overall conclusion of market value for the as is condition of the subject Alta Monte product type, subject to the Assumptions and Limiting Conditions, and as of August 15, 2025:

\$116,920,000

**(ONE HUNDRED SIXTEEN MILLION
NINE HUNDRED TWENTY THOUSAND DOLLARS)**

BELLA TERRA



BELLA TERRA

PROPERTY DATA

Location

This product type is located along both sides of Avenida Sierra Madre and both sides of Camino Los Robles, just to the northeast of the Alta Monte product type. The lots front on Avenida Sierra Madre, Corte Grandioso, Corte Zafiro, Camino Los Robles, Corte La Lluvia, Corte Arana, Corte Arido and Corte Vigo.

Record Owner/Ownership History

As of the August 15, 2025 date of value, individual homeowners owned 32 of these lots (Lots 44 to 49, 51 to 59, 87, 88 & 90 to 104) and Toll West Coast LLC owned 28 lots (Lots 35 to 43, 50, 85, 86, 89 & 105 to 119).

The sale of the lots to Toll West Coast LLC was previously discussed for the Alta Monte product type.

The builder sales of the 32 completed homes to the homeowners closed from August 20, 2024 through August 12, 2025. In addition, as of August 17, 2025 there were 9 pending builder sales with estimated closing dates from August 2025 through July 2026.

Legal Description

The 60 lots are described as Lot Nos. 35 to 59 & 85 to 119 of Tract No. 51644-17.

Assessor Data-2025/2026

The 60 lots comprise the following Assessor Parcel Nos.:

3244-211-004 to 022
3244-212-001 to 038
3244-213-026 to 028

The assessed values range from \$531,210 to \$2,067,700 or an average of \$754,562. The tax rate area is 17262 which had an indicated tax rate for 2024/2025 of 1.182773%, but the effective tax rate including special taxes for this CFD and other overlapping liens is estimated at $\pm 1.8\%$ based on the appraised average value for the completed-closed homes.

