

PRELIMINARY OFFICIAL STATEMENT DATED MAY 14, 2026

NEW ISSUE-FULL BOOK ENTRY

Ratings: S&P: “AA” (Insured)

S&P: “AA-” (Underlying)

See the caption “MISCELLANEOUS—Ratings”

In the opinion of Jones Hall LLP, San Mateo, California, Bond Counsel, subject, however to certain qualifications described herein, under existing law, the interest on the Bonds is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax. Interest on the Bonds may be subject to the corporate alternative minimum tax. In the further opinion of Bond Counsel, such interest is exempt from California personal income taxes. See the caption “LEGAL MATTERS — Tax Matters” herein.

\$15,740,000*

**MENIFEE UNION SCHOOL DISTRICT PUBLIC FINANCING AUTHORITY
SPECIAL TAX REVENUE BONDS, 2026 SERIES A**

Dated: Date of Delivery

Due: September 1, as shown on inside cover

The special tax revenue bonds captioned above and described herein (the “Bonds”) are being issued by the Menifee Union School District Public Financing Authority (the “Authority”) to: (i) acquire certain special tax bonds (the “Local Obligations”) of community facilities districts (in certain instances issued for improvement areas or tax zones of such community facilities districts), formed by the Menifee Union School District (the “School District”); (ii) purchase a municipal bond insurance policy to guarantee payment of the principal of and interest on the Bonds; (iii) purchase a debt service reserve insurance policy for deposit in the Reserve Fund to fund the initial Reserve Requirement (as defined herein); and (iv) pay costs of issuance of the Bonds. The Local Obligations are being issued to refund certain special tax bonds previously issued by five community facilities districts of the School District, which will result in the refunding of the Authority’s Special Tax Revenue Bonds, Series 2017A, and to finance certain authorized facilities. See “FINANCING PLAN.”

The Bonds are payable solely from Revenues (as defined herein) pledged by the Authority pursuant to that certain Indenture of Trust, dated as of June 1, 2026 (the “Indenture”), by and between the Authority and Zions Bancorporation, National Association, as trustee (the “Trustee”). Revenues consist primarily of debt service on the Local Obligations, which are payable from special taxes levied in the Taxing Jurisdictions (as defined herein). See “SECURITY FOR THE BONDS.”

The Bonds will be issued in denominations of \$5,000 or any integral multiple thereof. Interest on the Bonds is payable semiannually on March 1 and September 1 of each year commencing September 1, 2026. The Bonds will be initially issued only in book-entry form and registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York (“DTC”), which will act as securities depository of the Bonds. Principal and interest (and premium, if any) on the Bonds is payable by the Trustee to DTC, which will remit such payments to its participants for subsequent distribution to the beneficial owners of the Bonds. See “THE BONDS — General Provisions” and “— Book-Entry Only System” herein.

The Bonds are subject to redemption prior to maturity as described herein. See “THE BONDS — Redemption.”

The scheduled payment of principal of and interest when due on the Bonds will be guaranteed under a municipal bond insurance policy (the “Policy”) to be issued concurrently with the delivery of the Bonds by Assured Guaranty Inc. (the “Bond Insurer”). The Bond Insurer will also issue a debt service reserve insurance policy concurrently with the issuance of the Bonds to be credited to the Reserve Fund for the Bonds to satisfy the initial Reserve Requirement. See “BOND INSURANCE” herein.

**ASSURED
GUARANTY**

CERTAIN EVENTS COULD AFFECT THE ABILITY OF THE AUTHORITY TO PAY THE PRINCIPAL OF AND INTEREST ON THE BONDS WHEN DUE. THE PURCHASE OF THE BONDS INVOLVES SIGNIFICANT INVESTMENT RISKS, AND THE BONDS MAY NOT BE SUITABLE INVESTMENTS FOR MANY INVESTORS. SEE THE SECTION OF THIS OFFICIAL STATEMENT ENTITLED “SPECIAL RISK FACTORS” FOR A DISCUSSION OF CERTAIN RISK FACTORS THAT SHOULD BE CONSIDERED, IN ADDITION TO THE OTHER MATTERS SET FORTH HEREIN, IN EVALUATING THE INVESTMENT QUALITY OF THE BONDS.

***Maturity Schedule
(see inside cover)***

The Bonds are offered when, as and if issued and accepted by Stifel, Nicolaus & Company, Incorporated, the Underwriter, subject to the approval as to their legality by Jones Hall LLP, San Mateo, California, as Bond Counsel. Certain legal matters will be passed upon for the Authority and the Community Facilities Districts by Stradling Yocca Carlson & Rauth LLP, as Disclosure Counsel, for the Underwriter by its counsel, Kutak Rock LLP, and for the Trustee by its counsel. It is anticipated that the Bonds in definitive form will be available for delivery to DTC or its agent on or about _____, 2026.

STIFEL

Dated: _____, 2026

* Preliminary, subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold, nor may offers to buy them be accepted, prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of, these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

MATURITY SCHEDULE

\$ _____

**MENIFEE UNION SCHOOL DISTRICT PUBLIC FINANCING AUTHORITY
SPECIAL TAX REVENUE BONDS, 2026 SERIES A**

Serial Bonds					
<i>Maturity (September 1)</i>	<i>Principal Amount</i>	<i>Interest Rate</i>	<i>Yield</i>	<i>Price</i>	<i>CUSIP[†]</i>

[†] CUSIP® Copyright 2026, American Bankers Association. CUSIP® data in this Official Statement is provided by CUSIP Global Services, managed by FactSet Research Systems Inc. on behalf of the American Bankers' Association. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Service. None of the Authority, the School District, the Community Facilities Districts or the Underwriter, or their agents or counsel, takes any responsibility for the accuracy of CUSIP data in this Official Statement. The CUSIP® number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

MENIFEE UNION SCHOOL DISTRICT PUBLIC FINANCING AUTHORITY

AUTHORITY BOARD AND GOVERNING BOARD

J. Kyle Root, President
Xavier Padilla, Vice President
Jackie Johnson, Clerk
Robert O'Donnell, Deputy Clerk
Morgan Singleton II, Board Member

SCHOOL DISTRICT STAFF

Jennifer Root, Ed.D., Superintendent
Marc Bommarito, Assistant Superintendent, Business Services
Kyle Dee, Director of Facilities
Getahun Woldie, Director of Fiscal Services

BOND COUNSEL

Jones Hall LLP
San Mateo, California

DISCLOSURE COUNSEL

Stradling Yocca Carlson & Rauth LLP
Newport Beach, California

MUNICIPAL ADVISOR

Fieldman, Rolapp & Associates, Inc.
Irvine, California

SPECIAL TAX CONSULTANT AND CFD ADMINISTRATOR

KeyAnalytics
Mission Viejo, California

VERIFICATION AGENT

Causey Public Finance, LLC
Denver, Colorado

TRUSTEE/FISCAL AGENT/ESCROW AGENT

Zions Bancorporation, National Association
Los Angeles, California

Investment in the Bonds, involves risks which are not appropriate for certain investors. Therefore, only persons with substantial financial resources (in net worth or income) who understand (either alone or with competent investment advice) those risks should consider such an investment.

Except where otherwise indicated, all information contained in this Official Statement has been provided by the Menifee Union School District Public Financing Authority, the Menifee Union School District, and the Community Facilities Districts. No dealer, broker, salesperson or other person has been authorized by the Authority, the School District, the Community Facilities Districts, the Trustee or the Underwriter to give any information or to make any representations in connection with the offer or sale of the Bonds other than those contained herein; and, if given or made, such other information or representations must not be relied upon as having been authorized by the Authority, the School District, the Community Facilities Districts, the Trustee or the Underwriter. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

The information set forth herein which has been obtained from third party sources is believed to be reliable but is not guaranteed as to accuracy or completeness by the Community Facilities Districts, the School District or the Authority. This Official Statement is not to be construed as a contract with the purchasers or Owners of the Bonds. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such are not to be construed as representations of fact.

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 a 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.

The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Authority, the School District, the Community Facilities Districts or any other parties described herein since the date hereof. All summaries of the Indenture, the Local Obligation Fiscal Agent Agreements or other documents are made subject to the provisions of such documents respectively and do not purport to be complete statements of any or all of such provisions. Reference is hereby made to such documents on file with the School District for further information in connection therewith.

While the School District maintains an internet website and certain social media accounts for various purposes, none of the information on that website is incorporated by reference herein or intended to assist investors in making any investment decision or to provide any continuing information with respect to the Bonds or any other bonds or obligations of the Authority, the School District or the Community Facilities Districts. Any such information that is inconsistent with the information set forth in this Official Statement should be disregarded.

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,” “project,” “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 Authority does not plan to issue any updates or revisions to the forward-looking statements set forth in this Official Statement. The Authority is obligated to provide continuing disclosure for certain historical information only. See the caption “MISCELLANEOUS — Continuing Disclosure” herein.

Assured Guaranty Inc. (the “Bond Insurer”) makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, the Bond Insurer has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding the Bond Insurer supplied by the Bond Insurer and presented under the heading “BOND INSURANCE” and Appendix H — “SPECIMEN MUNICIPAL BOND INSURANCE POLICY.”

THE BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, IN RELIANCE UPON AN EXEMPTION CONTAINED IN SUCH ACT. THE BONDS HAVE NOT BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES LAWS OF ANY STATE.

Menifee Union School District

Public Financing Authority, Series 2026

Legend

- 2002-1
- 2002-3
- 2003-3
- 94-1
- 99-1 IA A and Zone 2
- 99-1 Zone 1

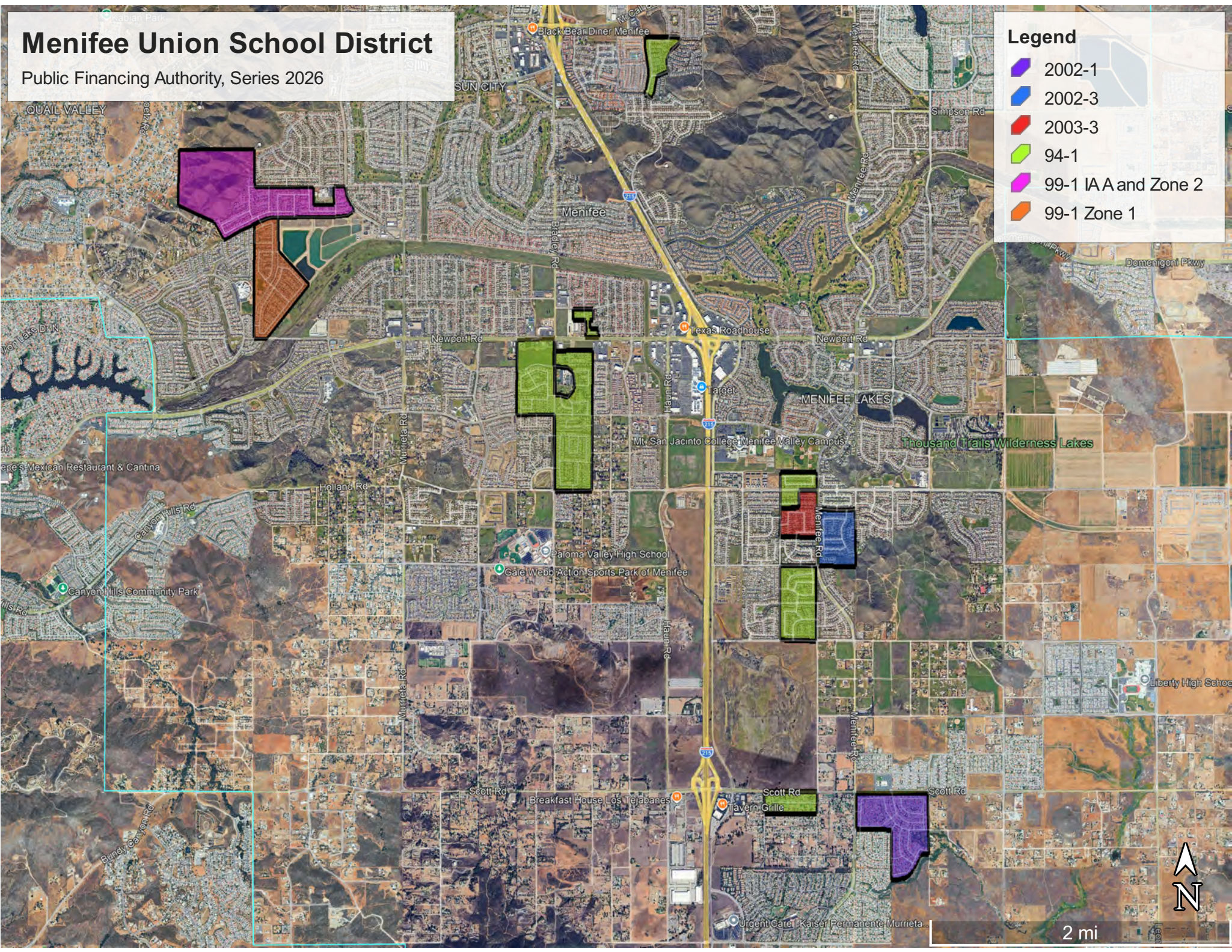


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OFFICIAL STATEMENT

\$15,740,000*

MENIFEE UNION SCHOOL DISTRICT PUBLIC FINANCING AUTHORITY SPECIAL TAX REVENUE BONDS, 2026 SERIES A

INTRODUCTION

The purpose of this Official Statement, which includes the cover page and Appendices hereto (the “Official Statement”), is to provide certain information concerning the sale and issuance of \$15,740,000* Menifee Union School District Public Financing Authority Special Tax Revenue Bonds, 2026 Series A (the “Bonds”).

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 and the documents summarized or described herein. 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.

Financing Purpose

Purpose of the Bonds. The Bonds are being issued by the Menifee Union School District Public Financing Authority (the “Authority”) to:

- (i) acquire the “Local Obligations” described below (see “FINANCING PLAN” herein); and
- (ii) purchase a municipal bond insurance policy (the “Policy”) issued by Assured Guaranty Inc. (the “Bond Insurer”) to guarantee payment of the principal of and interest on the Bonds when due; and
- (iii) purchase a debt service reserve policy issued by the Bond Insurer to be credited to the Reserve Fund for the Bonds (the “Reserve Policy”) to satisfy the Reserve Requirement as of the date of issuance of the Bonds; and
- (iv) pay the costs of issuing the Bonds.

Purpose of the Local Obligations. The net proceeds of the Local Obligations, along with other available funds, will be used to defease, pay and redeem the Prior CFD Bonds (as defined below), causing a simultaneous redemption of the Authority’s Special Tax Revenue Bonds, 2017 Series A (the “Prior Authority Bonds”), and to finance certain eligible facilities (the “Facilities”) authorized to be financed by CFD No. 94-1, CFD No. 99-1, CFD No. 2002-1, CFD No. 2002-3 and CFD No. 2003-3 (each as defined below). See “FINANCING PLAN” herein.

The Bonds; The Local Obligations

The Bonds. The Bonds are payable from “Revenues,” as defined below, generally consisting of revenues received by the Authority consisting of debt service received with respect to the Local Obligations, and amounts held in certain funds and accounts established and held for the benefit of the Bonds under the Indenture (as defined below).

* Preliminary, subject to change.

Local Obligations. The “Local Obligations” consist of the seven separate series of special tax bonds described below issued by the following five community facilities districts formed by the Menifee Union School District (the “School District”) pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, Part 1, Division 2, Title 5 of the Government Code of the State of California (the “Mello-Roos Act”):

- (a) Community Facilities District No. 94-1 of the Menifee Union School District (“CFD No. 94-1”);
- (b) Community Facilities District No. 99-1 of the Menifee Union School District (“CFD No. 99-1”);
- (c) Community Facilities District No. 2002-1 of the Menifee Union School District (“CFD No. 2002-1”);
- (d) Community Facilities District No. 2002-3 of the Menifee Union School District (“CFD No. 2002-3”); and
- (e) Community Facilities District No. 2003-3 of the Menifee Union School District (“CFD No. 2003-3”).

CFD No. 94-1, CFD No. 99-1, CFD No. 2002-1, CFD No. 2002-3, and CFD No. 2003-3 are each referred to herein as a “Community Facilities District” and collectively as the “Community Facilities Districts.”

More specifically, the Local Obligations consist of the following special tax bonds:

CFD No. 94-1 2026 Special Tax Bonds: \$5,405,000* Community Facilities District No. 94-1 of the Menifee Union School District 2026 Special Tax Bonds (the “CFD No. 94-1 Bonds”) are being issued by CFD No. 94-1 to refund the outstanding Community Facilities District No. 94-1 of the Menifee Union School District Improvement 2017 Special Tax Refunding Bonds (the “Prior CFD No. 94-1 Bonds”) and to finance certain eligible facilities benefiting CFD No. 94-1. The CFD No. 94-1 Bonds are payable from Special Taxes (as defined in the Rate and Method with respect to CFD No. 94-1) levied on Taxable Property (as defined in the Rate and Method with respect to CFD No. 94-1) within the boundaries of CFD No. 94-1.

CFD No. 99-1 Improvement Area A 2026 Special Tax Bonds: \$495,000* Community Facilities District No. 99-1 of the Menifee Union School District Improvement Area A 2026 Special Tax Bonds (the “CFD No. 99-1 IA A Bonds”) are being issued by CFD No. 99-1 to refund the outstanding Community Facilities District No. 99-1 of the Menifee Union School District Improvement Area A 2017 Special Tax Refunding Bonds (the “Prior CFD No. 99-1 IA A Bonds”) and to finance certain eligible facilities benefiting CFD No. 99-1. The CFD No. 99-1 IA A Bonds are payable from Special Taxes (as defined in the Rate and Method with respect to Improvement Area A of CFD No. 99-1) levied on Taxable Property (as defined in the Rate and Method with respect to Improvement Area A of CFD No. 99-1) within the boundaries of Improvement Area A of CFD No. 99-1.

CFD No. 99-1 Zone 1 2026 Special Tax Bonds: \$2,135,000* Community Facilities District No. 99-1 of the Menifee Union School District Zone 1 2026 Special Tax Bonds (the “CFD No. 99-1 Zone 1 Bonds”) are being issued by CFD No. 99-1 to refund the outstanding Community Facilities District No. 99-1 of the Menifee Union School District Zone 1 2017 Special Tax Refunding Bonds (the “Prior CFD No. 99-1 Zone 1 Bonds”) and to finance certain eligible facilities benefiting CFD No. 99-1. The CFD No. 99-1 Zone 1 Bonds are payable from Special Taxes (as defined in the Rate and Method with respect to Zone 1 of CFD No. 99-1) levied on Taxable Property (as defined in the Rate and Method with respect to Zone 1 of CFD No. 99-1) within the boundaries of Zone 1 of CFD No. 99-1.

CFD No. 99-1 Zone 2 2026 Special Tax Bonds: \$2,955,000* Community Facilities District No. 99-1 of the Menifee Union School District Zone 1 2026 Special Tax Bonds (the “CFD No. 99-1 Zone 2 Bonds”) are being issued by CFD No. 99-1 to refund the outstanding Community Facilities District No. 99-1 of the Menifee Union School District Zone 2 2017 Special Tax Refunding Bonds (the “Prior CFD No. 99-1 Zone 2 Bonds”) and to finance certain eligible facilities benefiting CFD No. 99-1. The CFD No. 99-1 Zone 2 Bonds are payable from Special Taxes (as defined in the Rate and Method with respect to Zone 2 of CFD No. 99-1) levied on Taxable Property (as defined in the Rate and Method with respect to Zone 2 of CFD No. 99-1) within the boundaries of Zone 2 of CFD No. 99-1.

CFD No. 2002-1 2026 Special Tax Bonds: \$3,975,000* Community Facilities District No. 2002-1 of the Menifee Union School District 2026 Special Tax Bonds (the “CFD No. 2002-1 Bonds”) are being issued by CFD No. 2002-1 to refund the outstanding Community Facilities District No. 2002-1 of the Menifee Union School District Improvement 2017 Special Tax Refunding Bonds (the “Prior CFD No. 2002-1 Bonds”) and to finance certain eligible facilities benefiting CFD No. 2002-1. The CFD No. 2002-1 Bonds are payable from Special Taxes (as defined in the Rate and Method with respect to CFD No. 2002-1) levied on Taxable Property (as defined in the Rate and Method with respect to CFD No. 2002-1) within the boundaries of CFD No. 2002-1.

CFD No. 2002-3 2026 Special Tax Bonds: \$3,045,000* Community Facilities District No. 2002-3 of the Menifee Union School District 2026 Special Tax Bonds (the “CFD No. 2002-3 Bonds”) are being issued by CFD No. 2002-3 to refund the outstanding Community Facilities District No. 2002-3 of the Menifee Union School District Improvement 2017 Special Tax Refunding Bonds (the “Prior CFD No. 2002-3 Bonds”) and to finance certain eligible facilities benefiting CFD No. 2002-3. The CFD No. 2002-3 Bonds are payable from Special Taxes (as defined in the Rate and Method with respect to CFD No. 2002-3) levied on Taxable Property (as defined in the Rate and Method with respect to CFD No. 2002-3) within the boundaries of CFD No. 2002-3.

CFD No. 2003-3 2026 Special Tax Bonds: \$1,990,000* Community Facilities District No. 2003-3 of the Menifee Union School District 2026 Special Tax Bonds (the “CFD No. 2003-3 Bonds”) are being issued by CFD No. 2003-3 to refund the outstanding Community Facilities District No. 2003-3 of the Menifee Union School District Improvement 2017 Special Tax Refunding Bonds (the “Prior CFD No. 2003-3 Bonds”) and to finance certain eligible facilities benefiting CFD No. 2003-3. The CFD No. 2003-3 Bonds are payable from Special Taxes (as defined in the Rate and Method with respect to CFD No. 2003-3) levied on Taxable Property (as defined in the Rate and Method with respect to CFD No. 2003-3) within the boundaries of CFD No. 2003-3.

CFD No. 94-1, CFD No. 99-1, Improvement Area A of CFD No. 99-1, Zone 1 of CFD No. 99-1, Zone 2 of CFD No. 99-1, CFD No. 2002-1, CFD No. 2002-3, and CFD No. 2003-3 are each referred to in this Official Statement as a “Taxing Jurisdiction” and collectively as the “Taxing Jurisdictions.”

The Prior CFD No. 94-1 Bonds, Prior CFD No. 99-1 IA A Bonds, Prior CFD No. 99-1 Zone 1 Bonds, Prior CFD No. 99-1 Zone 2 Bonds, Prior CFD No. 2002-1 Bonds, Prior CFD No. 2002-3 Bonds and Prior CFD No. 2003-3 Bonds are collectively referred to herein as the “Prior CFD Bonds.”

Legal Authority

The Bonds. The Bonds are being issued under Article 4 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the “Act”) and an Indenture of Trust dated as of June 1, 2026 (the “Indenture”), by and between the Authority and Zions Bancorporation, National Association, as trustee (the “Trustee”).

The Local Obligations. The Local Obligations are each being issued pursuant to a separate Fiscal Agent Agreement, dated as of June 1, 2026, by and between the respective Community Facilities District and Zions Bancorporation, National Association, as fiscal agent (the “Fiscal Agent”). Each of the foregoing Fiscal Agent Agreements, is referred to herein as a “Local Obligation Fiscal Agent Agreement,” and collectively, as the “Local Obligation Fiscal Agent Agreements.”

Sources of Payment for the Bonds and the Local Obligations

The Bonds. The Bonds are secured by a first lien on and pledge of all of the Revenues. “Revenues” are defined in the Indenture to include:

- (a) all amounts received from the Taxing Jurisdictions pursuant to any Local Obligations;
- (b) any proceeds of the Bonds originally deposited with the Trustee and all moneys deposited and held from time to time by the Trustee in the funds and accounts established under the Indenture (other than the Costs of Issuance Fund and the Surplus Fund); and
- (c) investment income with respect to any moneys held by the Trustee in the funds and accounts established under the Indenture (other than investment income on moneys held in the Surplus Fund).

Certain Funds Not Pledged. Amounts held in the Costs of Issuance Fund and the Surplus Fund are not pledged to the repayment of the Bonds.

See “SECURITY FOR THE BONDS — Revenue Fund” herein.

Reserve Fund for the Bonds. A Reserve Fund for the Bonds is established pursuant to the Indenture in an amount equal to the Reserve Requirement. The Reserve Requirement for the Bonds, as of the date of issuance of the Bonds, equals \$ _____. The Indenture establishes within the Reserve Fund an account with respect to each series of Local Obligations (each a “Reserve Fund Account”). The Bond Insurer has made a commitment to issue, simultaneously with the issuance of the Bonds, the Reserve Policy in the amount equal to the Reserve Requirement as of the date of issuance of the Bonds for deposit into the Reserve Fund. The Indenture establishes the Reserve Accounts in the amount of each Taxing Jurisdiction’s pro rata share of the Reserve Requirement as of the date of issuance of the Bonds. The Reserve Policy will be governed by the terms of a Debt Service Reserve Agreement (the “Reserve Agreement”) by and between the Bond Insurer and the Authority. See “SECURITY FOR THE BONDS — Revenue Fund” and “— Reserve Fund and Reserve Fund Accounts” herein.

Bond Insurance. Concurrently with the issuance of the Bonds, the Bond Insurer will issue the Policy to guarantee payment of the principal of and interest on the Bonds. See “BOND INSURANCE.” A specimen of the Policy is set forth in Appendix H.

Local Obligations. Each series of Local Obligations is secured by Net Special Taxes collected in the applicable Taxing Jurisdiction as a result of the levy of the respective Special Taxes. Under each Local Obligation Fiscal Agent Agreement, “Net Special Taxes” means, with respect to each Taxing Jurisdiction, after the Administrative Expense Requirement is funded to the corresponding Administrative Expense Fund pursuant to the applicable Local Obligation Fiscal Agent Agreement, the proceeds of the Special Taxes received by the applicable Taxing Jurisdiction, including any scheduled payments, interest thereon, collections of any delinquent Special Taxes, and proceeds of the redemption or sale of property sold as a result of foreclosure of the lien of the Special Taxes to the amount of said lien and interest thereon. “Net Special Taxes” does not include any penalties or costs of collecting delinquent Special Taxes collected in connection with delinquent Special Taxes. See “SECURITY FOR THE LOCAL OBLIGATIONS — Local Obligation Fiscal Agent Agreements.”

The Local Obligations are not cross-collateralized. In other words, Special Taxes from one Taxing Jurisdiction cannot be used to cover any shortfall in the payment of debt service on the Local Obligation of another Taxing Jurisdiction. However, the Reserve Fund and the Reserve Accounts therein held by the Trustee and funded with the deposit therein of the Reserve Policy and proceeds of the Local Obligations will be available in the event of delinquent Revenues to the extent set forth therein. See “SECURITY FOR THE BONDS — Reserve Fund” herein.

Description of the Bonds

Payments. Interest is payable semiannually on March 1 and September 1 of each year, commencing September 1, 2026. Principal of and premium, if any, on the Bonds shall be payable by the Trustee. See “THE BONDS — General Provisions” and “— Book-Entry Only System” herein.

Denominations. The Bonds will be issued in denominations of \$5,000 each or integral multiples thereof.

Redemption. The Bonds are subject to redemption prior to their maturity. See “THE BONDS — Redemption” herein.

Registration, Transfers and Exchanges. The Bonds will be issued as fully registered bonds, registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York (“DTC”), and will be available to actual purchasers of the Bonds (the “Beneficial Owners”) under the book-entry system maintained by DTC. See “THE BONDS — Payment, Registration, Transfer and Exchange of Bonds” and “— Book-Entry Only System.”

The School District

The School District is located in the southwestern portion of the County of Riverside (the “County”), California and serves the City of Menifee, together with portions of the City of Lake Elsinore, the City of Murrieta, the City of Perris, the City of Wildomar and certain unincorporated portions of the County. The School District was originally formed in 1890 as the Menifee School District and in 1951 the Menifee School District and the Antelope School District merged into a single school district. The School District currently operates one preschool, eleven elementary schools, one K-8 Harvest Hill STEAM Academy, four middle schools, one first through eighth grade virtual school and one independent study program, with an average daily attendance estimated to be approximately 12,100 students in Fiscal Year 2025-26. For economic and demographic information regarding the area in and around the School District, see APPENDIX C.

Neither the Bonds nor the Local Obligations are a debt of the School District, and no revenues of the School District are pledged to repayment of the Bonds or the Local Obligations.

The Authority

The Authority was formed pursuant to the provisions of Articles 1, 2 and 4 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the “Act”) and the Joint Exercise of Powers Agreement, dated as of December 1, 2005 (the “JPA Agreement”), by and between the School District and Community Facilities District No. 94-1 of the Menifee Union School District, to assist in financing public capital improvements undertaken by the School District. The Governing Board of the School District serves as the Governing Board of the Authority.

Professionals Involved in the Offering

All proceedings in connection with the issuance of the Bonds are subject to the approval of Jones Hall LLP, San Mateo, California, Bond Counsel. Stradling Yocca Carlson & Rauth LLP, Newport Beach, California, is serving as Disclosure Counsel to the Authority and the School District. Fieldman, Rolapp and Associates, Inc, is acting as municipal advisor to the School District in connection with the issuance of the Bonds. KeyAnalytics, Mission Viejo, California, is acting as Special Tax Consultant to the School District. Zions Bancorporation, National Association, Los Angeles, California, will act as Trustee with respect to the Bonds and the Local Obligations and Escrow Agent. Stifel, Nicolaus & Company, Incorporated, is acting as underwriter in connection with the issuance and delivery of the Bonds. Kutak Rock LLP, Irvine, California is serving as Underwriter's Counsel.

Payment of the fees of Bond Counsel, Disclosure Counsel, Municipal Advisor, the Underwriter and counsel to the Underwriter is contingent upon issuance of the Bonds. Both Jones Hall LLP and Stradling Yocca Carlson & Rauth LLP, represent the Underwriter in connection with financings unrelated to the Authority, the School District and the Community Facilities Districts.

Continuing Disclosure

The Authority will enter into a Continuing Disclosure Certificate in connection with the Bonds, and will covenant therein for the benefit of holders and beneficial owners of the Bonds to provide certain financial information and operating data relating to the Authority and the Taxing Jurisdictions by not later than February 1 following the end of its fiscal year (which currently ends June 30), commencing with the report for the 2025-26 Fiscal Year (the "Annual Report"), and to provide notices of the occurrence of certain enumerated events. The first Annual Report will be due February 1, 2027. The Annual Report and notices of certain listed events (the "Listed Events") will be filed with the Electronic Municipal Market Access System of the Municipal Securities Rulemaking Board available on the Internet at <http://emma.msrb.org> ("EMMA"). The specific nature of the information to be contained in each Annual Report and any notices of the Listed Events is set forth in Appendix F — "FORM OF CONTINUING DISCLOSURE CERTIFICATE." These covenants will be made in order to assist the Underwriter in complying with SEC Rule 15c2-12(b)(5), as amended (the "Rule"). See "MISCELLANEOUS — Continuing Disclosure" herein.

FINANCING PLAN

Purpose of Issue

Refunding of the Prior CFD Bonds. The Authority is issuing the Bonds to purchase the Local Obligations. Each Community Facilities District will deliver a portion of the net proceeds of each respective series of their Local Obligations to Zions Bancorporation, National Association, as escrow agent (the "Escrow Agent") for deposit in a separate escrow fund (each, a "Prior CFD Bonds Escrow Fund") established under an Escrow Deposit and Trust Agreement for the Prior CFD Bonds (the "Prior CFD Bonds Escrow Agreement"), entered into among the Community Facilities Districts and the Escrow Agent. These funds will be sufficient to (i) pay the principal of and interest on each series of Prior CFD Bonds maturing on September 1, 2026, and (ii) redeem each series of Prior CFD Bonds maturing after September 1, 2026, at a redemption price equal to the principal amount of the applicable series of CFD Bonds being redeemed, plus accrued interest to the redemption date of September 1, 2026, without premium.

Refunding of Prior Authority Bonds. Upon receipt of the moneys in the Prior CFD Escrow Funds, the Escrow Agent, acting as escrow agent for the Prior CFD Bonds, will transfer such funds to a separate escrow fund (the "Prior Authority Bonds Escrow Fund"), held by the Escrow Agent under an Escrow Deposit and Trust Agreement for the Prior Authority Bonds (the "Prior Authority Bonds Escrow Agreement"), entered into among the Authority and the Escrow Agent for the purpose of defeasing the Prior Authority Bonds and redeeming the then outstanding Prior Authority Bonds on September 1, 2026 (the "Redemption Date"). These

funds will be sufficient to (i) pay the principal of and interest on the Prior Authority Bonds maturing on September 1, 2026, and (ii) redeem, on the Redemption Date, the Prior Authority Bonds maturing after September 1, 2026, at a redemption price equal to the principal amount of the Prior Authority Bonds being redeemed, plus accrued interest to the Redemption Date, without premium.

The Escrow Agent will invest certain amounts in the Prior Authority Bonds Escrow Fund in United States Treasury Securities—State and Local Government Series and hold the remainder in cash, uninvested. Sufficiency of the deposits in the Prior Authority Bonds Escrow Fund for those purposes will be verified by Causey Public Finance, LLC, as verification agent (the “Verification Agent”). See “MISCELLANEOUS – Verification of Mathematical Computations.” As a result of the deposit of funds with the Escrow Agent on the Closing Date, the Prior CFD Bonds and the Prior Authority Bonds will be legally defeased and will be payable solely from amounts held for that purpose under the Prior Authority Bonds Escrow Agreement, and will cease to be secured by the legal documents under which the Prior CFD Bonds and the Prior Authority Bonds were issued.

The amounts held by the Escrow Agent in the Prior Authority Bonds Escrow Fund and the Prior CFD Bonds Escrow Funds are pledged solely to the payment and redemption of the Prior Authority Bonds and Prior CFD Bonds, and will not be available for the payment of debt service with respect to the Local Obligations or the Bonds.

See “— Estimated Sources and Uses of Funds” below.

Financing of Facilities. A portion of the proceeds of the Local Obligations will be used to provide funds to acquire and construct certain eligible Facilities authorized to be financed by each respective Community Facilities District.

Estimated Sources and Uses of Funds

The Bonds. The anticipated sources and uses of funds relating to the Bonds are as follows:

	Total
Sources:	
Principal Amount of the Bonds	
[Plus] Original Issue [Premium]	
Less Underwriter’s Discount	
Total Sources	
Uses:	
Purchase of Local Obligations ⁽¹⁾	
Costs of Issuance ⁽²⁾	
Total Uses	

⁽¹⁾ A portion of the proceeds of the Bonds will be used to acquire the Local Obligations. See the sources and uses of funds for the Local Obligations below.

⁽²⁾ The Trustee will retain and deposit in the Costs of Issuance Fund each Taxing Jurisdiction’s pro rata share of the costs of issuance of the Bonds.

Local Obligations. The anticipated sources and uses of funds relating to the Local Obligations and prior funds on hand are as follows:

	<i>CFD</i>	<i>CFD</i>	<i>CFD</i>		<i>CFD</i>	<i>CFD</i>	<i>CFD</i>	
<i>CFD</i>	<i>No.</i>	<i>No.</i>	<i>No.</i>	<i>CFD</i>	<i>CFD</i>	<i>CFD</i>		
<i>No.</i>	<i>99-1</i>	<i>99-1</i>	<i>99-1</i>	<i>No.</i>	<i>No.</i>	<i>No.</i>		
<i>94-1</i>	<i>IA A</i>	<i>Zone 1</i>	<i>Zone 2</i>	<i>2002-1</i>	<i>2002-3</i>	<i>2003-3</i>		
<i>Bonds</i>	<i>Bonds</i>	<i>Bonds</i>	<i>Bonds</i>	<i>Bonds</i>	<i>Bonds</i>	<i>Bonds</i>		<i>Total</i>

Sources

Principal Amount
 [Plus/Less] Original
 Issue
 [Premium/Discount]
 Plus Prior Funds
 Less Underwriter's
 Discount

Total Sources

Uses

Prior CFD Bonds Escrow
 Funds⁽¹⁾
 Improvement Funds⁽²⁾
 Costs of Issuance⁽³⁾

Total Uses

⁽¹⁾ See "FINANCING PLAN—Purpose of Issue—*Refunding of the Prior CFD Bonds.*"

⁽²⁾ See "FINANCING PLAN—Purpose of Issue—*Financing of Facilities.*"

⁽³⁾ Reflects the proportionate share for each Community Facilities District's share of the costs of issuance of the Bonds, including fees for the Trustee, legal fees, printing costs, rating agency fees, bond insurance and reserve surety premiums and other costs of issuance.

THE BONDS

General Provisions

The Bonds will be dated their date of delivery, and the Bonds will be issued in the aggregate principal amounts set forth on the inside front cover hereof. The Bonds will bear interest from their dated date at the rates per annum set forth on the inside front cover hereof, payable semiannually on each March 1 and September 1, commencing September 1, 2026 (each, an "Interest Payment Date"), and will mature in the amounts and on the dates set forth on the inside front cover hereof. The Bonds will be issued in fully registered form in denominations of \$5,000 each or any integral multiple thereof.

Interest on the Bonds (including the final interest payment upon maturity or earlier redemption) is payable by check of the Trustee mailed on the Interest Payment Dates by first class mail to the registered Owner thereof at the registered Owner's address as it appears on the registration books maintained by the Trustee at the close of business on the Record Date preceding the Interest Payment Date, or by wire transfer (i) to the Securities Depository (so long as the Bonds are in book-entry form pursuant to the Indenture), or (ii) to an account within the United States made on such Interest Payment Date upon written instructions of any Owner of \$1,000,000 or more in aggregate principal amount of Bonds, which shall continue in effect until revoked in writing, or until such Bonds are transferred to a new Owner. The Bonds are issued in fully registered form and will be registered in the name of Cede & Co., as nominee of DTC. DTC will act as securities depository of the Bonds. Ownership interests in the Bonds may be purchased in book-entry form only in denominations of \$5,000 and any integral multiple. See the subsection hereof entitled "— Book-Entry Only System."

Principal of and premium (if any) on any Bond will be paid upon presentation and surrender thereof, at maturity or the prior redemption thereof, at the Trust Office of the Trustee.

Each Bond will bear interest from the Interest Payment Date next preceding the date of authentication thereof, unless (a) it is authenticated on an Interest Payment Date, in which event it shall bear interest from such date of authentication, (b) it is authenticated prior to an Interest Payment Date and after the close of business on the Record Date preceding such Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or (c) it is authenticated prior to the Record Date preceding the first Interest Payment Date, in which event it shall bear interest from the Closing Date; provided, however, that if at the time of authentication of a Bond, interest is in default thereon, such Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

Redemption*

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

Mandatory Redemption from Redemption of Local Obligations due to Special Tax Prepayments. The Bonds are subject to mandatory call and redemption prior to maturity, as a whole or in part among such maturities as are selected by the Authority and by lot within a maturity, on any Interest Payment Date, from amounts received by the Authority due to the redemption of Local Obligations from the prepayment of Special Taxes, at a redemption price (expressed as a percentage of the principal amount of the Bonds to be redeemed), as set forth below, together with accrued interest thereon to the date fixed for redemption:

<i>Redemption Dates</i>	<i>Redemption Prices</i>
Any Interest Payment Date through March 1, 2034	103%
September 1, 2034 and March 1, 2035	102
September 1, 2035 and March 1, 2036	101
September 1, 2036 and any Interest Payment Date thereafter	100

To date, there has been a total of one prepayment of Special Taxes within the Taxing Jurisdictions: in CFD No. 94-1. Within the approximately 40 community facilities districts formed by the School District, there have been a total of five special tax prepayments to date.

See the caption “SPECIAL RISK FACTORS — Potential Early Redemption of Bonds from Prepayments or Other Sources” for a discussion of the potential for a lower than expected yield on the Bonds as a result of a mandatory redemption thereof from redemption of Local Obligations due to the prepayment of Special Taxes or certain other sources.

Purchase of Bonds In Lieu of Redemption. In lieu of any redemption, moneys in the Revenue Fund may be used and withdrawn by the Trustee for purchase of Outstanding Bonds, upon the filing with the Trustee of a Request of the Authority requesting such purchase, at public or private sale as and when, and at such prices (including brokerage and other charges) as such written direction may provide, but in no event may Bonds be purchased at a price in excess of the principal amount thereof, plus interest accrued to the date of purchase and any premium which would otherwise be due if such Bonds were to be redeemed in accordance with the Indenture.

Selection of Bonds for Redemption. Whenever provision is made in the Indenture for the redemption of less than all of the Bonds of a single maturity, the Trustee will select the Bonds of that maturity to be redeemed by lot in any manner which the Trustee in its sole discretion deems appropriate. For purposes of such selection, the Trustee will treat each Bond as consisting of separate \$5,000 portions and each such portion will be subject to redemption as if such portion were a separate Bond.

* Preliminary, subject to change.

Upon surrender of Bonds redeemed in part only, the Authority will execute and the Trustee will authenticate and deliver to the Owner, at the expense of the Authority, a new Bond or Bonds, of authorized denominations equal in aggregate principal amount and maturity to the unredeemed portion of the Bond or Bonds.

Notice of Redemption. So long as the Bonds are held in book-entry form, notice of redemption will be mailed by the Trustee only to DTC and not to the Beneficial Owners (as defined in APPENDIX G) of Bonds under the DTC book-entry-only system. Neither the Authority nor the Trustee is responsible for notifying the Beneficial Owners, who are to be notified in accordance with the procedures in effect for the DTC book-entry system.

The Trustee will cause notice of any redemption to be mailed by first class mail, postage prepaid, at least 30 days but not more than 60 days prior to the date fixed for redemption, to the Original Purchaser, to the Securities Depositories, to the Information Service, and to the respective registered Owners of any Bonds designated for redemption, at their addresses appearing on the Bond registration books in the Principal Office of the Trustee; but such mailing will not be a condition precedent to such redemption and failure to mail or to receive any such notice, or any defect therein, will not affect the validity of the proceedings for the redemption of such Bonds.

Such notice will (i) state the redemption date and the redemption price and, if less than all of the then Outstanding Bonds are to be called for redemption, will designate the CUSIP numbers and Bond numbers of the Bonds to be redeemed by giving the individual CUSIP number and Bond number of each Bond to be redeemed or will state that all Bonds between two stated Bond numbers, both inclusive, are to be redeemed or that all of the Bonds of one or more maturities have been called for redemption; (ii) state as to any Bond called in part the principal amount thereof to be redeemed; (iii) require that the Bonds be then surrendered at the Principal Office of the Trustee for redemption at the said redemption price or such other place of payment as may be designated in said notice; and (iv) state that further interest on the Bonds will not accrue from and after the redemption date.

Effect of Redemption. From and after the date fixed for redemption, if funds available for the payment of the principal of, and interest and any premium on, the Bonds so called for redemption have been deposited in the Revenue Fund, such Bonds so called will cease to be entitled to any benefit under the Indenture other than the right to receive payment of the redemption price, and no interest will accrue thereon on or after the redemption date specified in such notice.

Circumstances Leading to Redemption of Bonds Prior to Maturity. Bond purchasers should be aware of the following circumstances, among others, that may lead to redemption of Bonds prior to maturity:

- (i) Prepayment of all or part of any Special Taxes within a Taxing Jurisdiction;
- (ii) Redemption of Local Obligations which cause a special mandatory redemption of the Bonds; and
- (iii) Issuance of refunding bonds – pursuant to the Marks-Roos Act, the Authority may issue refunding bonds for the purpose of redeeming the Bonds.

Payment, Registration, Transfer and Exchange of Bonds

Book-Entry Only System. The Bonds will be issued as fully registered bonds, registered in the name of Cede & Co. as nominee of DTC, and will be available to actual purchasers of the Bonds (the “Beneficial Owners”) in the denominations set forth above, under the book-entry system maintained by DTC, only through brokers and dealers who are or act through DTC Participants (as defined in Appendix B) as described herein. Beneficial Owners will not be entitled to receive physical delivery of the Bonds. See “— Book-Entry Only

System.” In the event that the book-entry-only system is no longer used with respect to the Bonds, the Bonds will be registered and transferred in accordance with the Indenture. See “— Book-Entry Only System.”

Transfer of Bonds. Subject to the book-entry only provisions of the Indenture, 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, accompanied by delivery of a written instrument of transfer in a form acceptable to the Trustee, duly executed. Whenever any Bond will be surrendered for transfer, the Authority will execute and the Trustee will thereupon authenticate and deliver to the transferee a new Bond or Bonds of like tenor, maturity and aggregate principal amount of authorized denominations. No Bonds selected for redemption will be subject to transfer nor will any Bond be subject to transfer during the fifteen days prior to selection of Bonds for redemption.

The cost of printing any Bonds and any services rendered or any expenses incurred by the Trustee in connection with any transfer or exchange will be paid by the Authority. However, the Owners of the Bonds will be required to pay any tax or other governmental charge required to be paid for any exchange or registration of transfer and the Owners of the Bonds will be required to pay the reasonable fees and expenses of the Trustee and Authority in connection with the replacement of any mutilated, lost or stolen Bonds.

Exchange of Bonds. Subject to the book-entry only provisions of the Indenture, Bonds may be exchanged at the Principal Office of the Trustee for Bonds of the same tenor and maturity and of other authorized denominations. No Bonds selected for redemption will be subject to exchange pursuant to the Indenture, nor will any Bond be subject to exchange during the fifteen days prior to the selection of Bonds for redemption.

Temporary Bonds. The Bonds may be issued initially in temporary form exchangeable for definitive Bonds when ready for delivery. The temporary Bonds may be printed, lithographed or typewritten, will be of such denominations as may be determined by the Authority and may contain such reference to any of the provisions of the Indenture as may be appropriate. Every temporary Bond will be executed by the Authority and be registered and authenticated by the Trustee upon the same conditions and in substantially the same manner as the definitive Bonds. No Bonds selected for redemption shall be subject to transfer pursuant to the Indenture nor shall any Bond be subject to transfer during the fifteen days prior to the selection of Bonds for redemption. If the Authority issues temporary Bonds, it will execute and furnish definitive Bonds without delay, and thereupon the temporary Bonds may be surrendered for cancellation, in exchange therefor at the Principal Office of the Trustee, and the Trustee will authenticate and deliver in exchange for such temporary Bonds an equal aggregate principal amount of definitive Bonds of authorized denominations. Until so exchanged, the temporary Bonds will be entitled to the same benefits under the Indenture as definitive Bonds authenticated and delivered thereunder.

Bond Register. The Trustee will keep or cause to be kept at its Principal Office sufficient records for the registration and transfer of the Bonds, which will be the Bond Register and will at all times during regular business hours be open to inspection by the Authority upon reasonable notice; and, upon presentation for such purpose, the Trustee will, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on said records, Bonds as provided in the Indenture.

Bonds Mutilated, Lost, Destroyed or Stolen. If any Bond becomes mutilated, the Authority, at the expense of the Owner of said Bond, will execute, and the Trustee will thereupon authenticate and deliver, a new Bond of like tenor and authorized denomination in exchange and substitution for the Bond so mutilated, but only upon surrender to the Trustee of the Bond so mutilated. Every mutilated Bond so surrendered to the Trustee will be cancelled by it and delivered to, or upon the order of, the Authority.

If any Bond issued under the Indenture is lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee and, if such evidence be satisfactory to it and indemnity satisfactory to it is given, at the expense of the Bond Owner, the Authority will execute, and the Trustee will thereupon

authenticate and deliver, a new Bond of like tenor in lieu of and in substitution for the Bond so lost, destroyed or stolen (or if any such Bond has matured or has been called for redemption, instead of issuing a substitute Bond the Trustee may pay the same without surrender thereof upon receipt of indemnity satisfactory to the Trustee). The Trustee may require payment of a reasonable fee for each new Bond issued under the Indenture and of the expenses which may be incurred by the Authority and the Trustee. Any Bond issued under the Indenture in lieu of any Bond alleged to be lost, destroyed or stolen will constitute an original contractual obligation on the part of the Authority whether or not the Bond alleged to be lost, destroyed or stolen be at any time enforceable by anyone, and will be equally and proportionately entitled to the benefits of the Indenture with all other Bonds secured by the Indenture.

Book-Entry Only System

While the Bonds are subject to the book-entry system, the principal, interest and any redemption premium with respect to a Bond will be paid by the Trustee to DTC, which in turn is obligated to remit such payment to its DTC Participants for subsequent disbursement to Beneficial Owners of the Bonds, as described in Appendix G — “DTC AND THE BOOK-ENTRY-ONLY SYSTEM” herein. So long as Cede & Co. is the registered owner of the Bonds, references herein to the Owners of the Bonds shall mean Cede & Co. and *not* the Beneficial Owners of the Bonds. **The Authority gives no assurance that DTC or the DTC Participants will distribute payments or notices to Beneficial Owners.**

Estimated Debt Service Schedules: Bonds and Local Obligations

The following table presents the debt service schedule for the Bonds, assuming there are no redemptions of Bonds prior to maturity:

**TABLE 1
ANNUALIZED DEBT SERVICE SCHEDULE FOR THE BONDS**

<i>Year Ending September 1</i>	<i>Principal</i>	<i>Interest</i>	<i>Total Debt Service</i>
2026	\$	\$	\$
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
Total	\$	\$	\$

The following table summarizes the anticipated debt service payments to be received by the Authority as the result of its ownership of the Local Obligations, assuming there are no redemptions of Local Obligations prior to their respective maturities:

TABLE 2
ANNUALIZED DEBT SERVICE SCHEDULE FOR THE LOCAL OBLIGATIONS

<i>Bond Year Ending September 1</i>	<i>CFD No. 94-1 Bonds</i>	<i>CFD No. 99-1 IA A Bonds</i>	<i>CFD No. 99-1 Zone 1 Bonds</i>	<i>CFD No. 99-1 Zone 2 Bonds</i>	<i>CFD No. 2002-1 Bonds</i>	<i>CFD No. 2002-3 Bonds</i>	<i>CFD No. 2003-3 Bonds</i>	<i>Total Revenues⁽¹⁾</i>
2026	\$	\$	\$	\$	\$	\$	\$	\$
2027								
2028								
2029								
2030								
2031								
2032								
2033								
2034								
2035								
2036								
2037								
Total								

⁽¹⁾ Equals the total anticipated debt service on the Local Obligations in each Bond Year ending September 1.
Source: Underwriter.

Debt Service Coverage for the Local Obligations and the Bonds

Projected Revenues that will be generated by the anticipated payment of debt service on all of the Local Obligations are expected to equal at least 100% of the scheduled payments of principal of and interest on the Bonds while the Bonds are outstanding, as shown in Table 10. According to the Special Tax Consultant, based on the annual debt service for the Local Obligations, with respect to each Taxing Jurisdiction, the Special Taxes levied at the Annual Assigned Special Tax rates under the related Rate and Method (as defined below), less estimated Administrative Expenses and assuming no delinquencies, plus anticipated transfers from the Authority Surplus Fund, will generate debt service coverages in each Fiscal Year as shown in the following tables. See also Appendix A — “INFORMATION REGARDING THE TAXING JURISDICTIONS.” However, under the Mello-Roos Act, under no circumstances may Special Taxes levied against any parcel of property used for private residential purposes in a Taxing Jurisdiction be increased by more than ten percent (10%) as a consequence of delinquency or default by the owner of any other parcel within in such Taxing Jurisdiction. See “SECURITY FOR THE LOCAL OBLIGATIONS.”

A portion of the property located within CFD No. 99-1 IA A and CFD No. 99-1 Zone 2 is currently undeveloped. Special Taxes are not expected to be levied against this undeveloped property during the life of each applicable series of CFD Bonds; accordingly, the applicable series of CFD Bonds have not been sized based upon the collection of any such Special Taxes, nor have any of such undeveloped parcels been reflected in the tables contained in this Official Statement. See Appendix A for a discussion of each of these Taxing Jurisdictions.

The following tables present the debt service coverage for the Local Obligations, assuming no redemptions are made (except for mandatory sinking fund redemption).

**TABLE 3
COMMUNITY FACILITIES DISTRICT NO. 94-1 OF
THE MENIFEE UNION SCHOOL DISTRICT
ESTIMATED DEBT SERVICE COVERAGE***

<i>Year Ending (September 1)</i>	<i>Net Special Tax Levy⁽¹⁾</i>	<i>Transfer from Authority Surplus Fund to Special Tax Fund⁽²⁾</i>	<i>Total Net Revenue</i>	<i>Debt Service on CFD No. 94-1 Local Obligation</i>	<i>Estimated Debt Service Coverage</i>
2026	\$778,017	\$80,102	\$858,120	\$755,246	113.62%
2027	852,105	69,965	922,070	847,385	108.81
2028	833,866	77,947	911,813	830,373	109.81
2029	809,388	75,567	884,955	808,438	109.46
2030	753,741	90,124	843,865	751,658	112.27
2031	678,171	71,564	749,735	675,575	110.98
2032	589,885	71,857	661,742	585,500	113.02
2033	364,465	54,572	419,037	361,665	115.86
2034	80,269	33,996	114,265	76,163	150.03

* Preliminary, subject to change.

(1) Total Special Taxes levied less Administrative Expense Budget, as provided by KeyAnalytics. For the Year Ending September 1, 2026, total Special Taxes are also less the March 1, 2026 interest payment on the applicable series of Prior CFD Bonds.

(2) Amounts of coverage include amounts transferred by the Trustee to the Fiscal Agent from the Surplus Fund which are deposited in the Special Tax Fund and not transferred to the Special Tax Remainder Account, until such time as amounts in the Special Tax Fund are sufficient to pay debt service on the Local Obligations in the current bond year and to make transfers, if any, required to the Reserve Fund to pay Administrative Expenses as directed in writing by an authorized officer.

Source: KeyAnalytics.

TABLE 4
COMMUNITY FACILITIES DISTRICT NO. 99-1 IMPROVEMENT AREA A OF
THE MENIFEE UNION SCHOOL DISTRICT
ESTIMATED DEBT SERVICE COVERAGE*

<i>Year Ending (September 1)</i>	<i>Net Special Tax Levy⁽¹⁾</i>	<i>Transfer from Authority Surplus Fund to Special Tax Fund⁽²⁾</i>	<i>Total Net Revenue</i>	<i>Debt Service on CFD No. 99-1 IA A Local Obligation</i>	<i>Estimated Debt Service Coverage</i>
2026	\$60,417	\$6,267	\$66,684	\$56,854	117.29%
2027	69,255	5,267	74,522	66,820	111.53
2028	69,255	6,146	75,401	65,890	114.44
2029	69,255	5,996	75,251	64,960	115.84
2030	69,255	7,242	76,497	69,030	110.82
2031	69,255	6,572	75,827	68,023	111.47
2032	69,255	7,235	76,490	67,015	114.14
2033	69,255	6,246	75,501	66,008	114.38

* Preliminary, subject to change.

- (1) Total Special Taxes levied less Administrative Expense Budget, as provided by KeyAnalytics. For the Year Ending September 1, 2026, total Special Taxes are also less the March 1, 2026 interest payment on the applicable series of Prior CFD Bonds.
- (2) Amounts of coverage include amounts transferred by the Trustee to the Fiscal Agent from the Surplus Fund which are deposited in the Special Tax Fund and not transferred to the Special Tax Remainder Account, until such time as amounts in the Special Tax Fund are sufficient to pay debt service on the Local Obligations in the current bond year and to make transfers, if any, required to the Reserve Fund to pay Administrative Expenses as directed in writing by an authorized officer.

Source: KeyAnalytics.

TABLE 5
COMMUNITY FACILITIES DISTRICT NO. 99-1 ZONE 1 OF
THE MENIFEE UNION SCHOOL DISTRICT
ESTIMATED DEBT SERVICE COVERAGE*

<i>Year Ending (September 1)</i>	<i>Net Special Tax Levy⁽¹⁾</i>	<i>Transfer from Authority Surplus Fund to Special Tax Fund⁽²⁾</i>	<i>Total Net Revenue</i>	<i>Debt Service on CFD No. 99-1 Zone 1 Local Obligation</i>	<i>Estimated Debt Service Coverage</i>
2026	\$343,351	\$34,965	\$378,316	\$332,997	113.61%
2027	382,140	30,849	412,989	378,055	109.24
2028	382,140	34,775	416,915	377,630	110.40
2029	382,140	34,366	416,506	377,128	110.44
2030	382,140	42,042	424,182	381,548	111.17
2031	382,140	36,327	418,467	380,813	109.89

* Preliminary, subject to change.

- (1) Total Special Taxes levied less Administrative Expense Budget, as provided by KeyAnalytics. For the Year Ending September 1, 2026, total Special Taxes are also less the March 1, 2026 interest payment on the applicable series of Prior CFD Bonds.
- (2) Amounts of coverage include amounts transferred by the Trustee to the Fiscal Agent from the Surplus Fund which are deposited in the Special Tax Fund and not transferred to the Special Tax Remainder Account, until such time as amounts in the Special Tax Fund are sufficient to pay debt service on the Local Obligations in the current bond year and to make transfers, if any, required to the Reserve Fund to pay Administrative Expenses as directed in writing by an authorized officer.

Source: KeyAnalytics.

TABLE 6
COMMUNITY FACILITIES DISTRICT NO. 99-1 ZONE 2 OF
THE MENIFEE UNION SCHOOL DISTRICT
ESTIMATED DEBT SERVICE COVERAGE*

<i>Year Ending (September 1)</i>	<i>Net Special Tax Levy⁽¹⁾</i>	<i>Transfer from Authority Surplus Fund to Special Tax Fund⁽²⁾</i>	<i>Total Net Revenue</i>	<i>Debt Service on CFD No. 99-1 Zone 2 Local Obligation</i>	<i>Estimated Debt Service Coverage</i>
2026	\$349,360	\$37,066	\$386,426	\$336,069	114.98%
2027	401,995	31,133	433,128	400,765	108.08
2028	401,995	36,864	438,859	400,185	109.66
2029	401,995	36,418	438,413	399,528	109.73
2030	401,995	44,539	446,534	398,793	111.97
2031	401,995	37,968	439,963	397,980	110.55
2032	401,995	42,331	444,326	397,090	111.90
2033	401,995	37,011	439,006	401,123	109.44

* Preliminary, subject to change.

- (1) Total Special Taxes levied less Administrative Expense Budget, as provided by KeyAnalytics. For the Year Ending September 1, 2026, total Special Taxes are also less the March 1, 2026 interest payment on the applicable series of Prior CFD Bonds.
- (2) Amounts of coverage include amounts transferred by the Trustee to the Fiscal Agent from the Surplus Fund which are deposited in the Special Tax Fund and not transferred to the Special Tax Remainder Account, until such time as amounts in the Special Tax Fund are sufficient to pay debt service on the Local Obligations in the current bond year and to make transfers, if any, required to the Reserve Fund to pay Administrative Expenses as directed in writing by an authorized officer.

Source: KeyAnalytics.

TABLE 7
COMMUNITY FACILITIES DISTRICT NO. 2002-1 OF
THE MENIFEE UNION SCHOOL DISTRICT
ESTIMATED DEBT SERVICE COVERAGE*

<i>Year Ending (September 1)</i>	<i>Net Special Tax Levy⁽¹⁾</i>	<i>Transfer from Authority Surplus Fund to Special Tax Fund⁽²⁾</i>	<i>Total Net Revenue</i>	<i>Debt Service on CFD No. 2002-1 Local Obligation</i>	<i>Estimated Debt Service Coverage</i>
2026	\$315,675	\$33,489	\$349,165	\$304,890	114.52%
2027	368,998	28,245	397,243	367,118	108.21
2028	368,998	33,769	402,767	367,313	109.65
2029	368,998	33,427	402,425	367,430	109.52
2030	368,998	40,961	409,959	367,470	111.56
2031	368,998	34,986	403,984	367,433	109.95
2032	368,998	39,082	408,079	367,318	111.10
2033	368,998	34,236	403,234	367,125	109.84
2034	368,998	34,509	403,507	366,855	109.99
2035	368,998	33,544	402,542	366,508	109.83
2036	368,998	35,430	404,428	366,083	110.47
2037	368,998	34,240	403,238	365,580	110.30

* Preliminary, subject to change.

- (1) Total Special Taxes levied less Administrative Expense Budget, as provided by KeyAnalytics. For the Year Ending September 1, 2026, total Special Taxes are also less the March 1, 2026 interest payment on the applicable series of Prior CFD Bonds.
- (2) Amounts of coverage include amounts transferred by the Trustee to the Fiscal Agent from the Surplus Fund which are deposited in the Special Tax Fund and not transferred to the Special Tax Remainder Account, until such time as amounts in the Special Tax Fund are sufficient to pay debt service on the Local Obligations in the current bond year and to make

transfers, if any, required to the Reserve Fund to pay Administrative Expenses as directed in writing by an authorized officer.

Source: KeyAnalytics.

**TABLE 8
COMMUNITY FACILITIES DISTRICT NO. 2002-3 OF
THE MENIFEE UNION SCHOOL DISTRICT
ESTIMATED DEBT SERVICE COVERAGE***

<i>Year Ending (September 1)</i>	<i>Net Special Tax Levy⁽¹⁾</i>	<i>Transfer from Authority Surplus Fund to Special Tax Fund⁽²⁾</i>	<i>Total Net Revenue</i>	<i>Debt Service on CFD No. 2002-3 Local Obligation</i>	<i>Estimated Debt Service Coverage</i>
2026	\$267,148	\$28,238	\$295,386	\$256,406	115.20%
2027	307,115	23,753	330,868	303,400	109.05
2028	307,115	27,908	335,023	304,370	110.07
2029	307,115	27,699	334,814	305,263	109.68
2030	307,115	34,030	341,146	306,078	111.46
2031	307,115	29,141	336,256	306,815	109.60
2032	307,115	32,634	339,749	302,475	112.32
2033	307,115	28,192	335,307	303,135	110.61
2034	307,115	28,494	335,609	303,718	110.50
2035	307,115	27,771	334,886	304,223	110.08
2036	307,115	29,409	336,524	304,650	110.46

* Preliminary, subject to change.

(1) Total Special Taxes levied less Administrative Expense Budget, as provided by KeyAnalytics. For the Year Ending September 1, 2026, total Special Taxes are also less the March 1, 2026 interest payment on the applicable series of Prior CFD Bonds.

(2) Amounts of coverage include amounts transferred by the Trustee to the Fiscal Agent from the Surplus Fund which are deposited in the Special Tax Fund and not transferred to the Special Tax Remainder Account, until such time as amounts in the Special Tax Fund are sufficient to pay debt service on the Local Obligations in the current bond year, to make transfers, if any, required to the Reserve Fund to pay Administrative Expenses as directed in writing by an authorized officer.

Source: KeyAnalytics.

**TABLE 9
COMMUNITY FACILITIES DISTRICT NO. 2003-3 OF
THE MENIFEE UNION SCHOOL DISTRICT
ESTIMATED DEBT SERVICE COVERAGE***

<i>Year Ending (September 1)</i>	<i>Net Special Tax Levy⁽¹⁾</i>	<i>Transfer from Authority Surplus Fund to Special Tax Fund⁽²⁾</i>	<i>Total Net Revenue</i>	<i>Debt Service on CFD No. 2003-3 Local Obligation</i>	<i>Estimated Debt Service Coverage</i>
2026	\$175,943	\$17,657	\$193,600	\$167,454	115.61%
2027	201,279	15,513	216,791	198,365	109.29
2028	201,279	18,247	219,525	200,730	109.36
2029	201,279	18,267	219,546	198,018	110.87
2030	201,279	22,075	223,353	200,305	111.51
2031	201,279	19,071	220,349	197,515	111.56
2032	201,279	21,009	222,287	199,725	111.30
2033	201,279	18,615	219,894	196,858	111.70
2034	201,279	18,504	219,783	198,990	110.45
2035	201,279	18,195	219,474	201,045	109.17
2036	201,279	19,435	220,714	198,023	111.46

* Preliminary, subject to change.

(1) Total Special Taxes levied less Administrative Expense Budget, as provided by KeyAnalytics. For the Year Ending September 1, 2026, total Special Taxes are also less the March 1, 2026 interest payment on the applicable series of Prior CFD Bonds.

(2) Amounts of coverage include amounts transferred by the Trustee to the Fiscal Agent from the Surplus Fund which are deposited in the Special Tax Fund and not transferred to the Special Tax Remainder Account, until such time as amounts in the Special Tax Fund are sufficient to pay debt service on the Local Obligations in the current bond year and to make transfers, if any, required to the Reserve Fund to pay Administrative Expenses as directed in writing by an authorized officer.

Source: KeyAnalytics.

The Local Obligations mature on different dates, and have different debt service profiles. Consequently, the source of security for debt service on the Bonds, and the concentration of the Revenues derived from the different Taxing Jurisdictions, will change over time as the Bonds mature, as shown in Table 13. Table 13 also presents the debt service coverage for the Bonds, assuming no redemptions are made (except for mandatory sinking fund redemption).

TABLE 10
SCHEDULED ANNUAL DEBT SERVICE COVERAGE ON THE LOCAL OBLIGATIONS

<i>Year Ending (September 1)</i>	<i>Aggregate Local Obligation Debt Service^{*(1)}</i>	<i>Authority Bonds Debt Service*</i>	<i>Debt Service Coverage from Local Obligations*</i>
2026	\$ 2,209,917	\$ 2,005,192	110.21%
2027	2,561,908	2,326,250	110.13
2028	2,546,490	2,314,750	110.01
2029	2,520,763	2,239,750	112.55
2030	2,474,880	2,239,250	110.52
2031	2,394,153	2,139,500	111.90
2032	1,919,123	1,740,250	110.28
2033	1,695,913	1,536,500	110.38
2034	945,725	859,250	110.06
2035	871,775	787,500	110.70
2036	868,755	787,500	110.32
2037	<u>365,580</u>	<u>330,750</u>	<u>110.53</u>
Total	<u>\$ 21,374,979</u>	<u>\$ 19,306,442</u>	<u>110.71%</u>

* Preliminary, subject to change.

(1) See Table 2.

Source: KeyAnalytics.

SECURITY FOR THE BONDS

General

Subject only to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth therein, the Bonds are secured by a first lien on and pledge of all of the Revenues and all moneys deposited and held from time to time by the Trustee in the funds and accounts established pursuant to the Indenture, other than the Costs of Issuance Fund and the Surplus Fund. The Bonds are equally secured by a pledge, charge and lien upon the Revenues and such funds, without priority for any Bond over any other Bond; and the payment of the interest on and principal of the Bonds and any premiums upon the redemption of any thereof are secured by an exclusive pledge, charge and lien upon the Revenues and such funds.

Under the Indenture, the Authority transfers in trust and assigns to the Trustee, for the benefit of the Owners from time to time of the Bonds, all of the Revenues and all of the right, title and interest of the Authority in the Local Obligations, subject to the terms of the Indenture. The Trustee will be entitled to and will collect and receive all of the Revenues, and any Revenues collected or received by the Authority will be deemed to be held, and to have been collected or received, by the Authority as the agent of the Trustee and will forthwith be paid by the Authority to the Trustee.

The Trustee also shall be entitled to and subject to the provisions of this Indenture, shall take all steps, actions and proceedings reasonably necessary in its judgment to enforce, either jointly with the Authority or separately, all of the rights of the Authority and all of the obligations of the Districts under the Local Obligations.

Revenues consist primarily of all payments received by the Authority pursuant to the Local Obligations and all investment income with respect to moneys held by the Trustee in the funds and accounts established under the Indenture with respect to the Bonds, other than the Surplus Fund.

The Local Obligations are secured by a pledge of and lien on the Net Special Taxes with respect to each Taxing Jurisdiction, all as further described herein.

Each series of Local Obligations is an independent obligation and the security for one series of Local Obligations does not constitute security for another series of Local Obligations. The Net Special Taxes used to pay debt service on one series of Local Obligations are not available to pay debt service on the other series of Local Obligations. The aggregate payments due on each series of Local Obligations are scheduled to be sufficient, in the aggregate, to pay the principal of, premium, if any, and interest on, the Bonds, as they become due. A default in the payment of any series of Local Obligations may result in insufficient Revenues with which to pay the principal of and interest on the Bonds when due. See "SECURITY FOR THE BONDS — Revenue Fund" and "SPECIAL RISK FACTORS."

THE BONDS ARE LIMITED OBLIGATIONS OF THE AUTHORITY PAYABLE SOLELY FROM AND SECURED SOLELY BY THE REVENUES PLEDGED THEREFOR IN THE INDENTURE AND FROM AMOUNTS ON DEPOSIT IN THE FUNDS AND ACCOUNTS UNDER THE INDENTURE OTHER THAN THE COSTS OF ISSUANCE FUND, THE PURCHASE FUND AND THE SURPLUS FUND. THE BONDS ARE NOT A DEBT OF THE COMMUNITY FACILITIES DISTRICTS, THE SCHOOL DISTRICT, THE STATE OR ANY OF ITS POLITICAL SUBDIVISIONS OTHER THAN THE AUTHORITY. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE AUTHORITY, THE SCHOOL DISTRICT, THE COMMUNITY FACILITIES DISTRICTS, THE STATE OR ANY OF ITS POLITICAL SUBDIVISIONS IS PLEDGED TO THE PAYMENT OF PRINCIPAL OF OR INTEREST ON THE BONDS. THE AUTHORITY HAS NO TAXING POWER. NONE OF THE SCHOOL DISTRICT, THE STATE NOR ANY OF ITS POLITICAL SUBDIVISIONS IS LIABLE FOR THE PAYMENT OF THE BONDS.

OWNERSHIP OF THE BONDS IS SUBJECT TO RISK. POTENTIAL INVESTORS ARE ADVISED TO CAREFULLY READ THE SECTION OF THIS OFFICIAL STATEMENT CAPTIONED "SPECIAL RISK FACTORS."

Revenue Fund; Flow of Funds

The Trustee will establish and maintain a separate trust fund to be known as the "Revenue Fund" and the following separate accounts therein: the "Interest Account," the "Principal Account" and the "Special Tax Bonds Prepayment Account."

All Revenues consisting of amounts received from the Community Facilities Districts pursuant to any Local Obligations will be promptly deposited by the Trustee upon receipt thereof in the Revenue Fund.

Any Revenues which represent the payment of delinquent principal of or interest on a series of Local Obligations will immediately be deposited in the Reserve Fund to the extent necessary to replenish the Reserve Requirement, with any amount in excess of that needed for such replenishment remaining in the Revenue Fund.