No. of Lots/Lot Sizes

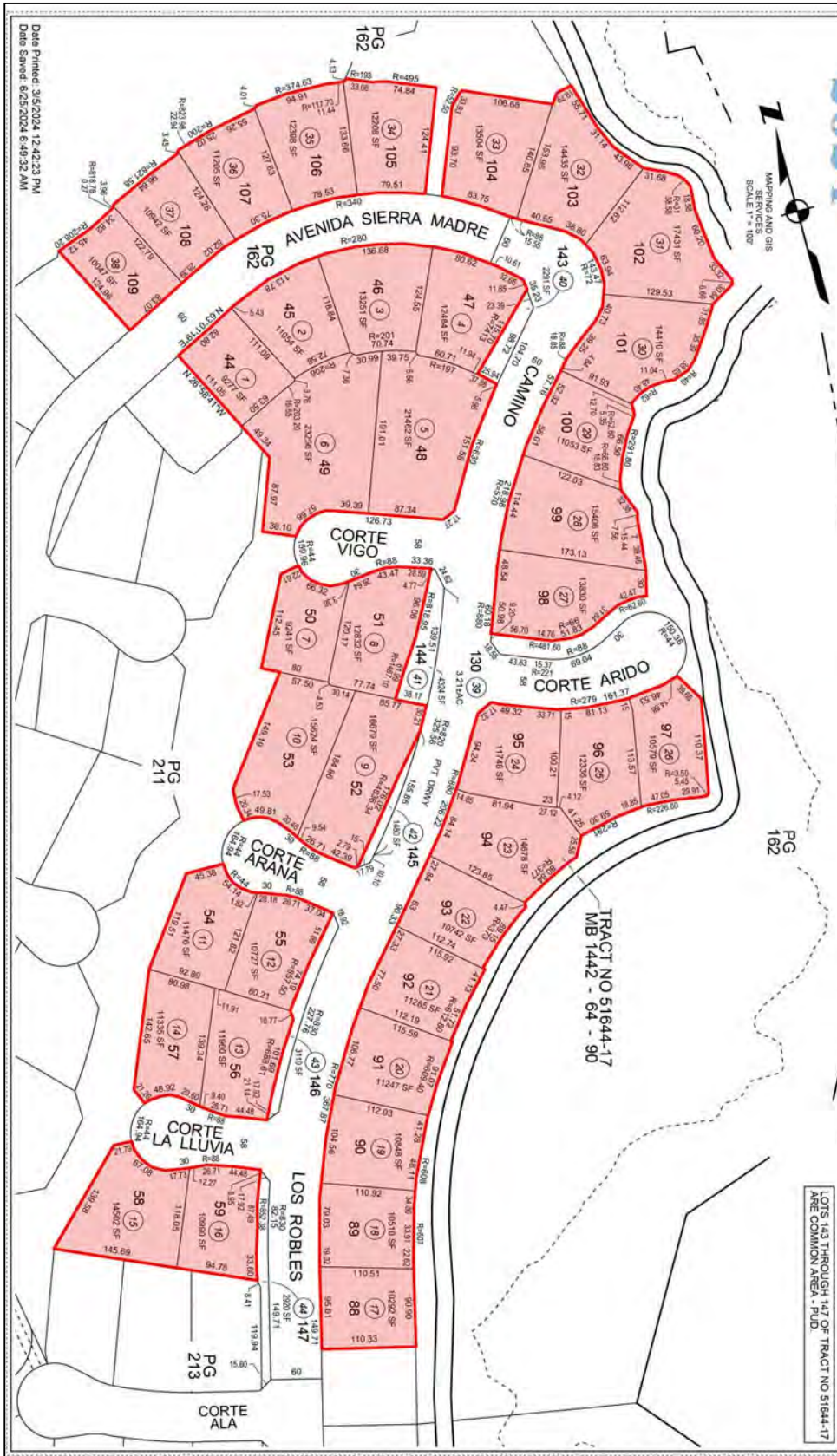
This product type comprises a total of 60 lots, and per the Tract Maps the lots range in size from 9,241 s.f. to 23,256 s.f., or an average of 12,729 s.f. Many of the lots

2024



MAPPING AND GIS
SERVICES
SCALE 1" = 100'

CITY OF SANTA CLARITA RESTRICTS OR PROHIBITS THE
CONSTRUCTION OF ANY BUILDING OR STRUCTURES
WITHIN LOTS 143 THROUGH 147 OF TRACT NO 51644-17
ARE COMMON AREA - PUD.



PROPERTY DATA, Continuing

include some or a significant amount of side and/or rear slope areas, and a marketing brochure for the sale of the lots indicated a mix of lot pad sizes ranging from 8,800 s.f. to 9,900 s.f. (80-90' wide by 110 to 120' deep).

Description of Homes/Status of Construction

These lots are being developed by Toll Brothers with a product type of detached homes called Bella Terra. As of the August 15, 2025 date of value, there were 32 completed-closed homes (closed builder sales); 15 completed-unclosed homes (including the 2 models); 8 homes under construction of which 3 were considered to be an average of $\pm 50\%$ completed and 5 were in the early stage of construction; and 5 vacant lots in near-finished condition.

(Note: The 32 completed-closed homes are Lots 44 to 49, 51 to 59, 87, 88 & 90 to 104; the 15 completed-unclosed homes are Lots 40 to 43, 50, 85, 86, 89 & 105 to 111; the 3 homes at $\pm 50\%$ completion are Lots 37, 114 & 116; the 5 homes in the early stage of construction are Lots 38, 39, 112, 113 & 115; and the 5 vacant lots are Lots 35, 36 & 117 to 119.)