On each Interest Payment Date and date for redemption of the Bonds, the Trustee will transfer from the Revenue Fund, and deposit into the following respective accounts for the Bonds, the following amounts in the following order of priority, the requirements of each such account (including the making up of any deficiencies in any such account resulting from lack of Revenues sufficient to make any earlier required deposit) at the time of deposit to be satisfied before any transfer is made to any account subsequent in priority:

(i) *Interest Account.* On each Interest Payment Date and redemption date, the Trustee will deposit in the Interest Account an amount required to cause the aggregate amount on deposit in the Interest Account to equal the amount of interest due or becoming due and payable on such Interest Payment Date on the Bonds or to be paid on the Bonds being redeemed on such date. No deposit need be made into the Interest Account if the amount contained therein is at least equal to the interest becoming due and payable upon the Bonds on the next succeeding Interest Payment Date or redemption date, as applicable. All moneys in the Interest Account will be used and withdrawn by the Trustee solely for the purpose of paying interest on the Bonds as it becomes due and payable (including accrued interest on any of the Bonds redeemed prior to maturity). In the event that the amounts on deposit in the Interest Account on any Interest Payment Date or redemption date, after any transfers from the Reserve Fund pursuant to the Indenture, are insufficient for any reason to pay the aggregate amount of interest then coming due and payable on the Bonds, the Trustee will apply such amounts to the payment of interest on each of the Bonds on a pro rata basis.

(ii) *Principal Account.* On each Interest Payment Date and redemption date on which the principal of the Bonds is payable, the Trustee will deposit in the Principal Account an amount required to cause the aggregate amount on deposit in the Principal Account to equal the principal amount of, and premium (if any) on, the Bonds coming due and payable on such Interest Payment Date, or required to be redeemed on such date pursuant to the Indenture. All moneys in the Principal Account will be used and withdrawn by the Trustee solely for the purpose of:

- (a) paying the principal of the Bonds at the maturity thereof, or
- (b) paying the principal of any additional Bonds upon the mandatory sinking fund redemption thereof pursuant to the Indenture.

If the amounts on deposit in the Principal Account on any Interest Payment Date or date of redemption, after any transfers from the Reserve Fund, pursuant to the Indenture, are insufficient for any reason to pay the aggregate principal amount of, and premium (if any) on, the Bonds then coming due and payable (whether at maturity or upon the redemption thereof), the Trustee will apply such amounts in the

following order of priority: first, to the payment of the principal of the Bonds which mature by their terms on such Interest Payment Date, and second, to the payment of the principal of the Bonds to be redeemed through mandatory sinking payment redemption pursuant to the Indenture, in each case on a pro rata basis.

(iii) *Special Tax Bonds Prepayment Account.* All funds received by the Authority from the prepayment of a series of Local Obligations due to prepayments of the Special Taxes will be deposited in the Special Tax Bonds Prepayment Account to redeem Bonds pursuant to the Indenture.

(iv) *Reserve Fund.* On each Interest Payment Date, the Trustee will transfer from the Revenue Fund an amount sufficient (A) first, to reimburse the Bond Insurer for any advances made by it under the Reserve Policy, as provided therein and in the Reserve Agreement and for all other Policy Costs as set forth in the Indenture, and (B) second, if any remaining portion of the Reserve Requirement is satisfied in cash, to restore the balance of the Reserve Fund to the Reserve Requirement.

(v) *Amounts due to the Bond Insurer.* Following the foregoing deposits, any amounts remaining will be utilized to pay to the Bond Insurer any amounts owed to it but not paid pursuant to the foregoing subsections.

If on any Interest Payment Date, the amount on deposit in the Revenue Fund is inadequate to make the transfers described in the preceding paragraph as a result of a payment default on a series of Local Obligations, the Trustee will immediately notify the Authority of the amount needed to make the required deposits required above. If, following such notice, the Trustee receives additional payments from the Community Facilities Districts to cure such shortfall, the Trustee will deposit such amounts to the Revenue Fund for application as set forth above.

On September 2 of each year, after making the deposits and payments required under the preceding paragraphs, the Trustee will transfer all amounts remaining on deposit in the Revenue Fund to the Surplus Fund.

Costs of Issuance Fund

The Indenture provides that the Trustee will establish and maintain a fund to be held by the Trustee known as the “Costs of Issuance Fund” into which will be deposited the amounts as provided in the Indenture. The moneys in the Costs of Issuance Fund will be used to pay Costs of Issuance from time to time upon receipt of a Request of the Authority in the form attached to the Indenture. On the date which is 180 days following the Closing Date, or upon the earlier receipt by the Trustee of a Request of the Authority stating that all Costs of Issuance have been paid, the Trustee will transfer all remaining amounts in the Costs of Issuance Fund to the Revenue Fund. Upon such transfer the Costs of Issuance Fund will be closed. The Authority may at any time file a Request of the Authority requesting that the Trustee retain a specified amount in the Costs of Issuance Fund and transfer to the Revenue Fund all remaining amounts.

Purchase Fund

The Trustee will establish and maintain a separate fund to be known as the “Purchase Fund” into which will be deposited the net proceeds of sale of the Bonds as provided in the Indenture. The Trustee will use the proceeds of the Bonds to purchase the Local Obligations on the date of issuance of the Bonds. Upon receipt of the Local Obligations, the Trustee will deposit the Local Obligations in the Revenue Fund.

Reserve Fund and Reserve Fund Accounts

As provided in the Indenture, the Trustee will establish and maintain a separate trust fund to be known as the “Reserve Fund” and within the Reserve Fund, separate accounts with respect to each Taxing Jurisdiction (each a “Reserve Fund Account,” and together the “Reserve Fund Accounts”). There will be maintained in the Reserve Fund an amount equal to the Reserve Requirement.

The Reserve Requirement will be allocated among the Reserve Fund Accounts on a pro rata basis based on the then-outstanding amounts of the Local Obligations. Any cash amounts on deposit in the Reserve Fund Accounts of the Reserve Fund will be allocated among such Reserve Fund Accounts on a pro rata basis based on the then-outstanding amounts of the Local Obligations. As indicated above, the Reserve Requirement will initially be satisfied through the deposit of the Reserve Policy, having a stated maximum amount equal to the Reserve Requirement.

If the amount of the Reserve Requirement is reduced because of the payment at maturity or partial redemption of the Bonds, the Trustee will, at the written direction of the Authority, adjust the balance in any Reserve Fund Account, provided that the total amount held in the accounts of the Reserve Fund equals the Reserve Requirement.

Available amounts in the Reserve Fund will be used solely for the purposes set forth as provided in the Indenture.

Draws on the Reserve Fund for payment of the Bonds may only be replenished, or reimbursed to due to a draw on the Reserve Policy, from Special Taxes received from the Taxing Jurisdiction corresponding to the deficiency in payment of the series of Local Obligations that caused the draw; there is no requirement that Special Taxes of a District be used to replenish a draw on the Reserve Policy attributable to deficiency attributable to another Taxing Jurisdiction.

Amounts transferred in connection with a redemption or a defeasance of Bonds shall be transferred from the Reserve Fund Account of the Reserve Fund established for each Taxing Jurisdiction that caused such redemption or defeasance through a redemption of its respective series of Local Obligations. Any amounts in the Reserve Fund in excess of what the Reserve Requirement will be following a special mandatory redemption or partial defeasance of the Bonds shall be applied toward the special mandatory redemption or defeasance of the Bonds, as applicable.

If the amounts in the Interest Account or the Principal Account of the Revenue Fund are insufficient to pay the principal of, including sinking fund payments, or interest on the Bonds when due, the Trustee shall withdraw from the Reserve Fund for deposit in the Interest Account and the Principal Account, as applicable, moneys necessary for such purposes in the following priority and subject to the following limitations: any cash deposited in the Reserve Fund shall be used first for such transfers to the Interest Account and Principal Account, and only in the event of the unavailability of such moneys, the Reserve Policy shall be drawn upon by the Trustee for such purposes. The Authority will repay any draws under the Reserve Policy and related reasonable expenses incurred by the Bond Insurer in accordance with the Reserve Agreement and the Indenture.

See APPENDIX B — “SUMMARY OF PRINCIPAL LEGAL DOCUMENTS” for further details regarding the administration of the Reserve Fund.

Surplus Fund

As provided in the Indenture, the Trustee will establish and maintain a separate fund to be known as the “Surplus Fund” which will be administered as provided in the Indenture.

Amounts in the Surplus Fund will no longer be considered Revenues and are not pledged to repay the Bonds.

So long as any of the Local Obligations are outstanding under the terms of the Local Obligation Fiscal Agent Agreements, on September 2 of each year after setting aside any amount specified in a Request of the Authority as necessary to pay Administrative Expenses (which will be paid by the Trustee upon receipt of a Request of the Authority), the remaining balance in the Surplus Fund will be transferred by the Trustee to the applicable Fiscal Agent in the amounts as set forth in a Request of the Authority for credit to the Special Tax Funds of the Taxing Jurisdiction established under each respective Local Obligation Fiscal Agent Agreement and held by each Fiscal Agent; provided, however, that if any Community Facilities District is in default in the payment of debt service on its respective Local Obligation, the amount to be transferred to the Fiscal Agent with respect to that Local Obligation will be reduced by the amount of such deficiency until such time as the delinquency on the Local Obligation is cured.

See APPENDIX B — “SUMMARY OF PRINCIPAL LEGAL DOCUMENTS” for further details regarding the administration of the Surplus Fund.

Authority Compliance with Tax Covenants

The Authority will covenant in the Indenture that it will not take any action or permit to be taken any action within its control which would cause or which, with the passage of time if not cured would cause, interest on the Bonds to become includable in gross income for federal income tax purposes.

No Additional Bonds Except to Refund Bonds

The Authority may from time to time issue additional Bonds but only to refund and discharge the Bonds or any portion thereof in accordance with the Marks-Roos Act. Any additional Bonds will constitute Bonds under and will be secured by a lien on the Revenues and funds pledged for the payment of the Bonds hereunder on a parity with all other Outstanding Bonds.

BOND INSURANCE

The information under this caption has been prepared by Assured Guaranty Inc. (the “Bond Insurer” or “AG”) for inclusion in this Official Statement. Neither the Authority nor the Underwriter has reviewed this information, nor do such entities make any representation with respect to the accuracy or completeness thereof or any information incorporated by reference. Reference is made to Appendix H for a specimen of the Policy.

Bond Insurance Policy

Concurrently with the issuance of the Bonds, AG will issue the Policy for the Bonds. The Policy guarantees the scheduled payment of principal of and interest on the Bonds when due as set forth in the form of the Policy included as an appendix to this Official Statement.

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

Assured Guaranty Inc.

AG is a Maryland domiciled financial guaranty insurance company and an indirect subsidiary of Assured Guaranty Ltd. (“AGL” and together with its subsidiaries, “Assured Guaranty”), a Bermuda-based holding company whose shares are publicly traded and are listed on the New York Stock Exchange under the symbol “AGO.” AGL, through its subsidiaries, provides credit enhancement products to the U.S. and non-U.S. public finance (including infrastructure) and structured finance markets, and participates in the asset

management business through ownership interests in Sound Point Capital Management, LP and certain of its investment management affiliates, and in the annuity reinsurance business through Assured Life Reinsurance Ltd. Only AG is obligated to pay claims under the insurance policies AG has issued, and not AGL or any of its shareholders or other affiliates.

AG's financial strength is rated "AA" (stable outlook) by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"), "AA+" (stable outlook) by Kroll Bond Rating Agency, Inc. ("KBRA") and "A1" (stable outlook) by Moody's Investors Service, Inc. ("Moody's"). Each rating of AG should be evaluated independently. An explanation of the significance of the above ratings may be obtained from the applicable rating agency. The above ratings are not recommendations to buy, sell or hold any security, and such ratings are subject to revision or withdrawal at any time by the rating agencies, including withdrawal initiated at the request of AG in its sole discretion. In addition, the rating agencies may at any time change AG's long-term rating outlooks or place such ratings on a watch list for possible downgrade in the near term. Any downward revision or withdrawal of any of the above ratings, the assignment of a negative outlook to such ratings or the placement of such ratings on a negative watch list may have an adverse effect on the market price of any security guaranteed by AG. AG only guarantees scheduled principal and scheduled interest payments payable by the issuer of bonds insured by AG on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the relevant insurance policy), and does not guarantee the market price or liquidity of the securities it insures, nor does it guarantee that the ratings on such securities will not be revised or withdrawn.

Current Financial Strength Ratings

On August 4, 2025, KBRA announced that it had affirmed AG's insurance financial strength rating of "AA+" (stable outlook).

On June 30, 2025, S&P announced that it had affirmed AG's financial strength rating of "AA" (stable outlook).

On July 10, 2024, Moody's announced that it had affirmed AG's insurance financial strength rating of "A1" (stable outlook).

AG can give no assurance as to any further ratings action that S&P, Moody's and/or KBRA may take. For more information regarding AG's financial strength ratings and the risks relating thereto, see AGL's Annual Report on Form 10-K for the fiscal year ended December 31, 2025.

Capitalization of AG

At March 31, 2026:

- The policyholders' surplus of AG was approximately \$3,158 million.
- The contingency reserve of AG was approximately \$1,539 million.
- The net unearned premium reserves and net deferred ceding commission income of AG and its subsidiaries (as described below) were approximately \$2,402 million. Such amount includes (i) 100% of the net unearned premium reserve and net deferred ceding commission income of AG and (ii) the net unearned premium reserves and net deferred ceding commissions of AG's wholly owned subsidiary Assured Guaranty UK Limited ("AGUK"), and its 99.9999% owned subsidiary Assured Guaranty (Europe) SA ("AGE").

The policyholders' surplus, contingency reserve, and net unearned premium reserves and net deferred ceding commission income of AG were determined in accordance with statutory accounting principles. The net unearned premium reserves and net deferred ceding commissions of AGUK and AGE were determined in accordance with accounting principles generally accepted in the United States of America.

Incorporation of Certain Documents by Reference

Portions of the following documents filed by AGL with the Securities and Exchange Commission (the "SEC") that relate to AG are incorporated by reference into this Official Statement and shall be deemed to be a part hereof:

- (i) the Annual Report on Form 10-K for the fiscal year ended December 31, 2025 (filed by AGL with the SEC on February 27, 2026); and
- (ii) the Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2026 (filed by AGL with the SEC on May 8, 2026).

All information relating to AG included in, or as exhibits to, documents filed by AGL with the SEC pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, excluding Current Reports or portions thereof "furnished" under Item 2.02 or Item 7.01 of Form 8-K, after the filing of the last document referred to above and before the termination of the offering of the Bonds shall be deemed incorporated by reference into this Official Statement and to be a part hereof from the respective dates of filing such documents. Copies of materials incorporated by reference are available over the internet at the SEC's website at <http://www.sec.gov>, at AGL's website at <http://www.assuredguaranty.com>, or will be provided upon request to Assured Guaranty Inc.: 1633 Broadway, New York, New York 10019, Attention: Communications Department (telephone (212) 974-0100.) Except for the information referred to above, no information available on or through AGL's website shall be deemed to be part of or incorporated in this Official Statement.

Any information regarding AG included herein under the caption "BOND INSURANCE – Assured Guaranty Inc." or included in a document incorporated by reference herein (collectively, the "AG Information") shall be modified or superseded to the extent that any subsequently included AG Information (either directly or through incorporation by reference) modifies or supersedes such previously included AG Information. Any AG Information so modified or superseded shall not constitute a part of this Official Statement, except as so modified or superseded.

Miscellaneous Matters

AG makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, AG has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AG supplied by AG and presented under the heading "BOND INSURANCE".

SECURITY FOR THE LOCAL OBLIGATIONS

General

Each series of Local Obligations is secured by a first pledge (effected in the manner and to the extent provided in each applicable Local Obligation Fiscal Agent Agreement) of all of the Net Special Taxes and all moneys deposited in the Bond Fund and, until disbursed as provided therein, in the Special Tax Fund.

The Net Special Taxes and all moneys deposited into said funds (except as otherwise provided in each applicable Local Obligation Fiscal Agent Agreement) are dedicated to the payment of the Principal Amount or Conversion Value of, and interest and any premium on, Local Obligations as provided in each applicable Local Obligation Fiscal Agent Agreement and in the Act until all of applicable series of Local Obligations have been paid and retired or until moneys or Federal Securities have been set aside irrevocably for that purpose in accordance with each applicable Local Obligation Fiscal Agent Agreement.

Amounts in the Administrative Expense Fund and the Improvement Fund are not pledged to the repayment of the Local Obligations. The facilities acquired with the proceeds of the Local Obligations are not in any way pledged to pay the Debt Service on the Local Obligations. Any proceeds of condemnation or destruction of any facilities financed with the proceeds of the Local Obligations are not pledged to pay the Debt Service on the Local Obligations and are free and clear of any lien or obligation imposed under each applicable Local Obligations Fiscal Agent Agreement.

The “Special Taxes” for each Taxing Jurisdiction are levied and collected according to the rate and method of apportionment (each, a “Rate and Method”) established for such Taxing Jurisdiction. See Appendix A — “INFORMATION REGARDING THE TAXING JURISDICTIONS” and Appendix D — “RATES AND METHODS OF APPORTIONMENT OF SPECIAL TAXES FOR THE TAXING JURISDICTIONS.”

The Local Obligations are not cross-collateralized. In other words, Special Taxes collected in one Taxing Jurisdiction cannot be used to cover any shortfall in the payment of debt service on the Local Obligations of another Taxing Jurisdiction. However, the Reserve Fund and the Reserve Fund Accounts therein held by the Trustee and collectively funded at the Reserve Requirement will be available in the event of delinquent Revenues. See “SECURITY FOR THE BONDS — Reserve Fund and Reserve Fund Accounts” herein.

Except for the foregoing, no other taxes are pledged to the payment of the Local Obligations. The Local Obligations are not general or special obligations of the School District nor general obligations of the Community Facilities Districts, but are limited obligations of the Community Facilities Districts payable solely from amounts deposited in certain funds established under the applicable Local Obligation Fiscal Agent Agreement, as more fully described herein. The Authority, as Owner of the Local Obligations, may not compel the exercise of the taxing power by the Community Facilities Districts (except as pertains to the Special Taxes) or the School District or the forfeiture of any of their property. The Principal or Conversion Value of and interest on the Local Obligations and premiums upon the redemption thereof, if any, are not a debt of the School District, the Authority, the State of California or any of its political subdivisions within the meaning of any constitutional or statutory limitation or restriction.

The Special Taxes are collected in the manner and at the same time as *ad valorem* property taxes are collected and is subject to the same penalties and the same procedure, sale, and lien priority in case of delinquency as is provided for *ad valorem* property taxes; provided, however, that the School District may directly bill the Special Tax within the applicable Taxing Jurisdiction, and may collect Special Taxes at a different time or in a different manner as determined by the Governing Board.

Under the Mello-Roos Act under no circumstances will the Special Taxes levied against any parcel in a Taxing Jurisdiction for which an occupancy permit for private residential use has been issued be increased by more than 10% per fiscal year as a consequence of delinquency or default by the owner of any other parcel within such Taxing Jurisdiction. Therefore, even though the maximum Special Tax rates may allow for Special Tax increases greater than 10%, in the event of high delinquencies in a Taxing Jurisdiction, the School District may not increase the Special Taxes in such Taxing Jurisdiction in the fiscal year following such delinquencies by more than 10% on the residential units. See “SPECIAL RISK FACTORS — Special Tax Delinquencies.”

Special Taxes

The levy of the Special Taxes was authorized by the landowners within the territory included in each Taxing Jurisdiction, as the then qualified electors of the Taxing Jurisdiction, at special elections. A notice of Special Taxes with respect to each applicable Rate and Method has been recorded in the Official Records of the County and each Community Facilities District adopted one or more ordinances authorizing the levy of Special Taxes of the corresponding Taxing Jurisdiction (collectively, the “Ordinances”).

The Local Obligations are secured by, among other things, a pledge of the Net Special Taxes received with respect to the Taxing Jurisdiction, and pledged to repay such Local Obligations, and by moneys in the applicable Local Obligation Bond Fund established under the respective Local Obligation Fiscal Agent Agreement.

Each Community Facilities District has covenanted in the corresponding Local Obligations Fiscal Agent Agreement to levy the Special Taxes in each Fiscal Year that the applicable series of Local Obligations are outstanding. The Special Taxes are to be apportioned, levied and collected according to the applicable Rate and Method approved by the qualified electors of each Taxing Jurisdiction. The Special Taxes will be levied each year in accordance with the applicable Rate and Method, including amounts sufficient to cover debt service on the Local Obligations and to pay Administrative Expenses. See APPENDIX A and APPENDIX D hereto.

The following table provides information regarding the Fiscal Year 2025-26 Special Tax Levy with respect to each Taxing Jurisdiction.

Table 11
Menifee Union School District Public Financing Authority
Special Tax Revenue Bonds, 2026 Series A
Combined Fiscal Year 2025-26 Special Tax Levy

<i>Taxing Jurisdiction</i>	<i>Parcels Levied⁽¹⁾</i>	<i>Fiscal Year 2025-26 Special Taxes Levied</i>	<i>Fiscal Year Levy as Percent of Total</i>
CFD No. 94-1	1,414	\$ 920,521.68	32.92%
CFD No. 99-1 IA A	411	84,255.00	3.01
CFD No. 99-1 Zone 1	392	409,640.00	14.65
CFD No. 99-1 Zone 2	411	429,495.00	15.36
CFD No. 2002-1	406	403,997.76	14.45
CFD No. 2002-3	169	327,115.10	11.70
CFD No. 2003-3	<u>144</u>	<u>221,278.54</u>	<u>7.91</u>
Total⁽²⁾	2,936	\$ 2,796,303.08	100.00%

⁽¹⁾ The Special Taxes shown reflect Developed Property only as classified for the Fiscal Year 2025-26 Special Tax levy, as confirmed by KeyAnalytics.

⁽²⁾ Totals may not sum due to rounding. Zone 2 of CFD No. 99-1 and Improvement Area A of CFD No. 99-1 share a coterminous boundary over the same 411 units, which are counted only once for purposes of the total number of units levied.

Source: KeyAnalytics.

The levies of Special Taxes are subject to certain limitations. For example, certain properties are exempt from the Special Tax pursuant to law or the applicable Rate and Method for each Taxing Jurisdiction. In addition, the annual levy of Special Taxes on each parcel within each Taxing Jurisdiction, is constrained by the maximum Special Tax rate applicable to such parcel. See APPENDIX D hereto.

The amount of the Special Taxes that can be levied and collected in future years will be dependent upon, among other factors, then existing development, the Special Tax rates imposed and the level of delinquent Special Tax installments. Generally, each Community Facilities District levies on Developed Property at the applicable Assigned Annual Special Tax (as such term is defined in the applicable Rate and Method). A portion of the Assigned Annual Special Tax for Developed Property may be utilized for acquisition and/or construction of authorized facilities, or the refinancing thereof. See APPENDIX A — “INFORMATION REGARDING THE TAXING JURISDICTIONS” for the Fiscal Year 2025-26 Assigned Annual Special Tax rates within each Taxing Jurisdiction.

In the event a Community Facilities District was to levy Special Taxes on Developed Property at less than the Assigned Annual Special Tax, pursuant to Section 53321 of the Act and a resolution adopted by such Community Facilities District, under no circumstances will the Special Tax levied against any parcel used for private residential purposes be increased as a consequence of delinquency or default by the owner of any other parcel or parcels within a Community Facilities District, by more than 10%. For such purposes, a parcel will be considered used for private residential purposes not later than the date on which an occupancy permit for private residential use is issued. See “SPECIAL RISK FACTORS” herein.

The Special Taxes imposed by each Community Facilities District are customarily billed with *ad valorem* property taxes and collected by the County. When received, such Special Taxes will be transferred by each Community Facilities District to the applicable Fiscal Agent and deposited by such Fiscal Agent in the applicable Special Tax Fund with respect to the applicable series of Local Obligations to be held as specified in “*Special Tax Fund*” below.

Although the Special Tax, when levied, will constitute a lien on parcels subject to taxation within each Taxing Jurisdiction, it does not constitute a personal indebtedness of the owners of property within such Taxing Jurisdiction. There is no assurance that the owners of real property in the Taxing Jurisdiction, will be financially able to pay the annual Special Tax or that they will pay such tax even if financially able to do so. See “SPECIAL RISK FACTORS — Payment of the Special Tax is not a Personal Obligation of the Owners” herein.

Local Obligation Fiscal Agent Agreements

Bond Fund. As provided in each Local Obligation Fiscal Agent Agreement, a Bond Fund is established with respect to each series of Local Obligations as a separate fund to be held by the Fiscal Agent, to the credit of which deposits will be made, and any other amounts required to be deposited therein by such Local Obligation Fiscal Agent Agreement or the Act.

There is also created in each Bond Fund an account held by the Fiscal Agent and designated as the “Special Tax Prepayments Account,” to the credit of which deposits will be made as provided in such Local Obligation Fiscal Agent Agreement.

Moneys in each Bond Fund and the account therein will be held in trust by the Fiscal Agent for the benefit of the Owners of the applicable series of Local Obligations, will be disbursed for the payment of the Principal or Conversion Value of, and interest and any premium on, the applicable series of Local Obligations as provided below, and, pending such disbursement, will be subject to a lien in favor of the Owners of such series of Local Obligations.

Bond Fund Disbursements. On each Interest Payment Date, the Fiscal Agent shall withdraw from each Bond Fund and pay to the Owners of the applicable series of Local Obligations the Principal or Conversion Value, and interest and any premium, then due and payable on the applicable series of Local Obligations, including any amounts due on the applicable series of Local Obligations by reason of a mandatory redemption of the applicable series of Local Obligations from Special Tax prepayments, such payments to be made in the following order of priority: first to the payment of interest on the applicable series of Local

Obligations, then to the payment of Principal or Conversion Value due on the applicable series of Local Obligations other than by reason of sinking payments, and then to payment of Principal or Conversion Value due on the applicable series of Local Obligations by reason of sinking payments. If, after the foregoing transfers, there are insufficient funds in the Bond Fund to make all of the foregoing payments, the Fiscal Agent shall apply the available funds in the foregoing order of priority. Any sinking payment not made as scheduled shall be added to the sinking payment to be made on the next sinking payment date.

Special Tax Prepayments Account Disbursements. Moneys in each Special Tax Prepayments Account for the applicable series of Local Obligations will be transferred by the Fiscal Agent to the applicable Bond Fund on the next date for which notice of redemption can timely be given for redemption of applicable series of Local Obligations, and notice to the Fiscal Agent can timely be given, and will be used to redeem applicable Local Obligations on the redemption date selected, all as provided in such Local Obligation Fiscal Agent Agreement.

Moneys in each Bond Fund and the accounts therein will be invested as provided in such Local Obligation Fiscal Agent Agreements. Interest earnings and profits resulting from the investment of amounts in each Bond Fund and the accounts therein will be retained in the applicable Bond Fund and each respective account, to be used for purposes of such fund and accounts.

Special Tax Fund. As provided in each Local Obligation Fiscal Agent Agreement, a Special Tax Fund is established as a separate fund to be held by the Fiscal Agent with respect to each series of Local Obligations, to the credit of which the Community Facilities District will cause all Special Taxes received by such Community Facilities District to be deposited; provided that any proceeds of Special Tax Prepayments will be transferred by an Authorized Officer to the Fiscal Agent for deposit by the Fiscal Agent in the Special Tax Prepayments Account established for the applicable Taxing Jurisdiction. In addition, the Fiscal Agent will deposit in the Special Tax Fund the amounts transferred from the Trustee from the Surplus Fund.

Moneys in each Special Tax Fund will be held in trust by the Fiscal Agent for the benefit of each Community Facilities District and the Owners of the applicable Local Obligations. From time to time as needed to pay the obligations of the Community Facilities District, but no later than 15 Business Days before each Interest Payment Date, the Fiscal Agent will withdraw from each Special Tax Fund and transfer the following amounts in the following order of priority:

(i) to the applicable Administrative Expense Fund an amount, up to the Administrative Expense Requirement, that an Authorized Officer directs the Fiscal Agent in writing to deposit in the Administrative Expense Fund for payment of Administrative Expenses;

(ii) to the applicable Bond Fund an amount, taking into account any amounts then on deposit in such Bond Fund, including any expected transfers from the applicable Improvement Fund and the applicable Special Tax Prepayments Account to the applicable Bond Fund, such that the amount in the Bond Fund equals the Principal or Conversion Value (including any sinking payment), premium, if any, and interest due on the Bonds on the next Interest Payment Date;

(iii) to the Reserve Fund Account established for the applicable series of Local Obligations under the Indenture, amounts representing (a) collections of any delinquent Special Taxes, and proceeds of the redemption or sale of property sold as a result of foreclosure of the lien of the Special Taxes, and (b) any amounts necessary to comply with the covenant to reimburse the Bond Insurer under the Local Obligation Fiscal Agent Agreements; and

(iv) to the applicable Administrative Expense Fund the amount of Administrative Expenses in excess of the amount previously transferred thereto pursuant to (i) above, as directed in writing by an Authorized Officer.

No later than 15 Business Days before each Interest Payment Date, the Fiscal Agent shall notify the Trustee, the Authority and the Bond Insurer (at their respective notice addresses set forth in the Local Obligation Fiscal Agent Agreements and/or the Indenture) if amounts on deposit in the Special Tax Fund are insufficient to make the transfers set forth above.

The amounts the Authorized Officer directs the Fiscal Agent to transfer from time to time to the Administrative Expense Fund will not exceed, in any Fiscal Year, the amount included in the Special Tax levy for such Fiscal Year for Administrative Expenses.

At any time following the deposit of Special Taxes in an amount sufficient to make payment of all of the foregoing deposits for the current Bond Year, and any amounts necessary to comply with the covenant to reimburse the Bond Insurer, any amounts in excess of such amounts remaining in the Special Tax Fund shall, upon the written direction of an Authorized Officer, be transferred by the Fiscal Agent to the Special Tax Remainder Account to be used for any lawful purpose under the Act and released upon the written direction of an Authorized Officer.

In the absence of such written direction, all amounts remaining in the Special Tax Fund on the first day of the succeeding Bond Year shall be retained in the Special Tax Fund and applied to the succeeding Bond Year's Annual Debt Service; provided however, that in no event shall such amounts be invested at a yield in excess of the yield on the applicable series of Local Obligations.

Moneys in each Special Tax Fund will be invested in accordance with each Local Obligation Fiscal Agent Agreement. Interest earnings and profits resulting from such investment and deposit will be retained in the applicable Special Tax Fund to be used for the purposes thereof.

Special Tax Prepayments. Special Tax prepayments received by a Community Facilities District (net of any costs of collection) will be transferred to the Fiscal Agent for deposit by the Fiscal Agent in the applicable Special Tax Prepayments Account. The Prepaid Special Taxes will be held in trust in the applicable Prepayment Account for the benefit of the Owners and will be transferred by the Fiscal Agent to the Bond Fund to redeem the applicable series of Local Obligations in accordance with the special mandatory redemption provisions as set forth in each Local Obligation Fiscal Agent Agreement.

To date, there has been a total of one prepayment within the Taxing Jurisdictions. See the caption "SPECIAL RISK FACTORS — Potential Early Redemption of Bonds from Prepayments or Other Sources" for a discussion of the potential for a lower than expected yield on the Bonds as a result of a mandatory redemption thereof from redemption of Local Obligations due to the prepayment of Special Taxes or certain other sources.

Administrative Expense Fund. As provided in each Local Obligation Fiscal Agent Agreement, the Administrative Expense Fund is established for each series of Local Obligations as a separate fund to be held by the Fiscal Agent to the credit of which deposits will be made. Moneys in each Administrative Expense Fund will be held in trust by the Fiscal Agent for the benefit of the Community Facilities District, and will be disbursed as provided below. *Moneys in each Administrative Expense Fund are not pledged to the repayment of the Bonds.*

Amounts in each Administrative Expense Fund will be withdrawn by the Fiscal Agent and paid to the Community Facilities District or pursuant to its order upon receipt by the Fiscal Agent of requisition by the Community Facilities District.

Moneys in each Administrative Expense Fund will be invested in accordance with the respective Local Obligation Fiscal Agent Agreement. Interest earnings and profits resulting from said investment will be retained by the Fiscal Agent in the applicable Administrative Expense Fund to be used for the purposes thereof.

Improvement Fund. Each Local Obligation Fiscal Agent Agreement also creates an Improvement Fund into which certain proceeds of the applicable Local Obligations will be deposited. Moneys in each Improvement Fund shall be held in trust by the Fiscal Agent for the benefit of the applicable Community Facilities District and shall be disbursed for the payment or reimbursement of costs of the Facilities.

Local Obligation Parity Bonds Only for Refunding Purposes

Each Community Facilities District may from time to time issue additional local obligations (“Parity Local Obligations”) but only to refund and discharge the applicable series of existing Local Obligations or any portion thereof in accordance with the Act. Any additional Parity Local Obligations shall be secured by a lien on the Net Special Taxes and funds pledged for the payment of such Parity Local Obligations shall be on a parity with all other outstanding Local Obligations under the applicable Local Obligation Fiscal Agent Agreement.

Priority of Lien

Each installment of the Special Taxes and any interest and penalties thereon, constitutes a lien on the parcel of land on which it was imposed until the same is paid. Such lien is co-equal to and independent of the lien for general taxes and any other community facilities district special taxes. See “THE TAXING JURISDICTIONS — The Taxing Jurisdictions in the Aggregate” herein.

Covenant for Superior Court Foreclosure

Pursuant to Section 53356.1 of the Act, in the event of any delinquency in the payment of the Special Tax, each Community Facilities District covenants to commence, or cause to be commenced as described below, and thereafter diligently prosecute to judgement (unless such delinquency is theretofore brought current), an action in the superior court to foreclose the lien of any Special Tax or installment thereof not paid when due as provided below. 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.

In order to determine if there are delinquencies with respect to the payment of the Special Taxes, each Community Facilities District covenants in each Local Obligation Fiscal Agent Agreement that it shall cause, on or about February 15 and June 15 of each Fiscal Year, an Authorized Officer to compare the amount of Special Taxes to be collected on the December 10 and April 10 installments of the secured property tax bills to the amount of Special Taxes actually received by the Community Facilities District in said installments, and proceed as set forth below:

(A) If the Authorized Officer determines that any single parcel subject to the Special Tax in the applicable Taxing Jurisdiction is delinquent in the payment of 5 or more installments of the Special Taxes, or a single owner of multiple parcels is delinquent in the payment of Special Taxes in the amount of \$15,000 or more, then the Authorized Officer shall 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 determination, and (if the delinquency remains uncured) foreclosure proceedings shall be commenced by the District within 90 days of a February 15th or June 15th determination against each such parcel.

(B) If the Authorized Officer determines that the total amount of delinquent Special Tax for the prior Fiscal Year (after both the first and second installments) in the applicable Taxing Jurisdiction (including the total of delinquencies under subsection (A) above), exceeds 5% of the total Special Tax due and payable for the prior Fiscal Year, the Community Facilities 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 45 days of a June 15th determination, and shall commence foreclosure proceedings within 90 days of a June 15th determination against each parcel in the Taxing Jurisdiction with a Special Tax delinquency.

Notwithstanding the foregoing, however, each Community Facilities District may elect not to commence judicial foreclosure proceedings under subsections (A) or (B) above if both of the following conditions are met:

(i) if the Reserve Fund Account established under the Indenture for the applicable Local Obligation is fully funded at the Reserve Requirement and such delinquencies are not expected to result in a draw on the Reserve Fund Account in both the then-current and immediately following Fiscal Years; and

(ii) if the amount of a Special Tax delinquency on a particular parcel in relation to the cost of appropriate foreclosure proceedings is such that the costs do not warrant the foreclosure proceedings costs, in which case 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 cost of such foreclosure proceedings.

It should be noted that any foreclosure proceedings commenced as described above could be stayed by the commencement of bankruptcy proceedings by or against the owner of the delinquent property. See “SPECIAL RISK FACTORS—Bankruptcy and Foreclosure.”

No assurances can be given that a judicial foreclosure action, once commenced, will be completed or that it will be completed in a timely manner. See “SPECIAL RISK FACTORS—Bankruptcy and Foreclosure.” If a judgment of foreclosure and order of sale is obtained, the judgment creditor (each District) must cause a Notice of Levy to be issued. Under current law, a judgment debtor (property owner) has 120 days from the date of service of the Notice of Levy and 20 days from the subsequent notice of sale in which to redeem the property to be sold. If a judgment debtor fails to so redeem and the property is sold, his only remedy is an action to set aside the sale, which must be brought within 90 days of the date of sale. If, as a result of such action, a foreclosure sale is set aside, the judgment is revived and the judgment creditor is entitled to interest on the revived judgment as if the sale had not been made. The constitutionality of the aforementioned legislation, which repeals the former one-year redemption period, has not been tested; and there can be no assurance that, if tested, such legislation will be upheld. Any parcel subject to foreclosure sale must be sold at the minimum bid price unless a lesser minimum bid price is authorized by the Owners of 75% of the principal amount of Local Obligations Outstanding.

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

If delinquencies in the payment of Special Taxes exist, there could be a default or delay in payments to the Authority on the applicable series of Local Obligations, which default or delay may result in a default or delay in payments to the Bond Owners pending prosecution of foreclosure proceedings and receipt by each Community Facilities District of foreclosure sale proceeds, if any. However, within the limits of the Rate and Method for the applicable Taxing Jurisdiction, and the Act, including the limitation imposed by Section 53321 of the Act as applied to such Taxing Jurisdiction, each Community Facilities District may adjust the Special Taxes levied on all property within such Taxing Jurisdiction in future Fiscal Years to provide an amount, taking into account such delinquencies, required to pay debt service on the applicable series of Local Obligations. There is, however, no assurance that the maximum Special Tax rates will be at all times sufficient to pay the amounts required to be paid on the applicable series of Local Obligations by each Local Obligation Fiscal Agent Agreement.

Covenants Regarding Special Tax Levies and Rate and Method

In the Local Obligation Fiscal Agent Agreements, each Community Facilities District has covenanted not to conduct or consent to proceedings with respect to a reduction in the maximum Special Taxes that may be levied in the applicable Taxing Jurisdiction on Developed Property.

Each Community Facilities District also covenants not to exercise its rights under the Act to waive delinquency and redemption penalties related to the Special Taxes or to declare a Special Tax penalties amnesty program if to do so would materially and adversely affect the interests of Owners of the Local Obligations and covenants not to permit the tender of Local Obligations in payment of any Special Taxes except upon receipt of a certificate of an Independent Financial Consultant (as defined in the Indenture) that to accept such tender will not result in the Community Facilities District having insufficient Net Special Taxes to pay the Principal or Conversion Value of and interest on its Local Obligations remaining outstanding following such tender, assuming Special Taxes are levied in the future, as provided under each Local Obligation Fiscal Agent Agreement.

Each Community Facilities District also covenants not to initiate proceedings under the Act to modify the applicable Rate and Method of Apportionment if such modification would adversely affect the security for its Local Obligations. If an initiative or referendum measure is proposed that purports to modify a Rate and Method of Apportionment in a manner that would adversely affect the security for the applicable Local Obligations, each Community Facilities District will, to the extent permitted by law, commence and pursue reasonable legal actions to prevent the modification of such Rate and Method of Apportionment in a manner that would adversely affect the security for such Local Obligations.

Permitted Investments

Funds and accounts established under the Indenture and each Local Obligation Fiscal Agent Agreement are held by the Trustee or Fiscal Agent, as applicable. Moneys in any of the funds and accounts will be invested at the direction of the Authority or each Community Facilities District in Permitted Investments (as defined in the Indenture and the District Fiscal Agent Agreement, as applicable), which will be deemed at all times to be a part of such funds and accounts. See APPENDIX B — “SUMMARY OF PRINCIPAL LEGAL DOCUMENTS” for a list of Permitted Investments.

Any income realized or loss resulting from such Permitted Investments will be credited or charged to the fund from which such investment was made.

No Acceleration

The Bonds will not be subject to acceleration under the provisions of the Indenture. Each series of Local Obligations will not be subject to acceleration under the provisions of each Local Obligation Fiscal Agent Agreement. See “SPECIAL RISK FACTORS — No Acceleration Provision.”

Levy of Special Taxes to Applicable Maximum Rates

Generally, each Community Facilities District levies Special Taxes at the Assigned Annual Special Tax. Some parcels within each Taxing Jurisdiction are potentially subject to the levy of a Backup Annual Special Tax. In the event a Community Facilities District was to levy Special Taxes on Developed Property at less than the Assigned Annual Special Tax, and in the case of parcels within a Taxing Jurisdiction with a Backup Annual Special Tax which is greater than the Assigned Annual Special Tax, pursuant to Section 53321 of the Act and a resolution adopted by each Community Facilities District, under no circumstances will the Special Tax levied against any parcel used for private residential purposes be increased as a consequence of delinquency or default by the owner of any other parcel or parcels within a Taxing Jurisdiction, by more than 10% of such lesser amount, or in a situation in which a Backup Annual Special Tax would otherwise apply, the

Assigned Annual Special Tax. For such purposes, a parcel will be considered used for private residential purposes not later than the date on which an occupancy permit for private residential use is issued. Each Community Facilities District is only obligated to pay Principal or Conversion Value and interest on the Local Obligations it issues with respect to the applicable Taxing Jurisdiction. If Special Taxes with respect to one Taxing Jurisdiction, are not received in the requisite amount, the Special Tax rate may be escalated only in that Taxing Jurisdiction, and not in the other Taxing Jurisdictions. See APPENDIX D hereto for a description of each Community Facilities District's procedures for increasing the amount of Special Tax in the applicable Taxing Jurisdiction.

Special Taxes Are Not Within Teeter Plan

The Special Taxes are not encompassed within the alternate procedure for the distribution of certain property tax levies on the secured roll pursuant to Chapter 3, Part 8, Division 1 of the California Revenue and Taxation Code (Section 4701 *et seq.*), commonly referred to as the "Teeter Plan." The County has adopted a Teeter Plan under which a tax distribution procedure is implemented and secured roll taxes are distributed to taxing agencies within the County on the basis of the tax levy, rather than on the basis of actual tax collections. However, by policy, the County does not include special taxes, assessments or assessments in its Teeter Plan. The Special Taxes of the Taxing Jurisdictions are not included in the County's Teeter Plan.

See APPENDIX B hereto for a description of the redemption provisions of the Local Obligations.

THE TAXING JURISDICTIONS

The Taxing Jurisdictions in the Aggregate

Introduction. Set forth under this caption is certain information describing the Taxing Jurisdictions in the aggregate. See Appendix A hereto for more information with respect to each Taxing Jurisdiction. Although the Authority believes the information with respect to the Taxing Jurisdictions, in the aggregate, is relevant to an informed decision to purchase the Bonds, investors should be aware that the debt service on one series of Local Obligations may not be used to make up any shortfall in the debt service on another series of Local Obligations. Moreover, the parcels in each Taxing Jurisdiction are taxed according to the applicable Rate and Method, and the applicable Special Taxes may only be applied to pay the debt service on the Local Obligations related to the Taxing Jurisdiction in which such Special Taxes are levied and not on the debt service of any other Local Obligations.

Potential investors should further be aware that Special Taxes are levied against individual parcels within each Taxing Jurisdiction and that any such parcel may have a value-to-lien ratio less than the overall value-to-lien ratio for such Taxing Jurisdiction and less than the value-to-lien ratio of the Taxing Jurisdictions in the aggregate.

To date, there has been a total of one prepayment of Special Taxes within the Taxing Jurisdictions: in CFD No. 94-1. See the caption "SPECIAL RISK FACTORS — Potential Early Redemption of Bonds from Prepayments or Other Sources" for a discussion of the potential for a lower than expected yield on the Bonds as a result of a mandatory redemption thereof from redemption of Local Obligations due to the prepayment of Special Taxes or certain other sources.

Ownership in the Taxing Jurisdictions. Because development within the Taxing Jurisdictions is largely completed, ownership is very diverse. As of the date of this Official Statement, 12 of the 2,936 homes within the Taxing Jurisdiction, representing 0.47% of the total Special Taxes levied in the Taxing Jurisdictions in Fiscal Year 2025-26, were owned by affiliates of Invitation Homes, Inc., a real estate investment trust which owns, leases, and operates single-family residential properties throughout the United States. No individual owner owned more than 3 parcels within the Taxing Jurisdictions and no individual owner was responsible for more than 0.13% of the total Special Taxes levied in the Taxing Jurisdictions in Fiscal Year 2025-26.

Property Values & Development Status. The most recent aggregate assessed value reported by the County Assessor for the property in the Taxing Jurisdictions for the Fiscal Year 2025-26 was \$1,257,600,646. The planned developments within the Taxing Jurisdictions are complete with residential homes. In total, there are currently 2,936 completed homes conveyed to individual owners.

Value-To-Lien Ratios. The aggregate assessed value of all of the Taxable Property in the Taxing Jurisdictions as established by the County Assessor for Fiscal Year 2025-26 was \$1,257,600,646. The aggregate Principal or Conversion Value of the Local Obligations is \$20,000,000*, and there is \$4,863,405 in overlapping land-secured debt and \$25,717,164 in overlapping general obligation debt. Table 12 below sets forth the aggregate value-to-lien ratio for each Taxing Jurisdiction based on assessed values in each Taxing Jurisdiction, the Principal or Conversion Value of the applicable series of Local Obligations and all applicable overlapping land-secured and general obligation debt. Table 13 below sets forth the combined value-to-lien stratification for all of the Taxing Jurisdictions based on the aggregate assessed values in all Taxing Jurisdictions, the aggregate Principal or Conversion Value of the Local Obligations and all overlapping land-secured and general obligation debt.

**TABLE 12
MENIFEE UNION SCHOOL DISTRICT PUBLIC FINANCING AUTHORITY
AGGREGATE ASSESSED VALUE-TO-LIEN RATIOS BY TAXING JURISDICTION***

<i>CFD</i>	<i>Number of Parcels⁽¹⁾</i>	<i>Local Obligation Bonds</i>	<i>Other Land Secured Debt⁽²⁾</i>	<i>General Obligation Debt⁽²⁾</i>	<i>Total Debt</i>	<i>Fiscal Year 2025-26 Assessed Value⁽³⁾</i>	<i>Value-to-Lien Ratio⁽⁴⁾</i>	<i>Fiscal Year 2025-26 Special Tax</i>	<i>% Share of Special Tax</i>
CFD No. 94-1	1,414	\$ 5,405,000	\$2,581,650	\$ 12,086,430	\$ 20,073,080	\$ 588,913,214	29.34	\$ 920,522	32.92%
CFD No. 99-1 IA A	411	495,000	3,535,924	3,686,319	4,762,244	180,840,972	37.97	84,255	3.01
CFD No. 99-1 Zone 1	392	2,135,000	543,631	3,329,742	6,008,373	163,348,269	27.19	409,640	14.65
CFD No. 99-1 Zone 2	411	2,955,000	1,075,924	3,686,319	7,222,244	180,840,972	25.04	429,495	15.36
CFD No. 2002-1	406	3,975,000	718,281	3,541,120	8,234,401	173,717,943	21.10	403,998	14.45
CFD No. 2002-3	169	3,045,000	239,540	1,668,745	4,953,286	81,864,187	16.53	327,115	11.70
CFD No. 2003-3	144	1,990,000	199,378	1,404,807	3,594,185	68,916,061	19.17	221,279	7.91
Total ⁽⁵⁾⁽⁶⁾	2,936	\$ 20,000,000	\$4,863,405	\$ 25,717,164	\$ 50,580,569	\$ 1,257,600,646	24.86	\$ 2,796,303	100.00%

* Preliminary, subject to change.
⁽¹⁾ The Number of Parcels shown reflects Developed Property as classified for the Fiscal Year 2025-26 Special Tax Levy, as confirmed by KeyAnalytics.
⁽²⁾ See Tables A-2, A-10, A-18, A-26, A-34, A-42 and A-50 in APPENDIX A hereto for a description of overlapping liens and the combined overlapping liens. Other Land Secured Debt has been allocated based on the proportionate share of the Fiscal Year 2025-26 Special Tax Levy. General Obligation Debt has been allocated based on the proportionate share of the Fiscal Year 2025-26 assessed values.
⁽³⁾ Source: Riverside County Assessor’s Roll dated July 1, 2025.
⁽⁴⁾ Average value-to-lien per parcel; actual value-to-lien may vary by parcel.
⁽⁵⁾ Totals may not sum due to rounding.
⁽⁶⁾ Zone 2 of CFD No. 99-1 and Improvement Area A of CFD No. 99-1 share a coterminous boundary over the same 411 units, which are counted only once in Table 12 for purposes of the Number of Parcels, Other Land Secured Debt, General Obligation Debt, and Fiscal Year 2025-26 Assessed Value.
Source: KeyAnalytics.

* Preliminary, subject to change.

TABLE 13
MENIFEE UNION SCHOOL DISTRICT PUBLIC FINANCING AUTHORITY
TAXING JURISDICTIONS IN THE AGGREGATE
COMBINED VALUE-TO-LIEN RATIO STRATIFICATION*

<i>Value-to-Lien Category</i>	<i>Number of Parcels ⁽¹⁾</i>	<i>Local Obligation Bonds</i>	<i>Other Land Secured Debt ⁽²⁾</i>	<i>General Obligation Debt ⁽²⁾</i>	<i>Total Debt</i>	<i>Fiscal Year 2025-26 Assessed Value⁽³⁾</i>	<i>Value-to-Lien Ratio⁽⁴⁾</i>	<i>Fiscal Year 2025-26 Special Tax</i>	<i>% Share of Special Tax</i>
> 30.00	734	\$ 3,001,817	\$ 1,090,781	\$ 8,047,785	\$ 12,140,383	\$ 392,797,169	32.35	\$ 531,717	19.02%
25.00 to 30.00	947	4,853,532	1,681,996	8,021,755	14,557,283	391,987,329	26.93	781,458	27.95
20.00 to 25.00	745	5,670,425	1,280,597	5,871,534	12,822,556	287,598,048	22.43	755,449	27.02
15.00 to 20.00	421	5,127,612	676,078	3,233,307	9,036,997	158,591,137	17.55	581,294	20.79
10.00 to 15.00	87	1,311,048	131,083	537,556	1,979,688	26,370,537	13.32	142,565	5.10
< 10.00	<u>2</u>	<u>35,567</u>	<u>2,869</u>	<u>5,227</u>	<u>43,662</u>	<u>256,426</u>	<u>5.87</u>	<u>3,821</u>	<u>0.14</u>
Total ^{(5) (6)}	2,936	\$ 20,000,000	\$ 4,863,405	\$ 25,717,164	\$ 50,580,569	\$ 1,257,600,646	24.86	\$ 2,796,303	100.00%

* Preliminary, subject to change.

(1) The Number of Parcels shown reflects Developed Property as classified for the Fiscal Year 2025-26 Special Tax Levy, as confirmed by KeyAnalytics.

(2) See Tables A-2, A-10, A-18, A-26, A-34, A-42 and A-50 in APPENDIX A hereto for a description of overlapping liens and the combined overlapping liens. Other Land Secured Debt has been allocated based on the proportionate share of the Fiscal Year 2025-26 Special Tax Levy. General Obligation Debt has been allocated based on the proportionate share of the Fiscal Year 2025-26 assessed values.

(3) Source: Riverside County Assessor's Roll dated July 1, 2025.

(4) Average value-to-lien per parcel; actual value-to-lien may vary by parcel.

(5) Totals may not sum due to rounding.

(6) Zone 2 of CFD No. 99-1 and Improvement Area A of CFD No. 99-1 share a coterminous boundary over the same 411 units, which are counted only once in Table 13 for purposes of the Number of Parcels, Other Land Secured Debt, General Obligation Debt, and Fiscal Year 2025-26 Assessed Value.

Source: KeyAnalytics.

Effective Tax Rates. Table 14 below shows the combined effective tax rate stratification of all taxable property within the Taxing Jurisdictions based on the Fiscal Year 2025-26 assessed values, the Fiscal Year 2025-26 Special Tax levy and the Fiscal Year 2025-26 tax or assessment for all applicable overlapping debt.

**TABLE 14
MENIFEE UNION SCHOOL DISTRICT PUBLIC FINANCING AUTHORITY
THE TAXING JURISDICTIONS IN AGGREGATE
COMBINED FISCAL YEAR 2025-26 EFFECTIVE TAX RATE STRATIFICATION**

<i>Effective Tax Rate Category</i>	<i>Number of Taxable Parcels</i>	<i>Local Obligations^{(1)*}</i>	<i>Other Land Secured Debt⁽²⁾</i>	<i>General Obligation Debt⁽²⁾</i>	<i>Total Liens[*]</i>	<i>Fiscal Year 2025-26 Assessed Value⁽³⁾</i>	<i>Combined Value-to-Lien Ratio^{(4)*}</i>	<i>Total Taxes</i>	<i>Average Effective Tax Rate⁽⁵⁾</i>	<i>Fiscal Year 2025-26 Special Tax Levy</i>	<i>% Share of Special Tax</i>
2.20% and above	41	\$ 385,171	\$ 68,527	\$ 215,824	\$ 669,252	\$ 10,568,789	15.79	\$ 263,875	2.50%	\$ 45,590	1.63%
2.00% to 2.20%	80	872,743	130,330	433,771	1,436,845	24,276,459	14.81	443,013	2.08	95,826	3.43
1.80% to 2.00%	219	2,063,469	358,433	1,366,663	3,788,566	66,986,951	17.68	1,263,218	1.89	257,032	9.19
1.60% to 1.80%	767	6,368,911	1,284,100	5,715,828	13,368,839	279,905,786	20.94	4,723,522	1.69	824,679	29.49
1.50% to 1.60%	718	4,623,859	1,274,486	6,374,115	12,272,461	311,801,519	25.41	4,820,805	1.55	672,181	24.04
1.30% to 1.50%	924	4,473,906	1,456,223	9,679,615	15,609,744	472,678,515	30.28	6,687,322	1.41	731,111	26.15
1.30% and below	187	1,211,940	291,575	1,931,348	3,434,863	94,382,627	27.48	1,067,998	1.13	169,884	6.08
Total ^{(6),(7)}	2,936	\$ 20,000,000	\$ 4,863,405	\$ 25,717,164	\$ 50,580,569	\$ 1,257,600,646	24.86	\$ 19,269,753	1.53%	\$ 2,796,303	100.00

* Preliminary, subject to change.

(1) The Local Obligations reflects the Principal or Conversion Value outstanding after the anticipated debt service payment on September 1, 2026.

(2) See Tables A-2, A-10, A-18, A-26, A-34, A-42 and A-50 in APPENDIX A hereto for a description of overlapping liens and the combined overlapping liens. Other Land Secured Debt and General Obligation Debt have been allocated based on the proportionate share of the Fiscal Year 2024-25 tax or assessment levied.

(3) Source: Riverside County Assessor’s Roll dated July 1, 2025.

(4) Average value-to-lien per parcel; actual value-to-lien may vary by parcel.

(5) Average effective tax rate per parcel; actual effective tax rate may vary by parcel.

(6) Totals may not sum due to rounding.

(7) Zone 2 of CFD No. 99-1 and Improvement Area A of CFD No. 99-1 share a coterminous boundary over the same 411 units, which are counted only once in Table 14 for purposes of the column totals for number of parcels, other land secured debt, general obligation debt, assessed values, and total taxes.

Source: KeyAnalytics.

The Local Obligations

The table below summarizes the final maturity dates of the Local Obligations and the Principal or Conversion Value of each Local Obligation. For a description of the total debt service on the Bonds provided by each Local Obligation, see Table 2 under the heading “THE BONDS — Estimated Debt Service Schedules: Bonds and Local Obligations” herein. See also “SPECIAL RISK FACTORS — Varying Maturities of the Local Obligations.”

TABLE 15
MENIFEE UNION SCHOOL DISTRICT PUBLIC FINANCING AUTHORITY
SUMMARY OF LOCAL OBLIGATIONS

<i>Taxing Jurisdiction</i>	<i>Maturity Date (September 1)</i>	<i>Principal Amount*</i>
CFD No. 94-1	2034	\$ 5,405,000
CFD No. 99-1 Improvement Area A	2033	495,000
CFD No. 99-1 Zone 1	2031	2,135,000
CFD No. 99-1 Zone 2	2033	2,955,000
CFD No. 2002-1	2037	3,975,000
CFD No. 2002-3	2036	3,045,000
CFD No. 2003-3	2036	1,990,000
Total		\$ 20,000,000

* Preliminary, subject to change.
Source: Underwriter.

SPECIAL RISK FACTORS

The purchase of the Bonds involves significant risks and is not a suitable investment for all investors. The following is a discussion of certain risk factors which should be considered, in addition to other matters set forth herein, in evaluating the investment quality of the Bonds. This discussion does not purport to be comprehensive or definitive and does not purport to be a complete statement of all factors which may be considered as risks in evaluating the credit quality of the Bonds. The occurrence of one or more of the events discussed herein could adversely affect the ability or willingness of property owners in the Taxing Jurisdictions to pay their Special Taxes when due. Such failures to pay Special Taxes could result in the inability of the Community Facilities Districts to make full and punctual payments of debt service on the Local Obligations which comprise the Revenues available to pay debt service on the Bonds. In addition, the occurrence of one or more of the events discussed herein could adversely affect the value of the property in the Taxing Jurisdictions. See “—Property Values” and “—Limited Secondary Market.”

Risks of Real Estate Secured Investments Generally

Because the timely payment of debt service on the Bonds will be dependent upon the timely payment of the Local Obligations and the timely payment of the Local Obligations will be dependent upon the timely payment of Special Taxes, which are secured ultimately by the taxable property within the Taxing Jurisdictions, 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 and around the vicinity of the Taxing Jurisdictions, the supply of or demand for competitive properties in such area, and the market value of residential property or buildings and/or sites in the event of sale or foreclosure; (ii) changes in real estate tax rates and other operating expenses, governmental rules (including, without limitation, zoning laws and laws relating to endangered species and hazardous materials) and fiscal policies; (iii) natural disasters (including, without limitation, earthquakes, wildfires,

floods, drought and windstorms), which may result in uninsured losses; and (iv) adverse changes in local market conditions.

The Bonds are Limited Obligations of the Authority

The Bonds are limited obligations of the Authority payable only from amounts pledged under the Indenture, which consist primarily of payments made to the Trustee on the Local Obligations and the Reserve Fund and the Reserve Accounts therein. Funds for the payment of the Principal or Conversion Value of and the interest on the Local Obligations are derived only from payments of Special Taxes. The amount of Special Taxes that are collected could be insufficient to pay Principal or Conversion Value of and interest on the Local Obligations due to non-payment of the Special Taxes levied or due to insufficient proceeds received from a judicial foreclosure sale of land within the Taxing Jurisdictions following delinquency. The School District's legal obligations with respect to any delinquent Special Taxes is limited to the institution of judicial foreclosure proceedings under certain circumstances with respect to any parcels for which Special Taxes is delinquent. The Bonds cannot be accelerated in the event of any default.

Failure by owners of the parcels within the Taxing Jurisdictions to pay Special Tax installments when due, delay in foreclosure proceedings, or the inability of the School District to sell parcels which have been subject to foreclosure proceedings for amounts sufficient to cover the delinquent installments of Special Taxes levied against such parcels may result in the inability of the School District to make full or timely payments of debt service on the Local Obligations, which may, in turn, result in the depletion of the Reserve Fund and the Reserve Fund Accounts therein and the inability of the Authority to make full or timely payment on the Bonds.

No Obligation of the School District

The Local Obligations and the interest thereon, and in turn, the Bonds, are not payable from the general funds of the School District. Except with respect to the Special Taxes, neither the credit nor the taxing power of the School District is pledged for the payment of the Local Obligations or the interest thereon, and except to compel a levy of the Special Taxes securing the Local Obligations, no Owner of the Bonds may compel the exercise of any taxing power by the School District or force the forfeiture of any property of the School District. The principal of, premium, if any, and interest on the Bonds are not a debt of the School District or a legal or equitable pledge, charge, lien or encumbrance upon any of the School District's property or upon any of the School District's income, receipts or revenues, except the Revenues and other amounts pledged under the Indenture.

Varying Maturities of the Local Obligations

The Local Obligations mature at different times. Because the Bonds are payable solely from moneys received by the Authority as debt service on the Local Obligations, the credit quality of the Bonds at any one time depends upon the credit quality of the remaining outstanding Local Obligations. Additionally, because certain Local Obligations mature earlier than others, the Bonds remaining outstanding at that time will be payable from Local Obligations secured by fewer Taxing Jurisdictions (for example, only the CFD No. 2002-1 Bonds remain outstanding after 2036). See Table 15 for the varying final maturity dates of each issue of Local Obligations.

No Cross-Collateralization Between Taxing Jurisdictions

The Local Obligations are not cross-collateralized. In other words, the Special Taxes from one Taxing Jurisdiction cannot be used directly to cover any shortfall in the payment of debt service on the Local Obligations of another Taxing Jurisdiction. However, all amounts in the Reserve Fund and the Reserve Fund Accounts therein are available to pay debt service on the Bonds if the amounts in the Interest Account or the Principal Account of the Revenue Fund are insufficient to pay the principal of or interest on the Bonds when due. See the caption "SECURITY FOR THE BONDS — Reserve Fund and Reserve Fund Accounts."

Potential Early Redemption of Bonds from Prepayments or Other Sources

Property owners within the Taxing Jurisdictions are permitted to prepay their Special Taxes at any time. Such prepayments could also be made from the proceeds of bonds issued by or on behalf of an overlapping community facilities district. Such prepayments will result in a redemption of Local Obligations on the first March 1 or September 1 which is more than 30 days following the receipt of the prepayment. The proceeds of the Local Obligations so redeemed will then be used to make a mandatory redemption of the Bonds. Such mandatory redemption of Bonds that were purchased at a price greater than par could reduce the otherwise expected yield on such Bonds. To date, there has been one prepayment within the Taxing Jurisdictions. See “THE BONDS — Redemption — *Mandatory Redemption from Redemption of Local Obligations due to Special Tax Prepayments.*”

Property Values

The value of property within the Taxing Jurisdictions is an important factor in evaluating the investment quality of the Bonds. In the event that a property owner defaults in the payment of a Special Tax installments, a Community Facilities District’s only remedy is to judicially foreclose on that property. Prospective purchasers of the Bonds should not assume that the property within the Taxing Jurisdictions could be sold for the assessed values described herein at a foreclosure sale for delinquent Special Tax installments or for an amount adequate to pay delinquent Special Tax installments.

The assessed values set forth in this Official Statement do not represent market values arrived at through an appraisal process and generally reflect only the sales price of a parcel when acquired by its current owner, increased or decreased annually by an amount determined by the Riverside County Assessor based on current market conditions, generally not to exceed an increase of more than 2% per fiscal year from the date of purchase (except in the case of new construction subsequent to such acquisition). No assurance can be given that a parcel could actually be sold for its assessed value.

The actual market value of the property is subject to future events such as downturn in the economy, occurrences of certain acts of nature and the decisions of various governmental agencies as to land use, all of which could adversely impact the value of the property in the Taxing Jurisdictions which is the security for the Local Obligations, which secure the Bonds. As discussed herein, many factors could adversely affect property values within the Taxing Jurisdictions.

Natural Disasters

The Taxing Jurisdictions, like the rest of southern California, are located within a seismically active region. Faults and earthquakes present direct hazards from fault rupture and ground shaking as well as indirect hazards. The most significant known active fault zones that are capable of seismic ground shaking and can impact the Community Facilities Districts are the Elsinore Fault Zone, San Jacinto Fault Zone, Newport-Inglewood Fault Zone, and the San Andreas Fault Zone. An earthquake on these faults, or in any other location near the Community Facilities Districts, could be particularly damaging to residential buildings, especially to those of older wooden or unreinforced masonry construction, or to mobile homes. An earthquake along one of the faults in the vicinity, either known or unknown, could cause a number of casualties and extensive property damage. The effects of such a quake could be aggravated by aftershocks and secondary effects such as fires, landslides, dam failure, liquefaction and other threats to public health, safety and welfare. The potential direct and indirect consequences of a major earthquake can easily exceed the resources of the City of Menifee and would require a high level of self-help, coordination and cooperation.

In recent years, wildfires have caused extensive damage throughout the State, including within the County. Certain of these fires have burned thousands of acres and destroyed hundreds and in some cases thousands of homes. In some instances entire neighborhoods have been destroyed. Several fires in recent

years damaged or destroyed property in areas that were not previously considered to be at risk from such events.

In January of 2025, a wildfire started in the Pacific Palisades area of Los Angeles County, approximately 140 miles northwest of the District, destroying nearly 7,000 structures and damaging over 1,000 more. Several other fires subsequently broke out in Los Angeles County, destroying and threatening numerous structures, including the Eaton Fire in Altadena, which destroyed more than 9,000 structures and damaged 1,000 more.

Based on mapping adopted by the Department of Forestry and Fire Protection of the State of California, that was last updated in early 2025, all or a portion of CFD No. 94-1, CFD No. 99-1 IA A, CFD No. 99-1 Zone 1, CFD No. 99-1 Zone 2, CFD NO. 2002-1 and CFD No. 2002-3 are located in an area designated as a high or very high fire hazard severity zone. In addition, wildfires may start in areas not designated as high fire hazard severity zones, or may start outside the Taxing Jurisdictions and spread to affect the area within some or all of the Taxing Jurisdictions. Accordingly, there is a risk of residential property within the Taxing Jurisdictions being destroyed by wildfires and no assurance can be given as to the severity or frequency of wildfires within the vicinity of the Taxing Jurisdictions. Additionally, property located adjacent to burn areas can be subject to mudslides and flooding, which can cause significant damage and destruction to property.

In the event of a severe earthquake, fire, flood or other natural disaster, there may be significant damage to both property and infrastructure in the Taxing Jurisdictions. As a result, a substantial portion of the property owners may be unable or unwilling to pay the Special Taxes when due. In addition, the value of property in the Taxing Jurisdictions could be diminished in the aftermath of such a natural disaster, reducing the resulting proceeds of foreclosure sales in the event of delinquencies in the payment of the Special Taxes.

Hazardous Substances

While government taxes, assessments and charges are a common claim against the value of a parcel, other less common claims may also be relevant. One of the most serious in terms of the potential reduction in the value of a parcel is a claim with regard to a hazardous substance. In general, the owners and operators of a parcel may be required by law to remedy conditions 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 “Super Fund 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 in effect. Under many of these laws, the owner (or operator) is obligated to remedy a hazardous substance condition of a parcel whether or not the owner (or operator) had anything to do with creating or handling the hazardous substance. The effect, therefore, should any of the parcels within the Taxing Jurisdictions be affected by a hazardous substance, is to reduce the marketability and value by the costs of remedying the condition.

The School District is not aware of the presence of any federally or state classified hazardous substances in violation of any environmental laws, located on the property within the Taxing Jurisdictions. However, it is possible that such materials do currently exist and that the School District is not aware of them.

It is possible that property in the Taxing Jurisdictions may be liable for hazardous substances in the future as a result of the existence, currently, of a substance presently classified as hazardous but which has not been released or the release of which is not presently threatened, or the existence, currently, on the property of a substance not presently classified as hazardous but which may in the future be so classified. Additionally, such liabilities may arise not simply from the existence of a hazardous substance but from the method of handling such substance. All of these possibilities could have the effect of reducing the value of the applicable property.

Cybersecurity

The School District, like many other public and private entities, relies on a large and complex technology environment to conduct its operations. As a recipient and provider of personal, private, or sensitive information, the School District is subject to multiple cyber threats including, but not limited to, hacking, viruses, malware and other attacks on computer and other sensitive digital networks and systems. Entities or individuals may attempt to gain unauthorized access to the School District’s digital systems for the purposes of misappropriating assets or information or causing operational disruption and damage. To date, the School District is aware of one intrusion to its computer operating systems: on June 24, 2024, the School District received an alert from its network security system SentinelOne of an attempted encryption event. SentinelOne successfully prevented encryption of the School District’s network. The School District immediately engaged counsel and third-party forensic experts to conduct an investigation into the nature and scope of the incident, which determined that the threat actor accessed the network starting June 24, 2024 through compromised user credentials. The investigation also confirmed encryption of the School District network was prevented by the SentinelOne agent running on the network. No ongoing malicious activity has been observed to date.

No assurances can be given that the School District’s efforts to manage cyber threats and attacks will be successful in the future or that any such attack will not materially impact the operations or finances of the School District. The School District takes a multi-layered approach to defend against breaches. Additionally, the School District carries cybersecurity insurance.

Parity Taxes and Special Assessments

Property within the Taxing Jurisdictions is subject to taxes and other charges levied by several other public agencies. See the discussion of direct and overlapping indebtedness in Appendix A — “INFORMATION REGARDING THE TAXING JURISDICTIONS.” None of the Authority, the School District or the Community Facilities Districts has control over the ability of other entities and districts to issue indebtedness secured by special taxes or assessments payable from all or a portion of the property within the Taxing Jurisdictions.

The Special Taxes and any penalties thereon will constitute a lien against the lots and parcels of land on which they will be annually imposed until they are paid. Such lien is on a parity with the lien of all special taxes and special assessments levied by other agencies and is co-equal to and independent of the lien for general *ad valorem* property taxes regardless of when they are imposed upon the same property. The Special Taxes have priority over all existing and future private liens imposed on the property. See “— Bankruptcy and Foreclosure” below.

None of the Authority, the School District or the Community Facilities Districts has control over the ability of other entities and districts to issue indebtedness secured by special taxes, *ad valorem* taxes or assessments payable from all or a portion of the property within the Taxing Jurisdictions. In addition, the landowners within the Taxing Jurisdictions may, without the consent or knowledge of the Authority, the School District or the Community Facilities Districts, petition other public agencies to issue public indebtedness secured by special taxes, *ad valorem* taxes or assessments. Any such special taxes, *ad valorem* taxes or assessments may have a lien on such property on a parity with the Special Taxes and could reduce the estimated value-to-lien ratios for property within the Taxing Jurisdictions described in this Official Statement.

Payment of the Special Tax is not a Personal Obligation of the Owners

An owner of a taxable parcel is not personally obligated to pay the Special Tax. Rather, the Special Tax is an obligation which is secured only by a lien against the taxable parcel. If the proceeds received from the sale of a taxable parcel following a Special Tax delinquency are not sufficient, taking into account other liens imposed by public agencies, to pay the full amount of the Special Tax delinquency, the School District and the Community Facilities Districts have no recourse against the owner of the parcel.