There are three floor plans and per marketing information are described as follows:

Plan 1 (Astra): 3,377+ s.f., one-story, with 4 to 5 bedrooms (including primary bedroom suite), 4.5 to 5.5 baths (4 to 5 are ensuite), great room-casual dining area-kitchen with walk-in pantry, flex room or optional office or bedroom/bath, laundry, and foyer; plus 3-car tandem garage, luxury outdoor living space at rear off great room, and small covered front porch

Plan 2 (Esen): 3,533+ s.f., one-story, with 4 to 5 bedrooms (including primary bedroom suite), 4.5 to 5 baths (4 are ensuite), great room-casual dining area-kitchen with walk-in pantry, dining room, flex room or optional office or bedroom (with full bath in lieu of half bath and storage room), laundry, and foyer; plus 2-car garage and separate 1-car garage, luxury outdoor living space at rear off great room, and small covered front porch; additional option includes multi-generational suite with living area and kitchenette including first floor bedroom suite and in lieu of 1-car garage.

Plan 3 (Stello): 3,685+ s.f., one-story, with 4 to 5 bedrooms (including primary bedroom suite), 4.5 to 5 baths (4 are ensuite), great room-casual dining area-kitchen with small work space and walk-in pantry, flex room or optional office or bedroom (with full bath in lieu of half bath) and entry/storage, laundry, and foyer; plus two separate 2-car garages, luxury outdoor living space at rear off great room, and small covered front porch.

Per building permit data, the sizes are 3,377 s.f. and 3,424 s.f. for Plan 1; 3,533 s.f. and 3,551 s.f. for Plan 2; and 3,685 s.f. to 3,790 s.f. for Plan 3. The 32 completed-closed homes have an average size of 3,548 s.f. and the 15 completed-unclosed homes have an average size of 3,579 s.f.

VALUATION

Method of Analysis

This is similar to previous analyses.

Analysis of Completed-Closed Homes

Builder Sales of Subject Homes: The builder sales of these 32 completed homes closed/recorded from August 20, 2024 through August 12, 2025. In addition, as of August 17, 2025 there were 9 pending builder sales that were scheduled to close from August 2025 through July 2026. The average base pricing and average net pricing (base pricing plus homesite premium and option revenue, less option incentives, lender fee incentives, closing costs and other incentives) over periods of time are shown in the following table:

<u>No. of Sales</u>	<u>Time Frame (Closing Dates)</u>	<u>Avg. Base Price</u>	<u>Avg. Net Price</u>	<u>Avg. Home Size (s.f.)</u>	<u>Avg. Net Price/s.f.</u>
32	Aug'24-Aug'25	\$1,490,591	\$1,755,667	3,548	\$494.83
10	Aug-Dec'24	\$1,491,801	\$1,849,737	3,566	\$518.71
10	Jan-Apr'25	\$1,486,495	\$1,720,053	3,514	\$489.49
<u>12</u> 32	May-Aug'25	\$1,492,995	\$1,706,953	3,561	\$479.35
9 (pend.)	Aug'25-Jul'26	\$1,503,662	\$1,608,554	3,573	\$450.20

It is noted that the average home sizes are fairly similar in all periods, but the earlier sales had a much higher percentage of view lots than the most recent sales. In addition, the pending sales reflect a similar average home size but have a higher percentage of view lots than the most recent recorded sales, which indicates softening in the most recent pricing. However, the views of the pending sales are inferior on average to the 32 completed-closed homes.

Thus, the indication at \$1,755,667 is concluded to support a firm upper limit as an average value at current date for the 32 completed-closed homes; the indication at \$1,706,953 supports a closer indication; and the indication at \$1,608,554 supports a firm lower limit.

Builder Sales of Alta Monte Homes: As previously discussed, the most recent closed and the pending builder sales support far upper limit indications of average value for the Bella Terra homes at \$2,059,352 and \$2,136,847 due to the much larger average home sizes more than offsetting to the view premium differences or desirability of the one-story floorplans. Due to the much larger size, the indications at \$418.65 and \$424.40 per s.f. support far lower limit indications as follows:

VALUATION, Continuing

3,548 s.f. @ \$418.65 to \$424.40/s.f. = \$1,485,370 to \$1,505,771

Resales of Homes from Nearby Areas: As discussed for Alta Monte, considering the sales of just the three largest homes in Tesoro del Valle (Data Nos. 2, 6 & 7), the average net price is \$1,661,000 for an average home size of 4,531 s.f. Considering the much larger average size, but more than offset by the inferior age of the homes, the inferior quality of product type, the smaller lots and inferior views on average, this indication at \$1,661,000 supports a close lower limit as an average value for the Bella Terra homes.

Similarly, the sales data as discussed for the West Hills community supports a far lower limit at the average net price of \$1,480,967 for similar reasons. However, the additional sale from the West Hills community supports a far upper limit for the Bella Terra homes at \$2,100,000 due primarily to the far superior lot size and view location than the average view of the Bella Terra homes.

Conclusion: In summary, the indications of average value from the builder sales of the subject homes are firm lower limit at \$1,608,554, a close indication at \$1,706,953 and a firm upper limit at \$1,755,667; from builder sales of the Alta Monte product type are far lower limits at \$1,485,370 and \$1,505,771 and far upper limits at \$2,059,352 and \$2,136,847; and from resales in other neighborhoods are a far lower limit at \$1,480,967, a close lower limit at \$1,661,000, and a far upper limit at \$2,100,000.

Greatest weight is given to the builder sales of the subject homes, and well supported by the other data. Overall, the conclusion is an average value of \$1,700,000 for the 32 completed-closed homes.

Analysis of Completed-Unclosed Homes

These 15 homes include 13 production homes and the 2 model homes, with pending sales on 5 of the production homes that are scheduled to close from August 2025 through July 2026. The average size of these 15 homes is 3,579 s.f. which is fairly similar to the size of 3,548 s.f. for the completed-closed homes. Considering the fairly similar view premium potential, the initial conclusion is similar to the conclusion for the completed-closed homes, or an average of \$1,700,000.

Then, a discount of 20% is made due to being part of the bulk ownership by the builder, and reflecting sell-off time, holding/sales costs, any minor finishing costs and profit. This results in a discounted amount of \$1,360,000 for the 15 completed-unclosed homes.

VALUATION, Continuing

Analysis of Homes Under Construction

For the 3 homes considered at $\pm 50\%$ completion, I have used a cost amount of 50% of direct costs estimated at a conservative amount of $\pm \$100.00$ per s.f. for these homes, or $\$50.00$ per s.f. This is applied to the average home size of 3,583 s.f. for these 3 homes, or an amount of $\$179,150$. This is added to the estimated value of $\$527,778$ for the vacant lot in as-is condition (as discussed in the following Analysis of Vacant Lots), resulting in a total of $\$706,928$, rounded to $\$710,000$ as an average for these 3 homes.

For the 5 homes in the early stage of construction, these are considered as land value, or $\$527,778$ rounded to $\$530,000$.

Analysis of Vacant Lots

This is similar to the discussion and analysis for the previous Alta Monte product type. Thus, Data No. 2 supports a firm upper limit at $\$600,000$ per finished lot and Data No. 5 supports a close upper limit at $\$560,000$ per finished lot. Considering the finished lot ratio of 35-36% applied to the conclusion of $\$1,700,000$ for the completed-closed homes results in the following:

$$\$1,700,000 \times .35 \text{ to } .36 = \$595,000 \text{ to } \$612,000/\text{finished lot}$$

The conclusion of finished lot value is $\$550,000$. Then, deducting the cost allocation of $\$22,222$ per lot, results in a value of $\$527,778$ per lot for the as is condition. For the 5 vacant lots, this results in the following indication:

5 vacant lots, as is condition @ $\$527,778/\text{lot}$ =	$\$2,638,890$
Rd.	$\$2,640,000$

Conclusion of Value

Based on the foregoing, the total value indication for the subject Bella Terra product type in its as-is condition, is calculated as follows:

32 completed-closed homes @ $\$1,700,000$ =	$\$54,400,000$
15 completed-unclosed homes @ $\$1,360,000$ =	$\$20,400,000$
3 homes, $\pm 50\%$ completion @ $\$710,000$ =	$\$ 2,130,000$
5 homes, early stage of const. @ $\$530,000$ =	$\$ 2,650,000$
5 vacant lots =	<u>$\\$ 2,640,000$</u>
Value Indication, As-Is Condition:	$\$82,220,000$

VALUATION, Continuing

Thus, as the result of this analysis, I have arrived at the following overall conclusion of market value for the as is condition of the subject Bella Terra product type, subject to the Assumptions and Limiting Conditions, and as of August 15, 2025:

\$82,220,000

(EIGHTY-TWO MILLION TWO HUNDRED TWENTY THOUSAND DOLLARS)

ADDENDA

**QUALIFICATIONS
OF
STEPHEN G. WHITE, MAI**

PROFESSIONAL EXPERIENCE

Real Estate Appraiser since 1976.

1983 through current date: Self-employed; office located at 1801 Lexington Dr., Fullerton, CA 92835
(Phone: 714-738-1595)

1976-1982: Employed by Cedric A. White, Jr., MAI, independent appraiser located in Anaheim.

Real estate appraisals have been completed on most types of properties for purposes of fair market value, leased fee value, leasehold value, easement value, partial acquisitions and severance damages.

PROFESSIONAL ORGANIZATIONS

Designated Member, Appraisal Institute; MAI designation obtained 1985

Affiliate Member, Pacific West Association of Realtors

LICENSES

Licensed by the State of California as a Certified General Real Estate Appraiser; BRE ID No. AG013311; valid through September 22, 2026.

EDUCATION

B.A. Economics & Business, Westmont College, Santa Barbara (1976)

Appraisal Institute Courses:

Basic Appraisal Principles, Methods and Techniques

Capitalization Theory and Techniques

Urban Properties

Litigation Valuation

Standards of Professional Appraisal Practice

Numerous seminars and continuing education on various appraisal subjects, including valuation of easements and leased fee interests, litigation, the money market and its impact on real estate, and standards of professional appraisal practice.

COURT/TESTIMONY EXPERIENCE

Qualified as an expert witness in the Superior Courts of Orange, Los Angeles, Riverside and San Bernardino Counties; also for the Assessment Appeals Board of Orange and Los Angeles Counties.

TYPES OF PROPERTY APPRAISED

Residential: vacant lots, acreage and subdivisions; single family residences, condominiums, townhomes and apartment complexes.

Commercial: vacant lots/acreage; office buildings, retail/shopping centers, restaurants, hotels/motels.

Industrial: vacant lots and acreage; warehouses, manufacturing buildings, R&D buildings, industrial parks, mini-warehouses.

Special Purpose: mobilehome parks, churches, automobile agencies, medical buildings, convalescent hospitals, easements, leased fee and leasehold interests.

QUALIFICATIONS, Page 2

CLIENT LIST

Corporations:

Aera Energy
British Pacific Properties
BSI Consultants
Crown Central Petroleum
Firestone Building Materials
Foodmaker Realty Corp.
Greyhound Lines
Holiday Rambler Corp.
International Baking Co.
Johnson Controls
Kampgrounds of America
Knowlwood Restaurants
Kroger Company

La Habra Products, Inc.
MCP Foods
Orangeland RV Park
Pacific Scientific
Penhall International
Pic 'N Save Stores
Sargent-Fletcher Co.
Shell-Western E&P
Southern Distributors Corp.
Southern California Edison
The Home Depot
Tooley and Company
Wastewater Disposal Co.