Disclosures to Future Purchasers

The willingness or ability of an owner of a parcel to pay the Special Tax may be affected by whether or not the owner was given due notice of the Special Tax authorization at the time the owner purchased the parcel, was informed of the amount of the Special Tax on the parcel should the Special Tax be levied at the maximum tax rate and the risk of such a levy and, at the time of such a levy, has the ability to pay it as well as pay other expenses and obligations. The School District has caused a notice of the Special Tax that may be levied against the taxable parcels in each Taxing Jurisdiction to be recorded in the Office of the Recorder for the County. 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 property within the Taxing Jurisdictions or lending of money thereon.

The Mello-Roos Act requires the subdivider (or its agent or representative) of a subdivision to notify a prospective purchaser or long-term lessor of any lot, parcel, or unit subject to a Mello-Roos special tax of the existence and maximum amount of such special tax using a statutorily prescribed form. California Civil Code Section 1102.6b requires that in the case of transfers other than those covered by the above requirement, the seller must at least make a good faith effort to notify the prospective purchaser of the special tax lien in a format prescribed by statute. Failure by an owner of the property to comply with the above requirements, or failure by a purchaser or lessor to consider or understand the nature and existence of the Special Tax, could adversely affect the willingness and ability of the purchaser or lessor to pay the Special Tax when due.

Special Tax Delinquencies

Under provisions of the Mello-Roos Act, the Special Taxes, from which funds necessary for the payment of Principal or Conversion Value of and interest on the Local Obligations and, thus, the Bonds are derived, are customarily billed to the properties within the Taxing Jurisdictions on the *ad valorem* property tax bills sent by the County to owners of such properties. The Mello-Roos Act currently provides that such Special Tax installments are due and payable, and bear the same penalties and interest for non-payment, as do *ad valorem* property tax installments.

See the delinquency tables in Appendix A — “INFORMATION REGARDING THE TAXING JURISDICTIONS” for the delinquency history of each Taxing Jurisdiction over the last five Fiscal Years.

See “SECURITY FOR THE LOCAL OBLIGATIONS — Covenant for Superior Court Foreclosure” for a discussion of the provisions which apply, and procedures which a Community Facilities District is obligated to follow under the applicable Local Obligation Fiscal Agent Agreement, in the event of delinquencies in the payment of Special Taxes. See “— Bankruptcy and Foreclosure” below for a discussion of the policy of the Federal Deposit Insurance Corporation (the “FDIC”) regarding the payment of special taxes and assessment and limitations on the School District’s ability to foreclose on the lien of the Special Taxes in certain circumstances.

Each Community Facilities District has the authority and the obligation, subject to the Mello-Roos Act and the maximum Special Tax rates set forth in the applicable Rate and Method, to increase the levy of Special Taxes against non-delinquent property owners in the applicable Taxing Jurisdiction in the event other owners within such Taxing Jurisdiction are delinquent. Pursuant to each Rate and Method, under no circumstances may the Special Tax levied against any parcel for which an occupancy permit for private residential use has been issued be increased by more than 10% per fiscal year as a consequence of delinquency or default by the owner of any other parcel or parcels within the Taxing Jurisdiction. Thus, each Community Facilities District may not be able to increase Special Tax levies in future fiscal years by enough to make up for delinquencies for prior fiscal years. This would result in draws on the Reserve Fund and the Reserve Fund Accounts therein, and if delinquencies continue and in the aggregate exceed the Reserve Fund balance, defaults would occur in the payment of principal and interest on the Bonds.

Insufficiency of Special Taxes

Notwithstanding that the maximum Special Taxes that may be levied in the Taxing Jurisdictions exceeds debt service due on the Local Obligations, the Special Taxes collected could be inadequate to make timely payment of debt service either because of nonpayment or because property becomes exempt from taxation. Each Rate and Method exempts certain specified property from the Special Tax levy. See Appendix D — “RATES AND METHODS OF APPORTIONMENT OF SPECIAL TAXES FOR THE TAXING JURISDICTIONS.”

If for any reason property within a Taxing Jurisdiction becomes exempt from taxation by reason of ownership by a non-taxable entity such as the federal government, another public agency or other organization determined to be exempt, subject to the limitations of the maximum authorized rates, the Special Tax will be reallocated to the remaining taxable properties within such Taxing Jurisdiction. This could result in certain owners of property paying a greater amount of the Special Tax and could have an adverse impact upon the ability and willingness of the owners of such property to pay the Special Tax when due.

The Mello-Roos Act provides that, if any property within a Taxing Jurisdiction not otherwise exempt from the Special Tax is acquired by a public entity through a negotiated transaction, or by gift or devise, the Special Tax will continue to be levied on and enforceable against the public entity that acquired the property. In addition, the Mello-Roos Act provides that, if property subject to the Special Tax is acquired by a public entity through eminent domain proceedings, the obligation to pay the Special Tax with respect to that property is to be treated as if it were a special assessment and be paid from the eminent domain award. The constitutionality and operation of these provisions of the Mello-Roos Act have not been tested in the courts. Due to problems of collecting taxes from public agencies, if a substantial portion of land within a Taxing Jurisdiction became owned by public agencies, collection of the Special Tax might become more difficult and could result in collections of the Special Tax which might not be sufficient to pay Principal or Conversion Value of and interest on the related Local Obligations when due, or if a substantial portion of land within a Taxing Jurisdiction became exempt from the Special Tax because of public ownership, or otherwise, the maximum Special Taxes which could be levied upon the remaining Taxable Property therein might not be sufficient to pay Principal or Conversion Value of and interest on the related Local Obligations when due, and in either case a default could occur with respect to the payment of such principal and interest, and, in turn, a default could occur in the payment of the principal and interest on the Bonds.

Moreover, under no circumstances may the Special Tax levied against any parcel for which an occupancy permit for private residential use has been issued within a Taxing Jurisdiction be increased by more than 10% per fiscal year as a consequence of delinquency or default by the owner of any other parcel or parcels within such Taxing Jurisdiction. Thus, each Community Facilities District may not be able to increase Special Tax levies in a Taxing Jurisdiction in future fiscal years by enough to make up for delinquencies within such Taxing Jurisdiction for prior fiscal years. This may result in draws on the Reserve Fund and the Reserve Fund Accounts therein, and if delinquencies continue and in the aggregate exceed the Reserve Fund balance, defaults would occur in the payment of principal and interest on the Bonds. See “SECURITY FOR THE LOCAL OBLIGATIONS.”

Risks Associated with Bond Insurance

In the event that the Authority defaults in the payment of principal of or interest on the Bonds when due, the Owners of the Bonds will have a claim under the Policy for such payments. See the caption “BOND INSURANCE.” In the event that the Bond Insurer becomes obligated to make payments on the Bonds, no assurance can be given that such event will not adversely affect the market for the Bonds. In the event that the Bond Insurer is unable to make payments of principal of or interest on the Bonds when due under the Policy or the Reserve Policy, the Bonds will be payable solely from Revenues and amounts that are held in certain funds and accounts established under the Indenture, as described under the caption “SECURITY FOR THE BONDS.”

The long-term credit rating on the Bonds is dependent in part on the financial strength of the Bond Insurer and its claims-paying ability. The Bond Insurer's financial strength and claims-paying ability are predicated upon a number of factors which could change over time. If the long-term ratings of the Bond Insurer are lowered, such event could adversely affect the market for the Bonds. See the caption "MISCELLANEOUS—Ratings."

None of the Authority, the School District, the Community Facilities Districts or the Underwriter has made an independent investigation of the claims-paying ability of the Bond Insurer, and no assurance or representation regarding the financial strength or projected financial strength of the Bond Insurer is being made by the Authority, the School District, the Community Facilities Districts or the Underwriter in this Official Statement. Therefore, when making an investment decision with respect to the Bonds, potential investors should carefully consider the ability of the Authority to pay principal and interest on the Bonds, assuming that the Policy is not available to pay principal and interest on the Bonds, and the claims-paying ability of the Bond Insurer through final maturity of the Bonds.

So long as the Policy remains in effect and the Bond Insurer is not in default of its obligations thereunder, the Bond Insurer has certain notice, consent and other rights under the Indenture and will have the right to control all remedies in the event of a default under the Indenture as to the Bonds. The Bond Insurer is not required to obtain the consent of the Owners of the Bonds with respect to the exercise of remedies.

FDIC/Federal Government Interests in Properties

General. The ability of each Community Facilities District to foreclose the lien of delinquent unpaid Special Tax installments may be limited with regard to properties in which the Federal Deposit Insurance Corporation (the "FDIC"), the Drug Enforcement Agency, the Internal Revenue Service, or other federal agency has or obtains an 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 Taxing Jurisdictions 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 School 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 Taxing Jurisdictions, and therefore expresses no view concerning the likelihood that the risks described above will materialize while the Bonds are outstanding.

FDIC. In the event that any financial institution making any loan which is secured by real property within the Taxing Jurisdictions is taken over by the FDIC, and prior thereto or thereafter the loan or loans go into default, resulting in ownership of the property by the FDIC, then the ability of a 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 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 Mello-Roos 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 has issued a ruling on August 28, 2001 in which it determined that the FDIC, as a federal agency, is exempt from special taxes under the Mello-Roos Act.

The School 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 a Taxing Jurisdiction 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. Such an outcome could cause a draw on the Reserve Fund and the Reserve Fund Accounts therein and perhaps, ultimately, if enough property were to become owned by the FDIC, a default in payment on the Bonds.

Bankruptcy and Foreclosure

In the event of a delinquency in the payment of the Special Taxes, each Community Facilities District, under certain circumstances, is required to commence enforcement proceedings as described under the heading "SECURITY FOR THE LOCAL OBLIGATIONS — Covenant for Superior Court Foreclosure." However, prosecution of such proceedings could be delayed due to crowded local court calendars, dilatory legal tactics, or bankruptcy. It is also possible that a Community Facilities District will be unable to realize proceeds in an amount sufficient to pay the applicable delinquency. Moreover, the ability of a Community Facilities District to commence and prosecute enforcement proceedings may be limited by bankruptcy, insolvency and other laws generally affecting creditors' rights (such as the Soldiers' and Sailors' Relief Act of 1940) and by the laws of the State relating to judicial and non-judicial foreclosure. Although bankruptcy proceedings would not cause the liens of the Special Taxes to become extinguished, the amount and priority of any Special Tax liens could be modified if the value of the property falls below the value of the lien. If the value of the property is less than the lien, such excess amount could be treated as an unsecured claim by the bankruptcy court. In addition, bankruptcy of a property owner could result in a delay in the enforcement proceedings because federal bankruptcy laws provide for an automatic stay of foreclosure and tax sale proceedings. Any such delay

could increase the likelihood of delay or default in payment of the Principal or Conversion Value of and interest on the Local Obligations, and the possibility of delinquent tax installments not being paid in full. The various legal opinions delivered in connection with the issuance of the Bonds, including Bond Counsel's approving legal opinion, are qualified as to the enforceability of the Bonds, the Indenture, the Local Obligations and the Local Obligation Fiscal Agent Agreements by reference to bankruptcy, reorganization, moratorium, insolvency and other laws affecting the rights of creditors generally or against public corporations such as the School District and the Community Facilities Districts.

Funds Invested in the County Investment Pool

On January 24, 1996, the United States Bankruptcy Court for the Central District of California held that a State statute providing for a priority of distribution of property held in trust conflicted with, and was preempted by, federal bankruptcy law. In that case, the court addressed the priority of the disposition of moneys held in a county investment pool upon bankruptcy of the county. Following payment of the Special Taxes to the School District and prior to payment by the Trustee of debt service on the Local Obligations, such funds may be invested in the name of the School District for a period of time in the County investment pool. In the event of a petition of or the adjustment of County debts under Chapter 9 of the Federal Bankruptcy Code, a court might hold that the School District, or the Community Facilities Districts, and in turn the Authority and the Bond Owners do not have a valid and/or prior lien on the Special Taxes or debt service payments on the Local Obligations where such amounts are deposited in the County investment pool and may not provide the Bond owners with a priority interest in such amounts. In that circumstance, unless the Bond owners could "trace" the funds that have been deposited in the County investment pool, the Bond owners would be unsecured (rather than secured) creditors of the County. There can be no assurance that the Bond owners could successfully so trace the Special Taxes or debt service payments.

No Acceleration Provision

The Bonds do not contain a provision allowing for the acceleration of the Bonds in the event of a payment default or other default under the terms of the Bonds or the Indenture. Pursuant to the Indenture, an Owner of the Bonds is given the right for the equal benefit and protection of all owners similarly situated to pursue certain remedies described in APPENDIX B.

Limitations on Remedies

Remedies available to the Owners of the Bonds may be limited by a variety of factors and may be inadequate to assure the timely payment of principal of and interest on the Bonds.

Bond Counsel has limited its opinion as to the enforceability of the Bonds and of the Indenture to the extent that enforceability may be limited by bankruptcy, insolvency, reorganization, fraudulent conveyance or transfer, moratorium, or other similar laws affecting generally the enforcement of creditors' rights, by equitable principles, by the exercise of judicial discretion and by limitations on remedies against public agencies in the State. The lack of availability of certain remedies or the limitation of remedies may entail risks of delay, limitation or modification of the rights of the owners of the Bonds.

Loss of Tax Exemption

As discussed under the caption "LEGAL MATTERS — Tax Matters" herein, 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 Authority, the School District or the Community Facilities Districts in violation of covenants in the Indenture or the Local Obligation Fiscal Agent Agreement, respectively. Should such an event of taxability occur, the Bonds are not subject to a special redemption and will remain outstanding until maturity or until redeemed under one of the other redemption provisions contained in the Indenture.

Future legislative proposals, if enacted into law, clarification of 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 Beneficial Owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of 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, as to which Bond Counsel expresses no opinion.

It is possible that subsequent to the issuance of the Bonds there might be federal, State, or local statutory changes (or judicial or regulatory interpretations of federal, State, or local law) that affect the federal, State, or local tax treatment of the Bonds or the market value of the Bonds. No assurance can be given that subsequent to the issuance of the Bonds such changes or interpretations will not occur. See “LEGAL MATTERS — Tax Matters” below.

Limited Secondary Market

There can be no guarantee that there will be a secondary market for the Bonds or, if a secondary market exists, that such Bonds can be sold for any particular price. Although the Authority has committed to provide certain statutorily required financial and operating information, there can be no assurance that such information will be available to Bondowners on a timely basis. See “INTRODUCTION — Continuing Disclosure” and Appendix F — “FORM OF CONTINUING DISCLOSURE CERTIFICATE.” Any failure to provide annual financial information, if required, does not give rise to monetary damages but merely an action for specific performance. Occasionally, because of general market conditions, lack of current information, the absence of a credit rating for the Bonds or because of adverse history or economic prospects connected with a particular issue, secondary marketing practices in connection with a particular issue are suspended or terminated. Additionally, prices of 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.

Proposition 218

An initiative measure commonly referred to as the “Right to Vote on Taxes Act” (the “Initiative”) was approved by the voters of the State of California at the November 5, 1996 general election. The Initiative added Article XIIC and Article XIID to the California Constitution. According to the “Title and Summary” of the Initiative prepared by the California Attorney General, the Initiative limits “the authority of local governments to impose taxes and property-related assessments, fees and charges.” The provisions of the Initiative continue to be interpreted by the courts. The Initiative could potentially impact the Special Taxes available to each Community Facilities District to pay the Principal or Conversion Value of and interest on the applicable series of Local Obligations as described below.

Among other things, Section 3 of Article XIII 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 Mello-Roos Act provides for a procedure which includes notice, hearing, protest and voting requirements to alter the rate and method of apportionment of an existing special tax. However, the Mello-Roos 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 Mello-Roos Act unless such legislative body determines that the reduction or termination of the special tax would not interfere with the timely retirement of that debt. On August 1, 1997, a bill was signed into law by the Governor of the State enacting Government Code Section 5854, which states that:

Section 3 of Article XIIC of the California Constitution, as adopted at the November 5, 1996, general election, shall not be construed to mean that any owner or beneficial owner of a municipal security, purchased before or after that date, assumes the risk of, or in any way

consents to, any action by initiative measure that constitutes an impairment of contractual rights protected by Section 10 of Article I of the United States Constitution.

Accordingly, although the matter is not free from doubt, it is likely that the Initiative has not conferred on the voters the power to repeal or reduce the Special Taxes if such reduction would interfere with the timely retirement of the Local Obligations.

The interpretation and application of the Initiative will continue to be determined by the courts with respect to a number of the matters discussed above, and it is not possible at this time to predict with certainty the outcome of such determination or the timeliness of any remedy afforded by the courts. See “— Limitations on Remedies.”

Ballot Initiatives

Under the California Constitution, the power of initiative is reserved to the voters for the purpose of enacting statutes and constitutional amendments. Articles XIII A, XIII B, XIII C and XIII D, all of which placed certain limitations on the power of local agencies to tax, collect and expend revenues, were adopted pursuant to measures qualified for the ballot pursuant to California’s constitutional initiative process and the State Legislature has in the past enacted legislation which has altered the spending limitations or established minimum funding provisions for particular activities. From time to time, other initiative measures could be adopted by California voters or legislation enacted by the legislature. The adoption of any such initiative or legislation might place limitations on the ability of the State, the School District or the Community Facilities Districts to increase revenues or to increase appropriations or on the ability of the landowners within the Taxing Jurisdictions to complete proposed future development.

Litigation with Respect to Community Facilities Districts

Shapiro. The California Court of Appeal, Fourth Appellate District, Division One, issued its opinion in *City of San Diego v. Melvin Shapiro* (2014) 228 Cal.App.4th 756 (the “San Diego Decision”). The case involved a Convention Center Facilities District (the “CCFD”) established by the City of San Diego (“San Diego”). The CCFD is a financing district much like a community facilities district established under the provisions of the Act. The CCFD is comprised of all of the real property in San Diego. However, the special tax to be levied within the CCFD was to be levied only on hotel properties located within the CCFD.

The election authorizing the special tax was limited to owners of hotel properties and lessees of real property owned by a governmental entity on which a hotel is located. Thus, the election was not a registered voter election. Such approach to determining who would constitute the qualified electors of the CCFD was modeled after Section 53326(c) of the Act, which generally provides that, if a special tax will not be apportioned in any tax year on residential property, the legislative body may provide that the vote shall be by the landowners of the proposed district whose property would be subject to the special tax. The Court held that the CCFD special tax election was invalid under the California Constitution because Article XIII A, Section 4 thereof and Article XIII C, Section 2 thereof require that the electors in such an election be the registered voters within the district.

Horizon. The Sacramento County Superior Court had issued a tentative ruling in *Horizon Capital Investments, LLC v. City of Sacramento et al.* (Case No. 34-2017-80002661). That ruling subsequently became the court’s final order. As described below, this case involved an election to approve the levy of a special tax within a community facilities district (“CFD”) formed under the Act.

In 2017, the City of Sacramento initiated proceedings to form a CFD to finance certain costs to operate and maintain a streetcar line. As permitted by the Act, the proposed district included non-contiguous parcels of non-residential property. Because there were fewer than 12 registered voters residing within the territory of the proposed CFD, the City Council submitted the special tax proposed to be levied within the

proposed CFD to the owners of land within the proposed CFD, as required by the Act. The proposed special tax received the requisite two-thirds vote in the landowner election.

Petitioners Horizon Capital Investments, LLC et al. filed a writ of mandate and complaint for reverse validation and declaratory relief. Petitioners argued, and the superior court agreed in its final ruling, that under section 4(a) of article XIII A of the California Constitution (which provides that “Cities, Counties and special districts, by a two-thirds vote of the qualified electors of such district [sic], may impose special taxes on such district...” the phrase “qualified electors” means the registered voters of the entire City of Sacramento and not just the owners of the property within the boundaries of the proposed CFD. Citing the San Diego Decision, the tentative ruling states that the phrase “qualified electors of the district” refers to the registered voters of the entity imposing the special tax, which in this case was the City of Sacramento. Because the vote within the proposed CFD was by landowners only and not by all registered voters in the City of Sacramento, the final ruling states that the special tax is invalid.

The superior court’s final ruling is not binding upon other courts within the State and does not directly apply to the Taxing Jurisdictions, the Special Taxes, or the Local Obligations. The City of Sacramento did not appeal the superior court’s ruling.

The Special Tax Election in the Taxing Jurisdictions. With respect to the San Diego Decision, the facts of such case show that there were thousands of registered voters within the CCFD (*viz.*, all of the registered voters in San Diego). The elections held in the Taxing Jurisdictions had less than 12 registered voters at the time of the election to authorize the Special Taxes. In the San Diego Decision, the court expressly stated that it was not addressing the validity of landowner voting to impose special taxes pursuant to the Act in situations where there are fewer than 12 registered voters. Thus, by its terms, the court’s holding in the San Diego Decision does not apply to the Special Tax elections in the Taxing Jurisdictions. Moreover, Section 53341 of the Act provides that any “action or proceeding to attack, review, set aside, void or annul the levy of a special tax...shall be commenced within 30 days after the special tax is approved by the voters.” Similarly, Section 53359 of the Act provides that any action to determine the validity of bonds issued pursuant to the Act be brought within 30 days of the voters approving the issuance of such bonds. The petitioners in *Horizon* filed the writ of mandate within 30 days of the landowner election. Voters in each Taxing Jurisdictions approved their respective Special Tax more than 30 days ago. Based on Sections 53341 and 53359 of the Act and analysis of existing laws, regulations, rulings and court decisions, the School District believes that no successful challenge to the Special Taxes being levied in accordance with the applicable Rate and Method may now be brought.

LEGAL MATTERS

Tax Matters

Federal Tax Status. In the opinion of Jones Hall LLP, San Mateo, California, Bond Counsel, subject, however to the qualifications set forth below, under existing law, the interest on the Bonds is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax. Interest on the Bonds may be subject to the corporate alternative minimum tax.

The opinions set forth in the preceding paragraph are subject to the condition that the Authority and the Community Facilities Districts comply with all requirements of the Internal Revenue Code of 1986, as amended (the “Tax Code”) that must be satisfied subsequent to the issuance of the Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. The Authority and the Community Facilities Districts have made certain representations and covenants in order to comply with each such requirement. Inaccuracy of those representations, or failure to comply with certain of those covenants, may cause the inclusion of such interest in gross income for federal income tax purposes, which may be retroactive to the date of issuance of the Bonds.

Tax Treatment of Original Issue Discount and Bond Premium. If the initial offering price to the public at which a Bond is sold is less than the amount payable at maturity thereof, then such difference constitutes “original issue discount” for purposes of federal income taxes and State of California personal income taxes. If the initial offering price to the public at which a Bond is sold is greater than the amount payable at maturity thereof, then such difference constitutes “bond premium” for purposes of federal income taxes and State of California personal income taxes.

Under the Tax Code, original issue discount is treated as interest excluded from federal gross income and exempt from State of California personal income taxes to the extent properly allocable to each owner thereof subject to the limitations described in the first paragraph of this section. The original issue discount accrues over the term to maturity of the Bond on the basis of a constant interest rate compounded on each interest or principal payment date (with straight-line interpolations between compounding dates). The amount of original issue discount accruing during each period is added to the adjusted basis of such Bonds to determine taxable gain upon disposition (including sale, redemption, or payment on maturity) of such Bond. The Tax Code contains certain provisions relating to the accrual of original issue discount in the case of purchasers of the Bonds who purchase the Bonds after the initial offering of a substantial amount of such maturity. Owners of such Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Bonds with original issue discount, including the treatment of purchasers who do not purchase in the original offering to the public at the first price at which a substantial amount of such Bonds is sold to the public.

Under the Tax Code, bond premium is amortized on an annual basis over the term of the Bond (said term being the shorter of the Bond’s maturity date or its call date). The amount of bond premium amortized each year reduces the adjusted basis of the owner of the Bond for purposes of determining taxable gain or loss upon disposition. The amount of bond premium on a Bond is amortized each year over the term to maturity of the Bond on the basis of a constant interest rate compounded on each interest or principal payment date (with straight-line interpolations between compounding dates). Amortized Bond premium is not deductible for federal income tax purposes. Owners of premium Bonds, including purchasers who do not purchase in the original offering, should consult their own tax advisors with respect to State of California personal income tax and federal income tax consequences of owning such Bonds.

California Tax Status. In the further opinion of Bond Counsel, interest on the Bonds is exempt from California personal income taxes.

Other Tax Considerations. Current and future legislative proposals, if enacted into law, clarification of the Tax 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 beneficial owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals, clarification of the Tax Code or court decisions may also affect the market price for, or marketability of, the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, such legislation would apply to bonds issued prior to enactment.

The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of such opinion, and Bond Counsel has expressed no opinion with respect to any proposed legislation or as to the tax treatment of interest on the Bonds, or as to the consequences of owning or receiving interest on the Bonds, as of any future date. 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.

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. Other than as expressly described above, Bond Counsel expresses no opinion regarding other federal or state

tax consequences arising with respect to the Bonds, the ownership, sale or disposition of the Bonds, or the amount, accrual or receipt of interest on the Bonds.

See Appendix E — “FORM OF BOND COUNSEL OPINION” for a form of the opinion to be provided by Bond Counsel on the date of issuance of the Bonds.

Absence of Litigation

The Authority will certify at the time the Bonds are issued that no litigation is pending or threatened concerning the validity of the Bonds or the Local Obligations and that no action, suit or proceeding is known by the Authority to be pending that would restrain or enjoin the delivery of the Bonds or the Local Obligations, or contest or affect the validity of the Bonds or the Local Obligations or any proceedings of the Authority taken with respect to the Bonds or the Local Obligations. Each Community Facilities District will also certify at the time the Bonds are issued that no litigation is pending or threatened concerning the validity the Local Obligations and that no action, suit or proceeding is known by the Community Facilities District to be pending that would restrain or enjoin the delivery of the Local Obligations, or contest or affect the validity of the Local Obligations or any proceedings of the Community Facilities District taken with respect to the Local Obligations.

Legal Opinion

Certain proceedings in connection with the issuance of the Bonds are subject to the approval as to their legality of Jones Hall LLP, San Mateo, California, Bond Counsel for the Authority in connection with the issuance of the Bonds. The opinion of Bond Counsel approving the validity of the Bonds substantially in the form attached as Appendix E hereto will be attached to each Bond. Bond Counsel’s employment is limited to a review of legal procedures required for the approval of the Bonds and to rendering an opinion as to the validity of the Bonds and the exemption of interest on the Bonds from income taxation. Bond Counsel expresses no opinion to the Owners of the Bonds as to the accuracy, completeness or fairness of this Official Statement or other offering materials relating to the Bonds and expressly disclaims any duty to do so.

Payment of the fees of Bond Counsel, Disclosure Counsel, the Underwriter and Underwriter’s Counsel is contingent upon issuance of the Bonds.

MISCELLANEOUS

Ratings

S&P Global Ratings, a Standard & Poor’s Financial Services LLC business (“S&P”), is expected to assign the rating of “AA” to the Bonds based upon the delivery of the Policy by the Bond Insurer at the time of issuance of the Bonds. See “BOND INSURANCE” herein.

In addition, S&P has assigned its underlying rating of “AA-” to the Bonds, independent of the delivery of the Policy. There is no assurance that any credit rating given to the Bonds will be maintained for any period of time or that the ratings may not be lowered or withdrawn entirely by S&P if, in the judgment of S&P, circumstances so warrant. Any downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Bonds. Such ratings reflect only the views of S&P and an explanation of the significance of such ratings may be obtained from S&P. Generally, rating agencies base their ratings on information and materials furnished to them (which may include information and material from the Authority, the School District or the Community Facilities Districts which is not included in this Official Statement) and on investigations, studies and assumptions by the rating agencies.

The Authority has covenanted in a Continuing Disclosure Certificate to file notices of any rating changes on the Bonds. See the caption “—Continuing Disclosure” and Appendix F. Notwithstanding such covenant, information relating to rating changes on the Bonds may be publicly available from the rating agencies prior to such information being provided to the Authority and prior to the date the Authority is obligated to file a notice of rating change. Purchasers of the Bonds are directed to the rating agencies and their respective websites and official media outlets for the most current ratings changes with respect to the Bonds after the initial issuance of the Bonds.

None of the Authority, the School District, the Community Facilities Districts or the Underwriter makes any representation as to the Bond Insurer’s creditworthiness or any representation that the Bond Insurer’s credit rating will be maintained in the future. The rating agencies have previously taken action to downgrade the ratings of certain municipal bond insurers and have published various releases outlining the processes that they intend to follow in evaluating the ratings of financial guarantors. For some financial guarantors, the result of such evaluations could be a rating affirmation, a change in rating outlook, a review for downgrade or a downgrade. Potential investors are directed to the rating agencies for additional information on the applicable rating agencies’ evaluations of the financial guaranty industry and individual financial guarantors, including the Bond Insurer. See the caption “BOND INSURANCE” for further information relating to the Bond Insurer.

Underwriting

The Bonds are being purchased by Stifel, Nicolaus & Company, Incorporated (the “Underwriter”), at a purchase price of \$ _____ (representing the par amount of the Bonds, [plus] original issue [premium] of \$ _____, less Underwriter’s discount of \$ _____).

The purchase agreement relating to the Bonds among the Authority, the Community Facilities Districts and the Underwriter provides that all Bonds will be purchased if any are purchased, and that the obligation to make such purchase is subject to certain terms and conditions set forth in said purchase contract, including, but not limited to, the approval of certain legal matters by counsel.

The Underwriter may offer and sell Bonds to certain dealers and others at prices lower than the offering price 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 Authority or School District and to persons and entities with relationships with the Authority or 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 Authority or School District (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the Authority or 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 Authority or School District.

Verification of Mathematical Computations

The Verification Agent, Causey Public Finance, LLC, Certified Public Accountants, Denver, Colorado, independent accountants, upon delivery of the Bonds, will deliver one or more reports on the mathematical accuracy of certain computations contained in schedules provided to them relating to the sufficiency of moneys and securities deposited into the Prior Authority Bonds Escrow Fund to pay the redemption price of the Prior Authority Bonds.

Continuing Disclosure

The Authority will execute a Continuing Disclosure Certificate, in the form attached hereto as Appendix F, for the benefit of the Owners and Beneficial Owners of the Bonds to provide certain financial information and operating data relating to the Authority and the Taxing Jurisdictions (the “Annual Report”) and to provide notices of the occurrence of certain enumerated events (the “Listed Events”). The Annual Report will be filed by the Dissemination Agent with the Electronic Municipal Market Access System of the Municipal Securities Rulemaking Board (“EMMA”) and notices of Listed Events will be filed by the Dissemination Agent with EMMA. The specific nature of the information to be included in the Annual Reports and the notices of Listed Events is set forth in Appendix F — “FORM OF CONTINUING DISCLOSURE CERTIFICATE.” The Continuing Disclosure Certificate will be executed and delivered by the Authority in order to assist the Underwriter in complying with SEC Rule 15c2-12(b)(5) (the “Rule”). The Annual Reports are to be filed by the Authority no later than the February 1 after the end of the Authority’s fiscal year, which is currently June 30. The first Annual Report will be due February 1, 2027.

The Governing Board of the School District serves as the governing board of the School District and related entities of the School District, including the Authority, the Community Facilities Districts and the School District’s other community facilities districts. A review of previous disclosure filings for bonds outstanding in the last five years with respect to financings by the School District, and these affiliated entities, found a few instances of non-compliance with prior undertakings. Identification of the following described instances of non-compliance does not constitute a representation by the School District or any of its affiliated entities that any such instances were material. In connection with several series of bonds issued by the Authority and certain of the District’s community facilities districts, on December 16, 2022, unaudited financial statements of the School District were timely filed; however, the audited financial statements of the School District were not filed until November 1, 2023.

Remedial filings have since been made to correct all known instances of non-compliance during the last five years. The School District believes it has established processes to ensure that it and its affiliated entities will make required filings on a timely basis in the future, which include appointing (i) KeyAnalytics as an outside dissemination agent to assist in preparing any continuing disclosure filings relating to community facilities districts of the School District, and (ii) Fieldman, Rolapp & Associates, Inc. as an outside dissemination agent to assist in preparing the continuing disclosure filings of the School District with respect to the School District’s non-community facilities district financings.

The Continuing Disclosure Certificate will inure solely to the benefit of any Dissemination Agent, the Underwriter and Owners or Beneficial Owners from time to time of the Bonds. A default under the Continuing Disclosure Certificate is not a default under the Indenture and the sole remedy following a default is an action to compel specific performance by the Authority with the terms of the Continuing Disclosure Certificate.

Municipal Advisor

Fieldman, Rolapp & Associates, Inc. (the “Municipal Advisor”) has acted as Municipal Advisor to the Authority in connection with the issuance of the Bonds. The Municipal Advisor has assisted in matters related to the planning, structuring, execution, and delivery of the Bonds. The Municipal Advisor will receive compensation contingent upon the sale and delivery of the Bonds. The Municipal Advisor has not audited, authenticated, or otherwise independently verified the information set forth in this Official Statement, or any other related information available, with respect to accuracy and completeness of disclosure of such information. Because of this limited participation, the Municipal Advisor makes no guaranty, warranty, or other representation with respect to the accuracy or completeness of this Official Statement, or any other matter related to this Official Statement.

Additional Information

References are made herein to certain documents and reports which are brief summaries thereof which do not purport to be complete or definitive, and reference is made to such documents and reports for full and complete statements of the contents thereof.

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the Authority and the purchasers or Owners of any of the Bonds.

The execution and delivery of this Official Statement has been duly authorized by the Authority.

MENIFEE UNION SCHOOL DISTRICT PUBLIC
FINANCING AUTHORITY

By: _____
Executive Director

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APPENDIX A

INFORMATION REGARDING THE TAXING JURISDICTIONS

Community Facilities District No. 94-1

Location and Description. Community Facilities District No. 94-1 of the Menifee Union School District (“CFD No. 94-1” and the “School District,” respectively) was formed by the School District on November 8, 1994, to finance authorized school facilities. CFD No. 94-1 (totaling approximately 254.84 net taxable acres) contains multiple non-contiguous zones located in various locations across the School District, in the southwestern portion of the County of Riverside (the “County”), in the City of Menifee.

As of the date of this Official Statement, 1,414 single-family detached homes have been conveyed to individual homeowners. CFD No. 94-1 is fully built-out.

Ownership of the taxable property within CFD No. 94-1 is significantly diversified, with no property owner owning more than three parcels. No property owner within CFD No. 94-1 is responsible for more than 0.21% of the Special Tax levy.

Assigned Special Taxes. Table A-1 below sets forth the Assigned Annual Special Taxes that were levied per parcel on taxable property within CFD No. 94-1 in Fiscal Year 2025-26. For each parcel of Developed Property, the Annual Special Tax shall be levied for a period not to exceed 30 years from the fiscal year in which such parcel becomes classified as Developed Property. The final maturity of the CFD No. 94-1 Bonds is September 1, 2034.

**TABLE A-1
MENIFEE UNION SCHOOL DISTRICT
COMMUNITY FACILITIES DISTRICT NO. 94-1
SUMMARY OF FISCAL YEAR 2025-26 ACTUAL SPECIAL TAX LEVY ⁽¹⁾**

<i>Special Tax Class</i>	<i>Building Square Feet</i>	<i>Number of Units</i>	<i>Average Annual Special Tax Rate⁽²⁾</i>	<i>Fiscal Year 2025-26 Special Tax Levy</i>	<i>Percentage of Levy Total</i>
<u>Zone 1</u>					
1	> 1,600 sq. ft.	1,108	\$ 687.79	\$ 762,066.96	82.79%
2	1,201 sq. ft. to 1,600 sq. ft.	238	553.43	131,715.78	14.31
3	< 1,201 sq. ft.	<u>23</u>	<u>286.63</u>	<u>6,592.48</u>	<u>0.72</u>
Zone 1 Subtotal		1,369	\$ NA	\$ 900,375.22	97.81%
<u>Zone 3</u>					
1	> 1,600 sq. ft.	34	\$ 463.14	\$ 15,746.76	1.71%
2	1,201 sq. ft. to 1,600 sq. ft.	11	399.97	4,399.70	0.48
3	< 1,201 sq. ft.	0	0.00	0.00	0.00
Zone 3 Subtotal		<u>45</u>	<u>NA</u>	<u>20,146.46</u>	<u>2.19</u>
Total ⁽³⁾		1,414	\$ NA	\$ 920,521.68	100.00%

(1) Zone 2 and Zone 4 of CFD No. 94-1 have been removed.

(2) The Average Annual Special Tax Rate is the average of all Special Tax rates of each tax class; therefore, it may not reflect the actual Assigned Annual Special Tax rate for each parcel in a given tax class.

(3) Totals may not sum due to rounding.

Source: KeyAnalytics.

For the complete text of the CFD No. 94-1 Rate and Method, see Appendix D — “RATES AND METHODS OF APPORTIONMENT OF SPECIAL TAXES FOR THE TAXING JURISDICTIONS.”

To date, there has been one special tax prepayment within CFD No. 94-1. See the caption “SPECIAL RISK FACTORS — Potential Early Redemption of Bonds from Prepayments or Other Sources” for a discussion of the potential for a lower than expected yield on the Bonds as a result of a mandatory redemption thereof from redemption of Local Obligations due to the prepayment of Special Taxes or certain other sources.

Direct and Overlapping Debt. The Authority has obtained the assessed values of all of the taxable property in CFD No. 94-1, as established by the County Assessor for Fiscal Year 2025-26, which totals \$588,913,214. See Table A-4.

CFD No. 94-1 is included within the boundaries of overlapping local agencies providing governmental services. Some of these local agencies have outstanding bonds, and/or the authority to issue bonds, payable from taxes or assessments. The existing and authorized indebtedness payable from taxes and assessments that may be levied upon the property within CFD No. 94-1 is shown in Table A-2 below. In addition to current debt, new community facilities districts and/or special assessment districts could be formed in the future encompassing all or a portion of the property within CFD No. 94-1; and such districts or the agencies that formed them could issue more bonds and levy additional special taxes or assessments. The total assessed value shown in Table A-2 differs from the total assessed value shown in the other tables for CFD 94-1 because Table A-2 includes all property that is exempt from the levy of the Special Tax within CFD No. 94-1, while the other tables do not.

**TABLE A-2
MENEFEE UNION SCHOOL DISTRICT
COMMUNITY FACILITIES DISTRICT NO. 94-1
DIRECT AND OVERLAPPING DEBT AS OF MARCH 1, 2025**

I. Assessed Value
2025-2026 Secured Roll Assessed Value \$ 610,365,837

II. Secured Property Taxes

Description on Tax Bill	Type	Total Parcels	Total Levy	% Applicable	Parcels	Levy
Basic 1% Levy	PROP13	964,202	\$ 4,323,533,139.04	0.13729%	1,425	\$5,935,669.89
City of Menifee CFD No. 2015-2, Tax Zone 34	CFDPAYG	1	1,980.22	100.00000	1	1,980.22
City of Menifee CSA No. 145	CSA	7,742	1,052,667.00	10.96532	856	115,428.30
City of Menifee CSA No. 84	CSA	15,911	551,199.74	4.12488	569	22,736.34
City of Menifee Delinquent Trash Charge	DQ	1,783	1,062,042.66	3.74095	68	39,730.52
City of Menifee LLMD No. 89-1C, Zone 3	LLMD	3,548	278,481.98	11.43657	410	31,848.80
County of Riverside CSA No. 152 (Street Sweeping)	CSA	76,401	2,680,734.56	1.33358	937	35,749.76
CSCDA CaliforniaFirst Program (County of Riverside) ⁽¹⁾	1915	847	2,131,553.34	0.15492	1	3,302.26
Eastern Municipal Water District AD No. 20	1915	1,296	606,853.78	18.82891	302	114,263.96
Eastern Municipal Water District CFD No. 2002-09	CFD	243	108,297.86	100.00000	243	108,297.86
Eastern Municipal Water District Combined Standby Charge	STANDBY	271,755	5,968,257.60	0.55018	1,425	32,836.12
Eastern Municipal Water District ID No. U-35 Debt Service	GOB	21,046	475,530.30	4.94292	1,301	23,505.06
Eastern Municipal Water District ID No. U-36 Debt Service	GOB	21,044	475,507.03	4.94316	1,301	23,505.06
Eastern Municipal Water District ID No. U-6 Debt Service	GOB	1,638	139,646.00	7.56287	124	10,561.24
Menifee Union School District CFD No. 94-1	CFD	1,439	920,521.68	100.00000	1,414	920,521.68
Menifee Union School District Debt Service	GOB	46,604	14,057,842.82	3.16674	1,425	445,175.98
Met. Water District of Southern California Debt Service	GOB	271,489	9,084,577.54	0.45737	1,425	41,549.92
Met. Water District of Southern California Standby Charge (East)	STANDBY	268,538	2,834,610.78	0.35346	1,424	10,019.24
Mt. San Jacinto Community College District Debt Service	GOB	353,147	3,696,464.19	0.40786	1,425	15,076.42
Perris Union High School District CFD No. 92-1	CFD	25,293	6,673,669.18	6.92543	1,348	462,180.62
Perris Union High School District Debt Service	GOB	80,860	14,568,144.46	1.91987	1,425	279,689.13
Riverside County Flood Control and Water Conservation District NPDES (Santa Ana River)	FLOOD	426,734	2,945,864.24	0.17608	1,421	5,186.96
Valley Wide Park/Recreation District LMD (Menifee South Park)	LMD	2,794	1,521,001.18	3.43145	107	52,192.46
Valley Wide Park/Recreation District LMD No. 88-1 (Menifee Facility)	LMD	7,025	2,316,238.66	2.50165	306	57,944.16
Valley Wide Park/Recreation District LMD No. 88-1 (Regional Facility)	LMD	86,325	1,400,084.18	0.21249	537	2,974.98
WRCOG CaliforniaFIRST Financing Program ⁽¹⁾	1915	83	234,665.12	1.93559	2	4,542.16
WRCOG Hero Financing Program (County of Riverside) ⁽¹⁾	1915	3,802	9,941,834.96	0.24075	9	23,934.50
2025-2026 TOTAL PROPERTY TAX LIABILITY						<u>\$8,820,403.60</u>
TOTAL PROPERTY TAX LIABILITY AS A PERCENTAGE OF 2025-2026 ASSESSED VALUATION						1.45%

III. Land Secured Bond Indebtedness

Outstanding Direct and Overlapping Bonded Debt	Type	Issued	Outstanding	% Applicable	Parcels	Amount
Eastern Municipal Water District AD No. 20	1915	\$ 11,665,000	\$ 555,000	18.82891%	302	\$ 104,500
Eastern Municipal Water District CFD No. 2002-09	CFD	1,965,000	550,000	100.00000	243	550,000
Menifee Union School District CFD No. 94-1	CFD	13,048,246	4,710,000	100.00000	1,414	4,710,000
Perris Union High School District CFD No. 92-1	CFD	40,000,000	27,910,000	6.92543	1,348	1,932,888
TOTAL LAND SECURED BOND INDEBTEDNESS ⁽²⁾						<u>\$ 7,297,388</u>
TOTAL OUTSTANDING LAND SECURED BOND INDEBTEDNESS ⁽²⁾						<u>\$ 7,297,388</u>

IV. General Obligation Bond Indebtedness

Outstanding Direct and Overlapping Bonded Debt	Type	Issued	Outstanding	% Applicable	Parcels	Amount
Eastern Municipal Water District ID No. U-35	GOB	\$ 9,000,000	\$ 5,805,000	4.82368%	1,301	\$ 280,015
Eastern Municipal Water District ID No. U-36	GOB	9,012,000	5,813,000	4.82390	1,301	280,414
Eastern Municipal Water District ID No. U-6	GOB	2,700,000	1,742,000	7.65160	124	133,291
Menifee Union School District GOB 2002	GOB	14,498,923	4,879,720	3.11556	1,425	152,030
Menifee Union School District GOB 2008	GOB	31,460,000	19,575,000	3.11556	1,425	609,870
Menifee Union School District GOB 2016	GOB	134,996,572	118,761,572	3.11556	1,425	3,700,084
Menifee Union School District GOB 2024	GOB	36,350,000	36,350,000	3.11556	1,425	1,132,505
Metropolitan Water District of Southern California GOB 1966	GOB	850,000,000	22,985,000	0.19546	1,425	44,927
Mt. San Jacinto Community College District GOB 2014	GOB	295,000,000	233,100,000	0.40668	1,425	947,966
Perris Union High School District GOB 2004	GOB	45,997,378	9,259,558	1.90246	1,425	176,159
Perris Union High School District GOB 2012	GOB	153,418,024	132,018,024	1.90246	1,425	2,511,590
Perris Union High School District GOB 2018	GOB	148,000,000	134,450,000	1.90246	1,425	2,557,858
TOTAL GENERAL OBLIGATION BOND INDEBTEDNESS ⁽²⁾						<u>\$ 12,526,708</u>
TOTAL OUTSTANDING GENERAL OBLIGATION BOND INDEBTEDNESS ⁽²⁾						<u>\$ 12,526,708</u>

TOTAL OF ALL OUTSTANDING AND OVERLAPPING BONDED DEBT	\$19,824,095.72
VALUE TO ALL OUTSTANDING DIRECT AND OVERLAPPING BONDED DEBT	30.79:1

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

⁽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. Includes Prior CFD No. 94-1 Bonds.

Source: California Tax Data.

Value-to-Lien. Table A-3 below sets forth the stratification of value-to-liens of the taxable property within CFD No. 94-1 based on Fiscal Year 2025-26 assessed value and each parcel’s respective share of the principal amount of the CFD No. 94-1 Bonds and all estimated direct and overlapping indebtedness (allocated to each parcel based upon its respective share of the Special Tax levy or other applicable tax or assessment for Fiscal Year 2025-26). The ratio of the value of an individual lot within CFD No. 94-1 to its respective share of the principal amount of such indebtedness can be expected to vary.

**TABLE A-3
MENIFEE UNION SCHOOL DISTRICT
COMMUNITY FACILITIES DISTRICT NO. 94-1
ASSESSED VALUE-TO-LIEN RATIO STRATIFICATION
(FISCAL YEAR 2025-26)**

<i>Value-to-Lien Category</i>	<i>Number of Parcels</i>	<i>CFD No. 94-1 Bonds*</i>	<i>Other Land Secured Debt⁽¹⁾</i>	<i>General Obligation Debt⁽¹⁾</i>	<i>Total Debt*</i>	<i>Fiscal Year 2025-26 Assessed Value⁽²⁾</i>	<i>Value-to-Lien Ratio^{(3)*}</i>	<i>Fiscal Year 2025-26 Special Tax</i>	<i>% Share of Special Tax</i>
> 30.00	552	\$ 2,001,723	\$ 835,461	\$ 6,038,094	\$ 8,875,279	\$ 294,207,090	33.15	\$ 340,912	37.03%
25.00 to 30.00	602	2,373,773	1,179,500	4,631,811	8,185,084	225,685,714	27.57	404,276	43.92
20.00 to 25.00	243	956,270	512,878	1,335,830	2,804,978	65,088,516	23.20	162,862	17.69
15.00 to 20.00	16	68,838	52,037	79,056	199,931	3,852,034	19.27	11,724	1.27
10.00 to 15.00	1	4,395	1,774	1,639	7,808	79,860	10.23	749	0.08
< 10.00	0	0	0	0	0	0	NA	0	0.00
Total ⁽⁴⁾	1,414	\$ 5,405,000	\$ 2,581,650	\$ 12,086,430	\$ 20,073,080	\$ 588,913,214	29.34	\$ 920,522	100.00%

* Preliminary, subject to change.

⁽¹⁾ See Table A-2 for a description of overlapping liens and does not reflect subsequent additional charges or increases that may occur in Fiscal Year 2026-27. Other Land Secured Debt has been allocated based on the proportionate share of the Fiscal Year 2025-26 Special Tax Levy. General Obligation Debt has been allocated based on the proportionate share of the Fiscal Year 2025-26 assessed values.

⁽²⁾ Source: Riverside County Assessor’s Roll dated July 1, 2025

⁽³⁾ Average value-to-lien per Parcel; actual value-to-lien may vary by Parcel.

⁽⁴⁾ Totals may not sum due to rounding.

Source: KeyAnalytics.

Historical Assessed Values. Table A-4 summarizes the assessed values within CFD No. 94-1 for the Fiscal Years shown.

**TABLE A-4
MENIFEE UNION SCHOOL DISTRICT
COMMUNITY FACILITIES DISTRICT NO. 94-1
HISTORICAL AND CURRENT ASSESSED VALUES OF NON-EXEMPT PROPERTY^{(1) (2)}**

<i>Fiscal Year Ending (June 30)</i>	<i>Assessed Value Land</i>	<i>Assessed Value Improvement</i>	<i>Assessed Value Other</i>	<i>Total Assessed Value</i>	<i>Percentage Change</i>
2022	\$ 119,602,183	\$ 366,469,109	\$0	\$ 486,071,292	NA
2023	119,391,055	400,545,886	0	519,936,941	6.97%
2024	121,977,355	426,754,419	0	548,731,774	5.54
2025	127,541,800	442,937,431	0	570,479,231	3.96
2026	134,443,980	454,469,234	0	588,913,214	3.23

⁽¹⁾ Source: Riverside County Assessor’s Roll, dated July 1 of the applicable Fiscal Year.

⁽²⁾ Includes parcels classified as Taxable Property only (Developed and Undeveloped).

Source: KeyAnalytics.

Tax Rates. As shown in Table A-2, the taxable property within CFD No. 94-1 is subject to several different taxes and assessments. Table A-5 below shows a tax bill for an average parcel of taxable property within CFD No. 94-1 (based on median assessed value). Table A-5 sets forth those entities with fees, charges, *ad valorem* taxes and special taxes regardless of whether those entities have issued debt. Data in Table A-5 is based on tax charges for Fiscal Year 2025-26 and does not reflect subsequent additional charges or increases.

**TABLE A-5
 MENIFEE UNION SCHOOL DISTRICT
 COMMUNITY FACILITIES DISTRICT NO. 94-1
 FISCAL YEAR 2025-26 PROPERTY TAX BILL
 SAMPLE TAX BILL**

PROPERTY VALUE ⁽¹⁾	\$ 395,677
<i>LESS Homeowner's Exemption</i>	<u>7,000</u>
NET PROPERTY VALUE	\$ 388,677

	<i>Percent of Total Assessed Valuation</i>	<i>Amount to be Levied</i>
AD VALOREM PROPERTY TAXES	1.14026%	
General Purpose	1.00000	\$ 3,886.77
Eastern Municipal Water District U-35	0.00430	16.71
Eastern Municipal Water District U-36	0.00430	16.71
Menifee Union School District	0.07500	291.51
Metropolitan Water District East	0.00700	27.21
Mount San Jacinto Junior College	0.00254	9.87
Perris Union High School District	0.04712	183.14
ASSESSMENTS, SPECIAL TAXES, AND PARCEL CHARGES		
County of Riverside CSA #152		\$ 44.12
Perris Union High School District CFD No. 92-1		342.98
City of Menifee CSA #145		176.72
Metropolitan Water District Standby Charge (East)		6.94
Eastern Municipal Water District Infrastructure Availability Charge		21.00
Riverside County Flood Control and Water Conservation District		3.74
Eastern Municipal Water District CFD No. 2002-09 (Woodside Homes)		311.50
Menifee Union School District CFD No. 94-1		<u>748.54</u>
TOTAL PROPERTY TAXES		\$ 6,087.46
Effective Tax Rate		1.53849%

⁽¹⁾ Fiscal Year 2025-26 assessed valuation for a Dwelling Unit containing 2,097 assessable square feet, representing the median assessed value for a Dwelling Unit within CFD No. 94-1.
 Source: Riverside County Tax Collector.

Tax rates within CFD No. 94-1 vary based on a variety of factors, including building square footage, and, as a result, the median effective tax rate within CFD No. 94-1 is 1.49%. Table A-6 below sets forth the effective tax rate stratification of all parcels within CFD No. 94-1 based on Fiscal Year 2025-26 assessed values.

**TABLE A-6
MENIFEE UNION SCHOOL DISTRICT
COMMUNITY FACILITIES DISTRICT NO. 94-1
FISCAL YEAR 2025-26 EFFECTIVE TAX RATE STRATIFICATION***

<i>Effective Tax Rate Category</i>	<i>Number of Parcels</i>	<i>CFD No. 94-1 Bonds</i>	<i>Other Land Secured Debt⁽¹⁾</i>	<i>General Obligation Debt⁽¹⁾</i>	<i>Total Debt</i>	<i>Fiscal Year 2025-26 Assessed Value⁽²⁾</i>	<i>Value-to-Lien Ratio⁽³⁾</i>	<i>Total Taxes</i>	<i>Average Effective Tax Rate⁽⁴⁾</i>	<i>Fiscal Year 2025-26 Special Tax</i>	<i>% Share of Special Tax</i>
2.20% and above	9	\$ 35,027	\$ 18,119	\$ 57,023	\$ 110,170	\$ 2,778,462	25.22	\$ 69,305	2.49%	\$ 5,965	0.65%
2.00% to 2.20%	2	7,838	2,869	9,587	20,293	467,106	23.02	9,389	2.01	1,335	0.15
1.80% to 2.00%	31	121,766	64,562	174,269	360,597	8,491,290	23.55	158,290	1.86	20,738	2.25
1.60% to 1.80%	260	1,023,561	508,622	1,497,708	3,029,891	72,976,079	24.09	1,223,956	1.68	174,322	18.94
1.50% to 1.60%	356	1,406,674	749,428	2,696,085	4,852,187	131,367,164	27.07	2,027,773	1.54	239,570	26.03
1.30% to 1.50%	656	2,440,447	1,077,104	6,555,451	10,073,001	319,415,374	31.71	4,489,189	1.41	415,631	45.15
1.30% and below	<u>100</u>	<u>369,687</u>	<u>160,946</u>	<u>1,096,307</u>	<u>1,626,940</u>	<u>53,417,739</u>	<u>32.83</u>	<u>592,159</u>	<u>1.11</u>	<u>62,961</u>	<u>6.84</u>
Total ⁽⁵⁾	1,414	\$ 5,405,000	\$ 2,581,650	\$12,086,430	\$20,073,080	\$588,913,214	29.34	\$ 8,570,061.02	1.46%	\$ 920,522	100.00%

* Preliminary, subject to change.

⁽¹⁾ See Table A-2 for a description of overlapping liens and does not reflect subsequent additional charges or increases that may occur in Fiscal Year 2026-27. Other Land Secured Debt has been allocated based on the proportionate share of the Fiscal Year 2025-26 Special Tax Levy. General Obligation Debt has been allocated based on the proportionate share of the Fiscal Year 2025-26 assessed values.

⁽²⁾ Source: Riverside County Assessor's Roll dated July 1, 2025.

⁽³⁾ Average value-to-lien per Parcel; actual value-to-lien may vary by Parcel.

⁽⁴⁾ Average effective tax rate per Parcel; actual effective tax rate may vary by Parcel.

⁽⁵⁾ Totals may not sum due to rounding.

Source: KeyAnalytics.

Delinquencies. Unpaid amounts of the Special Taxes become delinquent after December 10 and April 10 of each Fiscal Year. Table A-7 below summarizes the Special Tax delinquencies within CFD No. 94-1 for Fiscal Years 2021-22 through 2025-26 as of April 10, 2026.

**TABLE A-7
MENIFEE UNION SCHOOL DISTRICT
COMMUNITY FACILITIES DISTRICT NO. 94-1
HISTORICAL DELINQUENCIES AND COLLECTION RATES**

<i>Fiscal Year</i>	<i>Parcels Levied</i>	<i>Aggregate Special Taxes</i>	<i>Parcels Delinquent</i>	<i>Amount Collected</i>	<i>Amount Delinquent as of June 30⁽¹⁾</i>	<i>Delinquency Rate</i>	<i>As of April 10, 2026</i>	
							<i>Remaining Amount Delinquent</i>	<i>Remaining Delinquency Rate</i>
2021-22	1,417	\$921,651.56	30	\$909,253.07	\$12,398.49	1.35%	\$ 349.48	0.04%
2022-23	1,417	921,651.56	6	919,461.53	2,190.03	0.24	0.00	0.00
2023-24	1,417	921,651.56	8	917,943.42	3,708.14	0.40	455.94	0.05
2024-25	1,417	921,651.56	11	916,303.87	5,347.69	0.58	2,936.98	0.32
2025-26	1,414	920,521.68	42	905,405.12	N/A	N/A	15,116.56	1.64

⁽¹⁾ Amount delinquent as of June 30th in the Fiscal Year in which the Special Taxes were levied.
Source: KeyAnalytics.

Top Taxpayers. The following table shows the top taxpayers in CFD No. 94-1 based on the Fiscal Year 2025-26 Special Tax levy.

**TABLE A-8
MENIFEE UNION SCHOOL DISTRICT
COMMUNITY FACILITIES DISTRICT NO. 94-1
ESTIMATED VALUE-TO-LIEN BY TOP PROPERTY OWNER**

<i>Owner ⁽¹⁾</i>	<i>Number of Parcels</i>	<i>Fiscal Year 2025-26 Special Tax Levy</i>	<i>% Share of Special Tax</i>	<i>Fiscal Year 2025-26 Assessed Value ⁽¹⁾</i>	<i>Total Liens ^{(2)*}</i>	<i>Value-to-Lien Ratio*</i>
Individual Owner	3	\$ 1,940.06	0.21%	\$ 907,568.00	\$ 36,986.14	24.54
Individual Owner	2	1,497.08	0.16	567,248.00	23,979.83	23.66
Individual Owner	2	1,447.50	0.16	596,153.00	24,281.94	24.55
Individual Owner	2	1,447.50	0.16	566,423.00	25,658.20	22.08
Individual Owner	2	1,447.50	0.16	736,797.00	25,055.11	29.41
Individual Owner	2	1,368.24	0.15	805,375.00	30,449.50	26.45
Individual Owner	2	1,368.24	0.15	882,980.00	29,716.33	29.71
Individual Owner	2	1,301.90	0.14	712,240.00	23,696.21	30.06
Individual Owner	2	1,239.40	0.13	1,046,774.00	32,334.57	32.37
Individual Owner	<u>2</u>	<u>1,225.44</u>	<u>0.13</u>	<u>903,296.00</u>	<u>28,602.73</u>	<u>31.58</u>
Total ⁽³⁾	21	\$ 14,282.86	1.55	\$7,724,854.00	\$ 280,760.57	27.51

* Preliminary, subject to change.

⁽¹⁾ Source: Riverside County Assessor's Roll, dated July 1, 2025.

⁽²⁾ See Table A-2 for a description of overlapping liens and does not reflect subsequent additional charges or increases that may occur in Fiscal Year 2026-27. Other Land Secured Debt has been allocated based on the proportionate share of the Fiscal Year 2025-26 Special Tax Levy. General Obligation Debt has been allocated based on the proportionate share of the Fiscal Year 2025-26 assessed values.

⁽³⁾ Totals may not sum due to rounding.

Source: KeyAnalytics.

Improvement Area A of Community Facilities District No. 99-1

Location and Description. Community Facilities District No. 99-1 of the Menifee Union School District (“CFD No. 99-1”), which was divided into Zone 1 and Zone 2 at the time of formation, was formed by the School District on December 14, 1999, to finance authorized school facilities. Improvement Area A of CFD No. 99-1 was formed by the School District on January 14, 2003. Zone 1 and Zone 2 are adjacent to each other but encompass separate parcels of land. CFD No. 99-1 formed Improvement Area A as an overlay area on Zone 2, covering the same land as Zone 2. Separate Special Taxes are levied under separate Rates and Methods of Apportionment with respect to Zone 1, Zone 2 and Improvement Area A; each Special Tax secures bonds issued for its respective zone or improvement area, and no cross-collateralization exists among Zone 1, Zone 2 or Improvement Area A. The property in Zone 2 and Improvement Area A of CFD No. 99-1 (which are coterminous) (totaling approximately 77.67 net taxable acres) is located north of Honeyrun Road around the intersection of Honeyrun Road and La Ladera Road, in the southwestern portion of the County, in the City of Menifee.

As of the date of the Official Statement, 411 single-family detached homes within Zone 2 and Improvement Area A have been conveyed to individual homeowners. Zone 2 and Improvement Area A of CFD No. 99-1 have approximately 120.69 acres of undeveloped property; the CFD 99-1 IA A Bonds are not sized based on the collection of any special taxes from this undeveloped property. Moreover, the tables in this Official Statement do not account for these parcels either.

Ownership of the taxable property within Improvement Area A of CFD No. 99-1 is significantly diversified, with four property owners owning two parcels and no other property owner owning more than one parcel. No property owner within Improvement Area A of CFD No. 99-1 is responsible for more than 0.49% of the Special Tax levy.

Assigned Special Taxes. Table A-9 below sets forth the Assigned Annual Special Taxes that were levied per parcel on taxable property within Improvement Area A of CFD No. 99-1 in Fiscal Year 2025-26. The Special Taxes in Improvement Area A of CFD No. 99-1 may not be levied after Fiscal Year 2032-33. The final maturity of the CFD No. 99-1 IA A Bonds is September 1, 2033.

**TABLE A-9
IMPROVEMENT AREA A OF
COMMUNITY FACILITIES DISTRICT NO. 99-1
OF THE MENIFEE UNION SCHOOL DISTRICT
SUMMARY OF FISCAL YEAR 2025-26 ACTUAL SPECIAL TAX LEVY**

<i>Special Tax Class</i>	<i>Building Square Feet</i>	<i>Number of Units</i>	<i>Fiscal Year 2025-26 Assigned Annual Special Tax Rate</i>	<i>Fiscal Year 2025-26 Special Tax Levy</i>	<i>Percentage of Levy Total</i>
1	NA	411	\$ 205.00	\$ 84,255.00	100.00%
Total ⁽¹⁾		411 Units	\$ NA	\$ 84,255.00	100.00%

⁽¹⁾ Totals may not sum due to rounding.
Source: KeyAnalytics.

For the complete text of the Improvement Area A of CFD No. 99-1 Rate and Method, see Appendix D — “RATES AND METHODS OF APPORTIONMENT OF SPECIAL TAXES FOR THE TAXING JURISDICTIONS.”

To date, there have been no special tax prepayments within Improvement Area A of CFD No. 99-1. See the caption “SPECIAL RISK FACTORS — Potential Early Redemption of Bonds from Prepayments or Other Sources” for a discussion of the potential for a lower than expected yield on the Bonds as a result of a

mandatory redemption thereof from redemption of Local Obligations due to the prepayment of Special Taxes or certain other sources.

Direct and Overlapping Debt. The Authority has obtained the assessed values of all of the taxable property in Improvement Area A of CFD No. 99-1, as established by the County Assessor for Fiscal Year 2025-26, which totals \$181,793,376. See Table A-12.

Improvement Area A of CFD No. 99-1 is included within the boundaries of overlapping local agencies providing governmental services. Some of these local agencies have outstanding bonds, and/or the authority to issue bonds, payable from taxes or assessments. The existing and authorized indebtedness payable from taxes and assessments that may be levied upon the property within Improvement Area A of CFD No. 99-1 is shown in Table A-10 below. In addition to current debt, new community facilities districts and/or special assessment districts could be formed in the future encompassing all or a portion of the property within Improvement Area A of CFD No. 99-1; and such districts or the agencies that formed them could issue more bonds and levy additional special taxes or assessments. The total assessed value shown in Table A-10 differs from the total assessed value shown in the other tables for Improvement Area A of CFD No. 99-1 because Table A-10 includes all property that is exempt from the levy of the Special Tax within Improvement Area A of CFD No. 99-1, while the other tables do not.

**TABLE A-10
IMPROVEMENT AREA A OF
MENEFEE UNION SCHOOL DISTRICT
COMMUNITY FACILITIES DISTRICT NO. 99-1
DIRECT AND OVERLAPPING DEBT AS OF MARCH 1, 2025**

I. Assessed Value

2025-2026 Secured Roll Assessed Value

\$ 181,793,376

II. Secured Property Taxes

<i>Description on Tax Bill</i>	<i>Type</i>	<i>Total Parcels</i>	<i>Total Levy</i>	<i>% Applicable</i>	<i>Parcels</i>	<i>Levy</i>
Basic 1% Levy	PROP13	964,202	\$4,323,533,139.04	0.04070%	414	\$1,759,894.13
City of Menifee CSA No. 145	CSA	7,742	1,052,667.00	7.36740	413	77,554.18
City of Menifee Delinquent Trash Charge	DQ	1,783	1,062,042.66	1.72274	25	18,296.24
City of Menifee LLMD No. 89-1C, Zone 3	LLMD	3,548	278,481.98	12.57994	414	35,032.86
County of Riverside CSA No. 152 (Street Sweeping)	CSA	76,401	2,680,734.56	0.43248	260	11,593.70
Eastern Municipal Water District Combined Standby Charge	STANDBY	271,755	5,968,257.60	0.20640	414	12,318.52
Eastern Municipal Water District ID No. U-35 Debt Service	GOB	21,046	475,530.30	1.59139	414	7,567.55
Eastern Municipal Water District ID No. U-36 Debt Service	GOB	21,044	475,507.03	1.59147	414	7,567.55
Menifee Union School District CFD No. 99-1, Impv Area A	CFD	416	84,255.00	100.00000	411	84,255.00
Menifee Union School District CFD No. 99-1, Zone 2	CFD	411	429,495.00	100.00000	411	429,495.00
Menifee Union School District Debt Service	GOB	46,604	14,057,842.82	0.93892	414	131,992.25
Metropolitan Water District of Southern California Debt Service	GOB	271,489	9,084,577.54	0.13561	414	12,319.28
Metropolitan Water District of Southern California Standby Charge (East)	STANDBY	268,538	2,834,610.78	0.11117	412	3,151.30
Mt. San Jacinto Community College District Debt Service	GOB	353,147	3,696,464.19	0.12093	414	4,470.08
Perris Union High School District CFD No. 92-1	CFD	25,293	6,673,669.18	2.08142	405	138,906.90
Perris Union High School District Debt Service	GOB	80,860	14,568,144.46	0.56923	414	82,926.36
Riverside County Flood Control and Water Conservation District NPDES (Santa Ana River)	FLOOD	426,734	2,945,864.24	0.05194	411	1,529.98
WRCOG Hero Financing Program (County of Riverside) ⁽¹⁾	1915	3,802	9,941,834.96	0.02457	1	<u>2,442.26</u>
2025-2026 TOTAL PROPERTY TAX LIABILITY						<u>\$2,821,313.14</u>
TOTAL PROPERTY TAX LIABILITY AS A PERCENTAGE OF 2025-2026 ASSESSED VALUATION						1.55%

III. Land Secured Bond Indebtedness

<i>Outstanding Direct and Overlapping Bonded Debt</i>	<i>Type</i>	<i>Issued</i>	<i>Outstanding</i>	<i>% Applicable</i>	<i>Parcels</i>	<i>Amount</i>
Menifee Union School District CFD No. 99-1, Impv Area A	CFD	\$ 1,001,123	\$ 450,000	100.00000%	411	\$ 450,000
Menifee Union School District CFD No. 99-1, Zone 2	CFD	5,959,099	2,680,000	100.00000	411	2,680,000
Perris Union High School District CFD No. 92-1	CFD	40,000,000	27,910,000	2.08142	405	<u>580,924</u>
TOTAL LAND SECURED BOND INDEBTEDNESS ⁽²⁾						<u>\$ 3,710,924</u>
TOTAL OUTSTANDING LAND SECURED BOND INDEBTEDNESS ⁽²⁾						<u>\$ 3,710,924</u>

IV. General Obligation Bond Indebtedness

<i>Outstanding Direct and Overlapping Bonded Debt</i>	<i>Type</i>	<i>Issued</i>	<i>Outstanding</i>	<i>% Applicable</i>	<i>Parcels</i>	<i>Amount</i>
Eastern Municipal Water District ID No. U-35	GOB	\$ 9,000,000	\$ 5,805,000	1.56096%	414	\$ 90,614
Eastern Municipal Water District ID No. U-36	GOB	9,012,000	5,813,000	1.56104	414	90,743
Menifee Union School District GOB 2002	GOB	14,498,923	4,879,720	0.92795	414	45,281
Menifee Union School District GOB 2008	GOB	31,460,000	19,575,000	0.92795	414	181,646
Menifee Union School District GOB 2016	GOB	134,996,572	118,761,572	0.92795	414	1,102,045
Menifee Union School District GOB 2024	GOB	36,350,000	36,350,000	0.92795	414	337,309
Metropolitan Water District of Southern California GOB 1966	GOB	850,000,000	22,985,000	0.05822	414	13,381
Mt. San Jacinto Community College District GOB 2014	GOB	295,000,000	233,100,000	0.12113	414	282,345
Perris Union High School District GOB 2004	GOB	45,997,378	9,259,558	0.56663	414	52,468
Perris Union High School District GOB 2012	GOB	153,418,024	132,018,024	0.56663	414	748,060
Perris Union High School District GOB 2018	GOB	148,000,000	134,450,000	0.56663	414	<u>761,841</u>
TOTAL GENERAL OBLIGATION BOND INDEBTEDNESS ⁽²⁾						<u>\$ 3,705,734</u>
TOTAL OUTSTANDING GENERAL OBLIGATION BOND INDEBTEDNESS ⁽²⁾						<u>\$ 3,705,734</u>

TOTAL OF ALL OUTSTANDING AND OVERLAPPING BONDED DEBT	\$7,416,657.85
VALUE TO ALL OUTSTANDING DIRECT AND OVERLAPPING BONDED DEBT	24.51:1

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

⁽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. Includes Prior CFD 99-1 IA A Bonds and Prior CFD 99-1 Zone 2 Bonds.

Source: California Tax Data.

Value-to-Lien. Table A-11 below sets forth the stratification of value-to-liens of the taxable property within Improvement Area A of CFD No. 99-1 based on Fiscal Year 2025-26 assessed value and each parcel’s respective share of the principal amount of the CFD No. 99-1 IA A Bonds and all estimated direct and overlapping indebtedness (allocated to each parcel based upon its respective share of the Special Tax levy or other applicable tax or assessment for Fiscal Year 2025-26). The ratio of the value of an individual lot within Improvement Area A of CFD No. 99-1 to its respective share of the principal amount of such indebtedness can be expected to vary.

**TABLE A-11
IMPROVEMENT AREA A OF
MENIFEE UNION SCHOOL DISTRICT
COMMUNITY FACILITIES DISTRICT NO. 99-1
ASSESSED VALUE-TO-LIEN RATIO STRATIFICATION
(FISCAL YEAR 2025-26)**

<i>Value-to-Lien Category</i>	<i>Number of Parcels</i>	<i>Local Obligation Bonds</i>	<i>Other Land Secured Debt^{(1)(2)*}</i>	<i>General Obligation Debt⁽²⁾</i>	<i>Total Debt*</i>	<i>Fiscal Year 2025-26 Assessed Value⁽³⁾</i>	<i>Value-to-Lien Ratio^{(4)*}</i>	<i>Fiscal Year 2025-26 Special Tax</i>	<i>% Share of Special Tax</i>
> 30.00	3	\$ 3,613	\$ 25,872	\$ 50,212	\$ 79,697	\$ 2,463,259	30.91	\$ 615	0.73%
25.00 to 30.00	128	154,161	1,101,024	1,518,059	2,773,244	74,471,931	26.85	26,240	31.14
20.00 to 25.00	189	227,628	1,624,229	1,625,108	3,476,965	79,723,459	22.93	38,745	45.99
15.00 to 20.00	87	104,781	750,302	477,561	1,332,644	23,427,860	17.58	17,835	21.17
10.00 to 15.00	4	4,818	34,497	15,379	54,693	754,463	13.79	820	0.97
< 10.00	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>NA</u>	<u>0</u>	<u>0.00</u>
Total ⁽⁵⁾	411	\$ 495,000	\$ 3,535,924	\$ 3,686,319	\$ 7,717,244	\$180,840,972	23.43	\$ 84,255	100.00%

* Preliminary, subject to change.

(1) Includes CFD No. 99-1 Zone 2 Bonds, which overlay Improvement Area A.

(2) See Table A-10 for a description of overlapping liens and does not reflect subsequent additional charges or increases that may occur in Fiscal Year 2026-27. Other Land Secured Debt has been allocated based on the proportionate share of the Fiscal Year 2025-26 Special Tax Levy. General Obligation Debt has been allocated based on the proportionate share of the Fiscal Year 2025-26 assessed values.

(3) Source: Riverside County Assessor’s Roll dated July 1, 2025.

(4) Average value-to-lien per Parcel; actual value-to-lien may vary by Parcel.

(5) Totals may not sum due to rounding.

Source: KeyAnalytics.

Historical Assessed Values. Table A-12 summarizes the assessed values within Improvement Area A of CFD No. 99-1 for the Fiscal Years shown.

**TABLE A-12
IMPROVEMENT AREA A OF
MENIFEE UNION SCHOOL DISTRICT
COMMUNITY FACILITIES DISTRICT NO. 99-1
HISTORICAL AND CURRENT ASSESSED VALUES OF NON-EXEMPT PROPERTY⁽¹⁾⁽²⁾**

<i>Fiscal Year Ending (June 30)</i>	<i>Assessed Value Land</i>	<i>Assessed Value Improvement</i>	<i>Assessed Value Other</i>	<i>Total Assessed Value</i>	<i>Percentage Change</i>
2022	\$ 38,253,322	\$ 111,974,911	\$0	\$ 150,228,233	NA
2023	39,344,754	121,844,758	0	161,189,512	7.30%
2024	40,141,728	130,067,725	0	170,209,453	5.60
2025	42,212,200	134,163,883	0	176,376,083	3.62
2026	43,923,039	137,870,337	0	181,793,376	3.07

⁽¹⁾ Source: Riverside County Assessor’s Roll, dated July 1 of the applicable Fiscal Year.

⁽²⁾ Includes parcels classified as Taxable Property only (Developed and Undeveloped).

Source: KeyAnalytics.

Tax Rates. As shown in Table A-10, the taxable property within Improvement Area A of CFD No. 99-1 is subject to several different taxes and assessments. Table A-13 below shows a tax bill for an average parcel of taxable property within Improvement Area A of CFD No. 99-1 (based on median assessed value). Table A-13 sets forth those entities with fees, charges, *ad valorem* taxes and special taxes regardless of whether those entities have issued debt. Data in Table A-13 is based on tax charges for Fiscal Year 2025-26 and does not reflect subsequent additional charges or increases.

**TABLE A-13
IMPROVEMENT AREA A OF
MENIFEE UNION SCHOOL DISTRICT
COMMUNITY FACILITIES DISTRICT NO. 99-1
FISCAL YEAR 2025-26 PROPERTY TAX BILL
SAMPLE TAX BILL**

PROPERTY VALUE ⁽¹⁾	\$ 437,345
<i>LESS Homeowner's Exemption</i>	<u>7,000</u>
NET PROPERTY VALUE	\$ 430,345

	<i>Percent of Total Assessed Valuation</i>	<i>Amount to be Levied</i>
AD VALOREM PROPERTY TAXES	1.14026%	
General Purpose	1.00000	\$ 4,303.45
Eastern Municipal Water District U-35	0.00430	18.50
Eastern Municipal Water District U-36	0.00430	18.50
Menifee Union School District	0.07500	322.76
Metropolitan Water District East	0.00700	30.12
Mount San Jacinto Junior College	0.00254	10.93
Perris Union High School District	0.04712	202.78
 ASSESSMENTS, SPECIAL TAXES, AND PARCEL CHARGES		
Riverside County Flood Control and Water Conservation District		\$ 3.76
Eastern Municipal Water District Infrastructure Availability Charge		26.00
Perris Union High School District CFD No. 92-1		342.98
Metropolitan Water District Standby Charge (East)		6.94
City of Menifee CSA #145		176.72
City of Menifee LLMD No. 89-1C, Zone 3		77.68
Menifee Union School District CFD No. 99-1 Zone 2		1,045.00
Menifee Union School District CFD No. 99-1 IA A		<u>205.00</u>
TOTAL PROPERTY TAXES		\$ 6,791.12
 Effective Tax Rate		 1.55281%

⁽¹⁾ Fiscal Year 2025-26 assessed valuation for a Dwelling Unit containing 3,581 assessable square feet, representing the median assessed value for a Dwelling Unit within Improvement Area A of CFD No. 99-1.
Source: Riverside County Tax Collector.

Tax rates within Improvement Area A of CFD No. 99-1 vary based on a variety of factors, including building square footage, and, as a result, the median effective tax rate within Improvement Area A of CFD No. 99-1 is 1.57%. Table A-14 below sets forth the effective tax rate stratification of all parcels within Improvement Area A of CFD No. 99-1 based on Fiscal Year 2025-26 assessed values.

**TABLE A-14
IMPROVEMENT AREA A OF
MENIFEE UNION SCHOOL DISTRICT
COMMUNITY FACILITIES DISTRICT NO. 99-1
FISCAL YEAR 2025-26 EFFECTIVE TAX RATE STRATIFICATION***

<i>Effective Tax Rate Category</i>	<i>Number of Parcels</i>	<i>CFD No. 99-1 IA A Bonds</i>	<i>Other Land Secured Debt⁽¹⁾⁽²⁾</i>	<i>General Obligation Debt⁽²⁾</i>	<i>Total Debt</i>	<i>Fiscal Year 2025-26 Assessed Value⁽³⁾</i>	<i>Value-to-Lien Ratio⁽⁴⁾</i>	<i>Total Taxes</i>	<i>Average Effective Tax Rate⁽⁵⁾</i>	<i>Fiscal Year 2025-26 Special Tax</i>	<i>% Share of Special Tax</i>
2.20% and above	4	\$ 4,818	\$ 34,497	\$ 17,578	\$ 56,892	\$ 862,324	15.16	\$ 20,645	2.39%	\$ 820	0.97%
2.00% to 2.20%	9	10,839	77,617	42,286	130,743	2,074,446	15.87	42,972	2.07	1,845	2.19
1.80% to 2.00%	53	63,832	457,081	284,067	804,980	13,935,571	17.31	262,411	1.88	10,865	12.90
1.60% to 1.80%	102	122,847	879,665	764,921	1,767,432	37,524,954	21.23	628,890	1.68	20,910	24.82
1.50% to 1.60%	124	149,343	1,063,659	1,183,282	2,396,284	58,048,672	24.22	897,936	1.55	25,420	30.17
1.30% to 1.50%	95	114,416	816,427	1,168,252	2,099,095	57,311,326	27.30	830,888	1.45	19,475	23.11
1.30% and below	<u>24</u>	<u>28,905</u>	<u>206,980</u>	<u>225,933</u>	<u>461,818</u>	<u>11,083,679</u>	<u>24.00</u>	<u>122,351</u>	<u>1.10</u>	<u>4,920</u>	<u>5.84</u>
Total ⁽⁶⁾	411	\$ 495,000	\$ 3,535,924	\$ 3,686,319	\$ 7,717,244	\$ 180,840,972	23.43	\$ 2,806,092.44	1.55%	\$ 84,255	100.00%

* Preliminary, subject to change.

(1) Includes CFD No. 99-1 Zone 2 Bonds.

(2) See Table A-10 for a description of overlapping liens and does not reflect subsequent additional charges or increases that may occur in Fiscal Year 2026-27. Other Land Secured Debt has been allocated based on the proportionate share of the Fiscal Year 2025-26 Special Tax Levy. General Obligation Debt has been allocated based on the proportionate share of the Fiscal Year 2025-26 assessed values.

(3) Source: Riverside County Assessor's Roll dated July 1, 2025

(4) Average value-to-lien per Parcel; actual value-to-lien may vary by Parcel.

(5) Average effective tax rate per Parcel; actual effective tax rate may vary by Parcel.

(6) Totals may not sum due to rounding.

Source: KeyAnalytics.

Delinquencies. Unpaid amounts of the Special Taxes become delinquent after December 10 and April 10 of each Fiscal Year. Table A-15 below summarizes the Special Tax delinquencies within Improvement Area A of CFD No. 99-1 for Fiscal Years 2021-22 through 2025-26 as of April 10, 2026.

**TABLE A-15
IMPROVEMENT AREA A OF
MENIFEE UNION SCHOOL DISTRICT
COMMUNITY FACILITIES DISTRICT NO. 99-1
HISTORICAL DELINQUENCIES AND COLLECTION RATES**

<i>Fiscal Year</i>	<i>Parcels Levied</i>	<i>Aggregate Special Taxes</i>	<i>Parcels Delinquent</i>	<i>Amount Collected</i>	<i>Amount Delinquent as of June 30⁽¹⁾</i>	<i>Delinquency Rate</i>	<i>As of April 10, 2026</i>	
							<i>Remaining Amount Delinquent</i>	<i>Remaining Delinquency Rate</i>
2021-22	411	\$84,255.00	2	\$83,845.00	\$ 410.00	0.49%	\$ 0.00	0.00%
2022-23	411	84,255.00	5	83,538.50	717.50	0.85	123.00	0.15
2023-24	411	84,255.00	6	53,537.50	717.50	0.85	102.50	0.12
2024-25	411	84,255.00	5	83,640.00	615.00	0.73	205.00	0.24
2025-26	411	84,255.00	8	83,025.00	N/A	N/A	1,230.00	1.46

⁽¹⁾ Amount delinquent as of June 30th in the Fiscal Year in which the Special Taxes were levied.

Source: KeyAnalytics.

Top Taxpayers. The following table shows the top taxpayers in Improvement Area A of CFD No. 99-1 based on the Fiscal Year 2025-26 Special Tax levy.

**TABLE A-16
IMPROVEMENT AREA A OF
MENIFEE UNION SCHOOL DISTRICT
COMMUNITY FACILITIES DISTRICT NO. 99-1
ESTIMATED VALUE-TO-LIEN BY TOP PROPERTY OWNER**

<i>Owner ^{(1), (2)}</i>	<i>Number of Parcels</i>	<i>Fiscal Year 2025-26 Special Tax Levy</i>	<i>% Share of Special Tax</i>	<i>Fiscal Year 2025-26 Assessed Value ⁽²⁾</i>	<i>Total Liens ^{(3)*}</i>	<i>Value-to-Lien Ratio*</i>
Individual Owner	2	\$ 410.00	0.49%	\$ 742,764.00	\$ 34,797.82	21.35
Individual Owner	2	410.00	0.49	628,163.00	32,461.76	19.35
Individual Owner	2	410.00	0.49	617,958.00	32,253.73	19.16
Individual Owner	2	410.00	0.49	440,944.00	28,645.42	15.39
Individual Owner	1	205.00	0.24	880,801.00	27,783.07	31.70
Individual Owner	1	205.00	0.24	811,823.00	26,377.00	30.78
Individual Owner	1	205.00	0.24	770,635.00	25,537.41	30.18
Individual Owner	1	205.00	0.24	742,844.00	24,970.91	29.75
Individual Owner	1	205.00	0.24	742,844.00	24,970.91	29.75
Individual Owner	<u>1</u>	<u>205.00</u>	<u>0.24</u>	<u>735,000.00</u>	<u>24,811.01</u>	<u>29.62</u>
Total ⁽⁴⁾	14	\$ 2,870.00	3.41%	\$7,113,776.00	\$ 282,609.04	25.17

* Preliminary, subject to change.
⁽¹⁾ The parcels in Improvement Area A of CFD No. 99-1 are also subject to the Special Tax for Zone 2 of CFD No. 99-1.
⁽²⁾ Source: Riverside County Assessor's Roll, dated July 1, 2025.
⁽³⁾ See Table A-10 for a description of overlapping liens and does not reflect subsequent additional charges or increases that may occur in Fiscal Year 2026-27. Other Land Secured Debt has been allocated based on the proportionate share of the Fiscal Year 2025-26 Special Tax Levy. General Obligation Debt has been allocated based on the proportionate share of the Fiscal Year 2025-26 assessed values.
⁽⁴⁾ Totals may not sum due to rounding.
Source: KeyAnalytics.

Zone 1 of Community Facilities District No. 99-1

Location and Description. CFD No. 99-1, which was divided into Zone 1 and Zone 2 at the time of formation, was formed by the School District on December 14, 1999, to finance authorized school facilities. Improvement Area A of CFD No. 99-1 was formed by the School District on January 14, 2003. Zone 1 and Zone 2 are adjacent to each other but encompass separate parcels of land. CFD No. 99-1 formed Improvement Area A as an overlay area on Zone 2, covering the same land as Zone 2. Separate Special Taxes are levied under separate Rates and Methods of Apportionment with respect to Zone 1, Zone 2 and Improvement Area A; each Special Tax secures bonds issued for its respective zone or improvement area, and no cross-collateralization exists among Zone 1, Zone 2 or Improvement Area A. The property in Zone 1 of CFD No. 99-1 (totaling approximately 71.57 net taxable acres) is located at and around the intersection of Honeyrun Road and La Ladera Road, in the southwestern portion of the County, in the City of Menifee.

As of the date of the Official Statement, 392 single-family detached homes within Zone 1 have been conveyed to individual homeowners. Zone 1 of CFD No. 99-1 has been built-out with the exception of 2 parcels of undeveloped property; the CFD 99-1 Zone 1 Bonds are not sized based on the collection of any special taxes from this undeveloped property. Moreover, the tables in this Official Statement do not account for these parcels either.

Ownership of the taxable property within Zone 1 of CFD No. 99-1 is significantly diversified, with no property owner owning more than 1 parcel of property within Zone 1 of CFD No. 99-1. No owner in Zone 1 of CFD No. 99-1 is responsible for more than 0.26% of the Special Tax levy.

Assigned Special Taxes. Table A-17 below sets forth the Assigned Annual Special Taxes that were levied per parcel on taxable property within Zone 1 of CFD No. 99-1 in Fiscal Year 2025-26. The Special Taxes in Zone 1 of CFD No. 99-1 may not be levied after Fiscal Year 2045-46. The final maturity of the CFD No. 99-1 Zone 1 Bonds is September 1, 2031.

**TABLE A-17
ZONE 1 OF
COMMUNITY FACILITIES DISTRICT NO. 99-1
OF THE MENIFEE UNION SCHOOL DISTRICT
SUMMARY OF FISCAL YEAR 2025-26 ACTUAL SPECIAL TAX LEVY**

<i>Special Tax Class</i>	<i>Building Square Feet</i>	<i>Number of Units</i>	<i>Fiscal Year 2025-26 Assigned Annual Special Tax Rate</i>	<i>Fiscal Year 2025-26 Special Tax Levy</i>	<i>Percentage of Levy Total</i>
1	NA	392	\$1,045.00	\$409,640.00	100.00%
Total ⁽¹⁾		392 Units	\$ NA	\$409,640.00	100.00%

⁽¹⁾ Totals may not sum due to rounding.
Source: KeyAnalytics.

For the complete text of the Zone 1 of CFD No. 99-1 Rate and Method, see Appendix D — “RATES AND METHODS OF APPORTIONMENT OF SPECIAL TAXES FOR THE TAXING JURISDICTIONS.”

To date, there have been no special tax prepayments within Zone 1 of CFD No. 99-1. See the caption “SPECIAL RISK FACTORS — Potential Early Redemption of Bonds from Prepayments or Other Sources” for a discussion of the potential for a lower than expected yield on the Bonds as a result of a mandatory redemption thereof from redemption of Local Obligations due to the prepayment of Special Taxes or certain other sources.

Direct and Overlapping Debt. The Authority has obtained the assessed values of all of the taxable property in Zone 1 of CFD No. 99-1, as established by the County Assessor for Fiscal Year 2025-26, which totals \$163,348,521. See Table A-20.

Zone 1 of CFD No. 99-1 is included within the boundaries of overlapping local agencies providing governmental services. Some of these local agencies have outstanding bonds, and/or the authority to issue bonds, payable from taxes or assessments. The existing and authorized indebtedness payable from taxes and assessments that may be levied upon the property within Zone 1 of CFD No. 99-1 is shown in Table A-10 below. In addition to current debt, new community facilities districts and/or special assessment districts could be formed in the future encompassing all or a portion of the property within Zone 1 of CFD No. 99-1; and such districts or the agencies that formed them could issue more bonds and levy additional special taxes or assessments. The total assessed value shown in Table A-18 differs from the total assessed value shown in the other tables for Zone 1 of CFD No. 99-1 because Table A-18 includes all property that is exempt from the levy of the Special Tax within Zone 1 of CFD No. 99-1, while the other tables do not.

**TABLE A-18
ZONE 1 OF
MENEFEE UNION SCHOOL DISTRICT
COMMUNITY FACILITIES DISTRICT NO. 99-1
DIRECT AND OVERLAPPING DEBT AS OF MARCH 1, 2025**

I. Assessed Value
2025-2026 Secured Roll Assessed Value \$ 163,348,521

II. Secured Property Taxes

<i>Description on Tax Bill</i>	<i>Type</i>	<i>Total Parcels</i>	<i>Total Levy</i>	<i>% Applicable</i>	<i>Parcels</i>	<i>Levy</i>
Basic 1% Levy	PROP13	964,202	\$ 4,323,533,139.04	0.03671%	394	\$ 1,587,257.14
City of Menifee CSA No. 145	CSA	7,742	1,052,667.00	4.34433	393	45,731.28
City of Menifee Delinquent Trash Charge	DQ	1,783	1,062,042.66	1.19943	23	12,738.48
City of Menifee LLM D No. 89-1C, Zone 3	LLMD	3,548	278,481.98	9.12137	327	25,401.36
County of Riverside CSA No. 152 (Street Sweeping)	CSA	76,401	2,680,734.56	0.52320	390	14,025.60
Eastern Municipal Water District Combined Standby Charge	STANDBY	271,755	5,968,257.60	0.17164	394	10,244.00
Eastern Municipal Water District ID No. U-35 Debt Service	GOB	21,046	475,530.30	1.43529	394	6,825.25
Eastern Municipal Water District ID No. U-36 Debt Service	GOB	21,044	475,507.03	1.43536	394	6,825.25
Menifee Union School District CFD No. 99-1, Zone 1	CFD	400	409,640.00	100.00000	392	409,640.00
Menifee Union School District Debt Service	GOB	46,604	14,057,842.82	0.84682	394	119,044.49
Metropolitan Water District of Southern California Debt Service	GOB	271,489	9,084,577.54	0.12230	394	11,110.80
Metropolitan Water District of Southern California Standby Charge (East)	STANDBY	268,538	2,834,610.78	0.09597	392	2,720.48
Mt. San Jacinto Community College District Debt Service	GOB	353,147	3,696,464.19	0.10907	392	4,031.60
Perris Union High School District CFD No. 92-1	CFD	25,293	6,673,669.18	1.94780	379	129,989.42
Perris Union High School District Debt Service	GOB	80,860	14,568,144.46	0.51339	394	74,791.73
Riverside County Flood Control and Water Conservation District NPDES (Santa Ana River)	FLOOD	426,734	2,945,864.24	0.04968	392	1,463.54
WRCOG HERO Financing Program (County of Riverside) ⁽¹⁾	1915	281	681,782.40	0.37237	1	2,538.72
WRCOG HERO Financing Program (County of Riverside) ⁽¹⁾	1915	133	246,088.60	0.75117	1	1,848.54
WRCOG HERO Financing Program (County of Riverside) ⁽¹⁾	1915	3,802	\$ 9,941,834.96	0.04555%	1	4,528.26
2025-2026 TOTAL PROPERTY TAX LIABILITY						\$ 2,470,755.94
TOTAL PROPERTY TAX LIABILITY AS A PERCENTAGE OF 2025-2026 ASSESSED VALUATION						1.51%

III. Land Secured Bond Indebtedness

<i>Outstanding Direct and Overlapping Bonded Debt</i>	<i>Type</i>	<i>Issued</i>	<i>Outstanding</i>	<i>% Applicable</i>	<i>Parcels</i>	<i>Amount</i>
Menifee Union School District CFD No. 99-1, Zone 1	CFD	\$ 5,516,196	\$ 1,975,000	100.00000%	392	\$ 1,975,000
Perris Union High School District CFD No. 92-1	CFD	40,000,000	27,910,000	1.94780	379	543,631
TOTAL LAND SECURED BOND INDEBTEDNESS ⁽²⁾						\$ 2,518,631
TOTAL OUTSTANDING LAND SECURED BOND INDEBTEDNESS ⁽²⁾						\$ 2,518,631

IV. General Obligation Bond Indebtedness

<i>Outstanding Direct and Overlapping Bonded Debt</i>	<i>Type</i>	<i>Issued</i>	<i>Outstanding</i>	<i>% Applicable</i>	<i>Parcels</i>	<i>Amount</i>
Eastern Municipal Water District ID No. U-35	GOB	\$ 9,000,000	\$ 5,805,000	1.40259%	394	\$ 81,420
Eastern Municipal Water District ID No. U-36	GOB	9,012,000	5,813,000	1.40265	394	81,536
Menifee Union School District GOB 2002	GOB	14,498,923	4,879,720	0.83380	394	40,687
Menifee Union School District GOB 2008	GOB	31,460,000	19,575,000	0.83380	394	163,216
Menifee Union School District GOB 2016	GOB	134,996,572	118,761,572	0.83380	394	990,231
Menifee Union School District GOB 2024	GOB	36,350,000	36,350,000	0.83380	394	303,085
Metropolitan Water District of Southern California GOB 1966	GOB	850,000,000	22,985,000	0.05231	392	12,024
Mt. San Jacinto Community College District GOB 2014	GOB	295,000,000	233,100,000	0.10884	392	253,698
Perris Union High School District GOB 2004	GOB	45,997,378	9,259,558	0.50914	394	47,144
Perris Union High School District GOB 2012	GOB	153,418,024	132,018,024	0.50914	394	672,162
Perris Union High School District GOB 2018	GOB	148,000,000	134,450,000	0.50914	394	684,544
TOTAL GENERAL OBLIGATION BOND INDEBTEDNESS ⁽²⁾						\$ 3,329,747
TOTAL OUTSTANDING GENERAL OBLIGATION BOND INDEBTEDNESS ⁽²⁾						\$ 3,329,747

TOTAL OF ALL OUTSTANDING AND OVERLAPPING BONDED DEBT	\$ 5,848,378.37
VALUE TO ALL OUTSTANDING DIRECT AND OVERLAPPING BONDED DEBT	27.93:1

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

⁽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. Includes the Prior CFD 99-1 Zone 1 Bonds.

Source: California Tax Data.

Value-to-Lien. Table A-19 below sets forth the stratification of value-to-liens of the taxable property within Zone 1 of CFD No. 99-1 based on Fiscal Year 2025-26 assessed value and each parcel’s respective share of the principal amount of the CFD No. 99-1 Zone 1 Bonds and all estimated direct and overlapping indebtedness (allocated to each parcel based upon its respective share of the Special Tax levy or other applicable tax or assessment for Fiscal Year 2025-26). The ratio of the value of an individual lot within Zone 1 of CFD No. 99-1 to its respective share of the principal amount of such indebtedness can be expected to vary.

**TABLE A-19
ZONE 1 OF
MENIFEE UNION SCHOOL DISTRICT
COMMUNITY FACILITIES DISTRICT NO. 99-1
ASSESSED VALUE-TO-LIEN RATIO STRATIFICATION
(FISCAL YEAR 2025-26)**

<i>Value-to-Lien Category</i>	<i>Number of Parcels</i>	<i>CFD No. 99-1 Zone 1 Bonds</i>	<i>Other Land Secured Debt^{(1)*}</i>	<i>General Obligation Debt⁽²⁾</i>	<i>Total Debt*</i>	<i>Fiscal Year 2025-26 Assessed Value⁽²⁾</i>	<i>Value-to-Lien Ratio^{(3)*}</i>	<i>Fiscal Year 2025-26 Special Tax</i>	<i>% Share of Special Tax</i>
> 30.00	179	\$ 974,911	\$ 251,017	\$ 1,959,479	\$ 3,185,407	\$ 96,126,820	30.18	\$ 187,055	45.66%
25.00 to 30.00	151	822,411	205,117	1,059,896	2,087,423	51,995,659	24.91	157,795	38.52
20.00 to 25.00	61	332,232	86,063	308,384	726,679	15,128,497	20.82	63,745	15.56
15.00 to 20.00	0	0	0	0	0	0	N/A	0	0.00
10.00 to 15.00	1	5,446	1,434	1,983	8,864	97,293	10.98	1,045	0.26
< 10.00	0	0	0	0	0	0	NA	0	0.00
Total ⁽⁴⁾	392	\$2,135,000	\$ 543,631	\$ 3,329,742	\$ 6,008,373	\$163,348,269	27.19	\$ 409,640	100.00%

* Preliminary, subject to change.

(1) See Table A-10 for a description of overlapping liens and does not reflect subsequent additional charges or increases that may occur in Fiscal Year 2026-27. Other Land Secured Debt has been allocated based on the proportionate share of the Fiscal Year 2025-26 Special Tax Levy. General Obligation Debt has been allocated based on the proportionate share of the Fiscal Year 2025-26 assessed values.

(2) Source: Riverside County Assessor’s Roll dated July 1, 2025.

(3) Average value-to-lien per Parcel; actual value-to-lien may vary by Parcel.

(4) Totals may not sum due to rounding.

Source: KeyAnalytics.

Historical Assessed Values. Table A-20 summarizes the assessed values within Zone 1 of CFD No. 99-1 for the Fiscal Years shown.

**TABLE A-20
ZONE 1 OF
MENIFEE UNION SCHOOL DISTRICT
COMMUNITY FACILITIES DISTRICT NO. 99-1
HISTORICAL AND CURRENT ASSESSED VALUES OF NON-EXEMPT PROPERTY⁽¹⁾⁽²⁾**

<i>Fiscal Year Ending (June 30)</i>	<i>Assessed Value Land</i>	<i>Assessed Value Improvement</i>	<i>Assessed Value Other</i>	<i>Total Assessed Value</i>	<i>Percentage Change</i>
2022	\$ 36,166,197	\$ 97,224,712	\$0	\$ 133,390,909	NA
2023	36,967,491	107,483,715	0	144,451,206	8.29%
2024	37,499,499	115,619,368	0	153,118,867	6.00
2025	38,748,214	120,910,926	0	159,659,140	4.27
2026	40,263,340	123,085,181	0	163,348,521	2.31

⁽¹⁾ Source: Riverside County Assessor’s Roll, dated July 1 of the applicable Fiscal Year.

⁽²⁾ Includes parcels classified as Taxable Property only (Developed and Undeveloped).

Source: KeyAnalytics.

Tax Rates. As shown in Table A-18, the taxable property within Zone 1 of CFD No. 99-1 is subject to several different taxes and assessments. Table A-21 below shows a tax bill for an average parcel of taxable property within Zone 1 of CFD No. 99-1 (based on median assessed value). Table A-21 sets forth those entities with fees, charges, *ad valorem* taxes and special taxes regardless of whether those entities have issued debt. Data in Table A-21 is based on tax charges for Fiscal Year 2025-26 and does not reflect subsequent additional charges or increases.

**TABLE A-21
 ZONE 1 OF
 MENIFEE UNION SCHOOL DISTRICT
 COMMUNITY FACILITIES DISTRICT NO. 99-1
 FISCAL YEAR 2025-26 PROPERTY TAX BILL
 SAMPLE TAX BILL**

PROPERTY VALUE ⁽¹⁾	\$ 402,482
<i>LESS Homeowner's Exemption</i>	<u>0</u>
NET PROPERTY VALUE	\$ 402,482

	<i>Percent of Total Assessed Valuation</i>	<i>Amount to be Levied</i>
AD VALOREM PROPERTY TAXES		
General Purpose	1.14026%	
Eastern Municipal Water District U-35	1.00000	\$ 4,024.82
Eastern Municipal Water District U-36	0.00430	17.31
Menifee Union School District	0.00430	17.31
Metropolitan Water District East	0.07500	301.86
Mount San Jacinto Junior College	0.00700	28.17
Perris Union High School District	0.00254	10.22
	0.04712	189.65
ASSESSMENTS, SPECIAL TAXES, AND PARCEL CHARGES		
Riverside County Flood Control and Water Conservation District		\$ 3.74
Perris Union High School District CFD No. 92-1		342.98
County of Riverside CSA #152		40.00
City of Menifee LLMD No. 89-1C, Zone 3		77.68
Metropolitan Water District Standby Charge (East)		6.94
Eastern Municipal Water District Infrastructure Availability Charge		26.00
City of Menifee CSA #145		140.86
Menifee Union School District CFD No. 99-1 Zone 1		<u>1,045.00</u>
TOTAL PROPERTY TAXES		\$ 6,272.54
Effective Tax Rate		1.55847%

⁽¹⁾ Fiscal Year 2025-26 assessed valuation for a Dwelling Unit containing 2,459 assessable square feet, representing the median assessed value for a Dwelling Unit within Zone 1 of CFD No. 99-1.
 Source: Riverside County Tax Collector.

Tax rates within Zone 1 of CFD No. 99-1 vary based on a variety of factors, including building square footage, and, as a result, the median effective tax rate within Zone 1 of CFD No. 99-1 is 1.53% Table A-22 below sets forth the effective tax rate stratification of all parcels within Zone 1 of CFD No. 99-1 based on Fiscal Year 2025-26 assessed values.

**TABLE A-22
ZONE 1 OF
MENIFEE UNION SCHOOL DISTRICT
COMMUNITY FACILITIES DISTRICT NO. 99-1
FISCAL YEAR 2025-26 EFFECTIVE TAX RATE STRATIFICATION***

<i>Effective Tax Rate Category</i>	<i>Number of Parcels</i>	<i>CFD No. 99-1 Zone 1 Bonds</i>	<i>Other Land Secured Debt⁽¹⁾</i>	<i>General Obligation Debt⁽¹⁾</i>	<i>Total Debt</i>	<i>Fiscal Year 2025-26 Assessed Value⁽²⁾</i>	<i>Value-to-Lien Ratio⁽³⁾</i>	<i>Total Taxes</i>	<i>Average Effective Tax Rate⁽⁴⁾</i>	<i>Fiscal Year 2025-26 Special Tax</i>	<i>% Share of Special Tax</i>
2.20% and above	3	\$ 16,339	\$ 2,869	\$ 12,866	\$ 32,074	\$ 631,156	19.68	\$ 16,837	2.67%	\$ 3,135	0.77%
2.00% to 2.20%	2	10,893	2,869	10,481	24,243	514,192	21.21	10,480	2.04	2,090	0.51
1.80% to 2.00%	27	147,054	38,728	138,029	323,811	6,771,344	20.91	128,091	1.89	28,215	6.89
1.60% to 1.80%	100	544,643	142,004	605,879	1,292,526	29,722,829	23.00	502,559	1.69	104,500	25.51
1.50% to 1.60%	101	550,089	136,266	812,747	1,499,102	39,871,181	26.60	616,871	1.55	105,545	25.77
1.30% to 1.50%	140	762,500	193,642	1,592,116	2,548,257	78,104,951	30.65	1,114,222	1.43	146,300	35.71
1.30% and below	<u>19</u>	<u>103,482</u>	<u>27,253</u>	<u>157,624</u>	<u>288,359</u>	<u>7,732,616</u>	<u>26.82</u>	<u>81,369</u>	<u>1.05</u>	<u>19,855</u>	<u>4.85</u>
Total ⁽⁵⁾	392	\$ 2,135,000	\$ 543,631	\$ 3,329,742	\$ 6,008,373	\$ 163,348,269	27.19	\$ 2,470,428.02	1.51%	\$ 409,640	100.00%

* Preliminary, subject to change.

(1) See Table A-18 for a description of overlapping liens and does not reflect subsequent additional charges or increases that may occur in Fiscal Year 2026-27. Other Land Secured Debt has been allocated based on the proportionate share of the Fiscal Year 2025-26 Special Tax Levy. General Obligation Debt has been allocated based on the proportionate share of the Fiscal Year 2025-26 assessed values.

(2) Source: Riverside County Assessor’s Roll dated July 1, 2025

(3) Average value-to-lien per Parcel; actual value-to-lien may vary by Parcel.

(4) Average effective tax rate per Parcel; actual effective tax rate may vary by Parcel.

(5) Totals may not sum due to rounding.

Source: KeyAnalytics.

Delinquencies. Unpaid amounts of the Special Taxes become delinquent after December 10 and April 10 of each Fiscal Year. Table A-23 below summarizes the Special Tax delinquencies within Zone 1 of CFD No. 99-1 for Fiscal Years 2021-22 through 2025-26 as of April 10, 2026.

**TABLE A-23
ZONE 1 OF
MENIFEE UNION SCHOOL DISTRICT
COMMUNITY FACILITIES DISTRICT NO. 99-1
HISTORICAL DELINQUENCIES AND COLLECTION RATES**

<i>Fiscal Year</i>	<i>Parcels Levied</i>	<i>Aggregate Special Taxes</i>	<i>Parcels Delinquent</i>	<i>Amount Collected</i>	<i>Amount Delinquent as of June 30⁽¹⁾</i>	<i>Delinquency Rate</i>	<i>As of April 10, 2026</i>	
							<i>Remaining Amount Delinquent</i>	<i>Remaining Delinquency Rate</i>
2021-22	392	\$409,640.00	4	\$407,027.50	\$ 2,612.00	0.64%	\$ 0.00	0.00%
2022-23	392	409,640.00	2	408,072.50	1,567.50	0.38	0.00	0.00
2023-24	392	409,640.00	2	408,595.00	1,045.00	0.26	522.50	0.13
2024-25	392	409,640.00	6	404,415.00	5,225.00	1.28	522.50	0.13
2025-26	392	409,640.00	9	402,325.00	N/A	N/A	7,315.00	1.79

⁽¹⁾ Amount delinquent as of June 30th in the Fiscal Year in which the Special Taxes were levied.
Source: KeyAnalytics.

Top Taxpayers. The following table shows the top taxpayers in Zone 1 of CFD No. 99-1 based on the Fiscal Year 2025-26 Special Tax levy.

**TABLE A-24
ZONE 1 OF
MENIFEE UNION SCHOOL DISTRICT
COMMUNITY FACILITIES DISTRICT NO. 99-1
ESTIMATED VALUE-TO-LIEN BY TOP PROPERTY OWNER**

<i>Owner ⁽¹⁾</i>	<i>Number of Parcels</i>	<i>Fiscal Year 2025-26 Special Tax Levy</i>	<i>% Share of Special Tax</i>	<i>Fiscal Year 2025-26 Assessed Value ⁽¹⁾</i>	<i>Total Liens ^{(2)*}</i>	<i>Value-to-Lien Ratio*</i>
Individual Owner	1	\$ 1,045.00	0.26%	\$ 811,823.00	\$ 23,429.27	34.65
Individual Owner	1	1,045.00	0.26	764,999.00	22,474.79	34.04
Individual Owner	1	1,045.00	0.26	742,844.00	22,023.18	33.73
Individual Owner	1	1,045.00	0.26	737,643.00	21,917.16	33.66
Individual Owner	1	1,045.00	0.26	716,314.00	21,482.38	33.34
Individual Owner	1	1,045.00	0.26	716,314.00	21,482.38	33.34
Individual Owner	1	1,045.00	0.26	705,702.00	21,266.06	33.18
Individual Owner	1	1,045.00	0.26	703,310.00	21,217.30	33.15
Individual Owner	1	1,045.00	0.26	702,270.00	21,196.10	33.13
Individual Owner	<u>1</u>	<u>1,045.00</u>	<u>0.26</u>	<u>700,396.00</u>	<u>21,157.90</u>	<u>33.10</u>
Total ⁽³⁾	10	\$ 10,450.00	2.55%	\$7,301,615.00	\$ 217,646.52	33.55

* Preliminary, subject to change.

⁽¹⁾ Source: Riverside County Assessor's Roll, dated July 1, 2025.

⁽²⁾ See Table A-18 for a description of overlapping liens and does not reflect subsequent additional charges or increases that may occur in Fiscal Year 2026-27. Other Land Secured Debt has been allocated based on the proportionate share of the Fiscal Year 2025-26 Special Tax Levy. General Obligation Debt has been allocated based on the proportionate share of the Fiscal Year 2025-26 assessed values.

⁽³⁾ Totals may not sum due to rounding.

Source: KeyAnalytics.

Zone 2 of Community Facilities District No. 99-1

Location and Description. CFD No. 99-1, which was divided into Zone 1 and Zone 2 at the time of formation, was formed by the School District on December 14, 1999, to finance authorized school facilities. Improvement Area A of CFD No. 99-1 was formed by the School District on January 14, 2003. Zone 1 and Zone 2 are adjacent to each other but encompass separate parcels of land. CFD No. 99-1 formed Improvement Area A as an overlay area on Zone 2, covering the same land as Zone 2. Separate Special Taxes are levied under separate Rates and Methods of Apportionment with respect to Zone 1, Zone 2 and Improvement Area A; each Special Tax secures bonds issued for its respective zone or improvement area, and no cross-collateralization exists among Zone 1, Zone 2 or Improvement Area A. The property in Zone 2 and Improvement Area A of CFD No. 99-1 (which are conterminous) (totaling approximately 77.67 net taxable acres) is located north of Honeyrun Road around the intersection of Honeyrun Road and La Ladera Road, in the southwestern portion of the County, in the City of Menifee.

As of the date of the Official Statement, 411 single-family detached homes within Zone 2 and Improvement Area A have been conveyed to individual homeowners. Zone 2 and Improvement Area A of CFD No. 99-1 have approximately 120.69 acres of undeveloped land; the CFD 99-1 Zone 2 Bonds are not sized based on the collection of any special taxes from this undeveloped property. Moreover, the tables in this Official Statement do not account for these parcels either.

Ownership of the taxable property within Zone 2 of CFD No. 99-1 is significantly diversified, with four property owners owning two parcels and no other property owner owning more than one parcel. No property owner within Improvement Area A of CFD No. 99-1 is responsible for more than 0.49% of the Special Tax levy.

Assigned Special Taxes. Table A-25 below sets forth the Assigned Annual Special Taxes that were levied per parcel on taxable property within Zone 2 of CFD No. 99-1 in Fiscal Year 2025-26. The Special Taxes in Zone 2 of CFD No. 99-1 may not be levied after Fiscal Year 2045-46. The final maturity of the CFD No. 99-1 Zone 2 Bonds is September 1, 2033.

**TABLE A-25
ZONE 2 OF
COMMUNITY FACILITIES DISTRICT NO. 99-1
OF THE MENIFEE UNION SCHOOL DISTRICT
SUMMARY OF FISCAL YEAR 2025-26 ACTUAL SPECIAL TAX LEVY**

<i>Special Tax Class</i>	<i>Building Square Feet</i>	<i>Number of Units</i>	<i>Fiscal Year 2025-26 Assigned Annual Special Tax Rate</i>	<i>Fiscal Year 2025-26 Special Tax Levy</i>	<i>Percentage of Levy Total</i>
1	NA	<u>411</u>	<u>\$1,045.00</u>	<u>\$429,495.00</u>	<u>100.00%</u>
Total ⁽¹⁾		411 Units	\$1,045.00	\$429,495.00	100.00%

⁽¹⁾ Totals may not sum due to rounding.
Source: KeyAnalytics.

For the complete text of the Zone 2 of CFD No. 99-1 Rate and Method, see Appendix D — “RATES AND METHODS OF APPORTIONMENT OF SPECIAL TAXES FOR THE TAXING JURISDICTIONS.”

To date, there have been no special tax prepayments within Zone 2 of CFD No. 99-1. See the caption “SPECIAL RISK FACTORS — Potential Early Redemption of Bonds from Prepayments or Other Sources” for a discussion of the potential for a lower than expected yield on the Bonds as a result of a mandatory redemption thereof from redemption of Local Obligations due to the prepayment of Special Taxes or certain other sources.

Direct and Overlapping Debt. The Authority has obtained the assessed values of all of the taxable property in Zone 2 of CFD No. 99-1, as established by the County Assessor for Fiscal Year 2025-26, which totals \$181,793,376. See Table A-28.

Zone 2 of CFD No. 99-1 is included within the boundaries of overlapping local agencies providing governmental services. Some of these local agencies have outstanding bonds, and/or the authority to issue bonds, payable from taxes or assessments. The existing and authorized indebtedness payable from taxes and assessments that may be levied upon the property within Zone 2 of CFD No. 99-1 is shown in Table A-26 below. In addition to current debt, new community facilities districts and/or special assessment districts could be formed in the future encompassing all or a portion of the property within Zone 2 of CFD No. 99-1; and such districts or the agencies that formed them could issue more bonds and levy additional special taxes or assessments. The total assessed value shown in Table A-26 differs from the total assessed value shown in the other tables for Zone 2 of CFD No. 99-1 because Table A-26 includes all property that is exempt from the levy of the Special Tax within Zone 2 of CFD No. 99-1, while the other tables do not.

**TABLE A-26
ZONE 2 OF
MENEFEE UNION SCHOOL DISTRICT
COMMUNITY FACILITIES DISTRICT NO. 99-1
DIRECT AND OVERLAPPING DEBT AS OF MARCH 1, 2025**

I. Assessed Value

2025-2026 Secured Roll Assessed Value

\$ 181,793,376

II. Secured Property Taxes

<i>Description on Tax Bill</i>	<i>Type</i>	<i>Total Parcels</i>	<i>Total Levy</i>	<i>% Applicable</i>	<i>Parcels</i>	<i>Levy</i>
Basic 1% Levy	PROP13	964,202	\$4,323,533,139.04	0.04070%	414	\$1,759,894.13
City of Menifee CSA No. 145	CSA	7,742	1,052,667.00	7.36740	413	77,554.18
City of Menifee Delinquent Trash Charge	DQ	1,783	1,062,042.66	1.72274	25	18,296.24
City of Menifee LLMD No. 89-1C, Zone 3	LLMD	3,548	278,481.98	12.57994	414	35,032.86
County of Riverside CSA No. 152 (Street Sweeping)	CSA	76,401	2,680,734.56	0.43248	260	11,593.70
Eastern Municipal Water District Combined Standby Charge	STANDBY	271,755	5,968,257.60	0.20640	414	12,318.52
Eastern Municipal Water District ID No. U-35 Debt Service	GOB	21,046	475,530.30	1.59139	414	7,567.55
Eastern Municipal Water District ID No. U-36 Debt Service	GOB	21,044	475,507.03	1.59147	414	7,567.55
Menifee Union School District CFD No. 99-1, Impv Area A	CFD	416	84,255.00	100.00000	411	84,255.00
Menifee Union School District CFD No. 99-1, Zone 2	CFD	411	429,495.00	100.00000	411	429,495.00
Menifee Union School District Debt Service	GOB	46,604	14,057,842.82	0.93892	414	131,992.25
Metropolitan Water District of Southern California Debt Service	GOB	271,489	9,084,577.54	0.13561	414	12,319.28
Metropolitan Water District of Southern California Standby Charge (East)	STANDBY	268,538	2,834,610.78	0.11117	412	3,151.30
Mt. San Jacinto Community College District Debt Service	GOB	353,147	3,696,464.19	0.12093	414	4,470.08
Perris Union High School District CFD No. 92-1	CFD	25,293	6,673,669.18	2.08142	405	138,906.90
Perris Union High School District Debt Service	GOB	80,860	14,568,144.46	0.56923	414	82,926.36
Riverside County Flood Control and Water Conservation District NPDES (Santa Ana River)	FLOOD	426,734	2,945,864.24	0.05194	411	1,529.98
WRCOG Hero Financing Program (County of Riverside) ⁽¹⁾	1915	3,802	9,941,834.96	0.02457	1	<u>2,442.26</u>
2025-2026 TOTAL PROPERTY TAX LIABILITY						\$2,821,313.14
TOTAL PROPERTY TAX LIABILITY AS A PERCENTAGE OF 2025-2026 ASSESSED VALUATION						1.55%

III. Land Secured Bond Indebtedness

<i>Outstanding Direct and Overlapping Bonded Debt</i>	<i>Type</i>	<i>Issued</i>	<i>Outstanding</i>	<i>% Applicable</i>	<i>Parcels</i>	<i>Amount</i>
Menifee Union School District CFD No. 99-1, Impv Area A	CFD	\$ 1,001,123	\$ 450,000	100.00000%	411	\$ 450,000
Menifee Union School District CFD No. 99-1, Zone 2	CFD	5,959,099	2,680,000	100.00000	411	2,680,000
Perris Union High School District CFD No. 92-1	CFD	40,000,000	27,910,000	2.08142	405	<u>580,924</u>
TOTAL LAND SECURED BOND INDEBTEDNESS ⁽²⁾						\$ 3,710,924
TOTAL OUTSTANDING LAND SECURED BOND INDEBTEDNESS ⁽²⁾						\$ 3,710,924

IV. General Obligation Bond Indebtedness

<i>Outstanding Direct and Overlapping Bonded Debt</i>	<i>Type</i>	<i>Issued</i>	<i>Outstanding</i>	<i>% Applicable</i>	<i>Parcels</i>	<i>Amount</i>
Eastern Municipal Water District ID No. U-35	GOB	\$ 9,000,000	\$ 5,805,000	1.56096%	414	\$ 90,614
Eastern Municipal Water District ID No. U-36	GOB	9,012,000	5,813,000	1.56104	414	90,743
Menifee Union School District GOB 2002	GOB	14,498,923	4,879,720	0.92795	414	45,281
Menifee Union School District GOB 2008	GOB	31,460,000	19,575,000	0.92795	414	181,646
Menifee Union School District GOB 2016	GOB	134,996,572	118,761,572	0.92795	414	1,102,045
Menifee Union School District GOB 2024	GOB	36,350,000	36,350,000	0.92795	414	337,309
Metropolitan Water District of Southern California GOB 1966	GOB	850,000,000	22,985,000	0.05822	414	13,381
Mt. San Jacinto Community College District GOB 2014	GOB	295,000,000	233,100,000	0.12113	414	282,345
Perris Union High School District GOB 2004	GOB	45,997,378	9,259,558	0.56663	414	52,468
Perris Union High School District GOB 2012	GOB	153,418,024	132,018,024	0.56663	414	748,060
Perris Union High School District GOB 2018	GOB	148,000,000	134,450,000	0.56663	414	<u>761,841</u>
TOTAL GENERAL OBLIGATION BOND INDEBTEDNESS ⁽²⁾						\$ 3,705,734
TOTAL OUTSTANDING GENERAL OBLIGATION BOND INDEBTEDNESS ⁽²⁾						\$ 3,705,734

TOTAL OF ALL OUTSTANDING AND OVERLAPPING BONDED DEBT	\$7,416,657.85
VALUE TO ALL OUTSTANDING DIRECT AND OVERLAPPING BONDED DEBT	24.51:1

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

⁽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. Includes Prior CFD 99-1 IA A Bonds and Prior CFD 99-1 Zone 2 Bonds.

Source: California Tax Data.

Value-to-Lien. Table A-27 below sets forth the stratification of value-to-liens of the taxable property within Zone 2 of CFD No. 99-1 based on Fiscal Year 2025-26 assessed value and each parcel’s respective share of the principal amount of the CFD No. 99-1 Zone 2 Bonds and all estimated direct and overlapping indebtedness (allocated to each parcel based upon its respective share of the Special Tax levy or other applicable tax or assessment for Fiscal Year 2025-26). The ratio of the value of an individual lot within Zone 2 of CFD No. 99-1 to its respective share of the principal amount of such indebtedness can be expected to vary.

**TABLE A-27
ZONE 2 OF
MENIFEE UNION SCHOOL DISTRICT
COMMUNITY FACILITIES DISTRICT NO. 99-1
ASSESSED VALUE-TO-LIEN RATIO STRATIFICATION
(FISCAL YEAR 2025-26)**

<i>Value-to-Lien Category</i>	<i>Number of Parcels</i>	<i>CFD No. 99-1 Zone 2 Bonds</i>	<i>Other Land Secured Debt^{(1)(2)*}</i>	<i>General Obligation Debt⁽²⁾</i>	<i>Total Debt*</i>	<i>Fiscal Year 2025-26 Assessed Value⁽³⁾</i>	<i>Value-to-Lien Ratio^{(4)*}</i>	<i>Fiscal Year 2025-26 Special Tax</i>	<i>% Share of Special Tax</i>
> 30.00	3	\$ 21,569	\$ 7,916	\$ 50,212	\$ 79,697	\$ 2,463,259	30.91	\$ 3,135	0.73%
25.00 to 30.00	128	920,292	334,893	1,518,059	2,773,244	74,471,931	26.85	133,760	31.14
20.00 to 25.00	189	1,358,869	492,988	1,625,108	3,476,965	79,723,459	22.93	197,505	45.99
15.00 to 20.00	87	625,511	229,572	477,561	1,332,644	23,427,860	17.58	90,915	21.17
10.00 to 15.00	4	28,759	10,555	15,379	54,693	754,463	13.79	4,180	0.97
< 10.00	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>NA</u>	<u>0</u>	<u>0.00</u>
Total ⁽⁵⁾	411	\$2,955,000	\$ 1,075,924	\$ 3,686,319	\$ 7,717,244	\$180,840,972	23.43	\$ 429,495	100.00%

* Preliminary, subject to change.

(1) Includes CFD No. 99-1 IA A Bonds, which overlay Zone 2.

(2) See Table A-26 for a description of overlapping liens and does not reflect subsequent additional charges or increases that may occur in Fiscal Year 2026-27. Other Land Secured Debt has been allocated based on the proportionate share of the Fiscal Year 2025-26 Special Tax Levy. General Obligation Debt has been allocated based on the proportionate share of the Fiscal Year 2025-26 assessed values.

(3) Source: Riverside County Assessor’s Roll dated July 1, 2025.

(4) Average value-to-lien per Parcel; actual value-to-lien may vary by Parcel.

(5) Totals may not sum due to rounding.

Source: KeyAnalytics.

Historical Assessed Values. Table A-28 summarizes the assessed values within Zone 2 of CFD No. 99-1 for the Fiscal Years shown.

**TABLE A-28
ZONE 2 OF
MENIFEE UNION SCHOOL DISTRICT
COMMUNITY FACILITIES DISTRICT NO. 99-1
HISTORICAL AND CURRENT ASSESSED VALUES OF NON-EXEMPT PROPERTY⁽¹⁾⁽²⁾**

<i>Fiscal Year Ending (June 30)</i>	<i>Assessed Value Land</i>	<i>Assessed Value Improvement</i>	<i>Assessed Value Other</i>	<i>Total Assessed Value</i>	<i>Percentage Change</i>
2022	\$ 38,253,322	\$ 111,974,911	\$0	\$ 150,228,233	NA
2023	39,344,754	121,844,758	0	161,189,512	7.30%
2024	40,141,728	130,067,725	0	170,209,453	5.60
2025	42,212,200	134,163,883	0	176,376,083	3.62
2026	43,923,039	137,870,337	0	181,793,376	3.07

⁽¹⁾ Source: Riverside County Assessor’s Roll, dated July 1 of the applicable Fiscal Year.

⁽²⁾ Includes parcels classified as Taxable Property only (Developed and Undeveloped).

Source: KeyAnalytics.

Tax Rates. As shown in Table A-26, the taxable property within Zone 2 of CFD No. 99-1 is subject to several different taxes and assessments. Table A-29 below shows a tax bill for an average parcel of taxable property within Zone 2 of CFD No. 99-1 (based on median assessed value). Table A-21 sets forth those entities with fees, charges, *ad valorem* taxes and special taxes regardless of whether those entities have issued debt. Data in Table A-21 is based on tax charges for Fiscal Year 2025-26 and does not reflect subsequent additional charges or increases.

**TABLE A-29
 ZONE 2 OF
 MENIFEE UNION SCHOOL DISTRICT
 COMMUNITY FACILITIES DISTRICT NO. 99-1
 FISCAL YEAR 2025-26 PROPERTY TAX BILL
 SAMPLE TAX BILL**

PROPERTY VALUE ⁽¹⁾	\$ 437,345
<i>LESS Homeowner's Exemption</i>	<u>7,000</u>
NET PROPERTY VALUE	\$ 430,345

	<i>Percent of Total Assessed Valuation</i>	<i>Amount to be Levied</i>
AD VALOREM PROPERTY TAXES	1.14026%	
General Purpose	1.00000	\$ 4,303.45
Eastern Municipal Water District U-35	0.00430	18.50
Eastern Municipal Water District U-36	0.00430	18.50
Menifee Union School District	0.07500	322.76
Metropolitan Water District East	0.00700	30.12
Mount San Jacinto Junior College	0.00254	10.93
Perris Union High School District	0.04712	202.78
 ASSESSMENTS, SPECIAL TAXES, AND PARCEL CHARGES		
Riverside County Flood Control and Water Conservation District		\$ 3.76
Eastern Municipal Water District Infrastructure Availability Charge		26.00
Perris Union High School District CFD No. 92-1		342.98
Metropolitan Water District Standby Charge (East)		6.94
City of Menifee CSA #145		176.72
City of Menifee LLMD No. 89-1C, Zone 3		77.68
Menifee Union School District CFD No. 99-1 Zone 2		1,045.00
Menifee Union School District CFD No. 99-1 IA A		<u>205.00</u>
TOTAL PROPERTY TAXES		\$ 6,791.12
 Effective Tax Rate		 1.55281%

⁽¹⁾ Fiscal Year 2025-26 assessed valuation for a Dwelling Unit containing 3,581 assessable square feet, representing the median assessed value for a Dwelling Unit within Zone 2 of CFD No. 99-1.
 Source: Riverside County Tax Collector.

Tax rates within Zone 2 of CFD No. 99-1 vary based on a variety of factors, including building square footage, and, as a result, the median effective tax rate within Zone 2 of CFD No. 99-1 is 1.57%. Table A-30 below sets forth the effective tax rate stratification of all parcels within Zone 2 of CFD No. 99-1 based on Fiscal Year 2025-26 assessed values.

**TABLE A-30
ZONE 2 OF
MENIFEE UNION SCHOOL DISTRICT
COMMUNITY FACILITIES DISTRICT NO. 99-1
FISCAL YEAR 2025-26 EFFECTIVE TAX RATE STRATIFICATION***

<i>Effective Tax Rate Category</i>	<i>Number of Parcels</i>	<i>CFD No. 94-1 Bonds</i>	<i>Other Land Secured Debt⁽¹⁾⁽²⁾</i>	<i>General Obligation Debt⁽²⁾</i>	<i>Total Debt</i>	<i>Fiscal Year 2025-26 Assessed Value⁽³⁾</i>	<i>Value-to-Lien Ratio⁽⁴⁾</i>	<i>Total Taxes</i>	<i>Average Effective Tax Rate⁽⁵⁾</i>	<i>Fiscal Year 2025-26 Special Tax</i>	<i>% Share of Special Tax</i>
2.20% and above	4	\$ 28,759	\$ 10,555	\$ 17,578	\$ 56,892	\$ 862,324	15.16	\$ 20,645	2.39%	\$ 4,180	0.97%
2.00% to 2.20%	9	64,708	23,749	42,286	130,743	2,074,446	15.87	42,972	2.07	9,405	2.19
1.80% to 2.00%	53	381,058	139,854	284,067	804,980	13,935,571	17.31	262,411	1.88	55,385	12.90
1.60% to 1.80%	102	733,358	269,154	764,921	1,767,432	37,524,954	21.23	628,890	1.68	106,590	24.82
1.50% to 1.60%	124	891,533	321,469	1,183,282	2,396,284	58,048,672	24.22	897,936	1.55	129,580	30.17
1.30% to 1.50%	95	683,029	247,813	1,168,252	2,099,095	57,311,326	27.30	830,888	1.45	99,275	23.11
1.30% and below	<u>24</u>	<u>172,555</u>	<u>63,330</u>	<u>225,933</u>	<u>461,818</u>	<u>11,083,679</u>	<u>24.00</u>	<u>122,351</u>	<u>1.10</u>	<u>25,080</u>	<u>5.84</u>
Total ⁽⁶⁾	411	\$ 2,955,000	\$ 1,075,924	\$ 3,686,319	\$ 7,717,244	\$ 180,840,972	23.43	\$ 2,806,092.44	1.55%	\$ 429,495	100.00%

* Preliminary, subject to change.

(1) Includes CFD No. 99-1 IA A Bonds.

(2) See Table A-26 for a description of overlapping liens and does not reflect subsequent additional charges or increases that may occur in Fiscal Year 2026-27. Other Land Secured Debt has been allocated based on the proportionate share of the Fiscal Year 2025-26 Special Tax Levy. General Obligation Debt has been allocated based on the proportionate share of the Fiscal Year 2025-26 assessed values.

(3) Source: Riverside County Assessor's Roll dated July 1, 2025

(4) Average value-to-lien per Parcel; actual value-to-lien may vary by Parcel.

(5) Average effective tax rate per Parcel; actual effective tax rate may vary by Parcel.

(6) Totals may not sum due to rounding.

Source: KeyAnalytics.

Delinquencies. Unpaid amounts of the Special Taxes become delinquent after December 10 and April 10 of each Fiscal Year. Table A-31 below summarizes the Special Tax delinquencies within Zone 2 of CFD No. 99-1 for Fiscal Years 2021-22 through 2025-26 as of April 10, 2026.

**TABLE A-31
ZONE 2 OF
MENIFEE UNION SCHOOL DISTRICT
COMMUNITY FACILITIES DISTRICT NO. 99-1
HISTORICAL DELINQUENCIES AND COLLECTION RATES**

<i>Fiscal Year</i>	<i>Parcels Levied</i>	<i>Aggregate Special Taxes</i>	<i>Parcels Delinquent</i>	<i>Amount Collected</i>	<i>Amount Delinquent as of June 30⁽¹⁾</i>	<i>Delinquency Rate</i>	<i>As of April 10, 2026</i>	
							<i>Remaining Amount Delinquent</i>	<i>Remaining Delinquency Rate</i>
2021-22	411	\$429,495.00	10	\$422,702.50	\$6,792.50	1.58%	\$ 0.00	0.00%
2022-23	411	429,495.00	5	425,837.50	3,657.50	0.85	627.00	0.15
2023-24	411	429,495.00	6	425,837.50	3,657.50	0.85	522.50	0.12
2024-25	411	429,495.00	5	426,360.00	3,135.00	0.73	1,045.00	0.24
2025-26	411	429,495.00	8	423,225.00	N/A	N/A	6,270.00	1.46

⁽¹⁾ Amount delinquent as of June 30th in the Fiscal Year in which the Special Taxes were levied.
Source: KeyAnalytics.

Top Taxpayers. The following table shows the top taxpayers in Zone 2 of CFD No. 99-1 based on the Fiscal Year 2025-26 Special Tax levy.

**TABLE A-32
ZONE 2 OF
MENIFEE UNION SCHOOL DISTRICT
COMMUNITY FACILITIES DISTRICT NO. 99-1
ESTIMATED VALUE-TO-LIEN BY TOP PROPERTY OWNER**

<i>Owner</i> ^{(1), (2)}	<i>Number of Parcels</i>	<i>Fiscal Year 2025-26 Special Tax Levy</i>	<i>% Share of Special Tax</i>	<i>Fiscal Year 2025-26 Assessed Value</i> ⁽²⁾	<i>Total Liens</i> ^{(3)*}	<i>Value-to-Lien Ratio</i> [*]
Individual Owner	2	\$ 2,090.00	0.49%	\$ 742,764.00	\$ 34,797.82	21.35
Individual Owner	2	2,090.00	0.49	628,163.00	32,461.76	19.35
Individual Owner	2	2,090.00	0.49	617,958.00	32,253.73	19.16
Individual Owner	2	2,090.00	0.49	440,944.00	28,645.42	15.39
Individual Owner	1	1,045.00	0.24	880,801.00	27,783.07	31.70
Individual Owner	1	1,045.00	0.24	811,823.00	26,377.00	30.78
Individual Owner	1	1,045.00	0.24	770,635.00	25,537.41	30.18
Individual Owner	1	1,045.00	0.24	742,844.00	24,970.91	29.75
Individual Owner	1	1,045.00	0.24	742,844.00	24,970.91	29.75
Individual Owner	<u>1</u>	<u>1,045.00</u>	<u>0.24</u>	<u>735,000.00</u>	<u>24,811.01</u>	<u>29.62</u>
Total ⁽⁴⁾	14	\$ 14,630.00	3.41	\$7,113,776.00	\$ 282,609.04	25.17

* Preliminary, subject to change.

(1) The parcels in Zone 2 of CFD No. 99-1 are also subject to the Special Tax for Improvement Area A of CFD No. 99-1.

(2) Source: Riverside County Assessor's Roll, dated July 1, 2025.

(3) See Table A-26 for a description of overlapping liens and does not reflect subsequent additional charges or increases that may occur in Fiscal Year 2026-27. Other Land Secured Debt has been allocated based on the proportionate share of the Fiscal Year 2025-26 Special Tax Levy. General Obligation Debt has been allocated based on the proportionate share of the Fiscal Year 2025-26 assessed values.

(4) Totals may not sum due to rounding.

Source: KeyAnalytics.

Community Facilities District No. 2002-1

Location and Description. Community Facilities District No. 2002-1 of the Menifee Union School District (“CFD No. 2002-1”) was formed by the School District on October 8, 2002, to finance authorized school facilities. The property in CFD No. 2002-1 (totaling 78.22 net taxable acres) is bounded by Scott Road on the north, Lindemberger Road on the east, vacant land on the south and Menifee Road and vacant land on the west, in the southwestern portion of the County, in the City of Menifee,.

As of the date of this Official Statement, 406 single-family detached homes have been conveyed to individual homeowners. CFD No. 2002-1 is fully built-out.

Ownership of the taxable property within CFD No. 2002-1 is significantly diversified, with no property owner owning more than two parcels. No property owner within CFD No. 2002-1 is responsible for more than 0.33% of the Special Tax levy.

Assigned Special Taxes. Table A-1 below sets forth the Assigned Annual Special Taxes that were levied per parcel on taxable property within CFD No. 2002-1 in Fiscal Year 2025-26. The Special Taxes in CFD No. 2002-1 may not be levied after Fiscal Year 2039-40. The final maturity of the CFD No. 2002-1 Bonds is September 1, 2037.

**TABLE A-33
MENIFEE UNION SCHOOL DISTRICT
COMMUNITY FACILITIES DISTRICT NO. 2002-1
SUMMARY OF FISCAL YEAR 2025-26 ACTUAL SPECIAL TAX LEVY ⁽¹⁾**

<i>Special Tax Class</i>	<i>Building Square Feet</i>	<i>Number of Units</i>	<i>Fiscal Year 2025-26 Assigned Annual Special Tax Rate</i>	<i>Fiscal Year 2025-26 Special Tax Levy</i>	<i>Percentage of Levy Total</i>
1	≤ 1,800 sq. ft.	51	\$ 747.50	\$ 38,122.50	9.44%
2	1,801 sq. ft. to 2,000 sq. ft.	40	824.38	32,975.20	8.16
3	2,001 sq. ft. to 2,200 sq. ft.	20	858.56	17,171.20	4.25
4	2,201 sq. ft. to 2,400 sq. ft.	43	884.20	38,020.60	9.41
5	2,401 sq. ft. to 2,600 sq. ft.	120	944.00	113,280.00	28.04
6	2,601 sq. ft. to 2,750 sq. ft.	0	1,025.26	0.00	0.00
7	2,751 sq. ft. to 3,000 sq. ft.	31	1,106.32	34,295.92	8.49
8	3,001 sq. ft. to 3,250 sq. ft.	45	1,217.38	54,782.10	13.56
9	> 3,250 sq. ft.	56	1,345.54	75,350.24	18.65
Total ⁽¹⁾		406 Units	\$ NA	\$ 403,997.76	100.00%

⁽¹⁾ Totals may not sum due to rounding.
Source: KeyAnalytics.

For the complete text of the CFD No. 2002-1 Rate and Method, see Appendix D — “RATES AND METHODS OF APPORTIONMENT OF SPECIAL TAXES FOR THE TAXING JURISDICTIONS.”

To date, there have been no special tax prepayments within CFD No. 2002-1. See the caption “SPECIAL RISK FACTORS — Potential Early Redemption of Bonds from Prepayments or Other Sources” for a discussion of the potential for a lower than expected yield on the Bonds as a result of a mandatory redemption thereof from redemption of Local Obligations due to the prepayment of Special Taxes or certain other sources.

Direct and Overlapping Debt. The Authority has obtained the assessed values of all of the taxable property in CFD No. 2002-1, as established by the County Assessor for Fiscal Year 2025-26, which totals \$173,717,943. See Table A-36.

CFD No. 2002-1 is included within the boundaries of overlapping local agencies providing governmental services. Some of these local agencies have outstanding bonds, and/or the authority to issue bonds, payable from taxes or assessments. The existing and authorized indebtedness payable from taxes and assessments that may be levied upon the property within CFD No. 2002-1 is shown in Table A-34 below. In addition to current debt, new community facilities districts and/or special assessment districts could be formed in the future encompassing all or a portion of the property within CFD No. 2002-1; and such districts or the agencies that formed them could issue more bonds and levy additional special taxes or assessments. The total assessed value shown in Table A-34 differs from the total assessed value shown in the other tables for CFD 2002-1 because Table A-34 includes all property that is exempt from the levy of the Special Tax within CFD No. 2002-1, while the other tables do not.

**TABLE A-34
MENIFEE UNION SCHOOL DISTRICT
COMMUNITY FACILITIES DISTRICT NO. 2002-1
DIRECT AND OVERLAPPING DEBT AS OF MARCH 1, 2025**

I. Assessed Value

2025-2026 Secured Roll Assessed Value

\$ 173,719,892

II. Secured Property Taxes

<i>Description on Tax Bill</i>	<i>Type</i>	<i>Total Parcels</i>	<i>Total Levy</i>	<i>% Applicable</i>	<i>Parcels</i>	<i>Levy</i>
Basic 1% Levy	PROP13	964,202	\$4,323,533,139.04	0.03855%	415	\$ 1,666,789.63
County of Riverside CSA No. 152 (Street Sweeping)	CSA	76,401	2,680,734.56	0.60580	406	16,240.00
County of Riverside CSA No. 84 (Street Lights)	CSA	2,582	192,054.92	8.65505	406	16,622.44
County of Riverside Delinquent Solid Waste Management Charge	DQ	4,563	2,991,825.96	0.41157	23	12,313.34
Eastern Municipal Water District AD No. 20	1915	1,296	606,853.78	25.52442	403	154,895.88
Eastern Municipal Water District Combined Standby Charge	STANDBY	271,755	5,968,257.60	0.21508	415	12,836.70
Eastern Municipal Water District Delinquent Water Bills	DQ	149	184,894.38	0.35034	1	647.76
Eastern Municipal Water District ID No. U-35 Debt Service	GOB	21,046	475,530.30	1.50719	411	7,167.15
Eastern Municipal Water District ID No. U-36 Debt Service	GOB	21,044	475,507.03	1.50726	411	7,167.15
Menifee Union School District CFD No. 2002-1	CFD	416	403,997.76	100.00000	406	403,997.76
Menifee Union School District Debt Service	GOB	46,604	14,057,842.82	0.88925	415	125,009.45
Metropolitan Water District of Southern California Debt Service	GOB	271,489	9,084,577.54	0.12843	411	11,667.65
Metropolitan Water District of Southern California Standby Charge (East)	STANDBY	268,538	2,834,610.78	0.09940	406	2,817.64
Mt. San Jacinto Community College District Debt Service	GOB	353,147	3,696,464.19	0.11453	407	4,233.61
Perris Union High School District CFD No. 92-1	CFD	25,293	6,673,669.18	2.06600	402	137,877.96
Perris Union High School District Debt Service	GOB	80,860	14,568,144.46	0.53912	411	78,539.26
Riverside County Flood Control and Water Conservation District NPDES (Santa Ana River)	FLOOD	426,734	2,945,864.24	0.05164	406	1,521.28
Valley Wide Park and Recreation District LMD (Menifee South Park)	LMD	2,794	1,521,001.18	16.83791	406	256,104.80
Valley Wide Park and Recreation District LMD No. 88-1 (Regional Facility)	LMD	86,325	1,400,084.18	0.16065	406	2,249.24
WRCOG Hero Financing Program (County of Riverside) ⁽¹⁾	1915	3,802	\$9,941,834.96	0.12920	5	12,845.26
2025-2026 TOTAL PROPERTY TAX LIABILITY						\$ 2,931,543.96
TOTAL PROPERTY TAX LIABILITY AS A PERCENTAGE OF 2025-2026 ASSESSED VALUATION						1.69%

III. Land Secured Bond Indebtedness

<i>Outstanding Direct and Overlapping Bonded Debt</i>	<i>Type</i>	<i>Issued</i>	<i>Outstanding</i>	<i>% Applicable</i>	<i>Parcels</i>	<i>Amount</i>
Eastern Municipal Water District AD No. 20	1915	\$ 11,665,000	\$ 555,000	25.52442%	403	\$ 141,661
Menifee Union School District CFD No. 2002-1	CFD	5,523,167	2,715,000	100.00000	406	2,715,000
Perris Union High School District CFD No. 92-1	CFD	40,000,000	27,910,000	2.06600	402	576,621
TOTAL LAND SECURED BOND INDEBTEDNESS ⁽²⁾						\$ 3,433,281
TOTAL OUTSTANDING LAND SECURED BOND INDEBTEDNESS ⁽²⁾						\$ 3,433,281

IV. General Obligation Bond Indebtedness

<i>Outstanding Direct and Overlapping Bonded Debt</i>	<i>Type</i>	<i>Issued</i>	<i>Outstanding</i>	<i>% Applicable</i>	<i>Parcels</i>	<i>Amount</i>
Eastern Municipal Water District ID No. U-35	GOB	\$ 9,000,000	\$ 5,805,000	1.49164%	411	\$ 86,590
Eastern Municipal Water District ID No. U-36	GOB	9,012,000	5,813,000	1.49171	411	86,713
Menifee Union School District GOB 2002	GOB	14,498,923	4,879,720	0.88674	415	43,270
Menifee Union School District GOB 2008	GOB	31,460,000	19,575,000	0.88674	415	173,579
Menifee Union School District GOB 2016	GOB	134,996,572	118,761,572	0.88674	415	1,053,103
Menifee Union School District GOB 2024	GOB	36,350,000	36,350,000	0.88674	415	322,329
Metropolitan Water District of Southern California GOB 1966	GOB	850,000,000	22,985,000	0.05563	411	12,787
Mt. San Jacinto Community College District GOB 2014	GOB	295,000,000	233,100,000	0.11575	407	269,805
Perris Union High School District GOB 2004	GOB	45,997,378	9,259,558	0.54147	411	50,138
Perris Union High School District GOB 2012	GOB	153,418,024	132,018,024	0.54147	411	714,839
Perris Union High School District GOB 2018	GOB	148,000,000	134,450,000	0.54147	411	728,007
TOTAL GENERAL OBLIGATION BOND INDEBTEDNESS ⁽²⁾						\$ 3,541,160
TOTAL OUTSTANDING GENERAL OBLIGATION BOND INDEBTEDNESS ⁽²⁾						\$ 3,541,160

TOTAL OF ALL OUTSTANDING AND OVERLAPPING BONDED DEBT	\$ 6,974,441.09
VALUE TO ALL OUTSTANDING DIRECT AND OVERLAPPING BONDED DEBT	24.91:1

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

⁽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. Includes Prior CFD No. 2002-1 Bonds.