Developers:

Brighton Homes
BRIDGE Housing
Brookfield
Citation Builders
Davison-Ferguson Investment Devel.
D.T. Smith Homes
Irvine Company

Kathryn Thompson Developers
Mission Viejo Co.
Premier Homes
Presley Homes
Rockefeller & Associates
Taylor Woodrow Homes
Unocal Land & Development

Law Firms:

Atkinson, Andelson, Loya, Ruud & Romo
Baldikoski, Klotz & Dragonette
Best, Best & Krieger LLP
Bowie, Arneson, Wiles & Giannone
Bye, Hatcher & Piggott
Callahan, McCune & Willis
Cooksey, Coleman & Howard
Dawson & Dawson
Hamilton & Samuels
Horgan, Rosen, Beckham & Coren
Kirkland & Ellis
Latham & Watkins LLP
McKee, Charles C.
Mosich, Nicholas J.
Long, David M.
Nossaman, Guthner, Knox & Elliott, LLP

Oliver, Barr & Vose
Ollestad, Freedman & Taylor
Palmieri, Tyler, Wiener, Wilhelm &
Waldron LLP
Paul, Hastings, Jonofsky &
Walker LLP
Piggott, George B.
Pothier, Rose
Rosenthal & Zimmerman
Ross Wersching & Wolcott LLP
Rutan & Tucker, LLP
Sikora & Price, Inc.
Smith & Politiski
Williams, Gerold G.
Woodruff, Spradlin & Smart, P.C.
Yates, Sealy M.

Financial Institutions:

Ahmanson Trust Company
Barclays Bank
Chino Valley Bank
Continental Bank
First Interstate Mortgage
First Niagara Bank
First Wisconsin Bank

NorthMarq
Pacific Western Bank
San Clemente Savings & Loan
Security Pacific Bank
Sunwest Bank
United Calif. Savings Bank
Washington Square Capital

QUALIFICATIONS, Page 3

Cities:

Anaheim	Laguna Beach	San Diego
Baldwin Park	Lake Elsinore	San Marino
Buena Park	Long Beach	Santa Ana
City of Industry	Mission Viejo	Santee
Cypress	Orange	Seal Beach
Dana Point	Palm Desert	Stanton
Duarte	Placentia	Temecula
Fontana	Rialto	Tustin
Fullerton	Riverside	Wildomar
La Habra	San Clemente	Yorba Linda

Counties:

County of Orange

County of Riverside

Other Governmental:

Agua Mansa Industrial Growth Association	Lee Lake Water District
Eastern Municipal Water District	Metropolitan Water District
El Toro Water District	Orange County Water District
Federal Deposit Insurance Corporation (FDIC)	Trabuco Canyon Water District
Kern County Employees Retirement Association	U.S. Postal Service

School Districts:

Alvord Unified	Irvine Unified	Riverside Unified
Anaheim Union High	Jurupa Unified	Romoland
Anaheim Elementary	Lake Elsinore Unified	Saddleback Valley Unified
Banning Unified	Menifee Union	San Jacinto Unified
Beaumont Unified	Moreno Valley Unified	San Marcos Unified
Capistrano Unified	Murrieta Valley Unified	Santa Ana Unified
Castaic Union	Newhall	Saugus Union
Cypress	Newport-Mesa Unified	Sulphur Springs Union
Etiwanda	Orange Unified	Westside Union
Fullerton	Palm Springs Unified	William S. Hart Union High
Fullerton Jt. Union High	Placentia-Yorba Linda Unif.	Victor Elementary
Garden Grove Unified	Poway Unified	
Hemet Unified	Rialto Unified	

Churches/Church Organizations:

Calvary Church, Santa Ana	Lutheran Church, Missouri Synod
Central Baptist Church, Pomona	Presbytery of Los Rancho
Christian & Missionary Alliance Church, Santa Ana	St. Mark's Lutheran Church, Hac. Hts.
Christian Church Foundation	United Methodist Church
Congregational Church, Fullerton	Vineyard Christian Fellowship
First Church of the Nazarene	Yorba Linda United Methodist Church

Other:

Beverly Hospital
The Claremont College Services
GOALS (nonprofit org.)

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