Source: California Tax Data.

Value-to-Lien. Table A-35 below sets forth the stratification of value-to-liens of the taxable property within CFD No. 2002-1 based on Fiscal Year 2025-26 assessed value and each parcel’s respective share of the principal amount of the CFD No. 2002-1 Bonds and all estimated direct and overlapping indebtedness (allocated to each parcel based upon its respective share of the Special Tax levy or other applicable tax or assessment for Fiscal Year 2025-26). The ratio of the value of an individual lot within CFD No. 2002-1 to its respective share of the principal amount of such indebtedness can be expected to vary.

**TABLE A-35
MENIFEE UNION SCHOOL DISTRICT
COMMUNITY FACILITIES DISTRICT NO. 2002-1
ASSESSED VALUE-TO-LIEN RATIO STRATIFICATION
(FISCAL YEAR 2025-26)**

<i>Value-to-Lien Category</i>	<i>Number of Parcels</i>	<i>CFD No. 2002-1 Bonds*</i>	<i>Other Land Secured Debt⁽¹⁾</i>	<i>General Obligation Debt⁽¹⁾</i>	<i>Total Debt*</i>	<i>Fiscal Year 2025-26 Assessed Value⁽²⁾</i>	<i>Value-to-Lien Ratio^{(3)*}</i>	<i>Fiscal Year 2025-26 Special Tax</i>	<i>% Share of Special Tax</i>
> 30.00	0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	NA	\$ 0	0.00%
25.00 to 30.00	65	567,752	115,213	794,684	1,477,648	38,985,060	26.38	57,703	14.28
20.00 to 25.00	183	1,778,494	324,496	1,728,234	3,831,224	84,782,578	22.13	180,757	44.74
15.00 to 20.00	137	1,385,200	241,063	906,218	2,532,481	44,456,622	17.55	140,784	34.85
10.00 to 15.00	21	243,554	37,509	111,985	393,048	5,493,683	13.98	24,754	6.13
< 10.00	0	0	0	0	0	0	NA	0	0.00
Total ⁽⁴⁾	406	\$ 3,975,000	\$ 718,281	\$ 3,541,120	\$ 8,234,401	\$173,717,943	21.10	\$403,998	100.00%

* Preliminary, subject to change.
⁽¹⁾ See Table A-34 for a description of overlapping liens and does not reflect subsequent additional charges or increases that may occur in Fiscal Year 2026-27. Other Land Secured Debt has been allocated based on the proportionate share of the Fiscal Year 2025-26 Special Tax Levy. General Obligation Debt has been allocated based on the proportionate share of the Fiscal Year 2025-26 assessed values.
⁽²⁾ Source: Riverside County Assessor’s Roll dated July 1, 2025
⁽³⁾ Average value-to-lien per Parcel; actual value-to-lien may vary by Parcel.
⁽⁴⁾ Totals may not sum due to rounding.
Source: KeyAnalytics.

Historical Assessed Values. Table A-36 summarizes the assessed values within CFD No. 2002-1 for the Fiscal Years shown.

**TABLE A-36
MENIFEE UNION SCHOOL DISTRICT
COMMUNITY FACILITIES DISTRICT NO. 2002-1
HISTORICAL AND CURRENT ASSESSED VALUES OF NON-EXEMPT PROPERTY^{(1) (2)}**

<i>Fiscal Year Ending (June 30)</i>	<i>Assessed Value Land</i>	<i>Assessed Value Improvement</i>	<i>Assessed Value Other</i>	<i>Total Assessed Value</i>	<i>Percentage Change</i>
2022	\$ 37,624,884	\$ 105,283,049	\$0	\$ 142,907,933	NA
2023	39,056,609	112,231,301	0	151,287,910	5.86%
2024	40,104,879	120,792,836	0	160,897,715	6.35
2025	41,292,990	125,222,538	0	166,515,528	3.49
2026	43,641,843	130,076,100	0	173,717,943	4.33

⁽¹⁾ Source: Riverside County Assessor’s Roll, dated July 1 of the applicable Fiscal Year.

⁽²⁾ Includes parcels classified as Taxable Property only (Developed and Undeveloped).

Source: KeyAnalytics.

Tax Rates. As shown in Table A-34, the taxable property within CFD No. 2002-1 is subject to several different taxes and assessments. Table A-37 below shows a tax bill for an average parcel of taxable property within CFD No. 2002-1 (based on median assessed value). Table A-37 sets forth those entities with fees, charges, *ad valorem* taxes and special taxes regardless of whether those entities have issued debt. Data in Table A-37 is based on tax charges for Fiscal Year 2025-26 and does not reflect subsequent additional charges or increases.

**TABLE A-37
 MENIFEE UNION SCHOOL DISTRICT
 COMMUNITY FACILITIES DISTRICT NO. 2002-1
 FISCAL YEAR 2025-26 PROPERTY TAX BILL
 SAMPLE TAX BILL**

PROPERTY VALUE ⁽¹⁾	\$ 417,578	
<i>LESS Homeowner's Exemption</i>	<u>7,000</u>	
NET PROPERTY VALUE	\$ 410,578	
	<i>Percent of Total Assessed Valuation</i>	<i>Amount to be Levied</i>
AD VALOREM PROPERTY TAXES	1.14026%	
General Purpose	1.00000	\$4,105.78
Eastern Municipal Water District U-35	0.00430	17.65
Eastern Municipal Water District U-36	0.00430	17.65
Menifee Union School District	0.07500	307.93
Metropolitan Water District East	0.00700	28.74
Mount San Jacinto Junior College	0.00254	10.43
Perris Union High School District	0.04712	193.46
ASSESSMENTS, SPECIAL TAXES, AND PARCEL CHARGES		
Riverside County Flood Control and Water Conservation District		\$ 3.74
County of Riverside CSA #84		39.34
County of Riverside CSA #152		40.00
Perris Union High School District CFD No. 92-1		342.98
Valley Wide Park and Recreation District LMD 88-1 (Regional Facilities)		5.54
Valley Wide Park and Recreation District LMD (Menifee South Park)		\$630.80
Metropolitan Water District Standby Charge (East)		6.94
Eastern Municipal Water District Infrastructure Availability Charge		30.00
Eastern Municipal Water District AD No. 20		433.14
Menifee Union School District CFD No. 2002-1		<u>858.56</u>
TOTAL PROPERTY TAXES		\$7,072.68
Effective Tax Rate		1.69374%

⁽¹⁾ Fiscal Year 2025-26 assessed valuation for a Dwelling Unit containing 2,104 assessable square feet, representing the median assessed value for a Dwelling Unit within CFD No. 2002-1.
 Source: Riverside County Tax Collector.

Tax rates within CFD No. 2002-1 vary based on a variety of factors, including building square footage, and, as a result, the median effective tax rate within CFD No. 2002-1 is 1.71%. Table A-38 below sets forth the effective tax rate stratification of all parcels within CFD No. 2002-1 based on Fiscal Year 2025-26 assessed values.

**TABLE A-38
MENIFEE UNION SCHOOL DISTRICT
COMMUNITY FACILITIES DISTRICT NO. 2002-1
FISCAL YEAR 2025-26 EFFECTIVE TAX RATE STRATIFICATION***

<i>Effective Tax Rate Category</i>	<i>Number of Parcels</i>	<i>CFD No. 2002-1 Bonds</i>	<i>Other Land Secured Debt⁽¹⁾</i>	<i>General Obligation Debt⁽¹⁾</i>	<i>Total Debt</i>	<i>Fiscal Year 2025-26 Assessed Value⁽²⁾</i>	<i>Value-to-Lien Ratio⁽³⁾</i>	<i>Total Taxes</i>	<i>Average Effective Tax Rate⁽⁴⁾</i>	<i>Fiscal Year 2025-26 Special Tax</i>	<i>% Share of Special Tax</i>
2.20% and above	16	\$ 148,442	\$ 28,622	\$ 80,246	\$ 257,310	\$ 3,936,640	15.30	\$ 94,065	2.39%	\$ 15,087	3.73%
2.00% to 2.20%	49	471,679	87,299	262,174	821,152	12,861,561	15.66	267,853	2.08	47,939	11.87
1.80% to 2.00%	68	682,954	121,746	469,973	1,274,673	23,055,636	18.09	436,170	1.89	69,412	17.18
1.60% to 1.80%	155	1,523,050	273,445	1,386,475	3,182,970	68,016,765	21.37	1,155,945	1.70	154,795	38.32
1.50% to 1.60%	80	775,582	140,644	977,634	1,893,861	47,960,133	25.32	743,144	1.55	78,826	19.51
1.30% to 1.50%	14	149,956	24,828	143,992	318,776	7,063,846	22.16	99,950	1.41	15,241	3.77
1.30% and below	<u>24</u>	<u>223,336</u>	<u>41,698</u>	<u>220,627</u>	<u>485,660</u>	<u>10,823,362</u>	<u>22.29</u>	<u>133,731</u>	<u>1.24</u>	<u>22,699</u>	<u>5.62</u>
Total ⁽⁵⁾	406	\$ 3,975,000	\$ 718,281	\$ 3,541,120	\$ 8,234,401	\$ 173,717,943	21.10	\$ 2,930,858.10	1.69%	\$ 403,998	100.00%

* Preliminary, subject to change.

(1) See Table A-34 for a description of overlapping liens and does not reflect subsequent additional charges or increases that may occur in Fiscal Year 2026-27. Other Land Secured Debt has been allocated based on the proportionate share of the Fiscal Year 2025-26 Special Tax Levy. General Obligation Debt has been allocated based on the proportionate share of the Fiscal Year 2025-26 assessed values.

(2) Source: Riverside County Assessor's Roll dated July 1, 2025

(3) Average value-to-lien per Parcel; actual value-to-lien may vary by Parcel.

(4) Average effective tax rate per Parcel; actual effective tax rate may vary by Parcel.

(5) Totals may not sum due to rounding.

Source: KeyAnalytics.

Delinquencies. Unpaid amounts of the Special Taxes become delinquent after December 10 and April 10 of each Fiscal Year. Table A-39 below summarizes the Special Tax delinquencies within CFD No. 2002-1 for Fiscal Years 2021-22 through 2025-26 as of April 10, 2026.

**TABLE A-39
MENIFEE UNION SCHOOL DISTRICT
COMMUNITY FACILITIES DISTRICT NO. 2002-1
HISTORICAL DELINQUENCIES AND COLLECTION RATES**

<i>Fiscal Year</i>	<i>Parcels Levied</i>	<i>Aggregate Special Taxes</i>	<i>Parcels Delinquent</i>	<i>Amount Collected</i>	<i>Amount Delinquent as of June 30⁽¹⁾</i>	<i>Delinquency Rate</i>	<i>As of April 10, 2026</i>	
							<i>Remaining Amount Delinquent</i>	<i>Remaining Delinquency Rate</i>
2021-22	406	\$403,997.76	7	\$399,630.17	\$4,367.59	1.08%	\$ 0.00	0.00%
2022-23	406	403,997.76	4	400,759.95	3,237.81	0.80	598.00	0.15
2023-24	406	403,997.76	3	401,795.81	2,201.95	0.55	299.00	0.07
2024-25	406	403,997.76	5	401,653.37	2,344.39	0.58	472.00	0.12
2025-26	406	403,997.76	10	397,791.26	N/A	N/A	6,206.50	1.54

⁽¹⁾ Amount delinquent as of June 30th in the Fiscal Year in which the Special Taxes were levied.
Source: KeyAnalytics.

Top Taxpayers. The following table shows the top taxpayers in CFD No. 2002-1 based on the Fiscal Year 2025-26 Special Tax levy.

**TABLE A-40
MENIFEE UNION SCHOOL DISTRICT
COMMUNITY FACILITIES DISTRICT NO. 2002-1
ESTIMATED VALUE-TO-LIEN BY TOP PROPERTY OWNER**

<i>Owner ⁽¹⁾</i>	<i>Number of Parcels</i>	<i>Fiscal Year 2025-26 Special Tax Levy</i>	<i>% Share of Special Tax</i>	<i>Fiscal Year 2025-26 Assessed Value ⁽¹⁾</i>	<i>Total Liens ^{(2)*}</i>	<i>Value-to- Lien Ratio*</i>
Individual Owner	2	\$ 2,691.08	0.33%	\$ 809,709.00	\$ 46,578.14	17.38
Individual Owner	1	1,345.54	0.17	684,950.00	29,031.73	23.59
Individual Owner	1	1,345.54	0.17	684,009.00	28,946.33	23.63
Individual Owner	1	1,345.54	0.17	680,340.00	28,870.83	23.56
Individual Owner	1	1,345.54	0.17	679,172.00	28,913.95	23.49
Individual Owner	1	1,345.54	0.17	663,000.00	28,518.08	23.25
Individual Owner	1	1,345.54	0.17	660,000.00	28,456.93	23.19
Individual Owner	1	1,345.54	0.17	651,626.00	28,352.44	22.98
Individual Owner	1	1,345.54	0.17	650,000.00	28,253.08	23.01
Individual Owner	<u>1</u>	<u>1,345.54</u>	<u>0.17</u>	<u>647,336.00</u>	<u>28,198.78</u>	<u>22.96</u>
Total ⁽³⁾	11	\$ 14,800.94	1.83%	\$6,810,142.00	\$ 304,120.30	22.39

* Preliminary, subject to change.

⁽¹⁾ Source: Riverside County Assessor's Roll, dated July 1, 2025.

⁽²⁾ See Table A-34 for a description of overlapping liens and does not reflect subsequent additional charges or increases that may occur in Fiscal Year 2026-27. Other Land Secured Debt has been allocated based on the proportionate share of the Fiscal Year 2025-26 Special Tax Levy. General Obligation Debt has been allocated based on the proportionate share of the Fiscal Year 2025-26 assessed values.

⁽³⁾ Totals may not sum due to rounding.

Source: KeyAnalytics.

Community Facilities District No. 2002-3

Location and Description. Community Facilities District No. 2002-3 of the Menifee Union School District (“CFD No. 2002-3”) was formed by the School District on April 8, 2003, to finance authorized school facilities. CFD No. 2002-3 (totaling approximately 44.89 net taxable acres) is bounded by Glencoe Lane on the north, Bell Mountain Road on the east and Menifee Road on the west, in the southwestern portion of the County, in the City of Menifee.

As of the date of this Official Statement, 169 single-family detached homes have been conveyed to individual homeowners. CFD No. 2002-3 is fully built-out.

Ownership of the taxable property within CFD No. 2002-3 is significantly diversified, with no property owner owning more than two parcels. No property owner within CFD No. 2002-3 is responsible for more than 1.14% of the Special Tax levy.

Assigned Special Taxes. Table A-41 below sets forth the Assigned Annual Special Taxes that were levied per parcel on taxable property within CFD No. 2002-3 in Fiscal Year 2025-26. The Special Taxes in CFD No. 2002-3 may not be levied after Fiscal Year 2036-37. The final maturity of the CFD No. 2002-3 Bonds is September 1, 2036.

**TABLE A-41
MENIFEE UNION SCHOOL DISTRICT
COMMUNITY FACILITIES DISTRICT NO. 2002-3
SUMMARY OF FISCAL YEAR 2025-26 ACTUAL SPECIAL TAX LEVY ⁽¹⁾**

<i>Special Tax Class</i>	<i>Building Square Feet</i>	<i>Number of Units</i>	<i>Fiscal Year 2025-26 Assigned Annual Special Tax Rate</i>	<i>Fiscal Year 2025-26 Special Tax Levy</i>	<i>Percentage of Levy Total</i>
1	< 2,000 sq. ft.	29	\$ 1,595.24	\$ 46,261.96	14.14%
2	2,000 sq. ft. to 2,500 sq. ft.	30	1,792.18	53,765.40	16.44
3	2,501 sq. ft. to 2,750 sq. ft.	31	1,921.84	59,577.04	18.21
4	2,751 sq. ft. to 3,000 sq. ft.	26	2,006.86	52,178.36	15.95
5	3,001 sq. ft. to 3,300 sq. ft.	26	2,124.68	55,241.68	16.89
6	> 3,300 sq. ft.	27	2,225.58	60,090.66	18.37
Total ⁽¹⁾		169 Units	\$ NA	\$ 327,115.10	100.00%

⁽¹⁾ Totals may not sum due to rounding.
Source: KeyAnalytics.

For the complete text of the CFD No. 2002-3 Rate and Method, see Appendix D — “RATES AND METHODS OF APPORTIONMENT OF SPECIAL TAXES FOR THE TAXING JURISDICTIONS.”

To date, there have been no special tax prepayments within CFD No. 2002-3. See the caption “SPECIAL RISK FACTORS — Potential Early Redemption of Bonds from Prepayments or Other Sources” for a discussion of the potential for a lower than expected yield on the Bonds as a result of a mandatory redemption thereof from redemption of Local Obligations due to the prepayment of Special Taxes or certain other sources.

Direct and Overlapping Debt. The Authority has obtained the assessed values of all of the taxable property in CFD No. 2002-3, as established by the County Assessor for Fiscal Year 2025-26, which totals \$81,864,187. See Table A-44.

CFD No. 2002-3 is included within the boundaries of overlapping local agencies providing governmental services. Some of these local agencies have outstanding bonds, and/or the authority to issue bonds, payable from taxes or assessments. The existing and authorized indebtedness payable from taxes and assessments that may be levied upon the property within CFD No. 2002-3 is shown in Table A-42 below. In addition to current debt, new community facilities districts and/or special assessment districts could be formed in the future encompassing all or a portion of the property within CFD No. 2002-3; and such districts or the agencies that formed them could issue more bonds and levy additional special taxes or assessments. The total assessed value shown in Table A-42 differs from the total assessed value shown in the other tables for CFD 2002-3 because Table A-42 includes all property that is exempt from the levy of the Special Tax within CFD No. 2002-3, while the other tables do not.

TABLE A-42
MENIFEE UNION SCHOOL DISTRICT
COMMUNITY FACILITIES DISTRICT NO. 2002-3
DIRECT AND OVERLAPPING DEBT AS OF MARCH 1, 2025

I. **Assessed Value** \$ 81,864,187
 2025-2026 Secured Roll Assessed Value

II. **Secured Property Taxes**

<i>Description on Tax Bill</i>	<i>Type</i>	<i>Total Parcels</i>	<i>Total Levy</i>	<i>% Applicable</i>	<i>Parcels</i>	<i>Levy</i>
Basic 1% Levy	PROP13	964,202	\$ 4,323,533,139.04	0.01806%	169	\$ 780,903.72
City of Menifee CSA No. 84	CSA	15,911	551,199.74	1.65586	169	9,127.10
City of Menifee Delinquent Trash Charge	DQ	1,783	1,062,042.66	0.48382	8	5,138.38
County of Riverside CSA No. 152 (Street Sweeping)	CSA	76,401	2,680,734.56	0.28071	169	7,525.20
Eastern Municipal Water District Combined Standby Charge	STANDBY	271,755	5,968,257.60	0.07112	169	4,244.74
Eastern Municipal Water District ID No. U-35 Debt Service	GOB	21,046	475,530.30	0.70612	169	3,357.83
Eastern Municipal Water District ID No. U-36 Debt Service	GOB	21,044	475,507.03	0.70616	169	3,357.83
Menifee Union School District CFD No. 2002-3	CFD	173	327,115.10	100.00000	169	327,115.10
Menifee Union School District Debt Service	GOB	46,604	14,057,842.82	0.41662	169	58,567.86
Metropolitan Water District of Southern California Debt Service	GOB	271,489	9,084,577.54	0.06017	169	5,466.29
Metropolitan Water District of Southern California Standby Charge (East)	STANDBY	268,538	2,834,610.78	0.04157	169	1,178.30
Mt. San Jacinto Community College District Debt Service	GOB	353,147	3,696,464.19	0.05366	169	1,983.49
Perris Union High School District CFD No. 92-1	CFD	25,293	6,673,669.18	0.85826	167	57,277.66
Perris Union High School District Debt Service	GOB	80,860	14,568,144.46	0.25258	169	36,796.24
Riverside County Flood Control and Water Conservation District NPDES (Santa Ana River)	FLOOD	426,734	2,945,864.24	0.02158	169	635.66
Valley Wide Park and Recreation District LMD (Menifee South Park)	LMD	2,794	1,521,001.18	4.80333	169	73,058.70
Valley Wide Park and Recreation District LMD No. 88-1 (Regional Facility)	LMD	86,325	1,400,084.18	0.06687	169	936.26
WRCOG Hero Financing Program (County of Riverside) ⁽¹⁾	1915	3,802	9,941,834.96	0.07043	2	<u>7,002.12</u>
2025-2026 TOTAL PROPERTY TAX LIABILITY						\$1,383,672.48

TOTAL PROPERTY TAX LIABILITY AS A PERCENTAGE OF 2025-2026 ASSESSED VALUATION 1.69%

III. **Land Secured Bond Indebtedness**

<i>Outstanding Direct and Overlapping Bonded Debt</i>	<i>Type</i>	<i>Issued</i>	<i>Outstanding</i>	<i>% Applicable</i>	<i>Parcels</i>	<i>Amount</i>
Menifee Union School District CFD No. 2002-3	CFD	\$ 4,457,18	\$ 2,035,000	100.00000%	169	\$ 2,035,000
Perris Union High School District CFD No. 92-1	CFD	40,000,000	27,910,000	0.85826	167	<u>239,540</u>
TOTAL LAND SECURED BOND INDEBTEDNESS ⁽²⁾						\$ 2,274,540
TOTAL OUTSTANDING LAND SECURED BOND INDEBTEDNESS ⁽²⁾						\$ 2,274,540

IV. **General Obligation Bond Indebtedness**

<i>Outstanding Direct and Overlapping Bonded Debt</i>	<i>Type</i>	<i>Issued</i>	<i>Outstanding</i>	<i>% Applicable</i>	<i>Parcels</i>	<i>Amount</i>
Eastern Municipal Water District ID No. U-35	GOB	\$ 9,000,00	\$ 5,805,000	0.70292%	169	\$ 40,805
Eastern Municipal Water District ID No. U-36	GOB	9,012,000	5,813,000	0.70296	169	40,863
Menifee Union School District GOB 2002	GOB	14,498,923	4,879,720	0.41787	169	20,391
Menifee Union School District GOB 2008	GOB	31,460,000	19,575,000	0.41787	169	81,798
Menifee Union School District GOB 2016	GOB	134,996,572	118,761,572	0.41787	169	496,267
Menifee Union School District GOB 2024	GOB	6,350,000	36,350,000	0.41787	169	151,895
Metropolitan Water District of Southern California GOB 1966	GOB	850,000,000	22,985,000	0.02622	169	6,026
Mt. San Jacinto Community College District GOB 2014	GOB	295,000,000	233,100,000	0.05454	169	127,144
Perris Union High School District GOB 2004	GOB	5,997,378	9,259,558	0.25516	169	23,627
Perris Union High School District GOB 2012	GOB	153,418,024	132,018,024	0.25516	169	336,862
Perris Union High School District GOB 2018	GOB	148,000,000	134,450,000	0.25516	169	<u>343,068</u>
TOTAL GENERAL OBLIGATION BOND INDEBTEDNESS ⁽²⁾						\$ 1,668,745
TOTAL OUTSTANDING GENERAL OBLIGATION BOND INDEBTEDNESS ⁽²⁾						\$ 1,668,745

TOTAL OF ALL OUTSTANDING AND OVERLAPPING BONDED DEBT	\$3,943,285.78
VALUE TO ALL OUTSTANDING DIRECT AND OVERLAPPING BONDED DEBT	20.76:1

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

⁽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. Includes Prior CFD No. 2002-3 Bonds.

Source: California Tax Data.

Value-to-Lien. Table A-43 below sets forth the stratification of value-to-liens of the taxable property within CFD No. 2002-3 based on Fiscal Year 2025-26 assessed value and each parcel’s respective share of the principal amount of the CFD No. 2002-3 Bonds and all estimated direct and overlapping indebtedness (allocated to each parcel based upon its respective share of the Special Tax levy or other applicable tax or assessment for Fiscal Year 2025-26). The ratio of the value of an individual lot within CFD No. 2002-3 to its respective share of the principal amount of such indebtedness can be expected to vary.

**TABLE A-43
MENIFEE UNION SCHOOL DISTRICT
COMMUNITY FACILITIES DISTRICT NO. 2002-3
ASSESSED VALUE-TO-LIEN RATIO STRATIFICATION
(FISCAL YEAR 2025-26)**

<i>Value-to-Lien Category</i>	<i>Number of Parcels</i>	<i>CFD No. 2002-3 Bonds*</i>	<i>Other Land Secured Debt⁽¹⁾</i>	<i>General Obligation Debt⁽¹⁾</i>	<i>Total Debt*</i>	<i>Fiscal Year 2025-26 Assessed Value⁽²⁾</i>	<i>Value-to-Lien Ratio^{(3)*}</i>	<i>Fiscal Year 2025-26 Special Tax</i>	<i>% Share of Special Tax</i>
> 30.00	0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	N/A	\$ 0	0.00%
25.00 to 30.00	0	0	0	0	0	0	N/A	0	0.00
20.00 to 25.00	19	329,738	27,253	264,070	621,061	12,954,551	20.86	35,423	10.83
15.00 to 20.00	107	1,922,169	152,044	1,109,799	3,184,012	54,443,795	17.10	206,493	63.13
10.00 to 15.00	41	757,527	57,375	289,649	1,104,551	14,209,415	12.86	81,379	24.88
< 10.00	<u>2</u>	<u>35,567</u>	<u>2,869</u>	<u>5,227</u>	<u>43,662</u>	<u>256,426</u>	<u>5.87</u>	<u>3,821</u>	<u>1.17</u>
Total ⁽⁴⁾	169	\$ 3,045,000	\$ 239,540	\$ 1,668,745	\$ 4,953,286	\$ 81,864,187	16.53	\$327,115	100.00%

* Preliminary, subject to change.

⁽¹⁾ See Table A-42 for a description of overlapping liens and does not reflect subsequent additional charges or increases that may occur in Fiscal Year 2026-27. Other Land Secured Debt has been allocated based on the proportionate share of the Fiscal Year 2025-26 Special Tax Levy. General Obligation Debt has been allocated based on the proportionate share of the Fiscal Year 2025-26 assessed values.

⁽²⁾ Source: Riverside County Assessor’s Roll dated July 1, 2025

⁽³⁾ Average value-to-lien per Parcel; actual value-to-lien may vary by Parcel.

⁽⁴⁾ Totals may not sum due to rounding.

Source: KeyAnalytics.

Historical Assessed Values. Table A-44 summarizes the assessed values within CFD No. 2002-3 for the Fiscal Years shown.

TABLE A-44
MENIFEE UNION SCHOOL DISTRICT
COMMUNITY FACILITIES DISTRICT NO. 2002-3
HISTORICAL AND CURRENT ASSESSED VALUES OF NON-EXEMPT PROPERTY^{(1) (2)}

<i>Fiscal Year</i> <i>Ending</i> <i>(June 30)</i>	<i>Assessed</i> <i>Value Land</i>	<i>Assessed Value</i> <i>Improvement</i>	<i>Assessed</i> <i>Value Other</i>	<i>Total</i> <i>Assessed Value</i>	<i>Percentage</i> <i>Change</i>
2022	\$ 16,053,045	\$ 53,146,729	\$0	\$ 69,199,774	NA
2023	16,282,896	58,236,142	0	74,519,038	7.69%
2024	16,456,865	60,806,265	0	77,263,130	3.68
2025	16,954,182	62,311,230	0	79,265,412	2.59
2026	17,708,986	64,155,201	0	81,864,187	3.28

⁽¹⁾ Source: Riverside County Assessor’s Roll, dated July 1 of the applicable Fiscal Year.

⁽²⁾ Includes parcels classified as Taxable Property only (Developed and Undeveloped).

Source: KeyAnalytics.

Tax Rates. As shown in Table A-42, the taxable property within CFD No. 2002-3 is subject to several different taxes and assessments. Table A-45 below shows a tax bill for an average parcel of taxable property within CFD No. 2002-3 (based on median assessed value). Table A-45 sets forth those entities with fees, charges, *ad valorem* taxes and special taxes regardless of whether those entities have issued debt. Data in Table A-45 is based on tax charges for Fiscal Year 2025-26 and does not reflect subsequent additional charges or increases.

**TABLE A-45
 MENIFEE UNION SCHOOL DISTRICT
 COMMUNITY FACILITIES DISTRICT NO. 2002-3
 FISCAL YEAR 2025-26 PROPERTY TAX BILL
 SAMPLE TAX BILL**

PROPERTY VALUE ⁽¹⁾	\$ 479,119
<i>LESS Homeowner's Exemption</i>	<u>7,000</u>
NET PROPERTY VALUE	\$ 472,119

	<i>Percent of Total Assessed Valuation</i>	<i>Amount to be Levied</i>
AD VALOREM PROPERTY TAXES		
General Purpose	1.14026%	
Eastern Municipal Water District U-35	1.00000	\$4,721.19
Eastern Municipal Water District U-36	0.00430	20.30
Menifee Union School District	0.00430	20.30
Metropolitan Water District East	.07500	354.09
Mount San Jacinto Junior College	0.00700	33.05
Perris Union High School District	0.00254	11.99
	0.04712	222.46
ASSESSMENTS, SPECIAL TAXES, AND PARCEL CHARGES		
Riverside County Flood Control and Water Conservation District		\$ 3.76
Metropolitan Water District Standby Charge (East)		6.94
Perris Union High School District CFD No. 92-1		342.98
County of Riverside CSA #152		45.02
City of Menifee CSA #84		58.22
Valley Wide Park and Recreation District LMD (Menifee South Park)		432.30
Valley Wide Park and Recreation District LMD 88-1 (Regional Facilities)		5.54
Eastern Municipal Water District Infrastructure Availability Charge		25.00
Menifee Union School District CFD No. 2002-3		<u>2,006.86</u>
TOTAL PROPERTY TAXES		\$8,310.00
Effective Tax Rate		1.73443%

⁽¹⁾ Fiscal Year 2025-26 assessed valuation for a Dwelling Unit containing 2,853 assessable square feet, representing the median assessed value for a Dwelling Unit within CFD No. 2002-3.
 Source: Riverside County Tax Collector.

Tax rates within CFD No. 2002-3 vary based on a variety of factors, including building square footage, and, as a result, the median effective tax rate within CFD No. 2002-3 is 1.72%. Table A-46 below sets forth the effective tax rate stratification of all parcels within CFD No. 2002-3 based on Fiscal Year 2025-26 assessed values.

**TABLE A-46
MENIFEE UNION SCHOOL DISTRICT
COMMUNITY FACILITIES DISTRICT NO. 2002-3
FISCAL YEAR 2025-26 EFFECTIVE TAX RATE STRATIFICATION***

<i>Effective Tax Rate Category</i>	<i>Number of Parcels</i>	<i>CFD No. 2002-3 Bonds</i>	<i>Other Land Secured Debt⁽¹⁾</i>	<i>General Obligation Debt⁽¹⁾</i>	<i>Total Debt</i>	<i>Fiscal Year 2025-26 Assessed Value⁽²⁾</i>	<i>Value-to-Lien Ratio⁽³⁾</i>	<i>Total Taxes</i>	<i>Average Effective Tax Rate⁽⁴⁾</i>	<i>Fiscal Year 2025-26 Special Tax</i>	<i>% Share of Special Tax</i>
2.20% and above	7	\$ 126,183	\$ 10,041	\$ 34,065	\$ 170,289	\$ 1,671,160	9.81	\$ 43,592	2.61%	\$ 13,555	4.14%
2.00% to 2.20%	13	239,010	17,212	80,937	337,160	3,970,555	11.78	84,001	2.12	25,676	7.85
1.80% to 2.00%	25	458,658	35,859	202,942	697,459	9,955,771	14.27	187,082	1.88	49,272	15.06
1.60% to 1.80%	84	1,510,288	119,053	858,252	2,487,593	42,103,556	16.93	717,058	1.70	162,246	49.60
1.50% to 1.60%	21	357,329	30,122	274,881	662,332	13,484,929	20.36	210,581	1.56	38,387	11.73
1.30% to 1.50%	11	209,264	15,778	110,765	335,807	5,433,815	16.18	74,504	1.37	22,481	6.87
1.30% and below	8	144,268	11,475	106,904	262,646	5,244,401	19.97	66,854	1.27	15,498	4.74
Total ⁽⁵⁾	169	\$ 3,045,000	\$ 239,540	\$ 1,668,745	\$ 4,953,286	\$ 81,864,187	16.53	\$ 1,383,672.48	1.69%	\$ 327,115	100.00%

* Preliminary, subject to change.

(1) See Table A-42 for a description of overlapping liens and does not reflect subsequent additional charges or increases that may occur in Fiscal Year 2026-27. Other Land Secured Debt has been allocated based on the proportionate share of the Fiscal Year 2025-26 Special Tax Levy. General Obligation Debt has been allocated based on the proportionate share of the Fiscal Year 2025-26 assessed values.

(2) Source: Riverside County Assessor's Roll dated July 1, 2025

(3) Average value-to-lien per Parcel; actual value-to-lien may vary by Parcel.

(4) Average effective tax rate per Parcel; actual effective tax rate may vary by Parcel.

(5) Totals may not sum due to rounding.

Source: KeyAnalytics.

Delinquencies. Unpaid amounts of the Special Taxes become delinquent after December 10 and April 10 of each Fiscal Year. Table A-47 below summarizes the Special Tax delinquencies within CFD No. 2002-3 for Fiscal Years 2021-22 through 2025-26 as of April 10, 2026.

**TABLE A-47
MENIFEE UNION SCHOOL DISTRICT
COMMUNITY FACILITIES DISTRICT NO. 2002-3
HISTORICAL DELINQUENCIES AND COLLECTION RATES**

<i>Fiscal Year</i>	<i>Parcels Levied</i>	<i>Aggregate Special Taxes</i>	<i>Parcels Delinquent</i>	<i>Amount Collected</i>	<i>Amount Delinquent as of June 30⁽¹⁾</i>	<i>Delinquency Rate</i>	<i>As of April 10, 2026</i>	
							<i>Remaining Amount Delinquent</i>	<i>Remaining Delinquency Rate</i>
2021-22	169	\$327,115.10	4	\$321,704.42	\$5,410.68	1.65%	\$ 0.00	0.00%
2022-23	169	327,115.10	0	327,115.10	0.00	0.00	0.00	0.00
2023-24	169	327,115.10	0	327,115.10	0.00	0.00	0.00	0.00
2024-25	169	327,115.10	2	325,049.33	2,065.77	0.63	0.00	0.00
2025-26	169	327,115.10	2	325,314.05	N/A	N/A	1,801.05	0.55

⁽¹⁾ Amount delinquent as of June 30th in the Fiscal Year in which the Special Taxes were levied.
Source: KeyAnalytics.

Top Taxpayers. The following table shows the top taxpayers in CFD No. 2002-1 based on the Fiscal Year 2025-26 Special Tax levy.

**TABLE A-48
MENIFEE UNION SCHOOL DISTRICT
COMMUNITY FACILITIES DISTRICT NO. 2002-3
ESTIMATED VALUE-TO-LIEN BY TOP PROPERTY OWNER**

<i>Owner ⁽¹⁾</i>	<i>Number of Parcels</i>	<i>Fiscal Year 2025-26 Special Tax Levy</i>	<i>% Share of Special Tax</i>	<i>Fiscal Year 2025-26 Assessed Value ⁽¹⁾</i>	<i>Total Liens ^{(2)*}</i>	<i>Value-to-Lien Ratio*</i>
Individual Owner	2	\$ 3,714.02	1.14%	\$ 909,788.00	\$ 55,986.67	16.25
Individual Owner	1	2,225.58	0.68	822,800.00	38,923.73	21.14
Individual Owner	1	2,225.58	0.68	759,492.00	37,633.24	20.18
Individual Owner	1	2,225.58	0.68	746,357.00	37,365.50	19.97
Individual Owner	1	2,225.58	0.68	656,181.00	35,527.32	18.47
Individual Owner	1	2,225.58	0.68	623,066.00	34,852.29	17.88
Individual Owner	1	2,225.58	0.68	612,919.00	34,645.45	17.69
Individual Owner	1	2,225.58	0.68	601,500.00	34,412.68	17.48
Individual Owner	1	2,225.58	0.68	590,103.00	34,180.36	17.26
Individual Owner	<u>1</u>	<u>2,225.58</u>	<u>0.68</u>	<u>586,663.00</u>	<u>34,110.24</u>	<u>17.20</u>
Total ⁽³⁾	11	\$ 23,744.24	7.26%	\$6,908,869.00	\$ 377,637.49	18.29

* Preliminary, subject to change.

⁽¹⁾ Source: Riverside County Assessor's Roll, dated July 1, 2025.

⁽²⁾ See Table A-42 for a description of overlapping liens and does not reflect subsequent additional charges or increases that may occur in Fiscal Year 2026-27. Other Land Secured Debt has been allocated based on the proportionate share of the Fiscal Year 2025-26 Special Tax Levy. General Obligation Debt has been allocated based on the proportionate share of the Fiscal Year 2025-26 assessed values.

⁽³⁾ Totals may not sum due to rounding.

Source: KeyAnalytics.

Community Facilities District No. 2003-3

Location and Description. Community Facilities District No. 2003-3 of the Menifee Union School District (“CFD No. 2003-3”) was formed by the School District on July 22, 2003, to finance authorized school facilities. CFD No. 2003-3 (totaling approximately 26.85 net taxable acres) is located at the intersection of Holland Road and Menifee Road, in the southwestern portion of the County, in the City of Menifee.

As of the date of this Official Statement, 144 single-family detached homes have been conveyed to individual homeowners. CFD No. 2003-3 is fully built-out.

Ownership of the taxable property within CFD No. 2003-3 is significantly diversified, with no property owner owning more than two parcels. No property owner within CFD No. 2003-3 is responsible for more than 1.39% of the Special Tax levy.

Assigned Special Taxes. Table A-49 below sets forth the Assigned Annual Special Taxes that were levied per parcel on taxable property within CFD No. 2003-3 in Fiscal Year 2025-26. The Special Taxes in CFD No. 2003-3 may not be levied after Fiscal Year 2037-38. The final maturity of the CFD No. 2003-3 Bonds is September 1, 2036.

**TABLE A-49
MENIFEE UNION SCHOOL DISTRICT
COMMUNITY FACILITIES DISTRICT NO. 2003-3
SUMMARY OF FISCAL YEAR 2025-26 ACTUAL SPECIAL TAX LEVY ⁽¹⁾**

<i>Special Tax Class</i>	<i>Building Square Feet</i>	<i>Number of Units</i>	<i>Fiscal Year 2025-26 Assigned Annual Special Tax Rate</i>	<i>Fiscal Year 2025-26 Special Tax Levy</i>	<i>Percentage of Levy Total</i>
1	≤ 2,000 sq. ft.	20	\$ 1,336.68	\$ 26,733.60	12.08%
2	2,001 sq. ft. to 2,200 sq. ft.	19	1,487.64	28,265.16	12.77
3	2,201 sq. ft. to 2,400 sq. ft.	37	1,510.30	55,881.10	25.25
4	2,401 sq. ft. to 2,600 sq. ft.	34	1,563.12	53,146.08	24.02
5	> 2,600 sq. ft.	<u>34</u>	<u>1,683.90</u>	<u>57,252.60</u>	<u>25.87</u>
Total ⁽¹⁾		144 Units	\$ NA	\$ 221,278.54	100.00%

⁽¹⁾ Totals may not sum due to rounding.
Source: KeyAnalytics.

For the complete text of the CFD No. 2003-3 Rate and Method, see Appendix D — “RATES AND METHODS OF APPORTIONMENT OF SPECIAL TAXES FOR THE TAXING JURISDICTIONS.”

To date, there have been no special tax prepayments within CFD No. 2003-3. See the caption “SPECIAL RISK FACTORS — Potential Early Redemption of Bonds from Prepayments or Other Sources” for a discussion of the potential for a lower than expected yield on the Bonds as a result of a mandatory redemption thereof from redemption of Local Obligations due to the prepayment of Special Taxes or certain other sources.

Direct and Overlapping Debt. The Authority has obtained the assessed values of all of the taxable property in CFD No. 2003-3, as established by the County Assessor for Fiscal Year 2025-26, which totals \$68,916,061. See Table A-52.

CFD No. 2003-3 is included within the boundaries of overlapping local agencies providing governmental services. Some of these local agencies have outstanding bonds, and/or the authority to issue bonds, payable from taxes or assessments. The existing and authorized indebtedness payable from taxes and

assessments that may be levied upon the property within CFD No. 2003-3 is shown in Table A-50 below. In addition to current debt, new community facilities districts and/or special assessment districts could be formed in the future encompassing all or a portion of the property within CFD No. 2003-3; and such districts or the agencies that formed them could issue more bonds and levy additional special taxes or assessments. The total assessed value shown in Table A-50 differs from the total assessed value shown in the other tables for CFD 2003-3 because Table A-50 includes all property that is exempt from the levy of the Special Tax within CFD No. 2003-3, while the other tables do not.

**TABLE A-50
MENEFEE UNION SCHOOL DISTRICT
COMMUNITY FACILITIES DISTRICT NO. 2003-3
DIRECT AND OVERLAPPING DEBT AS OF MARCH 1, 2025**

I. Assessed Value
2025-2026 Secured Roll Assessed Value \$ 68,916,061

II. Secured Property Taxes

<i>Description on Tax Bill</i>	<i>Type</i>	<i>Total Parcels</i>	<i>Total Levy</i>	<i>% Applicable</i>	<i>Parcels</i>	<i>Levy</i>
Basic 1% Levy	PROP13	964,202	\$ 4,323,533,139.04	0.01525%	144	\$ 659,359.58
City of Menifee CSA No. 84	CSA	15,911	551,199.74	1.49121	144	8,219.52
City of Menifee Delinquent Trash Charge	DQ	1,783	1,062,042.66	0.21352	4	2,267.68
County of Riverside CSA No. 152 (Street Sweeping)	CSA	76,401	2,680,734.56	0.23709	144	6,355.82
Eastern Municipal Water District Combined Standby Charge	STANDBY	271,755	5,968,257.60	0.06032	144	3,600.00
Eastern Municipal Water District ID No. U-35 Debt Service	GOB	21,046	475,530.30	0.59623	144	2,835.27
Eastern Municipal Water District ID No. U-36 Debt Service	GOB	21,044	475,507.03	0.59626	144	2,835.27
Menifee Union School District CFD No. 2003-3	CFD	151	221,278.54	100.00000	144	221,278.54
Menifee Union School District Debt Service	GOB	46,604	14,057,842.82	0.35178	144	49,452.11
Metropolitan Water District of Southern California Debt Service	GOB	271,489	9,084,577.54	0.05081	144	4,615.55
Metropolitan Water District of Southern California Standby Charge (East)	STANDBY	268,538	2,834,610.78	0.03526	144	999.36
Mt. San Jacinto Community College District Debt Service	GOB	353,147	3,696,464.19	0.04531	144	1,674.75
Perris Union High School District CFD No. 92-1	CFD	25,293	6,673,669.18	0.71436	139	47,674.22
Perris Union High School District Debt Service	GOB	80,860	14,568,144.46	0.21327	144	31,069.03
Riverside County Flood Control and Water Conservation District NPDES (Santa Ana River)	FLOOD	426,734	2,945,864.24	0.01831	144	539.30
Valley Wide Park and Recreation District LMD (Menifee South Park)	LMD	2,794	1,521,001.18	3.81046	144	57,957.12
Valley Wide Park and Recreation District LMD No. 88-1 (Regional Facility)	LMD	86,325	1,400,084.18	0.05698	144	797.76
WRCOG Hero Financing Program (County of Riverside) ⁽¹⁾	1915	3,802	9,941,834.96	0.07152	2	7,110.42
2025-2026 TOTAL PROPERTY TAX LIABILITY						\$ 1,108,641.30
TOTAL PROPERTY TAX LIABILITY AS A PERCENTAGE OF 2025-2026 ASSESSED VALUATION						1.61%

III. Land Secured Bond Indebtedness

<i>Outstanding Direct and Overlapping Bonded Debt</i>	<i>Type</i>	<i>Issued</i>	<i>Outstanding</i>	<i>% Applicable</i>	<i>Parcels</i>	<i>Amount</i>
Menifee Union School District CFD No. 2003-3	CFD	\$2,832,062	\$ 1,290,000	100.00000%	144	\$ 1,290,000
Perris Union High School District CFD No. 92-1	CFD	40,000,000	27,910,000	0.71436	139	199,378
TOTAL LAND SECURED BOND INDEBTEDNESS ⁽²⁾						\$ 1,489,378
TOTAL OUTSTANDING LAND SECURED BOND INDEBTEDNESS ⁽²⁾						\$ 1,489,378

IV. General Obligation Bond Indebtedness

<i>Outstanding Direct and Overlapping Bonded Debt</i>	<i>Type</i>	<i>Issued</i>	<i>Outstanding</i>	<i>% Applicable</i>	<i>Parcels</i>	<i>Amount</i>
Eastern Municipal Water District ID No. U-35	GOB	\$9,000,000	\$ 5,805,000	0.59175%	144	\$ 34,351
Eastern Municipal Water District ID No. U-36	GOB	9,012,000	5,813,000	0.59177	144	34,400
Menifee Union School District GOB 2002	GOB	14,498,923	4,879,720	0.35178	144	17,166
Menifee Union School District GOB 2008	GOB	31,460,000	19,575,000	0.35178	144	68,860
Menifee Union School District GOB 2016	GOB	134,996,572	118,761,572	0.35178	144	417,774
Menifee Union School District GOB 2024	GOB	36,350,000	36,350,000	0.35178	144	127,870
Metropolitan Water District of Southern California GOB 1966	GOB	850,000,000	22,985,000	0.02207	144	5,073
Mt. San Jacinto Community College District GOB 2014	GOB	295,000,000	233,100,000	0.04592	144	107,034
Perris Union High School District GOB 2004	GOB	45,997,378	9,259,558	0.21481	144	19,890
Perris Union High School District GOB 2012	GOB	153,418,024	132,018,024	0.21481	144	283,582
Perris Union High School District GOB 2018	GOB	148,000,000	134,450,000	0.21481	144	288,806
TOTAL GENERAL OBLIGATION BOND INDEBTEDNESS ⁽²⁾						\$ 1,404,807
TOTAL OUTSTANDING GENERAL OBLIGATION BOND INDEBTEDNESS ⁽²⁾						\$ 1,404,807

TOTAL OF ALL OUTSTANDING AND OVERLAPPING BONDED DEBT	\$ 2,894,184.60
VALUE TO ALL OUTSTANDING DIRECT AND OVERLAPPING BONDED DEBT	23.81:1

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

⁽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. Includes Prior CFD No. 2003-3 Bonds.

Source: California Tax Data.

Value-to-Lien. Table A-51 below sets forth the stratification of value-to-liens of the taxable property within CFD No. 2003-3 based on Fiscal Year 2025-26 assessed value and each parcel’s respective share of the principal amount of the CFD No. 2003-3 Bonds and all estimated direct and overlapping indebtedness (allocated to each parcel based upon its respective share of the Special Tax levy or other applicable tax or assessment for Fiscal Year 2025-26). The ratio of the value of an individual lot within CFD No. 2003-3 to its respective share of the principal amount of such indebtedness can be expected to vary.

**TABLE A-51
MENIFEE UNION SCHOOL DISTRICT
COMMUNITY FACILITIES DISTRICT NO. 2003-3
ASSESSED VALUE-TO-LIEN RATIO STRATIFICATION
(FISCAL YEAR 2025-26)**

<i>Value-to-Lien Category</i>	<i>Number of Parcels</i>	<i>CFD No. 2003-3 Bonds*</i>	<i>Other Land Secured Debt⁽¹⁾</i>	<i>General Obligation Debt⁽¹⁾</i>	<i>Total Debt*</i>	<i>Fiscal Year 2025-26 Assessed Value⁽²⁾</i>	<i>Value-to-Lien Ratio^{(3)*}</i>	<i>Fiscal Year 2025-26 Special Tax</i>	<i>% Share of Special Tax</i>
> 30.00	0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	NA	\$ 0	0.00%
25.00 to 30.00	1	15,144	1,434	17,306	33,884	848,965	25.06	1,684	0.76
20.00 to 25.00	50	687,194	64,547	609,908	1,361,649	29,920,447	21.97	76,413	34.53
15.00 to 20.00	74	1,021,113	106,144	660,673	1,787,929	32,410,826	18.13	113,543	51.31
10.00 to 15.00	19	266,550	27,253	116,921	410,723	5,735,823	13.97	29,639	13.39
< 10.00	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>NA</u>	<u>0</u>	<u>0.00</u>
Total ⁽⁴⁾	144	\$ 1,990,000	\$ 199,378	\$ 1,404,807	\$ 3,594,185	\$ 68,916,061	19.17	\$221,279	100.00%

* Preliminary, subject to change.
⁽¹⁾ See Table A-50 for a description of overlapping liens and does not reflect subsequent additional charges or increases that may occur in Fiscal Year 2026-27. Other Land Secured Debt has been allocated based on the proportionate share of the Fiscal Year 2025-26 Special Tax Levy. General Obligation Debt has been allocated based on the proportionate share of the Fiscal Year 2025-26 assessed values.
⁽²⁾ Source: Riverside County Assessor’s Roll dated July 1, 2025
⁽³⁾ Average value-to-lien per Parcel; actual value-to-lien may vary by Parcel.
⁽⁴⁾ Totals may not sum due to rounding.
Source: KeyAnalytics.

Historical Assessed Values. Table A-52 summarizes the assessed values within CFD No. 2003-3 for the Fiscal Years shown.

**TABLE A-52
MENIFEE UNION SCHOOL DISTRICT
COMMUNITY FACILITIES DISTRICT NO. 2003-3
HISTORICAL AND CURRENT ASSESSED VALUES OF NON-EXEMPT PROPERTY^{(1) (2)}**

<i>Fiscal Year Ending (June 30)</i>	<i>Assessed Value Land</i>	<i>Assessed Value Improvement</i>	<i>Assessed Value Other</i>	<i>Total Assessed Value</i>	<i>Percentage Change</i>
2022	\$ 13,742,700	\$ 42,165,574	\$0	\$ 55,908,274	NA
2023	14,100,062	46,601,646	0	60,701,708	8.57%
2024	14,355,731	50,007,412	0	64,363,143	6.03
2025	14,931,804	51,750,810	0	66,682,614	3.60
2026	15,627,502	53,288,559	0	68,916,061	3.35

⁽¹⁾ Source: Riverside County Assessor’s Roll, dated July 1 of the applicable Fiscal Year.

⁽²⁾ Includes parcels classified as Taxable Property only (Developed and Undeveloped).

Source: KeyAnalytics.

Tax Rates. As shown in Table A-50, the taxable property within CFD No. 2003-3 is subject to several different taxes and assessments. Table A-53 below shows a tax bill for an average parcel of taxable property within CFD No. 2003-3 (based on median assessed value). Table A-53 sets forth those entities with fees, charges, *ad valorem* taxes and special taxes regardless of whether those entities have issued debt. Data in Table A-53 is based on tax charges for Fiscal Year 2025-26 and does not reflect subsequent additional charges or increases.

**TABLE A-53
MENIFEE UNION SCHOOL DISTRICT
COMMUNITY FACILITIES DISTRICT NO. 2003-3
FISCAL YEAR 2025-26 PROPERTY TAX BILL
SAMPLE TAX BILL**

PROPERTY VALUE ⁽¹⁾	\$ 468,508	
<i>LESS Homeowner's Exemption</i>	<u>7,000</u>	
NET PROPERTY VALUE	\$ 461,508	
	<i>Percent of Total Assessed Valuation</i>	<i>Amount to be Levied</i>
AD VALOREM PROPERTY TAXES	1.14026%	
General Purpose	1.00000	\$ 4,615.08
Eastern Municipal Water District U-35	0.00430	19.84
Eastern Municipal Water District U-36	0.00430	19.84
Menifee Union School District	0.07500	346.13
Metropolitan Water District East	0.00700	32.31
Mount San Jacinto Junior College	0.00254	11.72
Perris Union High School District	0.04712	217.46
ASSESSMENTS, SPECIAL TAXES, AND PARCEL CHARGES		
Riverside County Flood Control and Water Conservation District		\$ 3.74
County of Riverside CSA #152		44.14
Perris Union High School District CFD No. 92-1		342.98
City of Menifee CSA #84		57.08
Valley Wide Park and Recreation District LMD 88-1 (Regional Facilities)		5.54
Valley Wide Park and Recreation District LMD (Menifee South Park)		402.48
Metropolitan Water District Standby Charge (East)		6.94
Eastern Municipal Water District Infrastructure Availability Charge		25.00
Menifee Union School District CFD No. 2003-3		1,683.90
TOTAL PROPERTY TAXES		\$ 7,834.18
Effective Tax Rate		1.67216%

⁽¹⁾ Fiscal Year 2025-26 assessed valuation for a Dwelling Unit containing 2,904 assessable square feet, representing the median assessed value for a Dwelling Unit within CFD No. 2003-3.

Source: Riverside County Tax Collector.

Tax rates within CFD No. 2003-3 vary based on a variety of factors, including building square footage, and, as a result, the median effective tax rate within CFD No. 2003-3 is 1.64%. Table A-54 below sets forth the effective tax rate stratification of all parcels within CFD No. 2003-3 based on Fiscal Year 2025-26 assessed values.

**TABLE A-54
MENIFEE UNION SCHOOL DISTRICT
COMMUNITY FACILITIES DISTRICT NO. 2003-3
FISCAL YEAR 2025-26 EFFECTIVE TAX RATE STRATIFICATION***

<i>Effective Tax Rate Category</i>	<i>Number of Parcels</i>	<i>CFD No. 2003-3 Bonds</i>	<i>Other Land Secured Debt⁽¹⁾</i>	<i>General Obligation Debt⁽¹⁾</i>	<i>Total Debt</i>	<i>Fiscal Year 2025-26 Assessed Value⁽²⁾</i>	<i>Value-to-Lien Ratio⁽³⁾</i>	<i>Total Taxes</i>	<i>Average Effective Tax Rate⁽⁴⁾</i>	<i>Fiscal Year 2025-26 Special Tax</i>	<i>% Share of Special Tax</i>
2.20% and above	2	\$ 25,603	\$ 2,869	\$ 14,046	\$ 42,518	\$ 689,047	16.21	\$ 19,431	2.82%	\$ 2,847	1.29%
2.00% to 2.20%	5	67,776	7,172	28,306	103,253	1,388,599	13.45	28,319	2.04	7,536	3.41
1.80% to 2.00%	15	208,147	21,516	97,383	327,046	4,777,339	14.61	91,175	1.91	23,145	10.46
1.60% to 1.80%	66	911,165	94,669	602,593	1,608,427	29,561,603	18.38	495,113	1.67	101,317	45.79
1.50% to 1.60%	36	493,308	45,900	429,486	968,694	21,069,440	21.75	324,499	1.54	54,854	24.79
1.30% to 1.50%	8	114,293	11,475	109,040	234,808	5,349,203	22.78	78,569	1.47	12,709	5.74
1.30% and below	<u>12</u>	<u>169,708</u>	<u>15,778</u>	<u>123,954</u>	<u>309,439</u>	<u>6,080,830</u>	<u>19.65</u>	<u>71,535</u>	<u>1.18</u>	<u>18,871</u>	<u>8.53</u>
Total ⁽⁵⁾	144	\$ 1,990,000	\$ 199,378	\$ 1,404,807	\$ 3,594,185	\$ 68,916,061	19.17	\$ 1,108,641.30	1.61%	\$ 221,279	100.00%

* Preliminary, subject to change.

(1) See Table A-50 for a description of overlapping liens and does not reflect subsequent additional charges or increases that may occur in Fiscal Year 2026-27. Other Land Secured Debt has been allocated based on the proportionate share of the Fiscal Year 2025-26 Special Tax Levy. General Obligation Debt has been allocated based on the proportionate share of the Fiscal Year 2025-26 assessed values.

(2) Source: Riverside County Assessor's Roll dated July 1, 2025

(3) Average value-to-lien per Parcel; actual value-to-lien may vary by Parcel.

(4) Average effective tax rate per Parcel; actual effective tax rate may vary by Parcel.

(5) Totals may not sum due to rounding.

Source: KeyAnalytics.

Delinquencies. Unpaid amounts of the Special Taxes become delinquent after December 10 and April 10 of each Fiscal Year. Table A-39 below summarizes the Special Tax delinquencies within CFD No. 2003-3 for Fiscal Years 2021-22 through 2025-26 as of April 10, 2026.

**TABLE A-55
MENIFEE UNION SCHOOL DISTRICT
COMMUNITY FACILITIES DISTRICT NO. 2003-3
HISTORICAL DELINQUENCIES AND COLLECTION RATES**

<i>Fiscal Year</i>	<i>Parcels Levied</i>	<i>Aggregate Special Taxes</i>	<i>Parcels Delinquent</i>	<i>Amount Collected</i>	<i>Amount Delinquent as of June 30⁽¹⁾</i>	<i>Delinquency Rate</i>	<i>As of April 10, 2026</i>	
							<i>Remaining Amount Delinquent</i>	<i>Remaining Delinquency Rate</i>
2021-22	144	\$221,278.54	2	\$219,741.83	\$1,536.71	0.69%	\$ 0.00	0.00%
2022-23	144	221,278.54	1	220,523.39	755.15	0.34	0.00	0.00
2023-24	144	221,278.54	2	218,808.10	2,470.44	1.12	0.00	0.00
2024-25	144	221,278.54	2	219,768.24	1,510.30	0.68	0.00	0.00
2025-26	144	221,278.54	4	218,182.47	N/A	N/A	3,096.07	1.40

⁽¹⁾ Amount delinquent as of June 30th in the Fiscal Year in which the Special Taxes were levied.
Source: KeyAnalytics.

Top Taxpayers. The following table shows the top taxpayers in CFD No. 2003-3 based on the Fiscal Year 2025-26 Special Tax levy.

**TABLE A-56
MENIFEE UNION SCHOOL DISTRICT
COMMUNITY FACILITIES DISTRICT NO. 2003-3
ESTIMATED VALUE-TO-LIEN BY TOP PROPERTY OWNER**

<i>Owner ⁽¹⁾</i>	<i>Number of Parcels</i>	<i>Fiscal Year 2025-26 Special Tax Levy</i>	<i>% Share of Special Tax</i>	<i>Fiscal Year 2025-26 Assessed Value ⁽¹⁾</i>	<i>Total Liens ^{(2)*}</i>	<i>Value-to-Lien Ratio*</i>
Individual Owner	2	\$ 3,073.42	1.39%	\$ 534,414.00	\$ 41,402.26	12.91
Individual Owner	1	1,683.90	0.76	848,965.00	33,883.58	25.06
Individual Owner	1	1,683.90	0.76	740,000.00	31,662.40	23.37
Individual Owner	1	1,683.90	0.76	730,639.00	31,471.58	23.22
Individual Owner	1	1,683.90	0.76	683,400.00	30,508.65	22.40
Individual Owner	1	1,683.90	0.76	657,400.00	29,978.66	21.93
Individual Owner	1	1,683.90	0.76	653,371.00	29,896.53	21.85
Individual Owner	1	1,683.90	0.76	601,110.00	28,831.22	20.85
Individual Owner	1	1,683.90	0.76	595,335.00	28,713.50	20.73
Individual Owner	<u>1</u>	<u>1,683.90</u>	<u>0.76</u>	<u>593,223.00</u>	<u>27,236.08</u>	<u>21.78</u>
Total ⁽³⁾	11	\$ 18,228.52	8.24%	\$ 6,637,857.00	\$ 313,584.45	21.17

* Preliminary, subject to change.

⁽¹⁾ Source: Riverside County Assessor's Roll, dated July 1, 2025.

⁽²⁾ See Table A-50 for a description of overlapping liens and does not reflect subsequent additional charges or increases that may occur in Fiscal Year 2026-27. Other Land Secured Debt has been allocated based on the proportionate share of the Fiscal Year 2025-26 Special Tax Levy. General Obligation Debt has been allocated based on the proportionate share of the Fiscal Year 2025-26 assessed values.

⁽³⁾ Totals may not sum due to rounding.

Source: KeyAnalytics.

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APPENDIX B

SUMMARY OF PRINCIPAL LEGAL DOCUMENTS

THE INDENTURE OF TRUST

The following is a brief summary of the provisions of the Indenture of Trust not already summarized in the main body of this Official Statement. This Summary is not intended to be definitive. Reference is made to the actual document (a copy of which is available from the Authority) for the complete terms thereof.

DEFINITIONS

The following terms have the following meanings, notwithstanding that any such terms may be elsewhere defined in this Official Statement. Any terms not expressly defined in this Summary or previously defined in this Official Statement have the respective meanings previously given. The following are not all of the terms defined in the Indenture.

“Act” means Articles 1 through 4 (commencing with Section 6500) of Chapter 5, Division 7, Title 1 of the Government Code of the State, as it may hereafter be amended from time to time.

“Administrative Expenses” means the fees and expenses of the Trustee and the Authority incurred in carrying out their respective duties under the Indenture, including but not limited to: legal fees and expenses; the costs of all consultants and attorneys retained by or on behalf of the Authority to comply with any state or federal information reporting and disclosure requirements, and to maintain credit enhancement related to the Bonds; “Administrative Costs” (as defined in the Indenture) payable to the Bond Insurer under the Bond Insurance Policy; and “Administrative Expenses” (as defined in the Reserve Fund Policy Agreement) payable to the Bond Insurer under the Reserve Fund Policy Agreement.

“Annual Debt Service” means, for each Bond Year, the sum of (a) the interest payable on the Outstanding Bonds in such Bond Year, and (b) the principal amount of the Outstanding Bonds scheduled to be paid in such Bond Year, including from mandatory sinking fund payments, if any.

“Authority” means the Menifee Union School District Public Financing Authority, a joint powers authority duly organized and existing under the JPA Agreement and under and by virtue of the laws of the State.

“Beneficial Owners” means the actual purchasers of the Bonds whose ownership interests are recorded on the books of the DTC Participants.

“Board” means the Board of Directors of the Authority.

“Bond Counsel” means Jones Hall LLP, or any attorney at law or firm of attorneys selected by the Authority with expertise in rendering opinions as to the legality and tax-exempt status of securities issued by public entities.

“Bond Insurance Policy” means the insurance policy issued by the Bond Insurer guaranteeing the scheduled payment of principal of and interest on the Insured Bonds when due.

“Bond Insurer” means Assured Guaranty, Inc., a Maryland corporation, or any successor thereto or assignee thereof.

“Bond Law” means the Marks-Roos Local Bond Pooling Act of 1985, constituting Article 4 of the Act (commencing with Section 6584), as it may hereafter be amended from time to time.

“Bond Register” means the registration books for the Bonds maintained by the Trustee in accordance with the Indenture.

“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 Closing Date to September 1, 2026, both dates inclusive.

“Bonds” means, collectively, the bonds of the Authority captioned “Menifee Union School District Public Financing Authority Special Tax Revenue Bonds, 2026 Series A” authorized by and at any time Outstanding pursuant to the Bond Law and the Indenture, and any additional Bonds authorized to be issued for partial refunding purposes under the Indenture.

“Business Day” means a day which is not a Saturday or Sunday or a day of the year on which banks in New York, New York and Los Angeles, California, or where the Principal Office of the Trustee is located, are not required or authorized to remain closed.

“Certificate of the Authority” means a certificate in writing signed by the Chairman or Treasurer of the Authority, or by the Superintendent, the Assistant Superintendent, or the Chief Business Official of the School District, or by any other officer of the Authority duly authorized by the Chairman for that purpose.

“CFD No. 94-1” means Community Facilities District No. 94-1 of the Menifee Union School District.

“Closing Date” means _____, 2026, the date upon which there is a physical delivery of the Bonds in exchange for the purchase price therefor.

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

“Continuing Disclosure Certificate” means that certain Continuing Disclosure Certificate executed by the Authority and dated the date of issuance and delivery of the Bonds, as originally executed and as it may be amended from time to time in accordance with its terms.

“Costs of Issuance” means the costs and expenses incurred in connection with the formation of the Authority and the issuance and sale of the Bonds and the issuance and acquisition of the Local Obligations, including without limitation the acceptance and initial annual fees and expenses of the Trustee and Escrow Agent and their counsel, legal fees and expenses, costs of printing the Bonds and the preliminary and final Official Statements, fees of financial consultants, the premium and other amounts payable as a condition to the issuance of the Bond Insurance Policy and Reserve Fund Policy, and other fees and expenses set forth in a Request of the Authority.

“Costs of Issuance Fund” shall mean the fund by that name established in the Indenture.

“District” or “Districts” means each and collectively, all, as the case may be, of those community facilities districts listed in the Indenture.

“District Fiscal Agent Agreement” means each of the Fiscal Agent Agreements listed in the Indenture, by and between each of the Districts and Zions Bancorporation, National Association, as successor fiscal agent and fiscal agent, as amended and supplemented.

“DTC” means The Depository Trust Company, New York, New York, and its successors and assigns.

“DTC Participants” means securities brokers and dealers, banks, trust companies, clearing corporations and other organizations maintaining accounts with DTC.

“Escrow Agent” means Zions Bancorporation, National Association, as escrow agent under the Escrow Agreement.

“Escrow Agreement” means the Escrow Agreement dated as of June 1, 2026, between the Authority and the Escrow Agent.

“Escrow Fund” means the fund by that name established under the Escrow Agreement for the defeasance and refunding of the 2017 Authority Bonds.

“Event of Default” means any of the events described in the Indenture.

“Fair Market Value” means the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm's length transaction (determined as of the date the contract to purchase or sell the investment becomes binding) if the investment is traded on an established securities market (within the meaning of section 1273 of the Code) and, otherwise, the term "Fair Market Value" means the acquisition price in a bona fide arm's length transaction (as referenced above) if

(A) the investment is a certificate of deposit that is acquired in accordance with applicable regulations under the Code,

(B) the investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (for example, a guaranteed investment contract, a forward supply contract or other investment agreement) that is acquired in accordance with applicable regulations under the Code,

(C) the investment is a United States Treasury Security--State and Local Government Series that is acquired in accordance with applicable regulations of the United States Bureau of Public Debt, or

(D) any commingled investment fund in which the Authority and related parties do not own more than a 10% beneficial interest therein if the return paid by the fund is without regard to the source of the investment.

To the extent required by the applicable regulations under the Code, the term “investment” will include a hedge.

“Federal Securities” means

(A) any direct general obligations of the United States of America (including obligations issued or held in book entry form on the books of the Department of the Treasury of the United States of America), for which the full faith and credit of the United States of America are pledged; and

(B) obligations of any agency, department or instrumentality of the United States of America, the timely payment of principal and interest on which are fully, unconditionally and directly or indirectly secured or guaranteed by the full faith and credit of the United States of America.

“Fiscal Agent” means Zions Bancorporation, National Association, acting in its capacity as the fiscal agent for the Local Obligations, and any successor fiscal agent with respect to any Local Obligation that may at any time be substituted in its place as provided in each District Fiscal Agent Agreement.

“Fiscal Year” means any twelve-month period extending from July 1 in one calendar year to June 30 of the succeeding calendar year, both dates inclusive, or any other twelve-month period selected and designated by the Authority as its official fiscal year period.

“Indenture” means the Indenture of Trust, as originally executed or as it may from time to time be supplemented, modified or amended by any Supplemental Indenture pursuant to the provisions hereof.

“Independent Accountant” means any certified public accountant or firm of such certified public accountants appointed and paid by the Authority, and who, or each of whom –

(a) is in fact independent and not under domination of the Authority, the School District or the Districts;

(b) does not have any substantial interest, direct or indirect, in the Authority, the School District or the Districts; and

(c) is not an officer or employee of the Authority, the School District or the Districts, but who may be regularly retained to make annual or other audits of the books of or reports to the Authority, the School District or the Districts.

“Independent Financial Consultant” means any financial consultant or firm of such consultants experienced in the area for which such consultant is being retained by the Authority, and who, or each of whom –

(a) is in fact independent and not under domination of the Authority, the School District or the Districts;

(b) does not have any substantial interest, direct or indirect, in the Authority, the School District or the Districts; and

(c) is not an officer or employee of the Authority, the School District or the Districts, but who may be regularly retained to make annual or other audits of the books of or reports to the Authority, the School District or the Districts.

“Information Services” means the Municipal Securities Rulemaking Board Electronic Municipal Market Access (EMMA) system accessible at the emma.msrb.org website, and, in accordance with then current guidelines of the Securities and Exchange Commission, such other services providing information with respect to called bonds as the Authority may designate in a written request delivered to the Trustee.

“Interest Account” means the account by that name established and held by the Trustee within the Revenue Fund pursuant to the Indenture.

“Interest Payment Date” means March 1 and September 1 in each year, beginning September 1, 2026, and continuing thereafter so long as any Bonds remain Outstanding.

“JPA Agreement” means that certain Joint Exercise of Powers Agreement dated as of December 1, 2005, by and between the School District and CFD No. 94-1, together with any amendments thereof and supplements thereto.

“Local Obligations” means, collectively, the special tax bonds issued by the Districts set forth in the Indenture.

“Maximum Annual Debt Service” means, as of the date of any calculation, the largest Annual Debt Service on the Bonds during the current or any future Bond Year.

“Original Purchaser” means Stifel, Nicolaus & Company, Incorporated.

“Outstanding” when used as of any particular time with reference to Bonds, means (subject to the provisions of the Indenture regarding disqualified Bonds) all Bonds theretofore executed, issued and delivered by the Authority under the Indenture except -

(a) Bonds theretofore cancelled by the Trustee or surrendered to the Trustee for cancellation;

(b) Bonds paid or deemed to have been paid within the meaning of the Indenture or Bonds called for redemption as described in the Indenture; and

(c) Bonds in lieu of or in substitution for which other Bonds have been executed, issued and delivered pursuant to the Indenture or any Supplemental Indenture.

“Owner” or “Bond Owner”, when used with respect to any Bond, means the person in whose name the ownership of such Bond shall be registered on the Bond Register.

“Participating Underwriter” has the meaning given in the Continuing Disclosure Certificate.

“Permitted Investments” means any of the following which at the time of investment are legal investments under the laws of the State for the moneys proposed to be invested therein (provided the Trustee may rely upon any Request of the Authority as a certification to it that such investment constitutes a legal investment under the laws of the State):

A. Federal Securities.

B. U.S. dollar denominated deposit accounts, federal funds and bankers’ acceptances with domestic commercial banks, which may include the Trustee and its affiliates, which have a rating on their short term certificates of deposit on the date of purchase of “P-1” by Moody’s Investors Service (“Moody’s”) and “A-1” or “A-1+” by S&P and maturing not more than 360 calendar days after the date of purchase. (Ratings on holding companies are not considered as the rating of the bank);

C. Commercial paper which is rated at the time of purchase in the single highest classification, “P-1” by Moody’s and “A-1+” by S&P and which matures not more than 270 calendar days after the date of purchase;

D. Investments in a money market fund rated “AAAm” or “AAAm-G” or better by S&P, including such funds for which the Trustee, its affiliates or subsidiaries provide investment advisory or other management services or for which the Trustee or an affiliate of the Trustee serves as investment administrator, shareholder servicing agent, and/or custodian or subcustodian, notwithstanding that (i) the Trustee or an affiliate of the Trustee receives fees from funds for services rendered, (ii) the Trustee collects fees for services rendered pursuant to the Indenture, which are separate from the fees received from such funds, and (iii) services performed for such funds and pursuant to the Indenture may at times duplicate those provided to such funds by the Trustee or an affiliate of the Trustee;

E. Pre-refunded Municipal Obligations defined as follows: any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice; and

(i) which are rated, based on an irrevocable escrow account or fund (the “escrow”), in the highest rating category of Moody’s or S&P or any successors thereto; or

(ii) which are fully secured as to principal and interest and redemption premium, if any, by an escrow consisting only of cash or Federal Securities described in subsection (b) and (d) of the definition thereof, which escrow may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, and which escrow is sufficient, as verified by a nationally recognized independent certified public accountant, to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this paragraph on the maturity date or dates specified in the irrevocable instructions referred to above, as appropriate;

F. Municipal Obligations rated “Aaa/AAA” or general obligations of States with a rating of “A2/A” or higher by both Moody’s and S&P.

“Principal Account” means the account by that name established and held by the Trustee within the Revenue Fund pursuant to the Indenture.

“Principal Office” means the corporate trust office of the Trustee set forth in the Indenture or such other or additional offices as may be designated by the Trustee.

“Purchase Fund” means the fund by that name established and held by the Trustee pursuant to the Indenture.

“Qualified Reserve Fund Credit Instrument” means, the Reserve Fund Policy and, subject to the proviso below, an insurance policy or surety bond issued by an insurance company and deposited with the Trustee, provided that all of the following requirements are met at the time of acceptance thereof by the Trustee:

(a) the claims paying ability of such insurance company at the time of such issuance is “A” from S&P, or “A” from Moody’s (in each case, without regard to numerical or other modifier);

(b) such insurance policy or surety bond has a term of at least 12 months;

(c) such insurance policy or surety bond has a stated amount at least equal to the portion of the Reserve Requirement to be satisfied by such Qualified Reserve Fund Credit Instrument; and

(d) the Trustee is authorized pursuant to the terms of such insurance policy or surety bond to draw thereunder an amount equal to any deficiencies which may exist from time to time in the Interest Account or the Principal Account for the purpose of making payments required pursuant to the Indenture.

“Record Date” means, with respect to any Interest Payment Date, the 15th calendar day of the month preceding such Interest Payment Date, whether or not such day is a Business Day.

“Representation Letter” means the representation letter dated as of the Closing Date for the Bonds from the Authority to DTC.

“Request of the Authority” means a request in writing signed by the Chairman or Treasurer of the Authority, the Chief Business Official of the School District, or by any other officer of the Authority or the School District duly authorized by the Board for that purpose.

“Reserve Fund” means the fund by that name established, held and administered by the Trustee under the Indenture.

“Reserve Fund Accounts” mean the accounts within the Reserve Fund corresponding to each District as set forth in the Indenture.

“Reserve Fund Policy” means the surety bond or insurance policy issued by the Bond Insurer guaranteeing certain payments as provided therein and subject to the limitations set forth therein.

“Reserve Fund Policy Agreement” means the Debt Service Reserve Agreement, dated as of the Closing Date, by and between the Authority and the Bond Insurer, governing the issuance, use and repayment of advances made under the Reserve Fund Policy.

“Reserve Requirement” means, as of any date of calculation, the least of

(i) 10% of the initial principal amount of the Bonds, provided that the issue price of the Bonds shall be used rather than the original principal amount, if (i) the net original issue discount or premium of the Bonds is less than 98% or more than 102% of the original principal amount of the Bonds, and (ii) using the issue price would produce a lower result than using the original principal amount,

(ii) Maximum Annual Debt Service on the Outstanding Bonds, or

(iii) 125% of average Annual Debt Service on the Outstanding Bonds;

provided, however, that in no event shall the amount calculated hereunder exceed the amount on deposit in the Reserve Fund on the date of issuance of the Bonds.

“Responsible Officer” when used with respect to the Trustee, means any officer or employee within the Principal Office of the Trustee (or any successor group of the Trustee) having direct responsibility for the administration of the Indenture and also means, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of his knowledge of and familiarity with the particular subject. It also means any officer of the Trustee assigned to administer the Trustee’s duties under the Indenture.

“Revenue Fund” means the fund by that name established and held by the Trustee pursuant to the Indenture.

“Revenues” means:

(a) all amounts received from the Districts pursuant to any Local Obligations,

(b) any proceeds of the Bonds originally deposited with the Trustee and all moneys deposited and held from time to time by the Trustee in the funds and accounts established under the Indenture (other than the Costs of Issuance Fund and the Surplus Fund); and

(c) investment income with respect to any moneys held by the Trustee in the funds and accounts established under the Indenture (other than the Surplus Fund).

“School District” means the Menifee Union School District, a union school district organized under the laws of the State of California, and any successor thereto.

“Securities Depositories” means The Depository Trust Company, 55 Water Street, 50th Floor, New York, N.Y. 10041-0099 Attn. Call Notification Department, Fax (212) 855-7232, and, in accordance with then

current guidelines of the Securities and Exchange Commission, such other addresses and such other securities depositories as the Authority may designate in a Request of the Authority delivered to the Trustee.

“Special Tax Bonds Prepayment Account” means the account by that name established and held by the Trustee within the Revenue Fund pursuant to the Indenture.

“Special Taxes” means the taxes authorized to be levied by the Districts on parcels within the Districts which have been pledged to pay debt service on the Local Obligations.

“State” means the State of California.

“Supplemental Indenture” means any indenture, agreement or other instrument hereafter duly executed by the Authority in accordance with the provisions of the Indenture.

“Surplus Fund” means the fund by that name established and held by the Trustee pursuant to the Indenture.

“2017 Authority Bonds” means the special tax revenue bonds previously issued by the Authority captioned “\$25,985,000 Menifee Union School District Public Financing Authority Special Tax Revenue Bonds, 2017 Series A.”

“Trustee” means Zions Bancorporation, National Association and its successors and assigns, and any other corporation or association which may at any time be substituted in its place as provided in the Indenture.

CERTAIN FUNDS AND ACCOUNTS; INVESTMENTS

Costs of Issuance Fund. Under the Indenture the Trustee will establish and maintain a fund to be held by the Trustee known as the “Costs of Issuance Fund” into which shall be deposited a portion of the proceeds of the Bonds pursuant to the Indenture.

The moneys in the Costs of Issuance Fund shall be used to pay Costs of Issuance from time to time upon receipt of a Request of the Authority in the form attached to the Indenture.

On the date which is three months following the Closing Date, or upon the earlier receipt by the Trustee of a Request of the Authority stating that all Costs of Issuance have been paid, the Trustee shall transfer all remaining amounts in the Costs of Issuance Fund to the Revenue Fund and applied to the payment of interest next coming due on the Bonds. Upon such transfer the Costs of Issuance Fund shall be closed.

The Authority may at any time file a Request of the Authority requesting that the Trustee retain a specified amount in the Costs of Issuance Fund and transfer to the Revenue Fund all remaining amounts.

Purchase Fund. The Trustee shall establish and maintain a separate fund to be known as the “Purchase Fund” into which shall be deposited the net proceeds of sale of the Bonds pursuant to the Indenture. The Trustee shall use the proceeds of the Bonds to purchase the Local Obligations on the Closing Date. Upon receipt of the CFD Bonds, the Trustee shall deposit the Local Obligations in the Revenue Fund.

Reserve Fund.

(a) Under the Indenture, the Trustee shall establish and maintain a separate trust fund to be known as the “Reserve Fund.” There shall be maintained in the Reserve Fund an amount equal to the Reserve Requirement.

The Trustee shall establish and maintain the following Reserve Fund Accounts for each Local Obligation for the purposes set forth in the Indenture:

- (i) the Community Facilities District No. 94-1 Reserve Account;
- (ii) the Community Facilities District No. 99-1 IA-A Reserve Account;
- (iii) the Community Facilities District No. 99-1 Zone 1 Reserve Account;
- (iv) the Community Facilities District No. 99-1 Zone 2 Reserve Account;
- (v) the Community Facilities District No. 2002-1 Reserve Account;
- (vi) the Community Facilities District No. 2002-3 Reserve Account; and
- (vii) the Community Facilities District No. 2003-3 Reserve Account.

The Reserve Requirement shall be allocated among the Reserve Fund Accounts on a pro rata basis based on the then-outstanding amounts of the Local Obligations. Any cash amounts on deposit in the Reserve Fund shall be allocated among the Reserve Fund Accounts on a pro rata basis based on the then-outstanding amounts of the Local Obligations.

The Reserve Requirement shall be initially satisfied through the deposit of the Reserve Fund Policy, which constitutes a Qualified Reserve Fund Credit Instrument under the Indenture, having a stated maximum amount equal to the Reserve Requirement.

If the amount of the Reserve Requirement is reduced because of the payment at maturity or partial redemption of the Bonds, the Trustee shall, at the written direction of the Authority, adjust the balance in any Reserve Fund Account, provided that the total amount held in the accounts of the Reserve Fund equals the Reserve Requirement.

(b) Available amounts in the Reserve Fund shall be used solely for the purposes set forth in this provision of the Indenture. Subject to the limitations set forth in the following paragraphs, amounts in the Reserve Fund may be applied to pay the principal of, including sinking fund payments, and interest on the Bonds when due in the event that the moneys in the Interest Account and the Principal Account of the Revenue Fund are insufficient therefor.

In addition, any cash amounts held in the Reserve Fund (other than cash derived from draws on the Reserve Fund Policy) may be applied in connection with a special mandatory redemption pursuant to the Indenture or a defeasance pursuant to the Indenture hereof of the Bonds in whole or in part, or when the balance therein equals the principal and interest due on the Bonds to and including maturity, or in accordance with the provisions of the Indenture, to pay the principal of and interest due on the Bonds to maturity.

(c) Amounts transferred in connection with a redemption or a defeasance of Bonds shall be transferred from the Reserve Fund Account of the Reserve Fund established for each District that caused such redemption or defeasance through a redemption of its respective Local Obligations. Any amounts in the Reserve Fund in excess of what the Reserve Requirement will be following a special mandatory redemption or partial defeasance of the Bonds shall be applied toward the special mandatory redemption or defeasance of the Bonds, as applicable.

(d) If the amounts in the Interest Account or the Principal Account of the Revenue Fund are insufficient to pay the principal of, including sinking fund payments, or interest on the Bonds when due, the Trustee shall withdraw from the Reserve Fund for deposit in the Interest Account and the Principal Account, as applicable, moneys necessary for such purposes in the following priority and subject to the following limitations: any cash deposited in the Reserve Fund shall be used first for such transfers to the Interest and Principal Accounts, and only in the event of the unavailability of such moneys, the Reserve Fund Policy shall

be drawn upon by the Trustee for such purposes. After the Trustee ascertains the necessity for such draws upon the Reserve Fund Policy, but prior to any such draws, the Trustee shall provide written notice to the Bond Insurer in accordance with the Reserve Fund Policy and the Reserve Fund Policy Agreement.

(e) Draws on the Reserve Fund for payment of the Bonds may only be replenished, or reimbursed to due to a draw on the Reserve Fund Policy, from Special Taxes received from the District corresponding to the deficiency in payment of the series of Local Obligations that caused the draw; there is no requirement that Special Taxes of a District be used to replenish a draw on the Reserve Fund Policy in connection with a deficiency attributable to another District.

(f) The Trustee will transfer any cash balance in each Reserve Fund Account (other than cash derived from draws on the Reserve Fund Policy) to each District, to be used for any lawful purpose, in the amounts and on the dates as set forth in a Request of the Authority.

(g) Any cash on deposit in the Reserve Fund, if any, in excess of the Reserve Requirement not transferred in accordance with the preceding paragraphs shall be withdrawn from the Reserve Fund on each Interest Payment Date and transferred to the Interest Account of the Revenue Fund.

(h) The Authority shall have the right at any time to direct the Trustee to release from the Reserve Fund the Reserve Fund Policy or any cash then on deposit therein, in whole or in part, by tendering to the Trustee:

(i) a Qualified Reserve Account Credit Instrument, and

(ii) an opinion of Bond Counsel stating that neither the release of such funds nor the acceptance of such Qualified Reserve Account Credit Instrument will cause interest on the Bonds to become includable in gross income for purposes of federal income taxation.

Upon tender of such items to the Trustee, and upon delivery by the Authority to the Trustee of written calculation of the amount permitted to be released from the Reserve Fund (upon which the Trustee may conclusively rely), the Trustee shall transfer the Reserve Fund Policy or such funds, as applicable, from the Reserve Fund to the Authority to be used for any lawful purpose that does not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Bonds. The Trustee shall comply with all documentation relating to a Qualified Reserve Account Credit Instrument as shall be required to maintain such Qualified Reserve Account Credit Instrument in full force and effect and as shall be required to receive payments thereunder if and to the extent required to make any payment when and as required under this Section.

Upon the expiration of any Qualified Reserve Account Credit Instrument, the Authority shall either (i) replace such Qualified Reserve Account Credit Instrument with a new Qualified Reserve Account Credit Instrument, or (ii) deposit or cause to be deposited with the Trustee an amount of cash equal to the Reserve Requirement.

However, the Authority shall have no obligation to replace any Qualified Reserve Account Credit Instrument following a rating downgrade or insolvency of the Qualified Reserve Account Credit Instrument provider.

(i) The Trustee shall comply with all of the terms and provisions of the Reserve Fund Policy for the purpose of assuring that funds are available thereunder when required for the purposes of the Reserve Fund, within the limits of the coverage amount provided by the Reserve Fund Policy. All amounts drawn by the Trustee under the Reserve Fund Policy will be deposited into the Interest Account or Principal Account of the Revenue Fund, as applicable, and applied for the purposes thereof.

Surplus Fund.

Under the Indenture, the Trustee shall establish and maintain a separate fund to be known as the "Surplus Fund" which shall be administered as provided in this Section.

Amounts in the Surplus Fund shall no longer be considered Revenues and are not pledged to repay the Bonds.

So long as the Local Obligations are outstanding under the terms of the District Fiscal Agent Agreements, on September 2 of each year after setting aside any amount specified in a Request of the Authority as necessary to pay Administrative Expenses which shall be paid by the Trustee upon receipt of a Request of the Authority, the remaining balance in the Surplus Fund shall be transferred by the Trustee to each Fiscal Agent, in the amounts as shall be set forth in a Request of the Authority, for credit to the Special Tax Fund of each District established under each respective District Fiscal Agent Agreement and held by each Fiscal Agent; provided, however, that if any District is in default in the payment of debt service on its respective Local Obligation, the amount to be transferred to the Fiscal Agent with respect to that Local Obligation shall be reduced by the amount of such deficiency until such time as the delinquency on the Local Obligation is cured.

If the Local Obligations have been paid or defeased such that a District is no longer obligated to levy Special Taxes to repay its Local Obligations, then such amounts in the Surplus Fund shall be disbursed only to those Districts which are still obligated to levy Special Taxes to repay Local Obligations.

If all Districts are no longer obligated to levy Special Taxes to repay Local Obligations, then any amounts in the Surplus Fund may be used by the Authority for any lawful purpose, including, but not limited to, the payment of Administrative Expenses or any other purpose as specified in a Request of the Authority delivered to the Trustee.

Investments.

All moneys in any of the funds or accounts established with the Trustee under the Indenture shall be invested by the Trustee solely in Permitted Investments, as directed pursuant to the Request of the Authority filed with the Trustee at least 2 Business Days in advance of the making of such investments. In the absence of any such Request of the Authority the Trustee shall invest any such moneys in Permitted Investments described in clause (D) of the definition thereof, provided, however, that any such investment shall be made by the Trustee only if, prior to the date on which such investment is to be made, the Trustee has received a Request of the Authority specifying a specific money market fund and, if no such Request of the Authority is so received, the Trustee shall hold such moneys uninvested.

The Authority shall make note of any investment of funds under the Indenture in excess of the yield on the Bonds, so that appropriate actions can be taken to assure compliance with the Indenture.

Obligations purchased as an investment of moneys in any fund shall be deemed to be part of such fund or account, subject, however, to the requirements of the Indenture for transfer of interest earnings and profits resulting from investment of amounts in funds and accounts. Whenever in the Indenture any moneys are required to be transferred by the Authority to the Trustee, such transfer may be accomplished by transferring a like amount of Permitted Investments. Any Permitted Investments that are registrable securities shall be registered in the name of the Trustee.

The Trustee and its affiliates may act as sponsor, advisor, depository, principal or agent in the acquisition or disposition of any investment. The Trustee shall not incur any liability for losses arising from any investments made pursuant to this Section. The Trustee shall not be required to determine the legality of any investments.

The Trustee is hereby authorized, in making or disposing of any investment permitted by this Section, to deal with itself (in its individual capacity) or with any one or more of its affiliates, whether it or such affiliate is acting as an agent of the Trustee or for any third person or dealing as principal for its own account.

Investments in any and all funds and accounts may be commingled in a separate fund or funds for purposes of making, holding and disposing of investments, notwithstanding provisions in the Indenture for transfer to or holding in or to the credit of particular funds or accounts of amounts received or held by the Trustee under the Indenture, provided that the Trustee shall at all times account for such investments strictly in accordance with the funds and accounts to which they are credited and otherwise as provided in the Indenture.

The Trustee shall sell at Fair Market Value, or present for redemption, any investment security whenever it is necessary to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the fund or account to which such investment security is credited, and the Trustee shall not be liable or responsible for any loss resulting from the acquisition or disposition of such investment security in accordance with the Indenture.

The Authority acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Authority the right to receive brokerage confirmations of security transactions as they occur, the Authority specifically waives receipt of such confirmations to the extent permitted by law. The Trustee will furnish the Authority periodic cash transaction statements that shall include detail for all investment transactions made by the Trustee under the Indenture.

COVENANTS OF THE AUTHORITY

Punctual Payment. The Authority shall punctually pay or cause to be paid the principal and interest to become due in respect of all the Bonds, in strict conformity with the terms of the Bonds and of the Indenture, according to the true intent and meaning thereof, but only out of Revenues, and other assets pledged for such payment as provided in the Indenture.

Extension of Payment of Bonds. The Authority shall not directly or indirectly extend or assent to the extension of the maturity of any of the Bonds or the time of payment of any claims for interest by the purchase of such Bonds or by any other arrangement, and in case the maturity of any of the Bonds or the time of payment of any such claims for interest shall be extended, such Bonds or claims for interest shall not be entitled, in case of any default under the Indenture, to the benefits of the Indenture, except subject to the prior payment in full of the principal of all of the Bonds then Outstanding and of all claims for interest thereon which have been so extended.

The Indenture provides nothing in the foregoing paragraph shall be deemed to limit the right of the Authority to issue Bonds for the purpose of refunding any Outstanding Bonds, and such issuance shall not be deemed to constitute an extension of maturity of the Bonds.

Against Encumbrances. The Authority shall not create, or permit the creation of, any pledge, lien, charge or other encumbrance upon the Revenues, and other assets pledged or assigned under the Indenture while any of the Bonds are Outstanding, except the pledge and assignment created by the Indenture. Subject to this limitation, the Authority expressly reserves the right to enter into one or more other indentures for any of its corporate purposes, including other programs under the Bond Law, and reserves the right to issue other obligations for such purposes.

Power to Issue Bonds and Make Pledge and Assignment. The Authority is duly authorized pursuant to law to issue the Bonds and to enter into the Indenture and to pledge and assign the Revenues, the Local Obligations and other assets purported to be pledged and assigned, respectively, under the Indenture. The Bonds and the provisions of the Indenture are and will be the legal, valid and binding special obligations of the Authority in accordance with their terms, and the Authority and the Trustee shall at all times, subject to the provisions of the Indenture, to the extent permitted by law, defend, preserve and protect said pledge and

assignment of the Revenues, the Local Obligations and other assets and all the rights of the Bond Owners under the Indenture against all claims and demands of all persons whomsoever.

Accounting Records and Financial Statements. The Trustee shall at all times keep, or cause to be kept, proper books of record and account, prepared in accordance with corporate trust industry standards in which complete and accurate entries shall be made of transactions relating to the proceeds of Bonds, the Revenues, the Local Obligations and all funds and accounts established pursuant to the Indenture. Such books of record and account shall be available for inspection by the Authority and the Districts upon reasonable prior notice during regular business hours and under reasonable circumstances.

Monthly, the Trustee shall prepare and file with the Authority a statement setting forth:

(a) amounts withdrawn from and deposited into each fund and account maintained by the Trustee under the Indenture;

(b) the balance on deposit in each fund and account as of the date for which such statement is prepared; and

(c) a brief description of all obligations held as investments in each fund and account;

provided, that the Trustee shall not be obligated to provide an accounting for any fund or account that has a balance of \$0.00 and has not had any activity since the last reporting date.

Tax Covenants.

Generally. The Authority shall not take any action or permit to be taken any action within its control which would cause or which, with the passage of time if not cured would cause, interest on the Bonds to become includable in gross income for federal income tax purposes.

Private Activity Bond Limitation. The Authority shall assure that the proceeds of the Bonds are not used in a manner which would cause the Bonds to become “private activity bonds” within the meaning of section 141(a) of the Code or to meet the private loan financing test of Section 141(c) of the Code.

Federal Guarantee Prohibition. The Authority shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Bonds to be “federally guaranteed” within the meaning of Section 149(b) of the Code.

No Arbitrage. The Authority shall not take, or permit or suffer to be taken by the Trustee, the Districts or otherwise, any action with respect to the Bond proceeds which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the Closing Date, would have caused the Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Code.

Rebate of Excess Investment Earnings. The Authority shall calculate or cause to be calculated all amounts of excess investment earnings with respect to the Bonds which are required to be rebated to the United States of America under Section 148(f) of the Code, at the times and in the manner required under the Code. The Authority shall pay when due an amount equal to excess investment earnings to the United States of America in such amounts, at such times and in such manner as may be required under the Code, such payments to be made from any source of legally available funds of the Authority. The Authority shall keep or cause to be kept, and retain or cause to be retained for a period of six years following the retirement of the Bonds, records of the determinations made under this provision of the Indenture.

Maintenance of Tax-Exemption on Prior Bonds. The Authority will take all actions necessary to assure the exclusion of interest on the 2017 Authority Bonds from the gross income of the Owners of the 2017 Authority Bonds until the redemption in full of the 2017 Authority Bonds in accordance with the Escrow Agreement.

The Trustee has no duty to monitor the compliance by the Authority with any of the tax covenants described above.

Local Obligations. Subject to the provisions of the Indenture, the Authority and the Trustee shall use reasonable efforts to collect all amounts due from the Districts pursuant to the Local Obligations and shall diligently enforce, and take all steps, actions and proceedings reasonably necessary for the enforcement of all of the rights of the Authority thereunder and for the enforcement of all of the obligations of the Districts thereunder. The Authority shall instruct the Districts to cause the Fiscal Agent to authenticate and deliver to the Trustee the Local Obligations registered in the name of the Trustee.

The Authority, the Trustee and the Districts may at any time consent to, amend or modify any of the Local Obligations pursuant to the terms thereof, with the prior written consent of the Bond Insurer, and upon satisfaction of the following conditions: (a) with the prior consent of the Owners of a majority in aggregate principal amount of the Bonds then Outstanding, or (b) without the consent of any of the Bond Owners, if such amendment or modification is for any one or more of the following purposes -

(i) to add to the covenants and agreements of the Districts contained in such Local Obligations, other covenants and agreements thereafter to be observed, or to limit or surrender any rights or power therein reserved to or conferred upon the Districts; or

(ii) to make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained in such Local Obligations, or in any other respect whatsoever as the Districts may deem necessary or desirable, provided under any circumstances that such modifications or amendments shall not materially adversely affect the interests of the Owners of the Bonds; or

(iii) to amend any provision thereof to the extent necessary to comply with the Code, but only if and to the extent such amendment will not adversely affect the exclusion from gross income of the interest on any of the Bonds under the Code, in the opinion of nationally-recognized bond counsel.

Sale of Local Obligations. Notwithstanding anything in the Indenture to the contrary, with the prior written consent of the Bond Insurer, the Authority may cause the Trustee to sell by Request of the Authority, from time to time, all or a portion of an issue of Local Obligations, provided that the Authority shall deliver to the Trustee:

(a) a certificate of an Independent Financial Consultant to the effect that, following the disposition of such Local Obligations, the Revenues as described in clause (a) of the definition thereof in the Indenture to be paid to the Trustee (assuming the timely payment of amounts due thereon with respect to any Local Obligations not then in default), together with interest and principal due on any non-callable Federal Securities irrevocably pledged to the repayment of the Bonds, will be sufficient to pay the principal of and interest on the Bonds when due; and

(b) an opinion of Bond Counsel that such sale of Local Obligations is authorized under the provisions of the Indenture and will not adversely affect the exclusion of interest on the Bonds from gross income for purposes of federal income taxation.

Upon compliance with the foregoing conditions, the Trustee shall disburse the proceeds of the sale of such Local Obligations to the Authority or upon the receipt of a Request of the Authority shall deposit such proceeds in the Revenue Fund.

Continuing Disclosure. The Authority covenants and agrees in the Indenture that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate.

Notwithstanding any other provision of the Indenture, failure of the Authority to comply with the Continuing Disclosure Certificate shall not be considered an Event of Default; however, the Trustee (at the written direction of any Participating Underwriter or the Owners of at least 25% aggregate principal amount of Outstanding Bonds, shall, but only to the extent funds have been provided to it or it has been otherwise indemnified to its satisfaction from any cost, liability, expense or additional charges of the Trustee whatsoever, including, without limitation, fees and expenses of its attorneys) 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 Authority to comply with its obligations under this paragraph.

For purposes of the above, “Beneficial Owner” 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 Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

Compliance with Provisions Relating to Bond Insurance Policy and Reserve Fund Policy. So long as the Bond Insurance Policy remains in effect, the Authority and the Trustee shall comply with all of the terms and provisions set forth in the Indenture relating to the Bond Insurer and the Bond Insurance Policy.

So long as the Reserve Fund Policy remains in effect, the Authority and the Trustee shall comply with all of the terms and provisions set forth in the Indenture relating to the Bond Insurer and the Reserve Fund Policy.

MODIFICATION AND AMENDMENT OF THE INDENTURE

Amendment.

(a) *Modification With the Consent of Owners.* The Indenture and the rights and obligations of the Authority and of the Owners of the Bonds may be modified or amended at any time by a Supplemental

Indenture which shall become binding when the written consent of the Owners of a majority in aggregate principal amount of the affected Bonds then Outstanding are filed with the Trustee.

No such modification or amendment shall

(i) extend the maturity of or reduce the interest rate on any Bond or otherwise alter or impair the obligation of the Authority to pay the principal, interest or redemption premiums at the time and place and at the rate and in the currency provided therein of any Bond without the express written consent of the Owner of such Bond,

(ii) reduce the percentage of Bonds required for the written consent to any such amendment or modification, or

(iii) without written consent of the Trustee, modify any of the rights or obligations of the Trustee.

(b) *Modification Without the Consent of Owners.* The Indenture and the rights and obligations of the Authority and of the Owners of the Bonds may also be modified or amended at any time by a Supplemental Indenture which shall become binding upon adoption, without consent of any Bond Owners, to the extent permitted by law but only for any one or more of the following purposes-

(i) to add to the covenants and agreements of the Authority contained in the Indenture, other covenants and agreements thereafter to be observed, or to limit or surrender any rights or powers reserved under the Indenture to or conferred upon the Authority so long as such addition, limitation or surrender of such rights or powers shall not materially adversely affect the Owners of the Bonds; or

(ii) to make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained in the Indenture, or in any other respect whatsoever as the Authority may deem necessary or desirable, provided under any circumstances that such modifications or amendments shall not materially adversely affect the interests of the Owners of the Bonds; or

(iii) to amend any provision hereof relating to the Code as may be necessary or appropriate to assure compliance with the Code and the exclusion from gross income of interest on the Bonds, including, but not limited to, amending the procedures set forth in the Indenture hereof with respect to the calculation of rebatable arbitrage; or

(iv) to amend the provisions of the Indenture related to the Surplus Fund.

(c) *Opinion of Bond Counsel.* The Trustee may obtain an opinion of Bond Counsel that any such Supplemental Indenture entered into by the Authority and the Trustee complies with the provisions of the Indenture and the Trustee may conclusively rely upon such opinion.

Effect of Supplemental Indenture. From and after the time any Supplemental Indenture becomes effective, the Indenture shall be deemed to be modified and amended in accordance therewith, the respective rights, duties and obligations of the parties hereto or thereto and all Owners of Outstanding Bonds, as the case may be, shall thereafter be determined, exercised and enforced under the Indenture subject in all respects to such modification and amendment, and all the terms and conditions of the Indenture for any and all purposes.

Endorsement or Replacement of Bonds After Amendment. After the effective date of any action taken provided under the Indenture, the Authority may determine that any affected Bonds shall bear a notation, by endorsement in form approved by the Authority, as to such action, and in that case upon demand of the Owner of any Bond Outstanding at such effective date and presentation of its Bond for that purpose at the Principal Office of the Trustee, a suitable notation as to such action shall be made on such Bond. If the

Authority shall so determine, new Bonds so modified as, in the opinion of the Authority, shall be necessary to conform to such Bond Owners' action shall be prepared and executed, and in that case upon demand of the Owner of any Bond Outstanding at such effective date such new Bonds shall be exchanged at the Principal Office of the Trustee, without cost to each Bond Owner, for Bonds then Outstanding, upon surrender of such Outstanding Bonds.

Amendment by Mutual Consent. The provisions of the Indenture shall not prevent any Bond Owner from accepting any amendment as to the particular Bond held by him, provided that due notation thereof is made on such Bond.

EVENTS OF DEFAULT AND REMEDIES OF BOND OWNERS

Events of Default. The following events shall be Events of Default under the Indenture.

(a) Default in the due and punctual payment of the principal of any Bond when it becomes due and payable, whether at maturity as therein expressed, by proceedings for redemption, by declaration or otherwise.

(b) Default in the due and punctual payment of any installment of interest on any Bond when it becomes due and payable.

(c) Default by the Authority in the observance of any of the other covenants, agreements or conditions on its part contained in the Indenture or in the Bonds, if such default has continued for a period of 30 days after written notice thereof, specifying such default and requiring the same to be remedied, has been given to the Authority by the Trustee, or to the Authority and the Trustee by the Owners of not less than 25% in aggregate principal amount of the Bonds at the time Outstanding; provided that such default (other than a default arising from nonpayment of the Trustee's fees and expenses, which must be cured within such 30 day period unless waived by the Trustee) shall not constitute an Event of Default under the Indenture if the Authority commences to cure such default within said 30-day period and thereafter cures such default within a 60-day period of time.

(d) The filing by the Authority of a petition or answer seeking reorganization or arrangement under the federal bankruptcy laws or any other applicable law of the United States of America, or if a court of competent jurisdiction approves a petition, filed with or without the consent of the Authority, seeking reorganization under the federal bankruptcy laws or any other applicable law of the United States of America, or if, under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction assumes custody or control of the Authority or of the whole or any substantial part of its property.

Remedies; Rights of Bond Owners.

Upon the occurrence of an Event of Default, the Trustee may pursue any available remedy at law or in equity to enforce the payment of the principal of, premium, if any, and interest on the Outstanding Bonds, and to enforce any rights of the Trustee under or with respect to the Indenture. In the event of an Event of Default arising out of a nonpayment of Trustee's fees and expenses, the Trustee may sue the Authority to seek recovery of its fees and expenses; provided, however, that such recovery may be made only from the funds of the Authority and not from Revenues.

If an Event of Default has occurred and continues and if requested so to do by the Owners of at least 25% in aggregate principal amount Outstanding of the Bonds and indemnified as provided in the Indenture, the Trustee shall be obligated to exercise such one or more of the rights and powers conferred by this provision of the Indenture, as the Trustee, being advised by counsel, shall deem most expedient in the interests of the Bond Owners.

No remedy by the terms of the Indenture conferred upon or reserved to the Trustee or to the Bond Owners is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Trustee or to the Bond Owners under the Indenture or now or hereafter existing at law or in equity.

No delay or omission to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Event of Default or acquiescence therein; such right or power may be exercised from time to time as often as may be deemed expedient.

Application of Revenues and Other Funds After Default.

All amounts received by the Trustee pursuant to any right given or action taken by the Trustee under the provisions of the Indenture relating to the Bonds shall be applied by the Trustee in the following order upon presentation of the several the Bonds, and the stamping thereon of the amount of the payment if only partially paid, or upon the surrender thereof if fully paid –

First, to the payment of the costs and expenses of the Trustee in declaring such Event of Default and in carrying out the provisions of this provision of the Indenture, including reasonable compensation to its agents, attorneys and counsel, and to the payment of all other outstanding fees and expenses of the Trustee;

Second, to the payment of the whole amount of interest on and principal of the Bonds then due and unpaid; provided, however, that in the event such amounts are insufficient to pay in full the full amount of such interest and principal, then such amounts shall be applied in the following order of priority;

First to the payment of all installments of interest on the Bonds then due and unpaid, and

Second, to the payment of all installments of principal of the Bonds then due and unpaid;

Third, to the Authority to the extent of its Administrative Expenses.

Subject to the provisions set forth above, upon an Event of Default, any or all moneys held in the funds and accounts under the Indenture shall be applied to pay the redemption prices of, or any amount due in respect of principal or interest on, the Bonds.

Power of Trustee to Control Proceedings.

If the Trustee, upon the happening of an Event of Default, has taken any action, by judicial proceedings or otherwise, pursuant to its duties under the Indenture, whether upon its own discretion, or upon the request of the Owners of 25% in aggregate principal amount of the Bonds then Outstanding, it shall have full power, in the exercise of its discretion for the best interests of the Owners of the Bonds, with respect to the continuance, discontinuance, withdrawal, compromise, settlement or other disposal of such action; provided, however, that the Trustee shall not, unless there no longer continues an Event of Default, discontinue, withdraw, compromise or settle, or otherwise dispose of any litigation pending at law or in equity, if at the time there has been filed with it a written request signed by the Owners of 25% in aggregate principal amount of the Outstanding Bonds opposing such discontinuance, withdrawal, compromise, settlement or other such litigation.

Any suit, action or proceeding which any Owner of the Bonds shall have the right to bring to enforce any right or remedy under the Indenture may be brought by the Trustee for the equal benefit and protection of all Owners of the Bonds similarly situated and the Trustee is appointed (and the successive respective Owners of the Bonds issued under the Indenture, by taking and holding the same, shall be conclusively deemed so to have appointed it) the true and lawful attorney in fact of the respective Owners of the Bonds for the purposes of bringing any such suit, action or proceeding and to do and perform any and all acts and things for and on

behalf of the respective Owners of the Bonds as a class or classes, as may be necessary or advisable in the opinion of the Trustee as such attorney-in-fact.

Appointment of Receivers.

Upon the occurrence of an Event of Default under the Indenture, and upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Trustee and of the Bond Owners under the Indenture, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver or receivers of the Revenues and other amounts pledged under the Indenture, pending such proceedings, with such powers as the court making such appointment shall confer.

Non-Waiver.

Nothing in this provision of the Indenture or in any other provision of the Indenture, or in the Bonds, shall affect or impair the obligation of the Authority, which is absolute and unconditional, to pay the interest on and principal of the Bonds to the respective Owners of the Bonds at the respective dates of maturity, as provided in the Indenture, out of the Revenues and other moneys pledged for such payment in the Indenture.

A waiver of any default or breach of duty or contract by the Trustee or any Bond Owners 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 of the Trustee or any Owner of any of the Bonds 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 Trustee or Bond Owners by the Bond Law or by this provision of the Indenture may be enforced and exercised from time to time and as often as shall be deemed expedient by the Trustee or the Bond Owners, as the case may be.

Rights and Remedies of Bond Owners.

No Owner of any Bond issued under the Indenture shall have the right to institute any suit, action or proceeding at law or in equity, for any remedy under or upon the Indenture, unless

- (a) such Owner has previously given to the Trustee written notice of the occurrence of an Event of Default;
- (b) the Owners of 25% in aggregate principal amount of all the Bonds then Outstanding shall have made written request upon the Trustee to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name;
- (c) said Owners have tendered to the Trustee indemnity reasonably acceptable to the Trustee against the costs, expenses and liabilities to be incurred in compliance with such request; and
- (d) the Trustee refuses or fails to comply with such request for a period of 60 days after such written request is received by, and said tender of indemnity has been made to, the Trustee.

Such notification, request, tender of indemnity and refusal or failure are declared, in every case, to be conditions precedent to the exercise by any Owner of the Bonds of any remedy under the Indenture; it being understood and intended that no one or more Owners of the Bonds shall have any right in any manner whatever by his or their action to enforce any right under the Indenture, except in the manner provided in the Indenture, and that all proceedings at law or in equity to enforce any provision of the Indenture shall be instituted, had and maintained in the manner provided in the Indenture and for the equal benefit of all Owners of the Outstanding Bonds.

The right of any Owner of any Bond to receive payment of the principal of and interest and premium (if any) on such Bond as provided in the Indenture or to institute suit for the enforcement of any such payment, shall not be impaired or affected without the written consent of such Owner, notwithstanding the foregoing provisions of this provision of the Indenture or any other provision of the Indenture.

Termination of Proceedings.

If the Trustee has proceeded to enforce any right under the Indenture by the appointment of a receiver or otherwise, and such proceedings have been discontinued or abandoned for any reason, or have been determined adversely, then and in every such case, the Authority, the Trustee and the Bond Owners shall be restored to their former positions and rights under the Indenture, respectively, with regard to the property subject to the Indenture, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

LIMITED LIABILITY OF AUTHORITY

Notwithstanding anything contained in the Indenture, the Authority shall not be required to advance any moneys derived from any source of income other than the Revenues for the payment of the principal of or interest on the Bonds, or any premiums upon the redemption thereof, or for the performance of any covenants contained under the Indenture (except to the extent any such covenants are expressly payable under the Indenture from the Revenues). The Authority may, however, advance funds for any such purpose, provided that such funds are derived from a source legally available for such purpose and may be used by the Authority for such purpose without incurring indebtedness.

The Bonds shall be revenue bonds, payable exclusively from the Revenues, and other funds as in the Indenture provided. The general fund of the Authority is not liable, and the credit of the Authority is not pledged, for the payment of the interest and premium (if any) on or principal of the Bonds. The Owners of the Bonds shall never have the right to compel the forfeiture of any property of the Authority. The principal of and interest on the Bonds and any premiums upon the redemption of any thereof, shall not be a legal or equitable pledge, charge, lien or encumbrance upon any property of the Authority or upon any of its income, receipts or revenues except the Revenues (with respect to the Bonds) and other funds pledged to the payment thereof as in the Indenture provided.

DISCHARGE OF INDENTURE

The Authority may, and if any of the Local Obligations are to be defeased and/or redeemed in accordance with the related District Fiscal Agent Agreement then the Authority shall, pay and discharge any or all of the Outstanding Bonds in any one or more of the following ways:

- (a) by well and truly paying or causing to be paid the principal of and interest and premium (if any) on such Bonds, as and when the same become due and payable;
- (b) by irrevocably depositing with the Trustee, in trust, at or before maturity, money which, together with the available amounts then on deposit in the funds and accounts established with the Trustee pursuant to the Indenture and available for such purpose, is fully sufficient to pay such Bonds, including all principal, interest and redemption premiums; or
- (c) by irrevocably depositing with the Trustee or an escrow bank as fiduciary meeting the financial requirements set forth in the Indenture, in trust, Federal Securities set forth in (a), (b) or (d) of the definition thereof (each a "Defeasance Obligation") in such amount as an Independent Accountant determines will, together with the interest to accrue thereon and available moneys then on deposit in the funds and accounts established with the Trustee pursuant to the Indenture and available for such purpose, be fully sufficient to pay and discharge the indebtedness on such Bonds (including all principal, interest and redemption premiums) at or before their respective maturity dates;

and if such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption has been mailed pursuant to the Indenture or provision satisfactory to the Trustee is made for the mailing of such notice, then, at the Request of the Authority, and notwithstanding that any of such Bonds have not been surrendered for payment, the pledge of the Revenues and other funds provided for in the Indenture with respect to such Bonds, and all other pecuniary obligations of the Authority under the Indenture with respect to such Bonds, shall cease and terminate, except only the obligation of the Authority to comply with the covenants contained in the Indenture hereof, to pay or cause to be paid to the Owners of such Bonds not so surrendered and paid all sums due thereon from amounts set aside for such purpose as aforesaid, and to pay all expenses and costs of the Trustee.

Any funds thereafter held by the Trustee, which are not required for said purposes, shall be paid over to the Authority or upon a Request of the Authority to the Districts.

PROVISIONS RELATING TO BOND INSURANCE POLICY AND RESERVE FUND POLICY

Bond Insurance Policy

So long as the Bond Insurance Policy remains in effect, the Authority and the Trustee shall comply with all of the terms and provisions set forth in the Indenture relating to the Bond Insurer and the Bond Insurance Policy, which include among others the following.

(a) The prior written consent of the Bond Insurer shall be a condition precedent to the deposit of any credit instrument provided in lieu of a cash deposit into the Reserve Fund. Notwithstanding anything to the contrary set forth in the Indenture, amounts on deposit in the Reserve Fund shall be applied solely to the payment of debt service due on the Bonds and any additional Bonds secured by the Reserve Fund.

(b) The Bond Insurer shall be deemed to be the sole Owner of the Insured Bonds for the purpose of exercising any voting right or privilege or giving any consent or direction or taking any other action that the Owners of the Insured Bonds are entitled to take pursuant to the Indenture pertaining to (i) defaults and remedies, (ii) the duties and obligations of the Trustee and (iii) and any amendments, consents and waivers. In furtherance thereof and as a term of the Indenture and each Insured Bond, each Owner of the Insured Bonds appoints the Bond Insurer as its agent and attorney-in-fact with respect to the Insured Bonds and agrees that the Bond Insurer may at any time during the continuation of any proceeding by or against the Issuer or any District under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law (an "Insolvency Proceeding") direct all matters relating to such Insolvency Proceeding, including without limitation, (A) all matters relating to any claim or enforcement proceeding in connection with an Insolvency Proceeding (a "Claim"), (B) the direction of any appeal of any order relating to any Claim, (C) the posting of any surety, supersedeas or performance bond pending any such appeal, and (D) the right to vote to accept or reject any plan of adjustment. In addition, each Owner of the Insured Bonds delegates and assigns to the Bond Insurer, to the fullest extent permitted by law, the rights of each Owner of the Insured Bonds in the conduct of any Insolvency Proceeding, including, without limitation, all rights of any party to an adversary proceeding or action with respect to any court order issued in connection with any such Insolvency Proceeding. The Trustee acknowledges such appointment, delegation and assignment by each Owner of the Insured Bonds for the Bond Insurer's benefit, and agrees to cooperate with the Bond Insurer in taking any action reasonably necessary or appropriate in connection with such appointment, delegation and assignment. Remedies granted to the Owners shall expressly include mandamus.

(c) The security for the Bonds shall include a pledge of the Local Obligations and a default under the Local Obligations shall constitute an Event of Default under the Indenture.

(d) No grace period for a covenant default shall exceed thirty (30) days or be extended for more than sixty (60) days, without the prior written consent of the Bond Insurer. No grace period shall be permitted for payment defaults.

(e) The Bond Insurer is a third-party beneficiary of the Indenture.

(f) Upon the occurrence of an extraordinary optional, special or extraordinary mandatory redemption in part, the selection of Insured Bonds to be redeemed shall be subject to the approval of the Bond Insurer. The exercise of any provision of the Indenture which permits the purchase of Insured Bonds in lieu of redemption shall require the prior written approval of the Bond Insurer if any Insured Bond so purchased is not cancelled upon purchase.

(g) Any amendment, supplement, modification to, or waiver of, the Indenture or any other transaction document, including any underlying security agreement (each a "Related Document"), that requires the consent of Owners or adversely affects the rights and interests of the Bond Insurer shall be subject to the prior written consent of the Bond Insurer.

(h) The rights granted to the Bond Insurer under the Indenture or any other Related Document to request, consent to or direct any action are rights granted to the Bond Insurer in consideration of its issuance of the Bond Insurance Policy. Any exercise by the Bond Insurer of such rights is merely an exercise of the Bond Insurer's contractual rights and shall not be construed or deemed to be taken for the benefit, or on behalf, of the Owners and such action does not evidence any position of the Bond Insurer, affirmative or negative, as to whether the consent of the Owners or any other person is required in addition to the consent of the Bond Insurer.

(i) Only (1) cash, (2) non-callable direct obligations of the United States of America ("Treasuries"), (3) evidences of ownership of proportionate interests in future interest and principal payments on Treasuries held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying Treasuries are not available to any person claiming through the custodian or to whom the custodian may be obligated, (4) subject to the prior written consent of the Bond Insurer, pre-refunded municipal obligations rated in the then highest rating category by S&P and Moody's for such obligations, or (5) subject to the prior written consent of the Bond Insurer, any other type of security or obligation which S&P and Moody's have determined to be permitted defeasance securities, shall be used to effect defeasance of the Insured Bonds unless the Bond Insurer otherwise approves.

To accomplish defeasance of the Insured Bonds, the Issuer shall cause to be delivered to the Bond Insurer (i) other than with respect to a current refunding that is gross funded, a report of either a nationally-recognized verification agent or a firm of independent, nationally-recognized certified public accountants as shall be acceptable to the Bond Insurer verifying the sufficiency of the escrow established to pay the Insured Bonds in full on the maturity or redemption date ("Verification"), (ii) an escrow deposit agreement or other irrevocable written instructions (which shall be acceptable in form and substance to the Bond Insurer), (iii) an opinion of nationally-recognized bond counsel to the effect that the Insured Bonds are no longer "Outstanding" under the Indenture and (iv) a certificate of discharge of the Trustee with respect to the Insured Bonds; each Verification and defeasance opinion shall be acceptable in form and substance, and addressed, to the Issuer, the Trustee and the Bond Insurer. The Bond Insurer shall be provided with final drafts of the above-referenced documentation not less than five (5) Business Days prior to the funding of the escrow.

Insured Bonds shall be deemed "Outstanding" under the Indenture unless and until they are in fact paid and retired or the above criteria are met.

(j) Amounts paid by the Bond Insurer under the Bond Insurance Policy shall not be deemed paid for purposes of the Indenture and the Insured Bonds relating to such payments shall remain Outstanding and continue to be due and owing until paid by the Issuer in accordance with the Indenture. The Indenture shall not

be discharged unless all amounts due or to become due to the Bond Insurer have been paid in full or duly provided for.

(k) Claims Upon the Bond Insurance Policy and Payments by and to the Bond Insurer.

If, on the third Business Day prior to the related scheduled interest payment date or principal payment date (“Payment Date”) there is not on deposit with the Trustee, after making all transfers and deposits required under the Indenture, moneys sufficient to pay the principal of and interest on the Insured Bonds due on such Payment Date, the Trustee shall give notice to the Bond Insurer and to its designated agent (if any) (the “Insurer’s Fiscal Agent”) by telephone of the amount of such deficiency by 12:00 noon, New York City time, on such Business Day. If, on the second Business Day prior to the related Payment Date, there continues to be a deficiency in the amount available to pay the principal of and interest on the Insured Bonds due on such Payment Date, the Trustee shall make a claim under the Bond Insurance Policy and give notice to the Bond Insurer and the Bond Insurer’s Fiscal Agent (if any) by telephone of the amount of such deficiency, and the allocation of such deficiency between the amount required to pay interest on the Insured Bonds and the amount required to pay principal of the Insured Bonds, confirmed in writing to the Bond Insurer and the Bond Insurer’s Fiscal Agent by 12:00 noon, New York City time, on such second Business Day by filling in the form of Notice of Claim and Certificate delivered with the Bond Insurance Policy.

The Trustee shall designate any portion of payment of principal on Insured Bonds paid by the Bond Insurer, whether by virtue of mandatory sinking fund redemption, maturity or other advancement of maturity, on its books as a reduction in the principal amount of Insured Bonds registered to the then current Owner of the Insured Bonds, whether DTC or its nominee or otherwise, and shall issue a replacement Insured Bond to the Bond Insurer, registered in the name of Assured Guaranty Inc., in a principal amount equal to the amount of principal so paid (without regard to authorized denominations); provided that the Trustee’s failure to so designate any payment or issue any replacement Insured Bond shall have no effect on the amount of principal or interest payable by the Issuer on any Insured Bond or the subrogation rights of the Bond Insurer.

The Trustee shall keep a complete and accurate record of all funds deposited by the Bond Insurer into the Policy Payments Account (defined below) and the allocation of such funds to payment of interest on and principal of any Insured Bond. The Bond Insurer shall have the right to inspect such records at reasonable times upon reasonable notice to the Trustee.

Upon payment of a claim under the Bond Insurance Policy, the Trustee shall establish a separate special purpose trust account for the benefit of Owners of the Insured Bonds referred to herein as the “Policy Payments Account” and over which the Trustee shall have exclusive control and sole right of withdrawal. The Trustee shall receive any amount paid under the Bond Insurance Policy in trust on behalf of Owners of the Insured Bonds and shall deposit any such amount in the Policy Payments Account and distribute such amount only for purposes of making the payments for which a claim was made. Such amounts shall be disbursed by the Trustee to Owners of the Insured Bonds in the same manner as principal and interest payments are to be made with respect to the Insured Bonds under the sections of the Indenture regarding payment of Insured Bonds. It shall not be necessary for such payments to be made by checks or wire transfers separate from the check or wire transfer used to pay debt service with other funds available to make such payments. Notwithstanding anything in the Indenture to the contrary, the Issuer agrees to pay, or cause the applicable Community Facilities District to pay, to the Bond Insurer, solely from the Revenues (i) a sum equal to the total of all amounts paid by the Bond Insurer under the Bond Insurance Policy (the “Bond Insurer Advances”); and (ii) interest on such Bond Insurer Advances from the date paid by the Bond Insurer until payment thereof in full, payable to the Bond Insurer at the Late Payment Rate per annum (collectively, the “Bond Insurer Reimbursement Amounts”). “Late Payment Rate” means the lesser of (a) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in The City of New York, as its prime or base lending rate (any change in such rate of interest to be effective on the date such change is announced by JPMorgan Chase Bank) plus 3%, and (ii) the then applicable highest rate of interest on the Insured Bonds and (b) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed on the basis of the actual number of days

elapsed over a year of 360 days. The Issuer hereby covenants and agrees that the Bond Insurer Reimbursement Amounts are secured by a lien on and pledge of the Revenues and payable from such Revenues on a parity with debt service due on the Bonds.

Funds held in the Policy Payments Account shall not be invested by the Trustee and may not be applied to satisfy any costs, expenses or liabilities of the Trustee. The Trustee shall notify the Bond Insurer of any funds remaining in the Policy Payments Account after the Trustee has made the payments for which a claim was made to the Owners of the Insured Bonds and shall, at the written direction of the Bond Insurer, promptly remit such funds remaining to the Bond Insurer.

(l) The Bond Insurer shall, to the extent it makes any payment of principal of or interest on the Insured Bonds, become subrogated to the rights of the recipients of such payments in accordance with the terms of the Bond Insurance Policy (which subrogation rights shall also include the rights of any such recipients in connection with any Insolvency Proceeding). Each obligation of the Issuer to the Bond Insurer under the Related Documents shall survive discharge or termination of such Related Documents.

(m) The Issuer shall pay or reimburse, or cause the applicable District to pay or reimburse, the Bond Insurer, solely from the Revenues, any and all charges, fees, costs and expenses that the Bond Insurer may reasonably pay or incur in connection with (i) the administration, enforcement, defense or preservation of any rights or security in any Related Document; (ii) the pursuit of any remedies under the Indenture or any other Related Document or otherwise afforded by law or equity, (iii) any amendment, waiver or other action with respect to, or related to, the Indenture or any other Related Document whether or not executed or completed, or (iv) any litigation, proceeding (including any Insolvency Proceeding) or other dispute in connection with the Indenture or any other Related Document or the transactions contemplated thereby, other than costs resulting from the failure of the Bond Insurer to honor its obligations under the Bond Insurance Policy. The Bond Insurer reserves the right to charge a reasonable fee as a condition to executing any amendment, waiver or consent proposed in respect of the Indenture or any other Related Document. Amounts payable by the Issuer hereunder shall bear interest at the Late Payment Rate from the date such amount is paid or incurred by the Bond Insurer until the date the Bond Insurer is paid in full. The obligation to reimburse the Bond Insurer shall survive discharge or termination of the Related Documents.

(n) After payment of reasonable expenses of the Trustee, the application of funds realized upon default shall be applied to the payment of expenses of the Issuer or rebate only after the payment of past due and current debt service on the Bonds and amounts required to restore the Reserve Fund to the Reserve Requirement.

(o) The Bond Insurer shall be entitled to pay principal or interest on the Insured Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer (as such terms are defined in the Bond Insurance Policy) whether or not the Bond Insurer has received a Notice of Nonpayment (as such terms are defined in the Bond Insurance Policy) or a claim upon the Bond Insurance Policy.

(q) The Bond Insurer shall be provided with the following information by the Issuer or the Trustee, as the case may be:

1. To the extent not otherwise filed with the Municipal Securities Rulemaking Board's EMMA system, annual audited financial statements within the filing deadline specified in the Issuer's continuing disclosure agreement, covenant or undertaking with respect to the Bonds (and, upon request, together with a certification of the Issuer that it is not aware of any default or Event of Default under the Indenture), together with such other information, data or reports as the Bond Insurer shall reasonably request from time to time;

2. Notice of any draw upon the Reserve Fund within two (2) Business Days after knowledge thereof other than (i) withdrawals of amounts in excess of the Reserve Requirement and (ii)

withdrawals in connection with a refunding of Bonds and any additional Bonds secured by the Reserve Fund;

3. Notice of any default or Event of Default under the Indenture known to the Trustee or the Issuer within five (5) Business Days after knowledge thereof;

4. Prior notice of the advance refunding or redemption of any of the Insured Bonds, including the principal amount, maturities and CUSIP numbers thereof;

5. Notice of the resignation or removal of the Trustee and Bond Registrar and the appointment of, and acceptance of duties by, any successor thereto;

6. Notice of the commencement of any Insolvency Proceeding (as defined above);

7. Notice of the making of any claim in connection with any Insolvency Proceeding seeking the avoidance as a preferential transfer of any payment of principal of, or interest on, the Insured Bonds;

8. A full original transcript of all proceedings relating to the execution of any amendment, supplement, or waiver to the Related Documents;

9. All reports, notices and correspondence to be delivered to Owners under the terms of the Related Documents; and

10. To the extent not otherwise filed with the Municipal Securities Rulemaking Board's EMMA system, all information required to be furnished pursuant to a continuing disclosure agreement, covenant or undertaking with respect to the Bonds.

(s) The Bond Insurer shall have the right to receive such additional information as it may reasonably request.

(t) The Issuer will permit the Bond Insurer to discuss the affairs, finances and accounts of the Issuer or any information the Bond Insurer may reasonably request regarding the security for the Bonds with appropriate officers of the Issuer and will use commercially reasonable efforts to enable the Bond Insurer to have access to the facilities, books and records of the Issuer on any Business Day upon reasonable prior notice.

(u) The Trustee shall notify the Bond Insurer of any known failure of the Issuer to provide notices, certificates and other information under the Related Documents that are required to be delivered to the Owners of the Bonds.

(v) Notwithstanding satisfaction of the other conditions to the issuance of additional Bonds set forth in the Indenture, no such issuance may occur (1) if an Event of Default (or any event which, once all notice or grace periods have passed, would constitute an Event of Default) exists unless such default shall be cured upon such issuance and (2) unless the Reserve Fund is fully funded at the Reserve Requirement (including the proposed issue) upon the issuance of such additional Bonds, in either case unless otherwise permitted by the Bond Insurer.

(w) In determining whether any amendment, consent, waiver or other action to be taken, or any failure to take action, under the Indenture would adversely affect the security for the Bonds or the rights of the Owners, the effect of any such amendment, consent, waiver, action or inaction shall be considered as if there were no Bond Insurance Policy.

(x) No contract shall be entered into or any action taken by which the rights of the Bond Insurer or security for or sources of payment of the Insured Bonds may be impaired or prejudiced in any material respect except upon obtaining the prior written consent of the Bond Insurer.

(y) The Issuer shall not enter into any interest rate exchange agreement or any other interest rate maintenance agreement secured by and payable from the Revenues without the prior written consent of the Bond Insurer.

Reserve Insurance Policy

So long as the Reserve Fund Policy remains in effect, the Authority and the Trustee shall comply with all of the terms and provisions set forth in the Indenture relating to the Bond Insurer and the Reserve Fund Policy, which include among others the following.

(a) The Issuer shall repay any draws under the Reserve Fund Policy and pay all related reasonable expenses incurred by the Insurer and shall pay interest thereon from the date of payment by the Insurer at the Late Payment Rate. "Late Payment Rate" means the lesser of (x) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in the City of New York, as its prime or base lending rate ("Prime Rate") (any change in such Prime Rate to be effective on the date such change is announced by JPMorgan Chase Bank) plus 5%, and (ii) 12% and (y) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days. In the event JPMorgan Chase Bank ceases to announce its Prime Rate publicly, Prime Rate shall be the publicly announced prime or base lending rate of such national bank as the Insurer shall specify. If the interest provisions of this subparagraph (a) shall result in an effective rate of interest which, for any period, exceeds the limit of the usury or any other laws applicable to the indebtedness created herein, then all sums in excess of those lawfully collectible as interest for the period in question shall, without further agreement or notice between or by any party hereto, be applied as additional interest for any later periods of time when amounts are outstanding hereunder to the extent that interest otherwise due hereunder for such periods plus such additional interest would not exceed the limit of the usury or such other laws, and any excess shall be applied upon principal immediately upon receipt of such moneys by the Insurer, with the same force and effect as if the Issuer [or the Obligor] had specifically designated such extra sums to be so applied and the Insurer had agreed to accept such extra payment(s) as additional interest for such later periods. In no event shall any agreed-to or actual exaction as consideration for the indebtedness created herein exceed the limits imposed or provided by the law applicable to this transaction for the use or detention of money or for forbearance in seeking its collection.

Repayment of draws and payment of expenses and accrued interest thereon at the Late Payment Rate (collectively, "Policy Costs") shall commence in the first month following each draw, and each such monthly payment shall be in an amount at least equal to 1/12 of the aggregate of Policy Costs related to such draw.

Amounts in respect of Policy Costs paid to the Insurer shall be credited first to interest due, then to the expenses due and then to principal due. As and to the extent that payments are made to the Insurer on account of principal due, the coverage under the Reserve Fund Policy will be increased by a like amount, subject to the terms of the Reserve Fund Policy. The obligation to pay Policy Costs shall be secured by a valid lien on all revenues and other collateral pledged as security for the Bonds (subject only to the priority of payment provisions set forth under the Indenture).

All cash and investments in the debt service reserve fund established for the Bonds (the "Reserve Fund") shall be transferred to the debt service fund for payment of debt service on Bonds before any drawing may be made on the Reserve Fund Policy or any other credit facility credited to the Reserve Fund in lieu of cash (herein, a "Credit Facility"). Payment of any Policy Costs shall be made prior to replenishment of any such cash amounts. Draws on all Credit Facilities (including the Reserve Fund Policy) on which there is available coverage shall be made on a pro-rata basis (calculated by reference to the coverage then available thereunder) after applying all available cash and investments in the Reserve Fund. Payment of Policy Costs

and reimbursement of amounts with respect to other Credit Facilities shall be made on a pro-rata basis prior to replenishment of any cash drawn from the Reserve Fund. Repayment of all Policy Costs and the replenishment of the Reserve Fund shall be made on a pari passu basis with payments and replenishments required to be made under the Indenture with respect to debt service reserve funds, if any, securing any outstanding parity obligations. For the avoidance of doubt, “available coverage” means the coverage then available for disbursement pursuant to the terms of the applicable alternative credit instrument without regard to the legal or financial ability or willingness of the provider of such instrument to honor a claim or draw thereon or the failure of such provider to honor any such claim or draw.

(b) If the Issuer shall fail to pay any Policy Costs in accordance with the requirements of subparagraph (a) hereof, the Insurer shall be entitled to exercise any and all legal and equitable remedies available to it, including those provided under the Indenture other than (i) acceleration of the maturity of the Bonds or (ii) remedies which would adversely affect owners of the Bonds.

(c) The Indenture shall not be discharged until all Policy Costs owing to the Insurer shall have been paid in full. The Issuer's obligation to pay such amounts shall expressly survive payment in full of the Bonds.

(d) The Issuer shall include any Policy Costs then due and owing the Insurer in the calculation of the additional bonds test and the rate covenant in the Indenture.

(e) The Trustee shall ascertain the necessity for a claim upon the Reserve Fund Policy in accordance with the provisions of subparagraph (a) hereof and provide notice to the Insurer in accordance with the terms of the Reserve Fund Policy at least five Business Days prior to each date upon which interest or principal is due on the Bonds. Where deposits are required to be made by the Issuer with the Trustee to the debt service fund for the Bonds more often than semi-annually, the Trustee shall give notice to the Insurer of any failure of the Issuer to make timely payment in full of such deposits within two Business Days of the date due.

THE FISCAL AGENT AGREEMENTS

The following is a brief summary of the provisions of each Fiscal Agent Agreement (which are substantially the same) not already summarized in the main body of this Official Statement. This summary is not intended to be definitive. Reference is made to the actual document (a copy of which is available from the Authority) for the complete terms thereof.

DEFINITIONS

The following terms have the following meanings, notwithstanding that any such terms may be elsewhere defined in this Official Statement. Any terms not expressly defined in this Summary or previously defined in this Official Statement have the respective meanings previously given. The following are not all of the terms defined in the Fiscal Agent Agreements.

“Accreted Interest” means, with respect to the Convertible Capital Appreciation Bonds, the interest that has accrued on such Bond at the Accretion Rate from the Closing Date.

“Accretion Rate” means, unless otherwise provided by the Purchase Contract, the rate which, when applied to the Principal Amount of any Convertible Capital Appreciation Bond and compounded semiannually on each March 1 and September 1 commencing on the first March 1 or September 1 following the issuance of such Bond, produces the Conversion Value for such Bond on the Conversion Date.

“Accreted Value” means with respect to the Convertible Capital Appreciation Bonds prior to the Conversion Date, as of the date of calculation, the Principal Amount thereof, plus Accreted Interest thereon to such date of calculation, compounded semiannually on each March 1 and September 1 commencing on the first March 1 or September 1 following the issuance of such Bond, assuming in any such semiannual period that such Accreted Value increases in equal daily amounts on the basis of a 360-day year of twelve 30-day months.

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

“Administrative Expense Fund” means the fund by that name established by the Fiscal Agent Agreement.

“Administrative Expense Requirement” means \$[_____].

“Administrative Expenses” means the actual or reasonably estimated costs incurred by the District or the School District directly related to the administration of the District and the Special Taxes, including without limitation the following:

(A) the costs of computing the Special Taxes and of preparing the annual Special Tax collection schedules (whether by employees of or consultants employed by the District or the School District);

(B) the costs of collecting the Special Taxes (whether by the County or otherwise);

(C) the costs of remitting the Special Taxes to the Fiscal Agent for the Bonds;

(D) the fees and expenses of the Fiscal Agent (including its legal counsel) in the discharge of the duties required of it under this Agreement;

(E) the costs incurred by the District and the School District in complying with the disclosure requirements of applicable federal and state securities laws, Government Code Section 50075.1, et

seq., Government Code Section 8855(k)(1), and of the Act, and this Agreement, including those related to public inquiries regarding the Special Tax and disclosures to the Authority;

(F) the costs of the District or its designee or consultants related to any appeal of the Special Tax;

(G) any amounts required to be rebated to the federal government in order for the School District to comply with the Fiscal Agent Agreement;

(H) an allocable share of the salaries of the School District staff directly relating to all of the foregoing;

(I) amounts advanced by the School District for Administrative Expenses or any other administrative purposes of the District;

(J) costs related to the prepayment, discharge or satisfaction of Special Taxes; and

(K) the costs of commencing and pursuing to completion any foreclosure action arising from delinquent Special Taxes.

“Annual Debt Service” means, for each Bond Year, the sum of

(A) the interest due on the Outstanding Bonds in such Bond Year, assuming that the Outstanding Bonds are retired as scheduled (including by reason of the provisions of the Fiscal Agent Agreement providing for mandatory sinking payments), and

(B) the Principal or Conversion Value amount of the Outstanding Bonds due in such Bond Year (including any mandatory sinking payment due in such Bond Year under the Fiscal Agent Agreement).

“Auditor” means the auditor/controller of the County of Riverside.

“Authority” means the Menifee Union School District Public Financing Authority.

“Authority Bonds” means the bonds of the Authority captioned “\$_____ Menifee Union School District Public Financing Authority Special Tax Revenue Bonds, 2026 Series A” issued under the Indenture.

“Authorized Officer” means the President or Vice President of the Governing Board, the Superintendent, any Assistant Superintendent, the Chief Business Official, the Director of Facilities, or any other officer or employee authorized by the Governing Board of the School District or by an Authorized Officer to undertake the action referred to in this Agreement as required to be undertaken by an Authorized Officer.

“Bond Counsel” means Jones Hall LLP, or any attorney or firm of attorneys selected by the District with expertise in rendering opinions as to the legality and tax-exempt status of securities issued by public entities.

“Bond Fund” means the fund by that name established by the Fiscal Agent Agreement.

“Bond Insurance Policy” means the municipal bond new issue insurance policy issued by the Bond Insurer that guarantees the payment of Principal or Conversion Value of and interest on the Authority Bonds.

“Bond Insurer” means Assured Guaranty, Inc., or any successor thereto.

“Bond Payment Date” means (i) with respect to any Bonds which bear any interest on a current basis, March 1 and September 1, and (ii) with respect to Principal payments on the Bonds which accrete interest, September 1.

“Bond Register” means the books for the registration and transfer of Bonds maintained by the Fiscal Agent under the Fiscal Agent Agreement.

“Bond Year” means the one-year period beginning on September 2nd in each year and ending on September 1st in the following year, except that the first Bond Year will begin on the Closing Date and end on September 1, 2026.

“Bonds” means the 2026 CFD Bonds .

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

“Capital Appreciation Bonds” means the Bonds the interest component of which is compounded semiannually on each Bond Payment Date to maturity as shown in the table of Accreted Values on file with the District.

“CDIAC” means the California Debt and Investment Advisory Commission of the office of the State Treasurer of the State of California or any successor agency or bureau thereto.

“Closing Date” means _____, 2026, being the date upon which there is delivery of the Bonds in exchange for the amount representing the purchase price of the Bonds by the Authority.

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

“Conversion Date” means, with respect to each Convertible Capital Appreciation Bond, the date on which such Convertible Capital Appreciation Bond converts to a Bond which bears interest payable on each Interest Payment Date.

“Conversion Value” means the Accreted Value of a Convertible Capital Appreciation Bond as of its Conversion Date.

“Convertible Capital Appreciation Bonds” means any Bonds which are originally issued as Capital Appreciation Bonds, but which convert to Current Interest Bonds on a Conversion Date. Prior to its Conversion Date, a Convertible Capital Appreciation Bond shall be treated as a Capital Appreciation Bond hereunder and after the Conversion Date shall be treated as a Current Interest Bond hereunder.

“Costs of Issuance” means items of expense payable or reimbursable directly or indirectly by the District or School District and related to the authorization, sale and issuance of the Bonds and the Authority Bonds, which include, without limitation, printing costs, costs of reproducing and binding documents, closing costs, filing and recording fees, initial fees and charges of the Fiscal Agent and Trustee including their first annual administration fee and fees and expenses of its counsel, expenses incurred by the District or School District in connection with the issuance of the Bonds and the defeasance and refunding of the Prior Bonds, special tax consultant fees and expenses, bond underwriter’s discount, legal fees and charges, including bond counsel, disclosure counsel, municipal advisor fees and expenses, charges for execution, transportation and safekeeping of the Bonds and other costs, charges and fees in connection with the foregoing.

“County” means the County of Riverside, California.

“Current Interest Bonds” means the Bonds the interest on which is payable semiannually on each Bond Payment Date specified for each such Bond as designated and maturing in the years and in the amounts set forth herein.

“Debt Service” means the scheduled amount of interest and amortization of Principal or Conversion Value payable under the Fiscal Agent Agreement on the Bonds during the period of computation, excluding amounts scheduled during such period which relate to Principal or Conversion Value which has been retired before the beginning of such period.

“Developed Property” has the same meaning as set forth in the Rate and Method of Apportionment.

“District” means the Community Facilities District that is a party to the Fiscal Agent Agreement, formed by the School District under the Act and the Resolution of Formation.

“Escrow Agent” means Zions Bancorporation, National Association, acting in its capacity as escrow agent under the Escrow Agreement.

“Escrow Agreement” means the Escrow Agreement dated as of June 1, 2026, by and between the District and the Escrow Agent.

“Escrow Fund” means the fund by that name established under the Escrow Agreement.

“Fair Market Value” means the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm's length transaction (determined as of the date the contract to purchase or sell the investment becomes binding) if the investment is traded on an established securities market (within the meaning of section 1273 of the Code) and, otherwise, the term "Fair Market Value" means the acquisition price in a bona fide arm's length transaction (as referenced above) if

(A) the investment is a certificate of deposit that is acquired in accordance with applicable regulations under the Code,

(B) the investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (for example, a guaranteed investment contract, a forward supply contract or other investment agreement) that is acquired in accordance with applicable regulations under the Code,

(C) the investment is a United States Treasury Security--State and Local Government Series that is acquired in accordance with applicable regulations of the United States Bureau of Public Debt, or

(D) any commingled investment fund in which the District and related parties do not own more than a 10% beneficial interest therein if the return paid by the fund is without regard to the source of the investment.

To the extent required by the applicable regulations under the Code, the term “investment” will include a hedge.

“Federal Securities” means

(A) any direct general obligations of the United States of America (including obligations issued or held in book entry form on the books of the Department of the Treasury of the United States of America), for which the full faith and credit of the United States of America are pledged; and

(B) obligations of any agency, department or instrumentality of the United States of America, the timely payment of principal and interest on which are fully, unconditionally and directly or indirectly secured or guaranteed by the full faith and credit of the United States of America.

“Fiscal Agent” means Zions Bancorporation, National Association appointed by the District and acting as an independent fiscal agent with the duties and powers herein provided, its successors and assigns, and any other corporation or association which may at any time be substituted in its place, as provided in the Fiscal Agent Agreement.

“Fiscal Agent Agreement” means, as applicable, each Fiscal Agent Agreement under which the 2026 CFD Bonds are issued, as they may be amended or supplemented from time to time by any Supplemental Agreement adopted under the provisions of the Fiscal Agent Agreement.

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

“Improvement Fund” means the fund by that name established under the Fiscal Agent Agreement, with accounts as specified in the Fiscal Agent Agreement.

“Indenture” means the Indenture of Trust dated as of June 1, 2026, by and between the Authority and the Trustee.

“Independent Financial Consultant” means any consultant or firm of such consultants appointed by an Authorized Officer, and who, or each of whom:

(A) is judged by the Authorized Officer to have experience in matters relating to the issuance and/or administration of bonds under the Act;

(B) is in fact independent and not under the domination of the School District or the District;

(C) does not have any substantial interest, direct or indirect, with or in the School District or the District, or any owner of real property in the School District or the District, or any real property in the District; and

(D) is not connected with the District as an officer or employee of the School District, but who may be regularly retained to make reports to the School District or the District.

“Information Service” means the Electronic Municipal Market Access (EMMA) system maintained by the Municipal Securities Rulemaking Board, accessible at the emma.msrb.org website, and, in accordance with then current guidelines of the Securities and Exchange Commission, such other services providing information with respect to called bonds as the District may designate in a Written Request delivered to the Fiscal Agent.

“Interest Payment Dates” means March 1 and September 1 of each year, commencing September 1, 2026.

“Maturity Value” means the Accreted Value of any Capital Appreciation Bond on its maturity date.

“Moody’s” means Moody’s Investors Service, and any successor thereto.

“Net Special Taxes” means, after the Administrative Expense Requirement is funded to the Administrative Expense Fund under the Fiscal Agent Agreement, the proceeds of the Special Taxes received by the District, including any scheduled payments, interest thereon, collections of any delinquent Special Taxes, and proceeds of the redemption or sale of property sold as a result of foreclosure of the lien of the Special Taxes to the amount of said lien and interest thereon. “Net Special Taxes” does not include any penalties or costs of collecting delinquent Special Taxes collected in connection with delinquent Special Taxes.

“Ordinance” means any ordinance adopted by the legislative body of the District providing for the levy of the Special Taxes.

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

“Owner” means any person who is the registered owner of any Outstanding Bond.

“Permitted Investments” means, subject to applicable law:

(A) Federal Securities.

(B) U.S. dollar denominated deposit accounts, federal funds and bankers’ acceptances with domestic commercial banks, which may include the Fiscal Agent and its affiliates, which have a rating on their short term certificates of deposit on the date of purchase of “P-1” by Moody’s Investors Service and “A-1” or “A-1+” by S&P and maturing not more than 360 calendar days after the date of purchase. (Ratings on holding companies are not considered as the rating of the bank);

(C) Commercial paper which is rated at the time of purchase in the single highest classification, “P-1” by Moody’s and “A-1+” by S&P and which matures not more than 270 calendar days after the date of purchase;

(D) Investments in a money market fund rated “AAAm” or “AAAm-G” or better by S&P, including such funds for which the Fiscal Agent, its affiliates or subsidiaries provide investment advisory or other management services or for which the Fiscal Agent or an affiliate of the Fiscal Agent serves as investment administrator, shareholder servicing agent, and/or custodian or subcustodian, notwithstanding that (i) the Fiscal Agent or an affiliate of the Fiscal Agent receives fees from funds for services rendered, (ii) the Fiscal Agent collects fees for services rendered under the Fiscal Agent Agreement, which are separate from the fees received from such funds, and (iii) services performed for such funds and under the Fiscal Agent Agreement may at times duplicate those provided to such funds by the Fiscal Agent or an affiliate of the Fiscal Agent;

(E) Pre-refunded Municipal Obligations defined as follows: any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice; and

(i) which are rated, based on an irrevocable escrow account or fund (the “escrow”), in the highest rating category of Moody’s or S&P or any successors thereto; or

(ii) which are fully secured as to principal and interest and redemption premium, if any, by an escrow consisting only of cash or Federal Securities described in subsection (b) and (d) of the definition thereof, which escrow may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, and which escrow is sufficient, as verified by a nationally recognized independent certified public accountant, to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this paragraph on the maturity date or dates specified in the irrevocable instructions referred to above, as appropriate;

(F) Municipal Obligations rated “Aaa/AAA” or general obligations of States with a rating of “A2/A” or higher by both Moody’s and S&P.

“Prior CFD Bonds” means the bonds designated as the Prior CFD Bonds under the Indenture.

“Project” means the portion of the facilities financed with the proceeds of the 2026 CFD Bonds more particularly described in the Resolution of Formation.

“Rate and Method of Apportionment” means the Rate and Method of Apportionment of Special Taxes for the District, as approved by the qualified voters of the District.

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

“Reserve Fund” means the Reserve Fund established for the Authority Bonds under the Indenture.

“Reserve Fund Account” means the Reserve Fund Account for each District established in the Reserve Fund under the Indenture.

“Reserve Fund Policy” means the surety bond or insurance policy issued by the Bond Insurer guaranteeing certain payments as provided therein and subject to the limitations set forth therein.

“Resolution of Formation” means the resolution of the Governing Board which established the District.

“S&P” means S&P Global Ratings, a business unit of Standard & Poor’s Financial Services LLC, and any successor thereto.

“School District” means the Menifee Union School District, a union school district organized under the laws of the State of California, and any successor thereto.

“Special Tax Fund” means the fund by that name established by the Fiscal Agent Agreement.

“Special Tax Prepayments” means the proceeds of any Special Tax prepayments received by the District, as calculated pursuant to the Rate and Method of Apportionment for the District, less any administrative fees or penalties collected as part of any such prepayment.

“Special Tax Prepayments Account” means the account by that name within the Bond Fund established by the Fiscal Agent Agreement.

“Special Tax Remainder Account” means the account by that name within the Special Tax Fund established by the Fiscal Agent Agreement.

“Special Taxes” means the special taxes levied within the District under the Act, the Rate and Method of Apportionment, the Ordinance and the Fiscal Agent Agreement.

“Supplemental Agreement” means an agreement the execution of which is authorized by a resolution that has been duly adopted by the legislative body of the District under the Act and which agreement amends or supplements the Fiscal Agent Agreement, but only if and to the extent that such agreement is specifically authorized under the Fiscal Agent Agreement.

“Tax Consultant” means any independent financial or tax consultant retained by the District for the purpose of computing the Special Taxes.

“2026 CFD Bonds” means the bonds designated as the CFD Bonds under the Indenture.

“Trustee” means Zions Bancorporation, National Association appointed by the Authority and acting as trustee under the Indenture, its successors and assigns, and any other corporation or association which may at any time be substituted in its place, as provided in the Indenture.

REDEMPTION

No Optional Redemption. The Bonds are not subject to optional call and redemption prior to maturity.

Mandatory Redemption from Special Tax Prepayments. The Bonds are subject to mandatory call and redemption prior to maturity, as a whole or in part among such maturities as are selected by the District and by lot within a maturity, on any Interest Payment Date, from amounts in the Special Tax Prepayments Account available to redeem Bonds under this Agreement, at a redemption price (expressed as a percentage of the Principal Amount or Conversion Value of the Bonds to be redeemed), as set forth below, together with accrued interest thereon to the date fixed for redemption:

Redemption Dates	Redemption Prices
Any Interest Payment Date through March 1, 2034	103%
September 1, 2034, and March 1, 2035	102
September 1, 2035, and March 1, 2036	101
September 1, 2036, and any Interest Payment Date thereafter	100

CONVERTIBLE CAPITAL APPRECIATION BONDS

A portion of the Bonds issued by the Districts will be issued as Convertible Capital Appreciation Bonds, defined as Bonds which are originally issued as capital appreciation bonds (i.e., bonds the interest component of which is compounded semiannually on each bond payment date), but which convert to Bonds bearing interest on a current basis on a specified conversion date. Prior to the conversion date, a Convertible Capital Appreciation Bond will be treated as a capital appreciation bond and after the conversion date will be treated as a current interest bond.

CERTAIN COVENANTS OF THE DISTRICT

Punctual Payment. The District will punctually pay or cause to be paid the Principal or Conversion Value of, and interest and any premium on, the Bonds when and as due in strict conformity with the terms of the Fiscal Agent Agreement and any Supplemental Agreement, and it will faithfully observe and perform all of the conditions, covenants and requirements of the Fiscal Agent Agreement and of all Supplemental Agreements and of the Bonds.

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

Against Encumbrances. The District shall not encumber, pledge or place any charge or lien upon any of the Net Special Taxes or other amounts or funds pledged to the Bonds superior to or on a parity with the pledge and lien created for the benefit of the Bonds, except as permitted by the Fiscal Agent Agreement.

Books and Records. The District shall keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the District, in which complete and correct entries shall be made of all transactions relating: (i) to the expenditure of amounts disbursed from the Administrative Expense Fund and the Special Tax Fund; and (ii) to the Net Special Taxes. Such books of record and accounts shall at all times during business hours be subject to the inspection of the Fiscal Agent (who shall have no duty to inspect) and the Owners or their representatives duly authorized in writing.

The Fiscal Agent shall keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the Fiscal Agent, in which complete and correct entries shall be made of all transactions of the Fiscal Agent relating to the expenditure of amounts disbursed from all of the funds held by the Fiscal Agent under this Agreement. Such books of record and accounts shall at all times during business hours be subject to the inspection of the District and the Owners or their representatives duly authorized in writing upon reasonable notice to the Fiscal Agent.

Protection of Security and Rights of Owners. The District shall preserve and protect the security of the Bonds and the rights of the Owners, and shall warrant and defend their rights against all claims and demands of all persons. From and after the delivery of any of the Bonds by the District, the Bonds shall be incontestable by the District.

Compliance with Law. The District shall comply with all applicable provisions of the Act and law in completing the construction and acquisition of the Project.

Collection of Special Taxes. The District shall comply with all requirements of the Act so as to assure the timely collection of Special Taxes, including without limitation, the enforcement of delinquent Special Taxes.

On or within 5 Business Days of each June 1, the Fiscal Agent shall provide an Authorized Officer with a notice stating the amount then on deposit in the Bond Fund and the Special Tax Fund, and informing the District of the amount needed to provide for the following: (i) Annual Debt Service, (ii) Administrative Expenses known to the Fiscal Agent, (iii) replenishment (if necessary) of the Reserve Fund Account so that the balance therein equals the District's pro rata share of the Reserve Requirement for the Authority Bonds (as determined under the Indenture), (iv) amounts necessary to discharge any rebate obligation under the Fiscal Agent Agreement, and (v) any amounts necessary to comply with the covenant to reimburse the Bond Insurer under the Fiscal Agent Agreement. The receipt of or failure to receive such notice by an Authorized Officer shall in no way affect the obligations of the Authorized Officer under the following two paragraphs, and the Fiscal Agent shall not be responsible for any inability or failure to provide such notice. Upon receipt of such notice, the Authorized Officer shall communicate with the Auditor 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.

An Authorized Officer shall effect the levy of the Special Taxes each Fiscal Year in accordance with the Ordinance by each August 10 that the Bonds are Outstanding, or otherwise such that the computation of the levy is complete before the final date on which Auditor will accept the transmission of the Special Tax amounts for the parcels within the District for inclusion on the next real property tax roll. Upon the completion of the computation of the amounts of the levy, an Authorized Officer shall prepare or cause to be prepared, and shall transmit to the Auditor, such data as the Auditor requires to include the levy of the Special Taxes on the next real property tax roll.

(D) An Authorized Officer shall fix and levy the amount of Special Taxes within the District in accordance with the Rate and Method of Apportionment required for the payment of the amounts set forth in subsection (B) above. The Special Taxes so levied shall not exceed the authorized amounts as provided in the Rate and Method of Apportionment and proceedings pursuant to the Resolution of Formation.

The Special Taxes shall be payable and be collected in the same manner and at the same time and in the same installments as the general taxes on real property are payable, and have the same priority, become delinquent at the same time and in the same proportionate amounts and bear the same proportionate penalties and interest after delinquency as do the ad valorem taxes on real property.

Notwithstanding the foregoing, an Authorized Officer may in his or her discretion cause the collection of any Special Taxes by direct, first class mail billing to the then owner of each parcel so owned in lieu of billing for such Special Taxes in the same manner as general taxes as aforesaid. Such direct mail billing shall be made not later than November 1 of the Fiscal Year and shall direct the owner of the property affected to pay the Special Taxes directly to the District in two equal installments, the first of which will be due and delinquent if not paid on December 10 and the second of which may be paid with the first and which, in any event, will be due and delinquent if not paid on April 10 of the Fiscal Year. Any such Special Taxes so billed shall have the same priority and bear the same proportionate penalties and interest after delinquency as do the ad valorem taxes on real property.

Further Assurances. The District shall 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 performance of the Fiscal Agent Agreement, and for the better assuring and confirming unto the Owners of the rights and benefits provided in the Fiscal Agent Agreement.

Tax Covenants. The District shall not take any action or permit to be taken any action within its control which would cause or which, with the passage of time if not cured would cause, interest on the Authority Bonds to become includable in gross income for federal income tax purposes.

Reduction of Special Taxes. The District shall not conduct or consent to proceedings with respect to a reduction in the maximum Special Taxes that may be levied in the District on Developed Property. It is acknowledged in the Fiscal Agent Agreement that Owners are purchasing the Bonds in reliance on the foregoing covenant, and that said covenant is necessary to assure the full and timely payment of the Bonds.

Limits on Special Tax Waivers and Bond Tenders. The District covenants not to exercise its rights under the Act to waive delinquency and redemption penalties related to the Special Taxes or to declare a Special Tax penalties amnesty program if to do so would materially and adversely affect the interests of Owners of the Bonds and further covenants not to permit the tender of Bonds in payment of any Special Taxes except upon receipt of a certificate of an Independent Financial Consultant that to accept such tender will not result in the District having insufficient Net Special Taxes to pay the principal of and interest on the Bonds remaining Outstanding following such tender, assuming Special Taxes are levied in the future, as provided under the Fiscal Agent Agreement.

Modifications to the Rate and Method of Apportionment. The District shall not initiate proceedings under the Act to modify the Rate and Method of Apportionment if such modification would adversely affect the security for the Bonds. If an initiative or referendum measure is proposed that purports to modify the Rate

and Method of Apportionment in a manner that would adversely affect the security for the Bonds, the District shall, to the extent permitted by law, commence and pursue reasonable legal actions to prevent the modification of the Rate and Method of Apportionment in a manner that would adversely affect the security for the Bonds.

INVESTMENTS

Moneys in any fund or account created or established by the Fiscal Agent Agreement and described in the immediately following paragraph and held by the Fiscal Agent shall be invested by the Fiscal Agent in Permitted Investments, as directed pursuant to the written direction of an Authorized Officer filed with the Fiscal Agent at least 2 Business Days in advance of the making of such investments. In the absence of any such written direction, the Fiscal Agent shall invest, to the extent reasonably practicable, any such moneys in the Permitted Investment described in paragraph (D) of the definition thereof, and otherwise hold such amounts uninvested.

Except as otherwise provided in the Fiscal Agent Agreement, the District covenants that all investments of amounts deposited in any fund or account created by or pursuant to the Fiscal Agent Agreement, or otherwise containing gross proceeds of the Bonds (within the meaning of section 148 of the Code), will be acquired, disposed of, and valued (as of the date that valuation is required by the Fiscal Agent Agreement or the Code) at Fair Market Value.

Investments in funds or accounts (or portions thereof) that are subject to a yield restriction under applicable provisions of the Code will be valued at their present value (within the meaning of section 148 of the Code).

LIMITED LIABILITY OF THE DISTRICT

The District shall not incur any responsibility in respect of the Bonds or the Fiscal Agent Agreement other than in connection with the duties or obligations explicitly stated in the Fiscal Agent Agreement or in the Bonds assigned to or imposed upon it. The District shall not be liable in connection with the performance of its duties under the Fiscal Agent Agreement, except for its own negligence or willful default. The District shall not be bound to ascertain or inquire as to the performance or observance of any of the terms, conditions covenants or agreements of the Fiscal Agent in the Fiscal Agent Agreement or of any of the documents executed by the Fiscal Agent in connection with the Bonds, or as to the existence of a default or event of default thereunder.

In the absence of bad faith, the District may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the District and conforming to the requirements of the Fiscal Agent Agreement. The District shall not be liable for any error of judgment made in good faith unless it shall be proved that it was negligent in ascertaining the pertinent facts.

No provision of the Fiscal Agent Agreement shall require the District or School District to expend or risk its own general funds or otherwise incur any financial liability in the performance of any of its obligations under the Fiscal Agent Agreement, or in the exercise of any of its rights or powers, if it has reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

MODIFICATION OR AMENDMENT OF THE FISCAL AGENT AGREEMENT

The Fiscal Agent Agreement and the rights and obligations of the District and of the Owners may be modified or amended at any time by a Supplemental Agreement pursuant to the affirmative vote at a meeting of Owners, or with the written consent without a meeting of the Owners, of at least 60% in aggregate Principal or Conversion Value of the Bonds then Outstanding, exclusive of Bonds disqualified as provided in the Fiscal Agent Agreement. No such modification or amendment shall (i) extend the maturity of any Bond or reduce the

interest rate thereon, or otherwise alter or impair the obligation of the District to pay the Principal or Conversion Value of, and the interest and any premium on, any Bond, without the express consent of the Owner of such Bond, or (ii) permit the creation by the District of any pledge or lien upon the Special Taxes superior to or on a parity with the pledge and lien created for the benefit of the Bonds (except as otherwise permitted by the Act, the laws of the State of California or the Fiscal Agent Agreement), or (iii) reduce the percentage of Bonds required for the amendment hereof. Any such amendment may not modify any of the rights or obligations of the Fiscal Agent without its written consent.

The Fiscal Agent Agreement and the rights and obligations of the District and of the Owners may also be modified or amended at any time by a Supplemental Agreement without the consent of any Owners only to the extent permitted by law and only for any one or more of the following purposes:

(A) to add to the covenants and agreements of the District in the Fiscal Agent Agreement contained, other covenants and agreements thereafter to be observed, or to limit or surrender any right or power reserved to or conferred upon the District in the Fiscal Agent Agreement;

(B) to make modifications not adversely affecting any outstanding series of Bonds of the District in any material respect;

(C) to make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained in the Fiscal Agent Agreement, or in regard to questions arising under the Fiscal Agent Agreement, as the District and the Fiscal Agent may deem necessary or desirable, so long as the provisions are not inconsistent with the Fiscal Agent Agreement and do not adversely affect the rights of the Owners;

(D) to make such additions, deletions or modifications as may be necessary or desirable to assure exemption from gross federal income taxation of interest on the Bonds; and

(E) to modify, alter or amend the Rate and Method of Apportionment of the Special Taxes in any manner so long as such changes do not reduce the maximum annual Special Taxes that may be levied in each year on Developed Property within the District.

DISCHARGE OF FISCAL AGENT AGREEMENT

The District has the option to pay and discharge the entire indebtedness on all or any portion of the Bonds Outstanding in any one or more of the following ways:

(A) by well and truly paying or causing to be paid the Principal or Conversion Value of, and interest and any premium on, such Bonds Outstanding, as and when the same become due and payable;

(B) by depositing with the Fiscal Agent, in trust, at or before maturity, money that, together with the amounts then on deposit in the funds and accounts provided for in the Fiscal Agent Agreement is fully sufficient to pay such Bonds Outstanding, including all Principal or Conversion Value, interest and redemption premiums; or

(C) by irrevocably depositing with the Fiscal Agent, in trust, cash and Federal Securities in such amount as the District determines as confirmed by Bond Counsel or an independent certified public accountant, will, together with the interest to accrue thereon and moneys then on deposit in the fund and accounts provided for in the Fiscal Agent Agreement, be fully sufficient to pay and discharge the indebtedness on such Bonds (including all Principal or Conversion Value, interest and redemption premiums) at or before their respective maturity dates.

If the District takes any of the actions specified in (A), (B) or (C) above, and if such Bonds are to be redeemed prior to the maturity thereof and notice of such redemption has been given as provided in the Fiscal Agent Agreement or the District has made provision for the giving of such notice satisfactory to the Fiscal Agent, then, at the election of the District, and notwithstanding that any Bonds have not been surrendered for payment, the pledge of the Special Taxes and other funds provided for in the Fiscal Agent Agreement and all other obligations of the District under the Fiscal Agent Agreement with respect to such Outstanding Bonds shall cease and terminate. The District shall file notice of such election with the Fiscal Agent. Notwithstanding the foregoing, the District will still be obligated to pay or cause to be paid to the Owners of the Bonds not so surrendered and paid all sums due thereon, all amounts owing to the Fiscal Agent pursuant to the Fiscal Agent Agreement, and otherwise to assure that no action is taken or failed to be taken if such action or failure adversely affects the exclusion of interest on the Bonds from gross income for federal income tax purposes.

Upon compliance by the District with the foregoing with respect to all Bonds Outstanding, any funds held by the Fiscal Agent after payment of all fees and expenses of the Fiscal Agent that are not required for the purposes of the preceding paragraph shall be paid over to the District and any Special Taxes thereafter received by the District shall not be remitted to the Fiscal Agent but shall be retained by the District to be used for any purpose permitted under the Act.

APPENDIX C

**DEMOGRAPHIC INFORMATION REGARDING THE COUNTY OF RIVERSIDE
AND THE CITY OF MENIFEE**

The Bonds are not obligations of the Menifee Union School District (the “School District”), the City of Menifee (the “City”) or the County of Riverside (the “County”) and do not represent a lien or charge against any funds or property of the School District, the City or the County. The following information is provided only to give prospective investors an overview of the general economic condition of the City, the County and the State of California (the “State”). Certain information provided in this Appendix C predates the COVID-19 pandemic and such information for more recent fiscal years and calendar years which is not yet available may be materially different from prior years.

General

The City is located approximately 80 miles southeast of Los Angeles in the southwestern portion of Riverside County. The City was incorporated on October 1, 2008 as a general law City. As of January 1, 2025, the City had slightly more than 115,000 residents and covers an area of over 46 square miles.

Population

The following table offers population figures for the City, the County and the State for 2021 through 2025.

<i>Area</i>	<i>2021</i>	<i>2022</i>	<i>2023</i>	<i>2024</i>	<i>2025</i>
City of Menifee	104,361	107,512	111,221	113,837	115,316
County of Riverside	2,423,069	2,435,510	2,467,690	2,491,037	2,495,640
State of California	39,369,530	39,179,680	39,228,444	39,420,663	39,529,101

Source: California State Department of Finance, Demographic Research Unit. 2021-2025 with 2020 Census Benchmark

Building Activity

The following tables provide summaries of the building permit valuations and the number of new dwelling units authorized in the City and County from 2020 through 2024.

BUILDING PERMIT VALUATIONS

City of Menifee

2020-2024

(Dollars in Thousands)

	<i>2020</i>	<i>2021</i>	<i>2022</i>	<i>2023</i>	<i>2024</i>
Valuation (\$000):					
Residential	\$448,581	\$391,923	\$295,989	\$286,837	\$287,465
Non-residential	<u>94,195</u>	<u>39,831</u>	<u>27,092</u>	<u>89,973</u>	<u>92,517</u>
Total*	\$542,776	\$431,754	\$323,081	\$376,810	\$379,982
Residential Units:					
Single family	1,457	1,256	796	671	630
Multiple family	<u>0</u>	<u>0</u>	<u>0</u>	<u>64</u>	<u>229</u>
Total	1,457	1,256	796	735	859

* Totals may not add to sums because of rounding.

Source: Construction Industry Research Board.

BUILDING PERMIT VALUATIONS
County of Riverside
2020-2024
(Dollars in Thousands)

	<i>2020</i>	<i>2021</i>	<i>2022</i>	<i>2023</i>	<i>2024</i>
Residential	\$3,071,183	\$2,262,642	\$2,921,113	\$3,306,086	\$2,650,677
Non-residential	<u>1,153,778</u>	<u>1,543,998</u>	<u>1,701,618</u>	<u>1,676,498</u>	<u>1,436,925</u>
Total*	<u>\$4,224,961</u>	<u>\$3,896,640</u>	<u>\$4,622,731</u>	<u>\$4,982,584</u>	<u>\$4,087,602</u>
Residential Units:					
Single family	8,443	7,360	8,863	8,894	6,882
Multiple family	<u>723</u>	<u>1,126</u>	<u>2,861</u>	<u>6,428</u>	<u>2,275</u>
Total	9,166	8,486	11,724	15,322	9,157

* Totals may not add to sums because of rounding.
Source: Construction Industry Research Board.

Employment

The following tables show the largest employers located in the City and County as of June 30, 2025.

LARGEST EMPLOYERS
City of Menifee
(as of June 30, 2025)

<i>Rank</i>	<i>Name of Business</i>	<i>Employees</i>	<i>Type of Business</i>
1.	Menifee Union School District	1,620	School District
2.	Mt. San Jacinto College District	1,309	School District
3.	Romoland Elementary School District	746	School District
4.	Target	450	Department Store
5.	Stater Brothers	348	Supermarket
6.	City of Menifee	345	City Government
7.	Texas Roadhouse	188	Casual Dining
8.	Southern California Edison	185	Community Services

Source: City of Menifee Annual Comprehensive Financial Report for the year ending June 30, 2025.

LARGEST EMPLOYERS
County of Riverside
(as of June 30, 2025)

<i>Rank</i>	<i>Name of Business</i>	<i>Employees</i>	<i>Type of Business</i>
1.	County of Riverside	25,345	County Government
2.	Amazon	14,317	Online Retail
3.	State of California	8,398	State Government
4.	Wal-Mart	7,523	Retail Store
5.	Riverside Unified School District	6,562	School District
6.	Moreno Valley Unified School District	6,306	School District
7.	Kaiser Permanente Riverside Medical Center	5,817	Medical Center
8.	Stater Brothers Market	5,145	Supermarket
9.	University of California, Riverside	5,137	University
10.	Eisenhower Medical Center	4,971	Medical Center

Source: County of Riverside Annual Comprehensive Financial Report for the year ending June 30, 2025.

Employment and Industry

Employment data by industry is not separately reported on an annual basis for the City but is compiled for the Riverside-San Bernardino-Ontario Metropolitan Statistical Area (the “MSA”), which includes all of Riverside and San Bernardino counties. In addition to varied manufacturing employment, the MSA has large and growing commercial and service sector employment, as reflected in the table below.

The following table represents the Annual Average Labor Force and Industry Employment for the period from 2020 through 2024.

**RIVERSIDE-SAN BERNARDINO-ONTARIO MSA
INDUSTRY EMPLOYMENT & LABOR FORCE - BY ANNUAL AVERAGE**

	<i>2020</i>	<i>2021</i>	<i>2022</i>	<i>2023</i>	<i>2024</i>
Civilian Labor Force	2,073,400	2,108,400	2,140,500	2,180,300	2,209,100
Civilian Employment	1,868,300	1,951,600	2,049,900	2,078,100	2,093,800
Civilian Unemployment	205,100	156,700	90,700	102,300	115,300
Civilian Unemployment Rate	9.9%	7.4%	4.2%	4.7%	5.2%
Total Farm	14,100	13,700	13,800	13,200	13,700
Total Nonfarm	1,495,800	1,575,100	1,660,200	1,681,000	1,700,400
Total Private	1,247,800	1,333,100	1,410,200	1,420,700	1,430,200
Goods Producing	202,200	207,700	216,300	215,300	212,900
Mining and Logging	1,300	1,400	1,500	1,500	1,600
Construction	104,900	110,100	114,700	115,400	116,200
Manufacturing	96,000	96,100	100,000	98,500	95,200
Service Providing	1,293,700	1,367,400	1,443,900	1,465,700	1,487,500
Trade, Transportation and Utilities	406,900	443,200	464,900	457,900	456,400
Wholesale Trade	65,600	67,400	69,500	68,900	68,600
Retail Trade	168,800	177,000	181,000	183,000	182,600
Transportation, Warehousing and Utilities	172,500	198,800	214,400	206,000	205,200
Information	12,400	12,500	13,000	13,300	13,000
Financial Activities	44,100	45,200	46,000	44,900	44,100
Professional and Business Services	152,100	166,600	173,900	164,400	161,800
Private Education and Health Services	248,800	254,300	267,900	287,800	306,000
Leisure and Hospitality	141,300	160,200	180,900	187,600	185,300
Other Services	40,200	43,600	47,400	49,400	50,700
Government	248,000	242,000	250,000	260,200	270,200
Total, All Industries	1,509,900	1,588,800	1,674,000	1,694,100	1,714,100

Note: Does not include proprietors, self-employed, unpaid volunteers or family workers, domestic workers in households and persons involved in labor-management trade disputes. Employment reported by place of work. Items may not add to total due to independent rounding. The "Total, All Industries" data is not directly comparable to the employment data found in this Appendix C.

Source: State of California, Employment Development Department, March 2024 Benchmark.

The following table summarizes the labor force, employment and unemployment figures for the period from 2020 through 2024 for the City, the County, the State and the nation as a whole.

**CITY OF MENIFEE,
COUNTY OF RIVERSIDE,
STATE OF CALIFORNIA AND UNITED STATES
Average Annual Civilian Labor Force, Employment and Unemployment**

<i>Year and Area</i>	<i>Labor Force</i>	<i>Employment⁽¹⁾</i>	<i>Unemployment⁽²⁾</i>	<i>Unemployment Rate (%)⁽³⁾</i>
2020				
City of Menifee	43,500	39,200	4,200	9.7%
County of Riverside	1,100,500	988,600	111,900	10.2
State of California	18,956,600	17,039,800	1,916,800	10.1
United States	160,742,000	147,795,000	12,947,000	8.1
2021				
City of Menifee	45,400	42,200	3,300	7.2%
County of Riverside	1,119,000	1,036,100	82,900	7.4
State of California	18,954,600	17,564,900	1,389,700	7.3
United States	161,204,000	152,581,000	8,623,000	5.3
2022				
City of Menifee	47,300	45,400	2,000	4.1%
County of Riverside	1,140,400	1,091,800	48,700	4.3
State of California	19,218,300	18,393,900	824,400	4.3
United States	164,287,000	158,291,000	5,996,000	3.6
2023				
City of Menifee	49,400	47,100	2,300	4.6%
County of Riverside	1,165,500	1,110,100	55,400	4.8
State of California	19,471,000	18,551,800	919,200	4.7
United States	167,116,000	161,037,000	6,080,000	3.6
2024				
City of Menifee	50,000	47,400	2,600	5.2%
County of Riverside	1,181,300	1,118,600	62,700	5.3
State of California	19,644,100	18,600,900	1,043,100	5.3
United States	168,106,000	161,346,000	6,761,000	4.0

Note: Data is not seasonally adjusted.

(1) Annual averages, unless otherwise specified.

(2) Includes persons involved in labor-management trade disputes.

(3) The unemployment rate is computed from unrounded data; therefore, it may differ from rates computed from rounded figures in this table.

Source: U.S. Department of Labor – Bureau of Labor Statistics, California Employment Development Department. 2024 Benchmark.

Personal Income

Personal Income is the income that is received by all persons from all sources. It is calculated as the sum of wage and salary disbursements, supplements to wages and salaries, proprietors’ income with inventory valuation and capital consumption adjustments, rental income of persons with capital consumption adjustment, personal dividend income, personal interest income, and personal current transfer receipts, less contributions for government social insurance.

The personal income of an area is the income that is received by, or on behalf of, all the individuals who live in the area; therefore, the estimates of personal income are presented by the place of residence of the income recipients.

Total personal income in Riverside County increased by 87.59% between 2013 and 2024. The following tables summarize personal income for Riverside County for 2013 through 2024.

**PERSONAL INCOME
Riverside County
2013-2024
(Dollars in Thousands)**

<i>Year</i>	<i>Riverside County</i>	<i>Annual Percent Change</i>
2013	\$ 76,069,949	--%
2014	79,630,223	4.68
2015	84,597,340	6.24
2016	88,997,439	5.20
2017	92,451,456	3.88
2018	96,994,918	4.91
2019	103,647,288	6.86
2020	115,415,017	11.35
2021	126,651,219	9.74
2022	127,575,613	0.73
2023	133,563,233	4.69
2024	142,697,421	6.84

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

The following table summarizes per capita personal income for Riverside County, California and the United States for 2013-2024. This measure of income is calculated as the personal income of the residents of the area divided by the resident population of the area.

PER CAPITA PERSONAL INCOME
Riverside County, State of California and the United States
2013-2024

<i>Year</i>	<i>Riverside County</i>	<i>California</i>	<i>United States</i>
2013	33,595	48,074	44,402
2014	34,822	50,617	46,289
2015	36,631	53,816	48,062
2016	38,092	55,862	48,974
2017	39,100	58,214	51,006
2018	40,619	60,984	53,311
2019	43,122	64,219	55,561
2020	47,600	70,100	59,151
2021	51,584	77,134	64,692
2022	51,449	77,196	66,298
2023	53,350	81,196	70,002
2024	56,404	86,232	73,204

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Taxable Sales

The table below presents taxable sales for the years 2020 through 2024 for the City.

TAXABLE SALES
City of Menifee
2020-2024
(Dollars in Thousands)

<i>Year</i>	<i>Permits</i>	<i>Taxable Transactions</i>
2020	1,726	\$ 752,610
2021	1,756	974,142
2022	1,915	1,071,002
2023	2,027	1,137,074
2024	2,085	1,385,891

Source: Taxable Sales in California, California Department of Tax and Fee Administration for 2020-2024.

The table below presents taxable sales for the years 2020 through 2024 for the County.

TAXABLE SALES
County of Riverside
2020-2024
(Dollars in Thousands)

<i>Year</i>	<i>Permits</i>	<i>Taxable Transactions</i>
2020	69,284	\$42,313,474
2021	64,335	55,535,196
2022	66,738	62,117,153
2023	68,670	61,331,274
2024	70,577	60,826,953

Source: Taxable Sales in California, California Department of Tax and Fee Administration for 2020-2024.

APPENDIX D

**RATES AND METHODS OF APPORTIONMENT
OF SPECIAL TAXES FOR THE TAXING JURISDICTIONS**

Rate and Method of Apportionment for Community Facilities District No. 94-1 of Menifee Union School DistrictD-2

Rate and Method of Apportionment for Improvement Area A of Community Facilities District No. 99-1 of Menifee Union School DistrictD-17

First Amended Rate and Method of Apportionment for Community Facilities District No. 99-1 of Menifee Union School District (Zone 1 and Zone 2).....D-25

First Amended Rate and Method of Apportionment for Community Facilities District No. 2002-1 of Menifee Union School DistrictD-34

Rate and Method of Apportionment for Improvement Area A of Community Facilities District No. 2002-3 of Menifee Union School DistrictD-43

Rate and Method of Apportionment for Community Facilities District No. 2003-3 of Menifee Union School DistrictD-52

**RATE AND METHOD OF APPORTIONMENT FOR
MENIFEE UNION SCHOOL DISTRICT
COMMUNITY FACILITIES DISTRICT NO. 94-1**

The following sets forth the Rate and Method of Apportionment for the levy and collection of the special taxes of Meniffee Union School District Community Facilities District No. 94-1 (“CFD No. 94-1”). The special taxes include a One-Time Special Tax, Maximum Assigned Annual Special Tax and, if elected by a property owner, a Supplemental One-Time Special Tax. The initial amounts and annual adjustment of the special taxes are as set forth herein.

An Annual Special Tax (the “Annual Special Tax”) shall be levied on and collected in CFD No. 94-1 each Fiscal Year, in an amount determined by the Board of Trustees of the Meniffee Union School District (the “Board”) through the application of the appropriate Maximum Assigned Annual Special Tax for “Developed Property” as described below. All of the Developed Property in CFD No. 94-1, unless exempted by law or by the provisions hereof, shall be taxed for the purpose, to the extent and in the manner herein provided.

A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

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

“**Administrative Expenses**” means any ordinary and necessary expenses of the Board to carry out its duties as the legislative body of CFD No. 94-1.

“**Annual Special Tax**” means the special tax to be levied in each Fiscal Year on each Assessor’s Parcel of Developed Property as determined in accordance with Sections C.1.a, D.1.a, E.1.a and F.1.a and G below.

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

“**Board**” means the Board of Trustees of the Meniffee Union School District acting as the legislative body of CFD No. 94-1.

“**Developed Property**” means any Assessor’s Parcel in CFD No. 94-1 which is Taxable Property and for which a residential or non-residential building permit was issued as of March 1 of the prior Fiscal Year.

“**Final Subdivision Map**” means a final tract map, parcel map, lot line adjustment, or functionally equivalent map or instrument, exclusive of maps created strictly for financing or conveyance purposes, recorded in the Office of the Recorder of the County of Riverside.

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

“**Gross Floor Area**” means the covered and enclosed space determined to be within the perimeter of a commercial or industrial structure, not including any storage areas incidental to the principal use of the development, garage, parking structure, unenclosed walkway, or utility or disposal area. The determination of the chargeable covered and enclosed space within the perimeter of commercial or industrial structure shall be made by the building department of the city or county issuing the building permit, in accordance with the building standards of that city or county.

“Index” means the Lee Saylor Class D Construction Index published by the State Allocation Board. In the event the Lee Saylor Class D Construction Index ceases to be published, the index used by the State Allocation Board in place of the Lee Saylor Class D Construction Index shall be applied.

“Initial Maximum Assigned Annual Special Tax” means the Maximum Assigned Annual Special Tax for an Assessor’s Parcel which has been designated as Developed Property for the first time during the current Fiscal Year.

“Land Use Class” means any of the classes listed in Tables I - VIII below.

“Maximum Assigned Annual Special Tax” means the special tax for each Land Use Class, as determined by reference to Table I, III, V and VII below.

“Maximum Special Tax” means the One-Time Special Tax plus either (i) the Maximum Assigned Annual Special Tax or (ii) the Supplemental One-Time Special Tax, determined in accordance with Sections C, D, E and F below, that can be levied by the Board in any Fiscal Year for each Land Use Class of Developed Property.

“Non-Residential Developed Property” means any Developed Property in CFD No. 94-1 with a non-residential building permit that has been assigned to Land Use Class 4 as designated in Tables I - VIII below.

“One-Time Special Tax” means the special tax per square foot collected on the day a building permit is issued for a lot or parcel which is Taxable Property as determined in accordance with Sections C.2.a, D.2.a, E.2.a, and F.2.a below.

“One-Time Special Tax Year” means the period commencing March 1 of any year and ending the following February 28.

“Proportionately” means the ratio of the actual Annual Special Tax levy to the applicable Maximum Assigned Annual Special Tax is equal for all Assessor’s Parcels falling into the Land Use Classes. For example, for all Developed Property classified as belonging to Land Use Classes in Table I-VIII, Proportionately shall mean that the ratio of the Annual Special Tax levy to the Maximum Assigned Annual Special Tax is equal for all Assessor’s Parcels classified in any of the Land Use Classes for Table I-VIII.

“Residential Developed Property” means Developed Property that has a residential building permit and has been assigned to Land Use Classes 1 through 3 as designated in Tables I - VIII below.

“Special Tax Requirement” means that amount required in any Fiscal Year to pay: (1) debt service on all bonds or other indebtedness or other periodic costs on the bonds or other indebtedness of CFD No. 94-1, (2) the cost of acquisition, construction, furnishing or equipping of facilities, (3) the reasonable and necessary Administrative Expenses of CFD No. 94-1, (4) the accumulation of funds reasonably required for future debt service, (5) costs associated with the release of funds from an escrow account, (6) any amounts required to establish or replenish any reserve fund established in association with bonds or other indebtedness of CFD No. 94-1, (7) lease payments for existing or future facilities, and (8) any other payments permitted by law.

“Supplemental One-Time Special Tax” for any lot or parcel of Taxable Property means the optional special tax established for that parcel, which may be paid at the time of issuance of a building permit in order to prepay the Maximum Assigned Annual Special Tax, as determined in accordance with Sections C.2.b., D.2.b, E.2.b and F.2.b below.

“Taxable Property” means property within the boundaries of CFD No. 94-1 which is not exempt from the One-Time Special Tax pursuant to the Act or pursuant to Section H below.

“Undeveloped Property” means any Assessor’s Parcel in CFD No. 94-1 for which no building permit was issued as of March 1 of the prior Fiscal Year.

“Zone 1” means all Assessor’s Parcels included in the area defined as Zone 1 on the current official boundary map for CFD No. 94-1.

“Zone 2” means all Assessor’s Parcels included in the area defined as Zone 2 on the current official boundary map for CFD No. 94-1.

“Zone 3” means all Assessor’s Parcels included in the area defined as Zone 3 on the current official boundary map for CFD No. 94-1.

“Zone 4” means all Assessor’s Parcels included in the area defined as Zone 4 on the current official boundary map for CFD No. 94-1.

B. ASSIGNMENT TO LAND USE CATEGORIES

On July 1 of each Fiscal Year, beginning July 1, 1995, all Taxable Property within CFD No. 94-1 shall be classified as Developed Property or Undeveloped Property. At such time, Developed Property will be assigned to a Land Use Class as described below. Developed Property shall be subject to tax in accordance with the rate and method of apportionment determined pursuant to Sections C, D, E, F and G below.

For purposes of determining the applicable One-Time Special Tax, Maximum Assigned Annual Special Tax, and Supplemental One-Time Special Tax for Developed Property, each such Assessor’s Parcel shall be assigned to one of the Land Use Classes designated in Tables I - VIII below. Residential Developed Property shall be assigned to a Land Use Class based on the square footage of the improvements that will be located on an Assessor’s Parcel determined from all building permits issued for such Assessor’s Parcel. Non-Residential Developed Property shall be assigned to Land Use Class 4.

C. ZONE 1: MAXIMUM SPECIAL TAX RATES

The Maximum Special Tax, subject to the adjustments herein provided, for each Assessor’s Parcel classified as Taxable Property shall be the One-Time Special Tax plus either (i) the amount of the Maximum Assigned Annual Special Tax or (ii) if the property owner elects to pay the Supplemental One-Time Special Tax in lieu thereof, an amount derived by the application of the Supplemental One-Time Special Tax.

1. Developed Property

a. Maximum Assigned Annual Special Tax

The 1995-96 Fiscal Year Maximum Assigned Annual Special Tax for each Land Use Class is shown below in Table I.

TABLE I			
ZONE 1			
Maximum Assigned Annual Special Taxes for Developed Property			
Community Facilities District No. 94-1			
(Fiscal Year 1995-96)			
Land Use Class	Description	Designation	Maximum Assigned Annual Special Tax
1	Residential Property	> 1,600 sq. ft.	\$565 per unit
2	Residential Property	1,201 - 1,600 sq. ft.	\$480 per unit
3	Residential Property	< 1,201 sq. ft.	\$283 per unit
4	Non-Residential Property	NA	\$0

The Maximum Assigned Annual Special Tax for Assessor's Parcels being classified as Developed Property for the first time in that Fiscal Year shall be greater than or less than the Maximum Assigned Annual Special Tax in effect for the previous Fiscal Year by an amount equal to the annual percentage change in the Index. The Index shall be measured for the twelve month period ending January 1 of the prior One-Time Special Tax Year. The Maximum Assigned Annual Special Tax for all Assessor's Parcels which were classified as Developed Property in previous Fiscal Years, and therefore had been designated with an Initial Maximum Assigned Annual Special Tax in a previous Fiscal Year, shall remain constant.

2. Undeveloped Property

a. One-Time Special Tax

At the time a building permit is issued for a lot or parcel of Taxable Property, the property owner shall pay the One-Time Special Tax based on the square footage of floor space from the building permits issued for each lot or parcel. The One-Time Special Tax for residential Taxable Property in the 1994-95 One-Time Special Tax Year is \$1.50 per square foot.

The One-Time Special Tax for non-residential Taxable Property for the 1994-95 One-Time Special Tax Year is \$0.29 per square foot, and shall be based on the Gross Floor Area of said non-residential Taxable Property.

On each March 1 commencing March 1, 1995, the One-Time Special Tax in effect for the previous One-Time Special Tax Year shall be increased by an amount equal to the annual percentage change in the Index. The Index shall be measured for the twelve month period ending January 1 of the prior One-Time Special Tax Year.

b. Supplemental One-Time Special Tax Payment

At the time a Final Subdivision Map is recorded for any Taxable Property within CFD No. 94-1, the property owner filing said Final Subdivision Map for recordation may elect for all lots or parcels created by said Final Subdivision Map to prepay in whole or in part the Maximum Assigned Annual Special Tax through the application of the Supplemental One-Time Special Tax.

As to lots for which an election to prepay the full amount of the Maximum Assigned Annual Special Tax has been made, the Supplemental One-Time Special Tax for each lot or parcel of Taxable Property shall be paid at the time a building permit is issued for each lot or parcel. The Supplemental One-Time Special Tax for the 1994-95 One-Time Special Tax Year shall be determined by reference to Table II below.

As to lots for which an election to prepay a portion of the Maximum Assigned Annual Special Tax has been made, a pro rata portion of the Supplemental One-Time Special Tax for each Land Use Class, subject to the requirements and approval of the Board, shall be paid at the time a building permit is issued for each lot or parcel. The amount of the prepayment shall be determined by the Board within a reasonable time after the property owner elects for all such lots to prepay a portion of the Maximum Assigned Annual Special Tax.

If the Supplemental One-Time Special Tax is paid and permanently satisfied as to a particular lot or parcel, a Notice of Cancellation of Special Tax Lien shall be recorded by CFD No. 94-1 with respect to each lot or parcel for which the Supplemental One-Time Special Tax has been paid.

TABLE II			
ZONE 1			
Supplemental One-Time Special Tax for Taxable Property			
Community Facilities District No. 94-1			
(One-Time Special Tax Year 1994-95)			
Land Use Class	Description	Designation	Supplemental One-Time Special Tax
1	Residential Property	> 1,600 sq. ft.	\$4,287 per unit
2	Residential Property	1,201 - 1,600 sq. ft.	\$3,644 per unit
3	Residential Property	< 1,201 sq. ft.	\$2,144 per unit
4	Non-Residential Property	NA	\$0

On each March 1, commencing March 1, 1995, the Supplemental One-Time Special Tax in effect for the previous One-Time Special Tax Year shall be increased by an amount equal to the annual percentage change in the Index. The Index shall be measured for the twelve month period ending January 1 of the prior One-Time Special Tax Year.

c. Maximum Assigned Annual Special Tax

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

D. ZONE 2: MAXIMUM SPECIAL TAX RATES

The Maximum Special Tax, subject to the adjustments herein provided, for each Assessor's Parcel classified as Taxable Property shall be the One-Time Special Tax plus either (i) the amount of the Maximum Assigned Annual Special Tax or (ii) if the property owner elects to pay the Supplemental One-Time Special Tax in lieu thereof, an amount derived by the application of the Supplemental One-Time Special Tax.

1. **Developed Property**

a. **Maximum Assigned Annual Special Tax**

The 1995-96 Fiscal Year Maximum Assigned Annual Special Tax for each Land Use Class is shown below in Table III.

TABLE III			
ZONE 2			
Maximum Assigned Annual Special Taxes for Developed Property			
Community Facilities District No. 94-1			
(Fiscal Year 1995-96)			
Land Use Class	Description	Designation	Maximum Assigned Annual Special Tax
1	Residential Property	> 1,600 sq. ft.	\$669 per unit
2	Residential Property	1,201 - 1,600 sq. ft.	\$569 per unit
3	Residential Property	< 1,201 sq. ft.	\$334 per unit
4	Non-Residential Property	NA	\$0

The Maximum Assigned Annual Special Tax for Assessor's Parcels being classified as Developed Property for the first time in that Fiscal Year shall be greater than or less than the Maximum Assigned Annual Special Tax in effect for the previous Fiscal Year by an amount equal to the annual percentage change in the Index. The Index shall be measured for the twelve month period ending January 1 of the prior One-Time Special Tax Year. The Maximum Assigned Annual Special Tax for all Assessor's Parcels which were classified as Developed Property in previous Fiscal Years, and therefore had been designated with an Initial Maximum Assigned Annual Special Tax in a previous Fiscal Year, shall remain constant.

2. **Undeveloped Property**

a. **One-Time Special Tax**

At the time a building permit is issued for a lot or parcel of Taxable Property, the property owner shall pay the One-Time Special Tax based on the square footage of floor space from the building permits issued for each lot or parcel. The One-Time Special Tax for residential Taxable Property in the 1994-95 One-Time Special Tax Year is \$1.17 per square foot.

The One-Time Special Tax for non-residential Taxable Property for the 1994-95 One-Time Special Tax Year is \$0.29 per square foot, and shall be based on the Gross Floor Area of said non-residential Taxable Property.

On each March 1 commencing March 1, 1995, the One-Time Special Tax in effect for the previous One-Time Special Tax Year shall be increased by an amount equal to the annual percentage change in the Index. The Index shall be measured for the twelve month period ending January 1 of the prior One-Time Special Tax Year.

b. Supplemental One-Time Special Tax Payment

At the time a Final Subdivision Map is recorded for any Taxable Property within CFD No. 94-1, the property owner filing said Final Subdivision Map for recordation may elect for all lots or parcels created by said Final Subdivision Map to prepay in whole or in part the Maximum Assigned Annual Special Tax through the application of the Supplemental On-Time Special Tax.

As to lots for which an election to prepay the full amount of the Maximum Assigned Annual Special Tax has been made, the Supplemental One-Time Special Tax for each lot or parcel of Taxable Property shall be paid at the time a building permit is issued for each lot or parcel. The Supplemental One-Time Special Tax for the 1994-95 One-Time Special Tax Year shall be determined by reference to Table IV below.

As to lots for which an election to prepay a portion of the Maximum Assigned Annual Special Tax has been made, a pro rata portion of the Supplemental One-Time Special Tax for each Land Use Class, subject to the requirements and approval of the Board, shall be paid at the time a building permit is issued for each lot or parcel. The amount of the prepayment shall be determined by the Board within a reasonable time after the property owner elects for all such lots to prepay a portion of the Maximum Assigned Annual Special Tax.

If an election for prepayment of less than the full amount of the Supplemental One-Time Special Tax is made prior to building permits being issued, the prepayment amount shall be a pro rata share of \$4,715 and \$423 for a residential Taxable Property in Land Use Class 1, a pro rata share of \$4,008 and \$360 for a residential Taxable Property in Land Use Class 2, and a pro rata share of \$2,358 and \$212 for a residential Taxable Property in Land Use Class 3.

If the Supplemental One-Time Special Tax is paid and permanently satisfied as to a particular lot or parcel, a Notice of Cancellation of Special Tax Lien shall be recorded by CFD No. 94-1 with respect to each lot or parcel for which the Supplemental One-Time Special Tax has been paid.

TABLE IV			
ZONE 2			
Supplemental One-Time Special Tax for Taxable Property			
Community Facilities District No. 94-1			
(One-Time Special Tax Year 1994-95)			
Land Use Class	Description	Designation	Supplemental One-Time Special Tax
1	Residential Property	> 1,600 sq. ft.	\$4,715 per unit
2	Residential Property	1,201 - 1,600 sq. ft.	\$4,008 per unit
3	Residential Property	< 1,201 sq. ft.	\$2,358 per unit
4	Non-Residential Property	NA	\$0

On each March 1 commencing March 1, 1995, the Supplemental One-Time Special Tax in effect for the previous One-Time Special Tax Year shall be increased by an amount equal to the annual percentage change in the Index. The Index shall be

measured for the twelve month period ending January 1 of the prior One-Time Special Tax Year.

c. Maximum Assigned Annual Special Tax

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

E. ZONE 3: MAXIMUM SPECIAL TAX RATES

The Maximum Special Tax, subject to the adjustments herein provided, for each Assessor’s Parcel classified as Taxable Property shall be the One-Time Special Tax plus either (i) the amount of the Maximum Assigned Annual Special Tax or (ii) if the property owner elects to pay the Supplemental One-Time Special Tax in lieu thereof, an amount derived by the application of the Supplemental One-Time Special Tax.

1. Developed Property

a. Assigned Special Tax

The 1995-96 Fiscal Year Assigned Special Tax for each Land Use Class is shown below in Table V.

TABLE V			
ZONE 3			
Maximum Assigned Annual Special Taxes for Developed Property			
Community Facilities District No. 94-1			
(Fiscal Year 1995-96)			
Land Use Class	Description	Designation	Assigned Special Tax
1	Residential Property	> 1,600 sq. ft.	\$425 per unit
2	Residential Property	1,201 - 1,600 sq. ft.	\$361 per unit
3	Residential Property	< 1,201 sq. ft.	\$213 per unit
4	Non-Residential Property	NA	\$0

The Maximum Assigned Annual Special Tax for Assessor’s Parcels being classified as Developed Property for the first time in that Fiscal Year shall be greater than or less than the Maximum Assigned Annual Special Tax in effect for the previous Fiscal Year by an amount equal to the annual percentage change in the Index. The Index shall be measured for the twelve month period ending January 1 of the prior One-Time Special Tax Year. The Maximum Assigned Annual Special Tax for all Assessor’s Parcels which were classified as Developed Property in previous Fiscal Years, and therefore had been designated with an Initial Maximum Assigned Annual Special Tax in a previous Fiscal Year, shall remain constant.

2. Undeveloped Property

a. One-Time Special Tax

At the time a building permit is issued for a lot or parcel of Taxable Property, the property owner shall pay the One-Time Special Tax based on the square footage of floor space from the building permits issued for each lot or parcel. The One-Time Special Tax for residential Taxable Property in the 1994-95 One-Time Special Tax Year is \$2.16 per square foot.

The One-Time Special Tax for non-residential Taxable Property for the 1994-95 One-Time Special Tax Year is \$0.29 per square foot, and shall be based on the Gross Floor Area of said non-residential Taxable Property.

On each March 1 commencing March 1, 1995, the One-Time Special Tax in effect for the previous One-Time Special Tax Year shall be increased by an amount equal to the annual percentage change in the Index. The Index shall be measured for the twelve month period ending January 1 of the prior One-Time Special Tax Year.

b. Supplemental One-Time Special Tax Payment

At the time a Final Subdivision Map is recorded for any Taxable Property within CFD No. 94-1, the property owner filing said Final Subdivision Map for recordation may elect for all lots or parcels created by said Final Subdivision Map to prepay in whole or in part the Maximum Assigned Annual Special Tax through the application of the Supplemental One-Time Special Tax.

As to lots for which an election to prepay the full amount of the Maximum Assigned Annual Special Tax has been made, the Supplemental One-Time Special Tax for each lot or parcel of Taxable Property shall be paid at the time a building permit is issued for each lot or parcel. The Supplemental One-Time Special Tax for the 1994-95 One-Time Special Tax Year shall be determined by reference to Table VI below.

As to lots for which an election to prepay a portion of the Maximum Assigned Annual Special Tax has been made, a pro rata portion of the Supplemental One-Time Special Tax for each Land Use Class, subject to the requirements and approval of the Board, shall be paid at the time a building permit is issued for each lot or parcel. The amount of the prepayment shall be determined by the Board within a reasonable time after the property owner elects for all such lots to prepay a portion of the Maximum Assigned Annual Special Tax.

If the Supplemental One-Time Special Tax is paid and permanently satisfied as to a particular lot or parcel, a Notice of Cancellation of Special Tax Lien shall be recorded by CFD No. 94-1 with respect to each lot or parcel for which the Supplemental One-Time Special Tax has been paid.

TABLE VI			
ZONE 3			
Supplemental One-Time Special Tax for Taxable Property			
Community Facilities District No. 94-1			
(One-Time Special Tax Year 1994-95)			
Land Use Class	Description	Designation	Supplemental One-Time Special Tax
1	Residential Property	> 1,600 sq. ft.	\$3,148 per unit
2	Residential Property	1,201 - 1,600 sq. ft.	\$2,676 per unit
3	Residential Property	< 1,201 sq. ft.	\$1,575 per unit
4	Non-Residential Property	NA	\$0

On each March 1, commencing March 1, 1995, the Supplemental One-Time Special Tax in effect for the previous One-Time Special Tax Year shall be increased by an amount equal to the annual percentage change in the Index. The Index shall be measured for the twelve month period ending January 1 of the prior One-Time Special Tax Year.

c. Maximum Annual Assigned Special Tax

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

F. ZONE 4: MAXIMUM SPECIAL TAX RATES

The Maximum Special Tax, subject to the adjustments herein provided, for each Assessor's Parcel classified as Taxable Property shall be the One-Time Special Tax plus either (i) the amount of the Maximum Assigned Annual Special Tax or (ii) if the property owner elects to pay the Supplemental One-Time Special Tax in lieu thereof, an amount derived by the application of the Supplemental One-Time Special Tax.***

1. Developed Property

a. Assigned Special Tax

The 1995-96 Fiscal Year Assigned Special Tax for each Land Use Class is shown below in Table VII.

TABLE VII			
ZONE 4			
Maximum Assigned Annual Special Taxes for Developed Property			
Community Facilities District No. 94-1			
(Fiscal Year 1995-96)			
Land Use Class	Description	Designation	Assigned Special Tax
1	Residential Property	> 1,600 sq. ft.	\$500 per unit
2	Residential Property	1,201 - 1,600 sq. ft.	\$425 per unit
3	Residential Property	< 1,201 sq. ft.	\$250 per unit
4	Non-Residential Property	NA	\$0

The Maximum Assigned Annual Special Tax for Assessor's Parcels being classified as Developed Property for the first time in that Fiscal Year shall be greater than or less than the Maximum Assigned Annual Special Tax in effect for the previous Fiscal Year by an amount equal to the annual percentage change in the Index. The Index shall be measured for the twelve month period ending January 1 of the prior One-Time Special Tax Year. The Maximum Assigned Annual Special Tax for all Assessor's Parcels which were classified as Developed Property in previous Fiscal Years, and therefore had been designated with an Initial Maximum Assigned Annual Special Tax in a previous Fiscal Year, shall remain constant.

2. Undeveloped Property

a. One-Time Special Tax

At the time a building permit is issued for a lot or parcel of Taxable Property, the property owner shall pay the One-Time Special Tax based on the square footage of floor space from the building permits issued for each lot or parcel. The One-Time Special Tax for residential Taxable Property in the 1994-95 One-Time Special Tax Year is \$1.17 per square foot.

The One-Time Special Tax for non-residential Taxable Property for the 1994-95 One-Time Special Tax Year is \$0.29 per square foot, and shall be based on the Gross Floor Area of said non-residential Taxable Property.

On each March 1 commencing March 1, 1995, the One-Time Special Tax in effect for the previous One-Time Special Tax Year shall be increased by an amount equal to the annual percentage change in the Index. The Index shall be measured for the twelve month period ending January 1 of the prior One-Time Special Tax Year.

b. Supplemental One-Time Special Tax Payment

At the time a Final Subdivision Map is recorded for any Taxable Property within CFD No. 94-1, the property owner filing said Final Subdivision Map for recordation may elect for all lots or parcels created by said Final Subdivision Map to prepay in whole or in part the Maximum Assigned Annual Special Tax through the application of the Supplemental One-Time Special Tax.

As to lots for which an election to prepay the full amount of the Maximum Assigned Annual Special Tax has been made, the Supplemental One-Time Special Tax for each lot or parcel of Taxable Property shall be paid at the time a building permit is issued for each lot or parcel. The Supplemental One-Time Special Tax for the 1994-95 One-Time Special Tax Year shall be determined by reference to Table VIII below.

As to lots for which an election to prepay a portion of the Maximum Assigned Annual Special Tax has been made, a pro rata portion of the Supplemental One-Time Special Tax for each Land Use Class, subject to the requirements and approval of the Board, shall be paid at the time a building permit is issued for each lot or parcel. The amount of the prepayment shall be determined by the Board within a reasonable time after the property owner elects for all such lots to prepay a portion of the Maximum Assigned Annual Special Tax.

If the Supplemental One-Time Special Tax is paid and permanently satisfied as to a particular lot or parcel, a Notice of Cancellation of Special Tax Lien shall be recorded by CFD No. 94-1 with respect to each lot or parcel for which the Supplemental One-Time Special Tax has been paid.

TABLE VIII			
ZONE 4			
Supplemental One-Time Special Tax for Taxable Property			
Community Facilities District No. 94-1			
(One-Time Special Tax Year 1994-95)			
Land Use Class	Description	Designation	Supplemental One-Time Special Tax
1	Residential Property	> 1,600 sq. ft.	\$3,754 per unit
2	Residential Property	1,201 - 1,600 sq. ft.	\$3,191 per unit
3	Residential Property	< 1,201 sq. ft.	\$1,876 per unit
4	Non-Residential Property	NA	\$0

On each March 1, commencing March 1, 1995, the Supplemental One-Time Special Tax in effect for the previous One-Time Special Tax Year shall be increased by an amount equal to the annual percentage change in the Index. The Index shall be measured for the twelve month period ending January 1 of the prior One-Time Special Tax Year.

c. Maximum Assigned Annual Special Tax

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

G. METHOD OF APPORTIONMENT OF THE MAXIMUM ASSIGNED ANNUAL SPECIAL TAX TO DEVELOPED PROPERTY

Commencing Fiscal Year 1995-96 and for each subsequent Fiscal Year, the Board shall levy the Annual Special Tax as follows until the amount of the levy equals the Special Tax Requirement:

First: The Annual Special Tax shall be levied in the amounts herein set forth, adjusted by the Index, Proportionately on each Assessor's Parcel of Developed Property, except for each Assessor's Parcel for which the property owner previously elected to pay and has paid the Supplemental One-Time Special Tax as set forth in Sections C.1.c, D.1.c, E.1.c and F.1.c above, up to 90.9 percent of the

Maximum Assigned Annual Special Tax for each Land Use Class of Developed Property determined by reference to Tables I, III, V and VII.

Second: In the event of delinquency or default by any Taxable Property within the CFD as to the Annual Special Tax, the Annual Special Tax shall be levied Proportionately on all Assessor's Parcels of Developed Property above 90.9 percent of the Maximum Assigned Annual Special Tax, and up to 100 percent of the Maximum Assigned Annual Special Tax for each Land Use Class of Developed Property.

H. EXEMPTIONS

The Board shall not levy a One-Time Special Tax or an Annual Special Tax on properties owned by the State of California, Federal or other local governments except as otherwise provided in Sections 53317.3 and 53317.5 of the Government Code. Notwithstanding the above, the Board shall not levy a One-Time Special Tax or an Annual Special Tax on properties owned by a homeowners' association or properties with public or utility easements making impractical their utilization for other than the purposes set forth in the easement.

I. APPEALS

Any landowner or resident who contends that the amount of the Annual Special Tax levied is in error may file a notice with the Board appealing the levy of the Annual Special Tax. A representative of CFD No. 94-1 will then review the appeal and, if necessary, meet with the appellant. If the findings of the representative verify that the amount of the Annual Special Tax should be modified or changed, then, as appropriate, the Annual Special Tax levy shall be corrected.

J. COLLECTION OF ANNUAL SPECIAL TAX

The Annual Special Tax will be collected in the same manner and at the same time as ordinary *ad valorem* property taxes, provided, however, that CFD No. 94-1 may collect the Annual Special Tax at a different time or in a different manner consistent with the Act, if CFD No. 94-1 determines that an alternative collection method is in the best interest of CFD No. 94-1.

K. TERM OF ANNUAL SPECIAL TAX

The Annual Special Tax shall commence in the Fiscal Year following the One-Time Special Tax Year in which a building permit has been issued. The Annual Special Tax shall be levied for a period not to exceed 30 years for each Developed Property.

EXHIBIT C

**COMMUNITY FACILITIES DISTRICT NO. 94-1
MENIFEE UNION SCHOOL DISTRICT**

ASSIGNED SPECIAL TAX RATES

EXHIBIT C			
Assigned Special Taxes for Developed Property			
Community Facilities District No. 94-1			
(Fiscal Year 1995-96)			
Land Use Class	Description	Designation	Assigned Special Tax
1	Residential Property	> 1,600 sq. ft.	\$565 per unit
2	Residential Property	1,201 - 1,600 sq. ft.	\$480 per unit
3	Residential Property	< 1,201 sq. ft.	\$283 per unit

EXHIBIT D

**COMMUNITY FACILITIES DISTRICT NO. 94-1
MENIFEE UNION SCHOOL DISTRICT**

SUPPLEMENTAL ONE-TIME SPECIAL TAX RATES

EXHIBIT D			
Supplemental One-Time Special Tax for Taxable Property			
Community Facilities District No. 94-1			
(Fiscal year 1994-95)			
Land Use Class	Description	Designation	Supplemental One-Time Special Tax
1	Residential Property	> 1,600 sq. ft.	\$4,287 per unit
2	Residential Property	1,201 - 1,600 sq. ft.	\$3,644 per unit
3	Residential Property	< 1,201 sq. ft.	\$2,144 per unit

**RATE AND METHOD OF APPORTIONMENT FOR
IMPROVEMENT AREA A OF
COMMUNITY FACILITIES DISTRICT NO. 99-1
OF MENIFEE UNION SCHOOL DISTRICT**

The following sets forth the Rate and Method of Apportionment for the levy and collection of Special Taxes of Menifee Union School District (“School District”) in Improvement Area (“IA”) A of Community Facilities District (“CFD”) No. 99-1. A Special Tax shall be levied on and collected in IA A of CFD No. 99-1 each Fiscal Year, in an amount determined through the application of the Rate and Method of Apportionment described below. All of the real property in IA A of CFD No. 99-1, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent, and in the manner herein provided.

**SECTION A
DEFINITIONS**

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 Board may rely on the land area shown on the applicable Final Map, parcel map, or other recorded County parcel map.

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

“**Administrative Expenses**” means any ordinary and necessary expense incurred by the School District on behalf of IA A of CFD No. 99-1 related to the determination of the amount of the levy of Special Taxes, the collection of Special Taxes including the expenses of collecting delinquencies, the administration of Bonds, the payment of salaries and benefits of any School District employee whose duties are directly related to the administration of IA A of CFD No. 99-1, and costs otherwise incurred in order to carry out the authorized purposes of IA A of CFD No. 99-1.

“**Annual Special Tax**” means the Special Tax actually levied in any Fiscal Year on any Assessor’s Parcel.

“**Assessor’s Parcel**” means a lot or parcel of land designated on an Assessor’s Parcel Map with an assigned Assessor’s Parcel Number within the boundaries of IA A of CFD No. 99-1.

“**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.

“**Backup Annual Special Tax**” means the Special Tax of that name described in Section E.

“**Board**” means the Governing Board of Menifee Union School District or its designee as the legislative body of IA A of CFD No. 99-1.

“**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, which obligation may be incurred by IA A of CFD No. 99-1 or the School District.

“Building Permit” means a permit for the construction of one or more Units. For purposes of this definition, “Building Permit” shall not include permits for construction or installation of commercial/industrial structures, parking structures, retaining walls, utility improvements, or other such improvements not intended for human habitation.

“Calendar Year” means the period commencing January 1 of any year and ending the following December 31.

“County” means the County of Riverside

“Developed Property” means all Assessor’s Parcels of Taxable Property for which Building Permits were issued on or before April 1 of the prior Fiscal Year, provided that such Assessor’s Parcels were created on or before January 1 of the prior Fiscal Year and that each such Assessor’s Parcel is associated with a Lot, as determined reasonably by the Board.

“Exempt Property” means all Assessor’s Parcels designated as being exempt from Special Taxes in Section J.

“Final Map” means a final tract map, parcel map, lot line adjustment, or functionally equivalent map or instrument that creates building sites, recorded in the County Office of the Recorder.

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

“Lot” means an individual legal lot created by a Final Map for which a Building Permit could be issued.

“Maximum Special Tax” means the Maximum Special Tax, determined in accordance with Section C, that can be levied by IA A of CFD No. 99-1 in any Fiscal Year on any Assessor’s Parcel.

“Minimum Annual 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 of IA A of CFD No. 99-1, (iii) the costs associated with the release of funds from an escrow account, and (iv) any amount required to establish or replenish any reserve funds established in association with the Bonds, less (v) any amount available to pay debt service or other periodic costs on the Bonds pursuant to any applicable bond indenture, fiscal agent agreement, or trust agreement.

“Partial Prepayment Amount” means the amount required to prepay a portion of the Annual Special Tax obligation for an Assessor’s Parcel, as described in Section H.

“Prepayment Amount” means the amount required to prepay the Annual Special Tax obligation in full for an Assessor’s Parcel, as described in Section G.

“Proportionately” means that the ratio of the actual Annual Special Tax levy to the applicable Special Tax is equal for all applicable Assessor’s Parcels.

“Special Tax” means any of the special taxes authorized to be levied by IA A of CFD No. 99-1 pursuant to the Act.

“Taxable Property” means all Assessor’s Parcels which are not Exempt Property.

“Undeveloped Property” means all Assessor’s Parcels of Taxable Property which are not Developed Property.

“Unit” means each separate residential dwelling unit which comprises an independent facility capable of conveyance separate from adjacent residential dwelling units.

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

Each Fiscal Year, beginning with Fiscal Year 2003-04, each Assessor’s Parcel in IA A shall be classified as Taxable Property or Exempt Property. Furthermore, each Assessor’s Parcel of Taxable Property shall be classified as Developed Property or Undeveloped Property.

**SECTION C
MAXIMUM SPECIAL TAXES**

1. Developed Property

The Maximum Special Tax for each Assessor’s Parcel classified as Developed Property for any Fiscal Year shall be the amount determined by the greater of (i) the application of the Assigned Annual Special Tax or (ii) the application of the Backup Annual Special Tax.

2. Undeveloped Property

The Maximum Special Tax for each Assessor’s Parcel classified as Undeveloped Property for any Fiscal Year shall be the amount determined 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 in IA A of CFD No. 99-1 in any Fiscal Year shall be \$205.00 per Unit.

2. Undeveloped Property

The Assigned Annual Special Tax rate for an Assessor’s Parcel classified as Undeveloped Property in any Fiscal Year shall be \$1,182.91 per acre of Acreage.

**SECTION E
BACKUP ANNUAL SPECIAL TAXES**

Each Fiscal Year, each Assessor’s Parcel of Developed Property shall be subject to a Backup Annual Special Tax. In each Fiscal Year, the Backup Annual Special Tax rate for Developed Property within a Final Map shall be \$0.02716 per square foot of Acreage.

**SECTION F
METHOD OF APPORTIONMENT OF THE ANNUAL SPECIAL TAX**

Commencing Fiscal Year 2003-04 and for each subsequent Fiscal Year, the Board shall levy Annual Special Taxes as follows:

Step One: The Board shall levy an Annual Special Tax on each Assessor’s Parcel of Developed Property in an amount equal to the Assigned Annual Special Tax applicable to each such Assessor’s Parcel.

Step Two: If the sum of the amounts collected in step one is insufficient to satisfy the Minimum Annual Special Tax Requirement, then the Board shall Proportionately levy an Annual Special Tax on each Assessor's Parcel of Undeveloped Property, up to the Assigned Annual Special Tax applicable to each such Assessor's Parcel, to satisfy the Minimum Annual Special Tax Requirement.

Step Three: If the sum of the amounts collected in steps one and two is insufficient to satisfy the Minimum Annual Special Tax Requirement, then the Board shall Proportionately levy an Annual Special Tax on each Assessor's Parcel of Developed Property, up to the Maximum Special Tax applicable to each such Assessor's Parcel, to satisfy the Minimum Annual Special Tax Requirement.

SECTION G PREPAYMENT OF ANNUAL SPECIAL TAXES

The Annual Special Tax obligation of an Assessor's Parcel, as calculated in Section G.2. below, may be prepaid in full at the times and under the conditions set forth in this Section G, provided that there are no delinquent Special Taxes, penalties, or interest charges outstanding with respect to such Assessor's Parcel at the time the Annual Special Tax obligation would be prepaid.

1. Prepayment Times and Conditions

a. Undeveloped Property

Prior to the recordation of any Final Map, the owner filing such Final Map for recordation may elect in writing to the Board to prepay the Annual Special Tax obligation in full for all the Assessor's Parcels to be created by such Final Map, provided that such Assessor's Parcels are expected to contain at least 25 Units, as determined reasonably by the Board. If such an election has been made, the applicable Prepayment Amount for each such Assessor's Parcel shall be collected prior to the issuance of the first Building Permit for such Assessor's Parcel.

b. Developed Property

In any Fiscal Year following the first Fiscal Year in which such Assessor's Parcel was classified as Developed Property, the owner of such an Assessor's Parcel may prepay the Annual Special Tax obligation for such Assessor's Parcel in full, as calculated in Section G.2. below.

2. Prepayment Amount

The Prepayment Amount for an Assessor's Parcel eligible for prepayment shall be determined as described below.

a. Prior to Issuance of Bonds

The Prepayment Amount for each Assessor's Parcel prior to the issuance of Bonds shall be \$1,666.99 per Unit.

b. Subsequent to Issuance of Bonds

Subsequent to the issuance of Bonds, the Prepayment Amount for each applicable Assessor's Parcel shall be calculated according to the following formula (capitalized terms defined below):

	Bond Redemption Amount
plus	Redemption Premium
plus	Defeasance
plus	Administrative Fee
less	<u>Reserve Fund Credit</u>
equals	Prepayment Amount

As of the date of prepayment, the Prepayment Amount shall be calculated as follows:

1. For Assessor's Parcels of Developed Property, compute the sum of the Assigned Annual Special Taxes and the Backup Annual Special Taxes applicable to the Assessor's Parcel. For Assessor's Parcels of Undeveloped Property, compute the sum of the Assigned Annual Special Taxes and the Backup Annual Special Taxes applicable to the Assessor's Parcel as though it was already designated as Developed Property, based upon the Building Permit issued or to be issued for that Assessor's Parcel.
2. For each Assessor's Parcel of Developed Property or Undeveloped Property to be prepaid, (a) divide the sum of the Assigned Annual Special Taxes computed pursuant to paragraph 1 for such Assessor's Parcel by the sum of the estimated Assigned Annual Special Taxes applicable to all Assessor's Parcels of Developed Property at build out, as reasonably determined by the Board, and (b) divide the sum of Backup Annual Special Tax computed pursuant to paragraph 1 for such Assessor's Parcel by the sum of the estimated Backup Annual Special Taxes applicable to all Assessor's Parcels of Developed Property at build out, as reasonably determined by the Board.
3. The amount determined pursuant to Section G.2.b. shall be (a) increased by the portion of the Bonds allocable to costs of issuance, reserve fund deposits, and capitalized interest with respect to the applicable Assessor's Parcel and (b) reduced by the amount of regularly retired principal which is allocable to the applicable Assessor's Parcel, as determined by the Board. The result is the "Outstanding Gross Prepayment Amount." In no event shall any Annual Special Taxes determined to have been used to make a regularly scheduled principal payment on the Bonds be adjusted for any increase in any cost index or other basis subsequent to the date of the applicable principal payment.
4. Multiply the larger quotient computed pursuant to paragraph 2(a) or 2(b) by the face value of all outstanding Bonds. If the product is greater than the Outstanding Gross Prepayment Amount, then the product shall be the "Bond Redemption Amount." If the product is less than the Outstanding Gross Prepayment Amount, then the Outstanding Gross Prepayment Amount shall be the "Bond Redemption Amount."
5. Multiply the Bond Redemption Amount by the applicable redemption premium, if any, on the outstanding Bonds to be redeemed with the proceeds of the Bond Redemption Amount. This product is the "Redemption Premium."
6. Compute the amount needed to pay interest on the Bond Redemption Amount, the Redemption Premium, and the Reserve Fund Credit (see step 10) to be redeemed with the proceeds of the Prepayment Amount until the earliest call date for the outstanding Bonds.

7. Estimate the amount of interest earnings to be derived from the reinvestment of the Bond Redemption Amount plus the Redemption Premium until the earliest call date for the outstanding Bonds.
8. Subtract the amount computed pursuant to paragraph 7 from the amount computed pursuant to paragraph 6. This difference is the “Defeasance.”
9. Estimate the administrative fees and expenses associated with the prepayment, including the costs of computation of the Prepayment Amount, the costs of redeeming Bonds, and the costs of recording any notices to evidence the prepayment and the redemption. This amount is the “Administrative Fee.”
10. Calculate the “Reserve Fund Credit” as the lesser of: (a) the expected reduction in the applicable reserve requirements, if any, associated with the redemption of outstanding Bonds as a result of the prepayment, or (b) the amount derived by subtracting the new reserve requirements in effect after the redemption of outstanding Bonds as a result of the prepayment from the balance in the applicable reserve funds on the prepayment date. Notwithstanding the foregoing, if the reserve fund requirement is satisfied by a surety bond or other instrument at the time of the prepayment, then no Reserve Fund Credit shall be given. Notwithstanding the foregoing, the Reserve Fund Credit shall in no event be less than 0.
11. The Prepayment Amount is equal to the sum of the Bond Redemption Amount, the Redemption Premium, the Defeasance, and the Administrative Fee, less the Reserve Fund Credit.

With respect to an Annual Special Tax obligation that is prepaid pursuant to this Section G, the Board shall indicate in the records of IA A of CFD No. 99-1 that there has been a prepayment of the Annual Special Tax obligation and shall cause a suitable notice to be recorded in compliance with the Act to indicate the prepayment of the Annual Special Tax obligation and the release of the Annual Special Tax lien on such Assessor’s Parcel, and the obligation of such Assessor’s Parcel to pay such Annual Special Taxes shall cease.

Notwithstanding the foregoing, no prepayment will be allowed unless the amount of Annual Special Taxes that may be levied on Taxable Property, net of Administrative Expenses, 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 Board.

SECTION H PARTIAL PREPAYMENT OF ANNUAL SPECIAL TAXES

The Annual Special Tax obligation of an Assessor’s Parcel, as calculated in Section H.2. below, may be partially prepaid at the times and under the conditions set forth in this section, provided that there are no delinquent Special Taxes, penalties, or interest charges outstanding with respect to such Assessor’s Parcel at the time the Annual Special Tax obligation would be prepaid.

1. Partial Prepayment Times and Conditions

Prior to the issuance of the first Building Permit for the construction of a production Unit on a Lot within a Final Map area, the owner of no less than all the Taxable Property within such Final Map area may elect in writing to the Board to prepay a portion of the Annual Special Tax obligations for all the Assessor’s Parcels within such Final Map area, as calculated in Section H.2. below. The partial

prepayment of each Annual Special Tax obligation shall be collected prior to the issuance of the first Building Permit with respect to each Assessor's Parcel.

2. Partial Prepayment Amount

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

$$PP = P_G \times F$$

The terms above have the following meanings:

- PP = the Partial Prepayment Amount
- P_G = the Prepayment Amount calculated according to Section G
- F = the percent by which the owner of the Assessor's Parcel is partially prepaying the Annual Special Tax obligation

3. Partial Prepayment Procedures and Limitations

With respect to any Assessor's Parcel that is partially prepaid, the Board shall indicate in the records of IA A of CFD No. 99-1 that there has been a partial prepayment of the Annual Special Tax obligation and shall cause a suitable notice to be recorded in compliance with the Act to indicate the partial prepayment of the Annual Special Tax obligation and the partial release of the Annual Special Tax lien on such Assessor's Parcel, and the obligation of such Assessor's Parcel to pay such prepaid portion of the Annual Special Tax shall cease.

Notwithstanding the foregoing, no partial prepayment will be allowed unless the amount of Annual Special Taxes that may be levied on Taxable Property after such partial prepayment, net of Administrative Expenses, 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.

**SECTION I
TERMINATION OF SPECIAL TAX**

Annual Special Taxes shall be levied for a period of thirty (30) Fiscal Years after Bonds have been issued, provided that Annual Special Taxes shall not be levied after Fiscal Year 2045-46.

**SECTION J
EXEMPTIONS**

The Board shall classify as Exempt Property (i) Assessor's Parcels owned by the State of California, Federal or other local governments, (ii) Assessor's Parcels which are used as places of worship and are exempt from *ad valorem* property taxes because they are owned by a religious organization, (iii) Assessor's Parcels used exclusively by a homeowners' association, (iv) Assessor's Parcels with public or utility easements making impractical their utilization for other than the purposes set forth in the easement, (v) Assessor's Parcels developed or expected to be developed exclusively for non-residential use, including any use directly servicing any non-residential property, such as parking, as reasonably determined by the Board, and (vi) any other Assessor's Parcels at the reasonable discretion of the Board, provided that no such classification would reduce the sum of all Taxable Property to less than 71.40 acres of Acreage. Notwithstanding the above, the Board shall not classify an Assessor's Parcel as Exempt Property if such classification would reduce the sum of all Taxable Property to less than 71.40 acres of 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 71.40 acres of Acreage will continue to be classified as Developed Property or Undeveloped Property, as applicable, and will continue to be subject to Special Taxes accordingly.

**SECTION K
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 Board not later than twelve months after having paid the first installment of the Special Tax that is disputed. A representative(s) of IA A of CFD No. 99-1 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 Annual Special Tax on that Assessor's Parcel in the subsequent Fiscal Year(s).

**SECTION L
MANNER OF COLLECTION**

The Annual Special Tax shall be collected in the same manner and at the same time as ordinary *ad valorem* property taxes, provided, however, that IA A of CFD No. 99-1 may collect Annual Special Taxes at a different time or in a different manner if necessary to meet its financial obligations.

**FIRST AMENDED RATE AND METHOD OF APPORTIONMENT FOR
COMMUNITY FACILITIES DISTRICT NO. 99-1
OF MENIFEE UNION SCHOOL DISTRICT**

The following sets forth the First Amended Rate and Method of Apportionment for the levy and collection of Special Taxes of Meniffee Union School District (“School District”) Community Facilities District No. 99-1 (“CFD No. 99-1”). Subject to approval by the School District and a two-thirds vote of the eligible electors within CFD No. 99-1, this First Amended Rate and Method of Apportionment shall replace the Rate and Method of Apportionment attached to Resolution 1999-00/10 adopted by the School District on December 14, 1999. Subject to the foregoing, Annual Special Taxes shall be levied on and collected in CFD No. 99-1 each Fiscal Year, in an amount determined through the application of the First Amended Rate and Method of Apportionment described below, and all of the real property in CFD No. 99-1, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent, and in the manner herein provided.

**SECTION A
DEFINITIONS**

The terms hereinafter set forth have the following meanings:

“**Acreage**” means the land area of an Assessor’s Parcel as shown on an Assessor’s Parcel Map or as calculated from the applicable Assessor’s Parcel Map by the Board.

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

“**Administrative Expenses**” means any ordinary and necessary expense incurred by the School District on behalf of CFD No. 99-1 related to the determination of the amount of the levy of Special Taxes, the collection of Special Taxes including the expenses of collecting delinquencies, the administration of Bonds, the payment of salaries and benefits of any School District employee whose duties are directly related to the administration of CFD No. 99-1, and costs otherwise incurred in order to carry out the authorized purposes of CFD No. 99-1.

“**Annual Special Tax**” means the Special Tax actually levied in any Fiscal Year on any Assessor’s Parcel.

“**Assessor’s Parcel**” means a lot or parcel of land designated on an Assessor’s Parcel Map with an assigned Assessor’s Parcel Number within the boundaries of CFD No. 99-1.

“**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 below.

“**Backup Annual Special Tax**” means the Special Tax of that name described in Section E below.

“**Board**” means the Board of Education of Meniffee Union School District or its designee as the legislative body of CFD No. 99-1.

“**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, which obligation may be incurred by CFD No. 99-1 or the School District.

“Building Permit” means a permit for the construction of one or more Units. For purposes of this definition, “Building Permit” shall not include permits for construction or installation of commercial/industrial structures, parking structures, retaining walls, utility improvements, or other such improvements not intended for human habitation.

“Calendar Year” means the period commencing January 1 of any year and ending the following December 31.

“County” means the County of Riverside.

“Developed Property” means all Assessor’s Parcels for which Building Permits were issued on or before April 1 of the prior Fiscal Year, provided that such Assessor’s Parcels were created on or before January 1 of the prior Fiscal Year and that each such Assessor’s Parcel is associated with a Lot, as determined reasonably by the Board.

“Exempt Property” means all Assessor’s Parcels designated as being exempt from Special Taxes in Section J.

“Final Map” means a final tract map, parcel map, lot line adjustment, or functionally equivalent map or instrument that creates building sites, recorded in the County Office of the Recorder.

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

“Lot” means an individual legal lot created by a Final Map for which a Building Permit has been or could be issued, provided that land for which one or more Building Permits have been or could be issued for the construction of one or more model Units shall not be construed as a Lot until such land has been subdivided by a Final Map.

“Maximum Special Tax” means the maximum Special Tax, determined in accordance with Section C, that can be levied by CFD No. 99-1 in any Fiscal Year on any Assessor’s Parcel.

“Minimum Acreage” means for each Zone the Acreage applicable to such Zone as listed in Table 3 below.

“Partial Prepayment Amount” means the amount required to prepay a portion of the Annual Special Tax obligation for an Assessor’s Parcel, as described in Section H.

“Prepayment Amount” means the amount required to prepay the Annual Special Tax obligation in full for an Assessor’s Parcel, as described in Section G.

“Proportionately” means that the ratio of the actual Annual Special Tax levy to the applicable Special Tax is equal for all applicable Assessor’s Parcels.

“Special Tax” means any of the special taxes authorized to be levied by CFD No. 99-1 pursuant to the Act.

“Taxable Property” means all Assessor’s Parcels which are not Exempt Property.

“Undeveloped Property” means all Assessor’s Parcels of Taxable Property which are not Developed Property.

“Unit” means each separate residential dwelling unit which comprises an independent facility capable of conveyance separate from adjacent residential dwelling units.

“Zone” means Zone 1 or 2, as applicable.

“**Zone 1**” means the area designated as Zone 1 on the Zone Map of CFD No. 99-1, attached hereto as Section M, as amended from time to time at the discretion of the Board.

“**Zone 1 Special Tax Requirement**” means the amount required in any Fiscal Year to pay: (i) debt service, lease payments, or other periodic costs on all outstanding Bonds issued with respect to Zone 1, (ii) Administrative Expenses allocable to Zone 1, (iii) the costs associated with the release of funds from an escrow account established for Zone 1, and (iv) any amount required to establish or replenish any reserve funds established in association with the Bonds issued with respect to Zone 1, less (v) amounts on deposit in any fund or account which are available to pay debt service, lease payments, or other periodic costs on all outstanding Bonds issued with respect to Zone 1 pursuant to any applicable fiscal agent agreement.

“**Zone 2**” means the area designated as Zone 2 on the Zone Map of CFD No. 99-1, attached hereto as Section M, as amended from time to time at the discretion of the Board.

“**Zone 2 Special Tax Requirement**” means the amount required in any Fiscal Year to pay: (i) debt service, lease payments, or other periodic costs on all outstanding Bonds issued with respect to Zone 2, (ii) Administrative Expenses allocable to Zone 2, (iii) the costs associated with the release of funds from an escrow account established for Zone 2, and (iv) any amount required to establish or replenish any reserve funds established in association with the Bonds issued with respect to Zone 2, less (v) amounts on deposit in any fund or account which are available to pay debt service, lease payments, or other periodic costs on all outstanding Bonds issued with respect to Zone 2 pursuant to any applicable fiscal agent agreement.

SECTION B CLASSIFICATION OF ASSESSOR’S PARCELS

For each Fiscal Year, beginning with Fiscal Year 2000-2001, each Assessor’s Parcel within CFD No. 99-1 shall be classified as Developed Property, Undeveloped Property, or Exempt Property. In addition, each Assessor’s Parcel shall be assigned to Zone 1 or Zone 2.

SECTION C MAXIMUM SPECIAL TAXES

1. Developed Property

The Maximum Special Tax for each Assessor’s Parcel classified as Developed Property in Zone 1 or Zone 2 for any Fiscal Year shall be the amount determined by the greater of (i) the application of the Assigned Annual Special Tax or (ii) the application of the Backup Annual Special Tax.

2. Undeveloped Property

The Maximum Special Tax for each Assessor’s Parcel classified as Undeveloped Property in Zone 1 or Zone 2 for any Fiscal Year shall be the amount determined by the application of the Assigned Annual Special Tax.

SECTION D ASSIGNED ANNUAL SPECIAL TAXES

1. Developed Property

The Assigned Annual Special Tax applicable to an Assessor’s Parcel of Developed Property in Zone 1 or Zone 2 for any Fiscal Year shall be \$1,045.00 per Unit.

2. Undeveloped Property

The Assigned Annual Special Tax applicable to an Assessor's Parcel of Undeveloped Property in Zone 1 or Zone 2 for any Fiscal Year shall be determined pursuant to Table 1 below.

TABLE 1
Undeveloped Property
Assigned Annual Special Tax

Zone	Assigned Annual Special Tax
Zone 1	\$6,786.39 per acre of Acreage
Zone 2	\$6,556.86 per acre of Acreage

SECTION E
BACKUP ANNUAL SPECIAL TAXES

The Backup Annual Special Tax applicable to each Assessor's Parcel of Developed Property for any Fiscal Year will be determined pursuant to Table 2 below.

TABLE 2
Developed Property
Backup Annual Special Tax

Zone	Backup Annual Special Tax
Zone 1	\$0.1558 per square foot of Acreage
Zone 2	\$0.1505 per square foot of Acreage

SECTION F
METHOD OF APPORTIONMENT OF THE ANNUAL SPECIAL TAX

Commencing Fiscal Year 2000-01 and for each subsequent Fiscal Year, the Board shall levy Annual Special Taxes as follows:

1. Zone 1 Special Tax Requirement

Step One: The Board shall levy an Annual Special Tax on each Assessor's Parcel of Developed Property in Zone 1 in an amount equal to the Assigned Annual Special Tax applicable to each such Assessor's Parcel.

Step Two: If the sum of the amounts collected in step one is insufficient to satisfy the Zone 1 Special Tax Requirement, then the Board shall additionally levy an Annual Special Tax Proportionately on each Assessor's Parcel of Undeveloped Property in Zone 1, up to the Assigned Annual Special Tax applicable to each such Assessor's Parcel to satisfy the Zone 1 Special Tax Requirement.

Step Three: If the sum of the amounts collected in steps one and two is insufficient to satisfy the Zone 1 Special Tax Requirement, then the Board shall additionally levy an Annual Special Tax Proportionately on each Assessor's Parcel of Developed Property in

Zone 1, up to the Maximum Special Tax applicable to each such Assessor's Parcel to satisfy the Zone 1 Special Tax Requirement.

2. Zone 2 Special Tax Requirement

Step One: The Board shall levy an Annual Special Tax on each Assessor's Parcel of Developed Property in Zone 2 in an amount equal to the Assigned Annual Special Tax applicable to each such Assessor's Parcel.

Step Two: If the sum of the amounts collected in step one is insufficient to satisfy the Zone 2 Special Tax Requirement, then the Board shall additionally levy an Annual Special Tax Proportionately on each Assessor's Parcel of Undeveloped Property in Zone 2, up to the Assigned Annual Special Tax applicable to each such Assessor's Parcel to satisfy the Zone 2 Special Tax Requirement.

Step Three: If the sum of the amounts collected in steps one and two is insufficient to satisfy the Zone 2 Special Tax Requirement, then the Board shall additionally levy an Annual Special Tax Proportionately on each Assessor's Parcel of Developed Property in Zone 2, up to the Maximum Special Tax applicable to each such Assessor's Parcel to satisfy the Zone 2 Special Tax Requirement.

**SECTION G
PREPAYMENT OF ANNUAL SPECIAL TAXES**

The Annual Special Tax obligation of an Assessor's Parcel may be prepaid in full at the times and under the conditions set forth in this section, provided that there are no delinquent Special Taxes, penalties, or interest charges outstanding with respect to such Assessor's Parcel at the time the Annual Special Tax obligation would be prepaid.

1. Prepayment Times and Conditions

a. Undeveloped Property

Prior to the recordation of any Final Map in Zone 1 or Zone 2, the owner filing such Final Map for recordation may elect in writing to the Board to prepay the Annual Special Tax obligation in full for all the Assessor's Parcels to be created by such Final Map, provided that such Assessor's Parcels are expected to contain at least 25 Units, as determined reasonably by the Board. If such an election has been made, the applicable Prepayment Amount for each such Assessor's Parcel in such Zone shall be collected prior to the issuance of the first Building Permit for such Assessor's Parcel.

b. Developed Property

The owner of an Assessor's Parcel of Developed Property in Zone 1 or Zone 2 may prepay the Annual Special Tax obligation for such Assessor's Parcel in full in any Fiscal Year following the first Fiscal Year in which such Assessor's Parcel in such Zone was classified as Developed Property.

2. Bond Allocation

Each time Bonds are issued or Bond proceeds are released from an escrow account with respect to Zone 1 or Zone 2, as applicable, the original par value of such Bonds shall be allocated ratably to all Assessor's Parcels of Taxable Property in such Zone whose Maximum Special Taxes or portions

thereof are used in providing the minimum debt service coverage required for such Bonds, in proportion to each Assessor's Parcel's Maximum Special Tax or portion thereof that is used in providing the minimum debt service coverage required for such Bonds, which amounts shall be determined at the reasonable discretion of the Board. For purposes of this calculation, the Maximum Special Taxes deemed to be providing the minimum debt service coverage required for such Bonds may be less than the total Maximum Special Taxes in the applicable Zone.

If, after such allocations, the original par value amount of Bonds allocated to the Assessor's Parcel for which the Annual Special Tax obligation is to be prepaid is less than the Prepayment Amount that would be calculated for the Assessor's Parcel pursuant to Section G.3.a., then the Prepayment Amount for such Assessor's Parcel shall be calculated pursuant to Section G.3.a. Otherwise, the Prepayment Amount shall be calculated pursuant to Section G.3.b.

3. Prepayment Amount

a. Assessor's Parcels to Which Less than the Minimum Amount of Bonds Are Allocated

Any Prepayment Amount to be determined pursuant to this Section G.3.a. shall be \$9,115.00 per Unit in Zone 1 or Zone 2.

b. Assessor's Parcels to Which More than the Minimum Amount of Bonds Are Allocated

Any Prepayment Amount to be determined pursuant to this Section G.3.b. shall be determined pursuant to the following formula (capitalized terms defined below):

	Bond Redemption Amount
plus	Redemption Premium
plus	Defeasance
plus	Administrative Fee
less	<u>Reserve Fund Credit</u>
equals	Prepayment Amount

As of the date of prepayment, the Prepayment Amount shall be calculated as follows:

1. The Bond Redemption Amount for the Assessor's Parcel for which the Annual Special Tax obligation is to be prepaid shall be the original par value amount of Bonds allocated to such Assessor's Parcel pursuant to Section G.2. less the principal amount of Bonds retired with Annual Special Taxes collected with respect to such Assessor's Parcel, as determined reasonably by the Board.
2. Multiply the Bond Redemption Amount by the applicable redemption premium, if any, on the outstanding Bonds to be redeemed with the proceeds of the Bond Redemption Amount. This product is the "Redemption Premium."
3. Compute the amount needed to pay interest on the Bond Redemption Amount, the Redemption Premium, and the Reserve Fund Credit (see step 7) to be redeemed with the proceeds of the Prepayment Amount until the earliest call date for the outstanding Bonds.
4. Estimate the amount of interest earnings to be derived from the reinvestment of the Bond Redemption Amount plus the Redemption Premium until the earliest call date for the outstanding Bonds.

5. Subtract the amount computed pursuant to paragraph 4 from the amount computed pursuant to paragraph 3. This difference is the “Defeasance.”
6. Estimate the administrative fees and expenses associated with the prepayment, including the costs of computation of the Prepayment Amount, the costs of redeeming Bonds, and the costs of recording any notices to evidence the prepayment and the redemption. This amount is the “Administrative Fee.”
7. Calculate the reduction in the applicable reserve requirement resulting from the redemption of outstanding Bonds with the Prepayment Amount, provided that the balance of the applicable reserve fund is not less than the applicable reserve requirement. This amount is the “Reserve Fund Credit.” If the balance of the applicable reserve fund is less than the applicable reserve requirement, no Reserve Fund Credit shall be given.
8. The Prepayment Amount is equal to the sum of the Bond Redemption Amount, the Redemption Premium, the Defeasance, and the Administrative Fee, less the Reserve Fund Credit.

4. Prepayment Procedures and Limitations

The Annual Special Tax obligation of an Assessor’s Parcel which cannot be classified as Exempt Property because such classification would reduce the Acreage of all Taxable Property in any Zone to less than applicable Minimum Acreage may also be prepaid in full. The manner of each such prepayment will be determined by the Board prior to the time of such prepayment.

With respect to an Annual Special Tax obligation that is prepaid, the Board shall indicate in the records of CFD No. 99-1 that there has been a prepayment of the Annual Special Tax obligation and shall cause a suitable notice to be recorded in compliance with the Act within thirty (30) days of receipt of such prepayment of the Annual Special Tax obligation, to indicate the prepayment of the Annual Special Tax obligation and the release of the Annual Special Tax lien on such Assessor’s Parcel, and the obligation of such Assessor’s Parcel to pay such Annual Special Taxes shall cease.

Notwithstanding the foregoing, no prepayment will be allowed unless the amount of Assigned Annual Special Taxes applicable to Taxable Property in the affected Zone after such prepayment, net of Administrative Expenses, shall be at least 1.1 times the regularly scheduled annual interest and principal payments on all Bonds currently outstanding with respect to such Zone in each future Fiscal Year.

**SECTION H
PARTIAL PREPAYMENT OF ANNUAL SPECIAL TAXES**

The Annual Special Tax obligation of an Assessor’s Parcel may be partially prepaid at the times and under the conditions set forth in this section, provided that there are no delinquent Special Taxes, penalties, or interest charges outstanding with respect to such Assessor’s Parcel at the time the Annual Special Tax obligation would be prepaid.

1. Partial Prepayment Times and Conditions

Prior to any Final Map being recorded in Zone 1 or Zone 2, the owner filing such Final Map for recordation may elect in writing to the Board to prepay a portion of the Annual Special Tax obligations for all the Assessor’s Parcels that will be created by such Final Map, provided that such Assessor’s Parcels are expected to contain at least 25 Units, as determined reasonably by the Board. If

such an election has been made, the partial prepayment of each Annual Special Tax obligation shall be collected prior to the issuance of the first Building Permit for such Assessor's Parcel.

2. Partial Prepayment Amount

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

$$PP = P_G \times F.$$

These terms have the following meanings:

PP = the Partial Prepayment Amount

P_G = the Prepayment Amount calculated according to Section G

F = the percent by which the owner of the Assessor's Parcel is partially prepaying the Annual Special Tax obligation.

3. Partial Prepayment Procedures and Limitations

With respect to any Assessor's Parcel that is partially prepaid, the Board shall indicate in the records of CFD No. 99-1 that there has been a partial prepayment of the Annual Special Tax obligation and shall cause a suitable notice to be recorded in compliance with the Act within thirty (30) days of receipt of such partial prepayment of the Annual Special Tax obligation, to indicate the partial prepayment of Annual Special Tax obligation and the partial release of the Annual Special Tax lien on such Assessor's Parcel, and the obligation of such Assessor's Parcel to pay such prepaid portion of the Annual Special Tax shall cease.

Notwithstanding the foregoing, no partial prepayment will be allowed unless the amount of Assigned Annual Special Taxes applicable to Taxable Property in the affected Zone after such partial prepayment, net of Administrative Expenses, shall be at least 1.1 times the regularly scheduled annual interest and principal payments on all Bonds currently outstanding with respect to such Zone in each future Fiscal Year.

**SECTION I
TERMINATION OF SPECIAL TAX**

Annual Special Taxes shall be levied for a period of thirty (30) Fiscal Years after Bonds have been issued with respect to Zone 2, provided that Annual Special Taxes shall not be levied after 2045-46.

**SECTION J
EXEMPTIONS**

The Board shall classify as Exempt Property (i) Assessor's Parcels owned by the State of California, Federal or other local governments, (ii) Assessor's Parcels which are used as places of worship and are exempt from *ad valorem* property taxes because they are owned by a religious organization, (iii) Assessor's Parcels used exclusively by a homeowners' association, (iv) Assessor's Parcels with public or utility easements making impractical their utilization for other than the purposes set forth in the easement or (v) other types of Assessor's Parcels, at the reasonable discretion of the Board, provided that no such classification would reduce the Acreage of all Taxable Property in any Zone to less than the applicable Acreage shown in Table 3. Notwithstanding the above, the Board shall not classify an Assessor's Parcel as Exempt Property if such classification would reduce the Acreage of all Taxable Property in any Zone to less than the applicable Acreage shown in Table 3. Assessor's Parcels which cannot be classified as Exempt Property because such classification would reduce the Acreage of all Taxable Property in any Zone to less than the applicable

Acreage shown in Table 3 will continue to be classified as Developed Property or Undeveloped Property, as applicable, and will continue to be subject to Special Taxes accordingly.

TABLE 3
Taxable Property
Minimum Acreage

Zone	Acreage
Zone 1	60.67 acres of Acreage
Zone 2	71.40 acres of Acreage

SECTION K
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 Board not later than twelve months after having paid the first installment of the Special Tax that is disputed. A representative(s) of CFD No. 99-1 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 Annual Special Tax on that Assessor's Parcel in the subsequent Fiscal Year(s).

SECTION L
MANNER OF COLLECTION

The Annual Special Tax shall be collected in the same manner and at the same time as ordinary *ad valorem* property taxes, provided, however, that CFD No. 99-1 may collect Annual Special Taxes at a different time or in a different manner if necessary to meet its financial obligations.

SECTION M
ZONE MAP

(see attachment)

**FIRST AMENDED RATE AND METHOD OF APPORTIONMENT FOR
COMMUNITY FACILITIES DISTRICT NO. 2002-1
OF MENIFEE UNION SCHOOL DISTRICT**

The following sets forth the First Amended Rate and Method of Apportionment for the levy and collection of Special Taxes of Meniffee Union School District (“School District”) in Community Facilities District (“CFD”) No. 2002-1. An Annual Special Tax shall be levied on and collected in CFD No. 2002-1 each Fiscal Year, in an amount determined through the application of the First Amended Rate and Method of Apportionment described below. All of the real property in CFD No. 2002-1, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent, and in the manner herein provided.

**SECTION A
DEFINITIONS**

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 Board may rely on the land area shown on the applicable final map, parcel map, condominium plan, or other recorded County parcel map.

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

“**Administrative Expenses**” means any ordinary and necessary expense incurred by the School District on behalf of CFD No. 2002-1 related to the determination of the amount of the levy of Special Taxes, the collection of Special Taxes including the expenses of collecting delinquencies, the administration of Bonds, the payment of salaries and benefits of any School District employee whose duties are directly related to the administration of CFD No. 2002-1, and costs otherwise incurred in order to carry out the authorized purposes of CFD No. 2002-1.

“**Annual Special Tax**” means the Special Tax actually levied in any Fiscal Year on any Assessor’s Parcel.

“**Assessor’s Parcel**” means a lot or parcel of land designated on an Assessor’s Parcel Map with an assigned Assessor’s Parcel Number within the boundaries of CFD No. 2002-1.

“**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 below.

“**Backup Annual Special Tax**” means the Special Tax of that name described in Section E below.

“**Board**” means the Governing Board of Meniffee Union School District or its designee as the legislative body of CFD No. 2002-1.

“**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, which obligation may be incurred by CFD No. 2002-1 or the School District.

“Building Permit” means a permit for the construction of one or more Units. For purposes of this definition, “Building Permit” shall not include permits for construction or installation of commercial/industrial structures, parking structures, retaining walls, utility improvements, or other such improvements not intended for human habitation.

“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, or other structures not used as living space, as determined by reference to the Building Permit for such Unit.

“Calendar Year” means the period commencing January 1 of any year and ending the following December 31.

“County” means the County of Riverside

“Developed Property” means all Assessor’s Parcels of Taxable Property for which Building Permits were issued 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 and that each such Assessor’s Parcel is associated with a Lot, as determined reasonably by the Board.

“Exempt Property” means all Assessor’s Parcels designated as being exempt from Special Taxes in Section J.

“Final Map” means a final tract map, parcel map, lot line adjustment, or functionally equivalent map or instrument that creates building sites, recorded in the County Office of the Recorder.

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

“Lot” means an individual legal lot created by a Final Map for which a Building Permit could be issued.

“Maximum Special Tax” means the maximum Special Tax, determined in accordance with Section C, that can be levied by CFD No. 2002-1 in any Fiscal Year on any Assessor’s Parcel.

“Minimum Annual 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 of CFD No. 2002-1, (iii) the costs associated with the release of funds from an escrow account, and (iv) any amount required to establish or replenish any reserve funds established in association with the Bonds, less (v) any amount available to pay debt service or other periodic costs on the Bonds pursuant to any applicable bond indenture, fiscal agent agreement, or trust agreement.

“Partial Prepayment Amount” means the amount required to prepay a portion of the Annual Special Tax obligation for an Assessor’s Parcel, as described in Section H.

“Prepayment Amount” means the amount required to prepay the Annual Special Tax obligation in full for an Assessor’s Parcel, as described in Section G.

“Proportionately” means that the ratio of the actual Annual Special Tax levy to the applicable Special Tax is equal for all applicable Assessor’s Parcels.

“Special Tax” means any of the special taxes authorized to be levied by CFD No. 2002-1 pursuant to the Act.

“Taxable Property” means all Assessor’s Parcels which are not Exempt Property.

“Undeveloped Property” means all Assessor’s Parcels of Taxable Property which are not Developed Property.

“Unit” means each separate residential dwelling unit which comprises an independent facility capable of conveyance separate from adjacent residential dwelling units.

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

For each Fiscal Year, beginning with Fiscal Year 2002-03, each Assessor’s Parcel within CFD No. 2002-1 shall be classified as Taxable Property or Exempt Property. Furthermore, each Assessor’s Parcel of Taxable Property shall be classified as Developed Property or Undeveloped Property.

**SECTION C
MAXIMUM SPECIAL TAXES**

1. Developed Property

The Maximum Special Tax for each Assessor’s Parcel classified as Developed Property for any Fiscal Year shall be the amount determined by the greater of (i) the application of the Assigned Annual Special Tax or (ii) the application of the Backup Annual Special Tax.

2. Undeveloped Property

The Maximum Special Tax for each Assessor’s Parcel classified as Undeveloped Property for any Fiscal Year shall be the amount determined by the application of the Assigned Annual Special Tax.

**SECTION D
ASSIGNED ANNUAL SPECIAL TAXES**

1. Developed Property

The Assigned Annual Special Tax in any Fiscal Year for each Assessor’s Parcel of Developed Property shall be the amount determined by reference to Table 1.

TABLE 1

<i>ASSIGNED ANNUAL SPECIAL TAX FOR DEVELOPED PROPERTY</i>	
Building Square Feet	Assigned Annual Special Tax
< 1,800 BSF	\$747.50 per Unit
1,801 – 2,000 BSF	\$824.39 per Unit
2,001 – 2,200 BSF	\$858.57 per Unit
2,201 – 2,400 BSF	\$884.20 per Unit
2,401 – 2,600 BSF	\$944.00 per Unit
2,601 – 2,750 BSF	\$1,025.16 per Unit
2,751 – 3,000 BSF	\$1,106.32 per Unit
3,001 – 3,250 BSF	\$1,217.39 per Unit
>3,250 BSF	\$1,345.54 per Unit

2. Undeveloped Property

Each Fiscal Year, each Assessor's Parcel of Undeveloped Property shall be subject to an Assigned Annual Special Tax. The Assigned Annual Special Tax rate in any Fiscal Year for an Assessor's Parcel classified as Undeveloped Property shall be \$5,717.83 per acre of Acreage.

**SECTION E
BACKUP ANNUAL SPECIAL TAXES**

Each Fiscal Year, each Assessor's Parcel of Developed Property shall be subject to a Backup Annual Special Tax. The Backup Annual Special Tax rate in any Fiscal Year for Developed Property within a Final Map shall be the rate per Lot calculated according to the following formula:

$$B = \frac{U \times A}{L}$$

The terms above have the following meanings:

- B = Backup Annual Special Tax per Lot in each Fiscal Year
- U = Assigned Annual Special Tax per acre of Acreage for Undeveloped Property
- A = Acreage of Taxable Property in such Final Map, as determined by the Board pursuant to Section J
- L = Lots in the Final Map

Notwithstanding the foregoing, if all or any portion of the Final Map(s) described in the preceding paragraph is subsequently changed or modified, then the Backup Annual Special Tax for each Assessor's Parcel of Developed Property in such Final Map area that is changed or modified shall be a rate per square foot of Acreage calculated as follows:

1. Determine the total Backup Annual Special Taxes anticipated to apply to the changed or modified Final Map area prior to the change or modification.
2. The result of paragraph 1 above shall be divided by the Acreage of Taxable Property which is ultimately expected to exist in such changed or modified Final Map area, as reasonably determined by the Board.
3. The result of paragraph 2 above shall be divided by 43,560. The result is the Backup Annual Special Tax per square foot of Acreage which shall be applicable to Assessor's Parcels of Developed Property in such changed or modified Final Map area for all remaining Fiscal Years in which the Special Tax may be levied.

**SECTION F
METHOD OF APPORTIONMENT OF THE ANNUAL SPECIAL TAX**

Commencing Fiscal Year 2002-03 and for each subsequent Fiscal Year, the Board shall levy Annual Special Taxes as follows:

- Step One: The Board shall levy an Annual Special Tax on each Assessor's Parcel of Developed Property in an amount equal to the Assigned Annual Special Tax applicable to each such Assessor's Parcel.
- Step Two: If the sum of the amounts collected in step one is insufficient to satisfy the Minimum Annual Special Tax Requirement, then the Board shall additionally levy an Annual Special Tax

Proportionately on each Assessor's Parcel of Undeveloped Property, up to the Assigned Annual Special Tax applicable to each such Assessor's Parcel, to satisfy the Minimum Annual Special Tax Requirement.

Step Three: If the sum of the amounts collected in steps one and two is insufficient to satisfy the Minimum Annual Special Tax Requirement, then the Board shall additionally levy an Annual Special Tax Proportionately on each Assessor's Parcel of Developed Property, up to the Maximum Special Tax applicable to each such Assessor's Parcel, to satisfy the Minimum Annual Special Tax Requirement.

SECTION G PREPAYMENT OF ANNUAL SPECIAL TAXES

The Annual Special Tax obligation of an Assessor's Parcel, as calculated in Section G.2. below, may be prepaid in full at the times and under the conditions set forth in this Section G, provided that there are no delinquent Special Taxes, penalties, or interest charges outstanding with respect to such Assessor's Parcel at the time the Annual Special Tax obligation would be prepaid.

1. Prepayment Times and Conditions

a. Undeveloped Property

Prior to the issuance of a Building Permit for the construction of a production Unit on a Lot within a Final Map area, the owner of no less than all the Taxable Property within such Final Map area may elect in writing to the Board to prepay the Annual Special Tax obligations for all the Assessor's Parcels within such Final Map area in full, as calculated in Section G.2. below. The prepayment of the Annual Special Tax obligation for each such Assessor's Parcel shall be collected prior to the issuance of the Building Permit with respect to such Assessor's Parcel.

b. Developed Property

In any Fiscal Year following the first Fiscal Year in which such Assessor's Parcel was classified as Developed Property, the owner of such an Assessor's Parcel may prepay the Annual Special Tax obligation for such Assessor's Parcel in full, as calculated in Section G.2. below.

2. Prepayment Amount

The Prepayment Amount for an Assessor's Parcel eligible for prepayment shall be determined as described below.

a. Prior to Issuance of Bonds

The Prepayment Amount for each applicable Assessor's Parcel prior to the issuance of Bonds shall be determined by reference to Table 2.

TABLE 2

PREPAYMENT AMOUNT	
Building Square Feet	Prepayment Amount
< 1,800 BSF	\$8,521.91 per Unit
1,801 – 2,000 BSF	\$8,609.81 per Unit
2,001 – 2,200 BSF	\$8,648.88 per Unit
2,201 – 2,400 BSF	\$8,678.18 per Unit
2,401 – 2,600 BSF	\$8,746.55 per Unit
2,601 – 2,750 BSF	\$8,839.34 per Unit
2,751 – 3,000 BSF	\$8,932.13 per Unit
3,001 – 3,250 BSF	\$9,059.11 per Unit
>3,250 BSF	\$9,205.62 per Unit

b. Subsequent to Issuance of Bonds

Subsequent to the issuance of Bonds, the Prepayment Amount for each applicable Assessor's Parcel shall be calculated according to the following formula (capitalized terms defined below):

	Bond Redemption Amount
plus	Redemption Premium
plus	Defeasance
plus	Administrative Fee
<u>less</u>	<u>Reserve Fund Credit</u>
equals	Prepayment Amount

As of the date of prepayment, the Prepayment Amount shall be calculated as follows:

1. For Assessor's Parcels of Developed Property, compute the sum of the Assigned Annual Special Taxes and the Backup Annual Special Taxes applicable to the Assessor's Parcel. For Assessor's Parcels of Undeveloped Property, compute the sum of the Assigned Annual Special Taxes and the Backup Annual Special Taxes applicable to the Assessor's Parcel as though it was already designated as Developed Property, based upon the Building Permit issued or to be issued for that Assessor's Parcel.
2. For each Assessor's Parcel of Developed Property or Undeveloped Property to be prepaid, (a) divide the sum of the Assigned Annual Special Taxes computed pursuant to paragraph 1 for such Assessor's Parcel by the sum of the estimated Assigned Annual Special Taxes applicable to all Assessor's Parcels of Developed Property at build out, as reasonably determined by the Board, and (b) divide the sum of Backup Annual Special Tax computed pursuant to paragraph 1 for such Assessor's Parcel by the sum of the estimated Backup Annual Special Taxes applicable to all Assessor's Parcels of Developed Property at build out, as reasonably determined by the Board.
3. The amount determined pursuant to Section G.2.b. shall be (a) increased by the portion of the Bonds allocable to costs of issuance, reserve fund deposits, and capitalized interest with respect to the applicable Assessor's Parcel and (b) reduced by the amount of regularly retired principal which is allocable to the applicable Assessor's Parcel, as determined by the Board. The result is the "Outstanding Gross

Prepayment Amount.” In no event shall any Annual Special Taxes determined to have been used to make a regularly scheduled principal payment on the Bonds be adjusted for any increase in any cost index or other basis subsequent to the date of the applicable principal payment.

4. Multiply the larger quotient computed pursuant to paragraph 2(a) or 2(b) by the face value of all outstanding Bonds. If the product is greater than the Outstanding Gross Prepayment Amount, then the product shall be the “Bond Redemption Amount.” If the product is less than the Outstanding Gross Prepayment Amount, then the Outstanding Gross Prepayment Amount shall be the “Bond Redemption Amount.”
5. Multiply the Bond Redemption Amount by the applicable redemption premium, if any, on the outstanding Bonds to be redeemed with the proceeds of the Bond Redemption Amount. This product is the “Redemption Premium.”
6. Compute the amount needed to pay interest on the Bond Redemption Amount, the Redemption Premium, and the Reserve Fund Credit (see step 10) to be redeemed with the proceeds of the Prepayment Amount until the earliest call date for the outstanding Bonds.
7. Estimate the amount of interest earnings to be derived from the reinvestment of the Bond Redemption Amount plus the Redemption Premium until the earliest call date for the outstanding Bonds.
8. Subtract the amount computed pursuant to paragraph 7 from the amount computed pursuant to paragraph 6. This difference is the “Defeasance.”
9. Estimate the administrative fees and expenses associated with the prepayment, including the costs of computation of the Prepayment Amount, the costs of redeeming Bonds, and the costs of recording any notices to evidence the prepayment and the redemption. This amount is the “Administrative Fee.”
10. Calculate the “Reserve Fund Credit” as the lesser of: (a) the expected reduction in the applicable reserve requirements, if any, associated with the redemption of outstanding Bonds as a result of the prepayment, or (b) the amount derived by subtracting the new reserve requirements in effect after the redemption of outstanding Bonds as a result of the prepayment from the balance in the applicable reserve funds on the prepayment date. Notwithstanding the foregoing, if the reserve fund requirement is satisfied by a surety bond or other instrument at the time of the prepayment, then no Reserve Fund Credit shall be given. Notwithstanding the foregoing, the Reserve Fund Credit shall in no event be less than 0.
11. The Prepayment Amount is equal to the sum of the Bond Redemption Amount, the Redemption Premium, the Defeasance, and the Administrative Fee, less the Reserve Fund Credit.

With respect to an Annual Special Tax obligation that is prepaid pursuant to this Section G, the Board shall indicate in the records of CFD No. 2002-1 that there has been a prepayment of the Annual Special Tax obligation and shall cause a suitable notice to be recorded in compliance with the Act to indicate the prepayment of the Annual Special Tax obligation and the release of the Annual Special Tax lien on such Assessor’s Parcel, and the obligation of such Assessor’s Parcel to pay such Annual Special Taxes shall cease.

Notwithstanding the foregoing, no prepayment will be allowed unless the amount of Annual Special Taxes that may be levied on Taxable Property, net of Administrative Expenses, 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 Board.

**SECTION H
PARTIAL PREPAYMENT OF ANNUAL SPECIAL TAXES**

The Annual Special Tax obligation of an Assessor's Parcel, as calculated in Section H.2. below, may be partially prepaid at the times and under the conditions set forth in this section, provided that there are no delinquent Special Taxes, penalties, or interest charges outstanding with respect to such Assessor's Parcel at the time the Annual Special Tax obligation would be prepaid.

1. Partial Prepayment Times and Conditions

Prior to the issuance of the first Building Permit for the construction of a production Unit on a Lot within a Final Map area, the owner of no less than all the Taxable Property within such Final Map area may elect in writing to the Board to prepay a portion of the Annual Special Tax obligations for all the Assessor's Parcels within such Final Map area, as calculated in Section H.2. below. The partial prepayment of each Annual Special Tax obligation shall be collected prior to the issuance of the first Building Permit with respect to each Assessor's Parcel.

2. Partial Prepayment Amount

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

$$PP = P_G \times F$$

The terms above have the following meanings:

PP = the Partial Prepayment Amount

P_G = the Prepayment Amount calculated according to Section G

F = the percent by which the owner of the Assessor's Parcel is partially prepaying the Annual Special Tax obligation

3. Partial Prepayment Procedures and Limitations

With respect to any Assessor's Parcel that is partially prepaid, the Board shall indicate in the records of CFD No. 2002-1 that there has been a partial prepayment of the Annual Special Tax obligation and shall cause a suitable notice to be recorded in compliance with the Act to indicate the partial prepayment of the Annual Special Tax obligation and the partial release of the Annual Special Tax lien on such Assessor's Parcel, and the obligation of such Assessor's Parcel to pay such prepaid portion of the Annual Special Tax shall cease.

Notwithstanding the foregoing, no partial prepayment will be allowed unless the amount of Annual Special Taxes that may be levied on Taxable Property after such partial prepayment, net of Administrative Expenses, 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.

**SECTION I
TERMINATION OF SPECIAL TAX**

Annual Special Taxes shall be levied for a period of thirty-five (35) Fiscal Years after Bonds have been issued, provided that Annual Special Taxes shall not be levied after Fiscal Year 2039-40.

**SECTION J
EXEMPTIONS**

The Board shall classify as Exempt Property (i) Assessor's Parcels owned by the State of California, Federal or other local governments, (ii) Assessor's Parcels which are used as places of worship and are exempt from *ad valorem* property taxes because they are owned by a religious organization, (iii) Assessor's Parcels used exclusively by a homeowners' association, (iv) Assessor's Parcels with public or utility easements making impractical their utilization for other than the purposes set forth in the easement, (v) Assessor's Parcels developed or expected to be developed exclusively for non-residential use, including any use directly servicing any non-residential property, such as parking, as reasonably determined by the Board, and (vi) any other Assessor's Parcels at the reasonable discretion of the Board, provided that no such classification would reduce the sum of all Taxable Property to less than 71.80 acres of Acreage. Notwithstanding the above, the Board shall not classify an Assessor's Parcel as Exempt Property if such classification would reduce the sum of all Taxable Property to less than 71.80 acres of 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 71.80 acres of Acreage will continue to be classified as Developed Property or Undeveloped Property, as applicable, and will continue to be subject to Special Taxes accordingly. No portion of an Assessor's Parcel whose total Acreage, if such Assessor's Parcel were classified as Exempt Property, would reduce the Acreage of all Taxable Property to less than 71.80 acres of Acreage shall be exempted or excluded from the calculation of the Acreage of Taxable Property.

**SECTION K
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 Board not later than twelve months after having paid the first installment of the Special Tax that is disputed. A representative(s) of CFD No. 2002-1 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 Annual Special Tax on that Assessor's Parcel in the subsequent Fiscal Year(s).

**SECTION L
MANNER OF COLLECTION**

The Annual Special Tax shall be collected in the same manner and at the same time as ordinary *ad valorem* property taxes, provided, however, that CFD No. 2002-1 may collect Annual Special Taxes at a different time or in a different manner if necessary to meet its financial obligations.

**RATE AND METHOD OF APPORTIONMENT FOR
COMMUNITY FACILITIES DISTRICT NO. 2002-3
OF MENIFEE UNION SCHOOL DISTRICT**

The following sets forth the Rate and Method of Apportionment for the levy and collection of Special Taxes of Menifee Union School District (“School District”) in Community Facilities District (“CFD”) No. 2002-3. An Annual Special Tax shall be levied on and collected in CFD No. 2002-3 each Fiscal Year in an amount determined through the application of the Rate and Method of Apportionment described below. All of the real property in CFD No. 2002-3, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent, and in the manner herein provided.

**SECTION A
DEFINITIONS**

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 Board may rely on the land area shown on the applicable final map, parcel map, condominium plan, or other recorded County parcel map.

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

“**Administrative Expenses**” means any ordinary and necessary expense incurred by the School District on behalf of CFD No. 2002-3 related to the determination of the amount of the levy of Special Taxes, the collection of Special Taxes including the reasonable expenses of collecting delinquencies, the administration of Bonds, the payment of salaries and benefits of any School District employee whose duties are directly related to the administration of CFD No. 2002-3, and costs otherwise incurred in order to carry out the authorized purposes of CFD No. 2002-3.

“**Annual Special Tax**” means the Special Tax actually levied in any Fiscal Year on any Assessor’s Parcel.

“**Assessor’s Parcel**” means a lot or parcel of land designated on an Assessor’s Parcel Map with an assigned Assessor’s Parcel Number within the boundaries of CFD No. 2002-3.

“**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.

“**Backup Annual Special Tax**” means the Special Tax of that name described in Section E.

“**Board**” means the Governing Board of Menifee Union School District or its designee as the legislative body of CFD No. 2002-3.

“**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, which obligation may be incurred by CFD No. 2002-3 or the School District.

“Building Permit” means a permit for the construction of one or more Units. For purposes of this definition, “Building Permit” shall not include permits for construction or installation of commercial/industrial structures, parking structures, retaining walls, utility improvements, or other such improvements not intended for human habitation.

“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, or other structures not used as living space, as determined by reference to the Building Permit for such Unit.

“Calendar Year” means the period commencing January 1 of any year and ending the following December 31.

“County” means the County of Riverside.

“Developed Property” means all Assessor’s Parcels of Taxable Property for which Building Permits were issued 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 and that each such Assessor’s Parcel is associated with a Lot, as determined reasonably by the Board.

“Exempt Property” means all Assessor’s Parcels designated as being exempt from Special Taxes in Section J.

“Final Map” means a final tract map, parcel map, lot line adjustment, or functionally equivalent map or instrument that creates building sites, recorded in the County Office of the Recorder.

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

“Lot” means an individual legal lot created by a Final Map for which a Building Permit could be issued.

“Maximum Special Tax” means the maximum Special Tax, determined in accordance with Section C, that can be levied by CFD No. 2002-3 in any Fiscal Year on any Assessor’s Parcel.

“Minimum Annual 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 of CFD No. 2002-3, (iii) the costs associated with the release of funds from an escrow account, and (iv) any amount required to establish or replenish any reserve funds established in association with the Bonds, less (v) any amount available to pay debt service or other periodic costs on the Bonds pursuant to any applicable bond indenture, fiscal agent agreement, or trust agreement.

“Partial Prepayment Amount” means the amount required to prepay a portion of the Annual Special Tax obligation for an Assessor’s Parcel, as described in Section H.

“Prepayment Amount” means the amount required to prepay the Annual Special Tax obligation in full for an Assessor’s Parcel, as described in Section G.

“Proportionately” means that the ratio of the actual Annual Special Tax levy to the applicable Special Tax is equal for all applicable Assessor’s Parcels.

“Special Tax” means any of the special taxes authorized to be levied by CFD No. 2002-3 pursuant to the Act.

“Taxable Property” means all Assessor’s Parcels which are not Exempt Property.

“Undeveloped Property” means all Assessor’s Parcels of Taxable Property which are not Developed Property.

“Unit” means each separate residential dwelling unit which comprises an independent facility capable of conveyance separate from adjacent residential dwelling units.

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

For each Fiscal Year, beginning with Fiscal Year 2003-04, each Assessor’s Parcel within CFD No. 2002-3 shall be classified as Taxable Property or Exempt Property. Furthermore, each Assessor’s Parcel of Taxable Property shall be classified as Developed Property or Undeveloped Property.

**SECTION C
MAXIMUM SPECIAL TAXES**

1. Developed Property

The Maximum Special Tax for each Assessor’s Parcel classified as Developed Property for any Fiscal Year shall be the amount determined by the greater of (i) the application of the Assigned Annual Special Tax or (ii) the application of the Backup Annual Special Tax.

2. Undeveloped Property

The Maximum Special Tax for each Assessor’s Parcel classified as Undeveloped Property for any Fiscal Year shall be the amount determined by the application of the Assigned Annual Special Tax.

**SECTION D
ASSIGNED ANNUAL SPECIAL TAXES**

1. Developed Property

The Assigned Annual Special Tax in any Fiscal Year for each Assessor’s Parcel of Developed Property shall be the amount determined by reference to Table 1.

TABLE 1

<i>ASSIGNED ANNUAL SPECIAL TAX FOR DEVELOPED PROPERTY</i>	
Building Square Feet	Assigned Annual Special Tax
< 2,000 BSF	\$1,595.24 per Unit
2,000 – 2,500 BSF	\$1,792.19 per Unit
2,501 – 2,750 BSF	\$1,921.84 per Unit
2,751 – 3,000 BSF	\$2,006.86 per Unit
3,001 – 3,300 BSF	\$2,124.68 per Unit
> 3,300 BSF	\$2,225.59 per Unit

2. Undeveloped Property

The Assigned Annual Special Tax rate in any Fiscal Year for an Assessor’s Parcel classified as Undeveloped Property shall be \$8,111.76 per acre of Acreage.

**SECTION E
BACKUP ANNUAL SPECIAL TAXES**

Each Fiscal Year, each Assessor's Parcel of Developed Property shall be subject to a Backup Annual Special Tax. The Backup Annual Special Tax rate in any Fiscal Year for Developed Property within a Final Map shall be the rate per Lot calculated according to the following formula:

$$B = \frac{U \times A}{L}$$

The terms above have the following meanings:

- B = Backup Annual Special Tax per Lot in each Fiscal Year
- U = Assigned Annual Special Tax per acre of Acreage for Undeveloped Property
- A = Acreage of Taxable Property in such Final Map, as determined by the Board pursuant to Section J
- L = Lots in the Final Map

Notwithstanding the foregoing, if all or any portion of the Final Map(s) described in the preceding paragraph is subsequently changed or modified, then the Backup Annual Special Tax for each Assessor's Parcel of Developed Property in such Final Map area that is changed or modified shall be a rate per square foot of Acreage calculated as follows:

1. Determine the total Backup Annual Special Taxes anticipated to apply to the changed or modified Final Map area prior to the change or modification.
2. The result of paragraph 1 above shall be divided by the Acreage of Taxable Property which is ultimately expected to exist in such changed or modified Final Map area, as reasonably determined by the Board.
3. The result of paragraph 2 above shall be divided by 43,560. The result is the Backup Annual Special Tax per square foot of Acreage which shall be applicable to Assessor's Parcels of Developed Property in such changed or modified Final Map area for all remaining Fiscal Years in which the Special Tax may be levied.

**SECTION F
METHOD OF APPORTIONMENT OF THE ANNUAL SPECIAL TAX**

Commencing Fiscal Year 2003-04 and for each subsequent Fiscal Year, the Board shall levy Annual Special Taxes as follows:

Step One: The Board shall levy an Annual Special Tax on each Assessor's Parcel of Developed Property in an amount equal to the Assigned Annual Special Tax applicable to each such Assessor's Parcel.

Step Two: If the sum of the amounts collected in step one is insufficient to satisfy the Minimum Annual Special Tax Requirement, then the Board shall Proportionately levy an Annual Special Tax on each Assessor's Parcel of Undeveloped Property up to the Assigned Annual Special Tax applicable to each such Assessor's Parcel to satisfy the Minimum Annual Special Tax Requirement.

Step Three: If the sum of the amounts collected in steps one and two is insufficient to satisfy the Minimum Annual Special Tax Requirement, then the Board shall Proportionately levy an

Annual Special Tax on each Assessor’s Parcel of Developed Property up to the Maximum Special Tax applicable to each such Assessor’s Parcel to satisfy the Minimum Annual Special Tax Requirement.

**SECTION G
PREPAYMENT OF ANNUAL SPECIAL TAXES**

The Annual Special Tax obligation of an Assessor’s Parcel, may be prepaid in full at the times and under the conditions set forth in this Section G, provided that there are no delinquent Special Taxes, penalties, or interest charges outstanding with respect to such Assessor’s Parcel at the time the Annual Special Tax obligation would be prepaid.

1. Prepayment Times and Conditions

a. Undeveloped Property

Prior to the issuance of a Building Permit for the construction of a production Unit on a Lot within a Final Map area, the owner of no less than all the Taxable Property within such Final Map area may elect in writing to the Board to prepay the Annual Special Tax obligations for all the Assessor’s Parcels within such Final Map area in full. The prepayment of the Annual Special Tax obligation for each such Assessor’s Parcel shall be collected prior to the issuance of the Building Permit with respect to such Assessor’s Parcel.

b. Developed Property

In any Fiscal Year, following the first Fiscal Year in which such Assessor’s Parcel was classified as Developed Property, the owner of such an Assessor’s Parcel may prepay the Annual Special Tax obligation for such Assessor’s Parcel in full, as calculated in Section G.2.

2. Prepayment Amount

The Prepayment Amount for an Assessor’s Parcel eligible for prepayment shall be determined as described below.

a. Prior to Issuance of Bonds

The Prepayment Amount for each applicable Assessor’s Parcel prior to the issuance of Bonds shall be determined by reference to Table 2.

TABLE 2

<i>PREPAYMENT AMOUNT</i>	
Building Square Feet	Prepayment Amount
< 2,000 BSF	\$14,517.87 per Unit
2,000 – 2,500 BSF	\$15,402.46 per Unit
2,501 – 2,750 BSF	\$15,984.75 per Unit
2,751 – 3,000 BSF	\$16,366.59 per Unit
3,001 – 3,300 BSF	\$16,895.79 per Unit
> 3,300 BSF	\$17,349.00 per Unit

b. Subsequent to Issuance of Bonds

Subsequent to the issuance of Bonds, the Prepayment Amount for each applicable Assessor's Parcel shall be calculated according to the following formula (capitalized terms defined below):

	Bond Redemption Amount
plus	Redemption Premium
plus	Defeasance
plus	Administrative Fee
less	<u>Reserve Fund Credit</u>
equals	Prepayment Amount

As of the date of prepayment, the Prepayment Amount shall be calculated as follows:

1. For Assessor's Parcels of Developed Property, compute the sum of the Assigned Annual Special Taxes and the Backup Annual Special Taxes applicable to the Assessor's Parcel. For Assessor's Parcels of Undeveloped Property, compute the sum of the Assigned Annual Special Taxes and the Backup Annual Special Taxes applicable to the Assessor's Parcel as though it was already designated as Developed Property, based upon the Building Permit issued or to be issued for that Assessor's Parcel.
2. For each Assessor's Parcel of Developed Property or Undeveloped Property to be prepaid, (a) divide the sum of the Assigned Annual Special Taxes computed pursuant to paragraph 1 for such Assessor's Parcel by the sum of the estimated Assigned Annual Special Taxes applicable to all Assessor's Parcels of Developed Property at build out, as reasonably determined by the Board, and (b) divide the sum of Backup Annual Special Tax computed pursuant to paragraph 1 for such Assessor's Parcel by the sum of the estimated Backup Annual Special Taxes applicable to all Assessor's Parcels of Developed Property at build out, as reasonably determined by the Board.
3. The amount determined pursuant to Section G.2.b. shall be (a) increased by the portion of the Bonds allocable to costs of issuance, reserve fund deposits, and capitalized interest with respect to the applicable Assessor's Parcel and (b) reduced by the amount of regularly retired principal which is allocable to the applicable Assessor's Parcel, as determined by the Board. The result is the "Outstanding Gross Prepayment Amount." In no event shall any Annual Special Taxes determined to have been used to make a regularly scheduled principal payment on the Bonds be adjusted for any increase in any cost index or other basis subsequent to the date of the applicable principal payment.
4. Multiply the larger quotient computed pursuant to paragraph 2(a) or 2(b) by the face value of all outstanding Bonds. If the product is greater than the Outstanding Gross Prepayment Amount, then the product shall be the "Bond Redemption Amount." If the product is less than the Outstanding Gross Prepayment Amount, then the Outstanding Gross Prepayment Amount shall be the "Bond Redemption Amount."
5. Multiply the Bond Redemption Amount by the applicable redemption premium, if any, on the outstanding Bonds to be redeemed with the proceeds of the Bond Redemption Amount. This product is the "Redemption Premium."

6. Compute the amount needed to pay interest on the Bond Redemption Amount, the Redemption Premium, and the Reserve Fund Credit (see step 10) to be redeemed with the proceeds of the Prepayment Amount until the earliest call date for the outstanding Bonds.
7. Estimate the amount of interest earnings to be derived from the reinvestment of the Bond Redemption Amount plus the Redemption Premium until the earliest call date for the outstanding Bonds.
8. Subtract the amount computed pursuant to paragraph 7 from the amount computed pursuant to paragraph 6. This difference is the “Defeasance.”
9. Estimate the administrative fees and expenses associated with the prepayment, including the costs of computation of the Prepayment Amount, the costs of redeeming Bonds, and the costs of recording any notices to evidence the prepayment and the redemption. This amount is the “Administrative Fee.”
10. Calculate the “Reserve Fund Credit” as the lesser of: (a) the expected reduction in the applicable reserve requirements, if any, associated with the redemption of outstanding Bonds as a result of the prepayment, or (b) the amount derived by subtracting the new reserve requirements in effect after the redemption of outstanding Bonds as a result of the prepayment from the balance in the applicable reserve funds on the prepayment date. Notwithstanding the foregoing, if the reserve fund requirement is satisfied by a surety bond or other instrument at the time of the prepayment, then no Reserve Fund Credit shall be given. Notwithstanding the foregoing, the Reserve Fund Credit shall in no event be less than 0.
11. The Prepayment Amount is equal to the sum of the Bond Redemption Amount, the Redemption Premium, the Defeasance, and the Administrative Fee, less the Reserve Fund Credit.

With respect to an Annual Special Tax obligation that is prepaid pursuant to this Section G, the Board shall indicate in the records of CFD No. 2002-3 that there has been a prepayment of the Annual Special Tax obligation and shall cause a suitable notice to be recorded in compliance with the Act to indicate the prepayment of the Annual Special Tax obligation and the release of the Annual Special Tax lien on such Assessor’s Parcel, and the obligation of such Assessor’s Parcel to pay such Annual Special Taxes shall cease.

Notwithstanding the foregoing, no prepayment will be allowed unless the amount of Annual Special Taxes that may be levied on Taxable Property, net of Administrative Expenses, 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 Board.

SECTION H PARTIAL PREPAYMENT OF ANNUAL SPECIAL TAXES

The Annual Special Tax obligation of an Assessor’s Parcel may be partially prepaid at the times and under the conditions set forth in this section, provided that there are no delinquent Special Taxes, penalties, or interest charges outstanding with respect to such Assessor’s Parcel at the time the Annual Special Tax obligation would be prepaid.

1. Partial Prepayment Times and Conditions

Prior to the issuance of the first Building Permit for the construction of a production Unit on a Lot within a Final Map area, the owner of no less than all the Taxable Property within such Final Map area may elect in writing to the Board to prepay a portion of the Annual Special Tax obligations for all the Assessor's Parcels within such Final Map area, as calculated in Section H.2. below. The partial prepayment of each Annual Special Tax obligation shall be collected prior to the issuance of the first Building Permit with respect to each Assessor's Parcel.

2. Partial Prepayment Amount

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

$$PP = P_G \times F$$

The terms above have the following meanings:

- PP = the Partial Prepayment Amount
- P_G = the Prepayment Amount calculated according to Section G
- F = the percent by which the owner of the Assessor's Parcel is partially prepaying the Annual Special Tax obligation

3. Partial Prepayment Procedures and Limitations

With respect to any Assessor's Parcel that is partially prepaid, the Board shall indicate in the records of CFD No. 2002-3 that there has been a partial prepayment of the Annual Special Tax obligation and shall cause a suitable notice to be recorded in compliance with the Act to indicate the partial prepayment of the Annual Special Tax obligation and the partial release of the Annual Special Tax lien on such Assessor's Parcel, and the obligation of such Assessor's Parcel to pay such prepaid portion of the Annual Special Tax shall cease. Additionally, the notice shall indicate that the Assigned Annual Special Tax and the Backup Annual Special Tax for the Assessor's Parcels have been reduced by an amount equal to the percentage which was partially prepaid.

Notwithstanding the foregoing, no partial prepayment will be allowed unless the amount of Annual Special Taxes that may be levied on Taxable Property after such partial prepayment, net of Administrative Expenses, 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.

**SECTION I
TERMINATION OF SPECIAL TAX**

Annual Special Taxes shall be levied for a period of thirty-three (33) Fiscal Years after Bonds have been issued, provided that Annual Special Taxes shall not be levied after Fiscal Year 2036-37.

**SECTION J
EXEMPTIONS**

The Board shall classify as Exempt Property (i) Assessor's Parcels owned by the State of California, Federal or other local governments, (ii) Assessor's Parcels which are used as places of worship and are exempt from *ad valorem* property taxes because they are owned by a religious organization, (iii) Assessor's Parcels used exclusively by a homeowners' association, (iv) Assessor's Parcels with public or utility easements making impractical their utilization for other than the purposes set forth in the easement, (v) Assessor's Parcels developed or expected to be developed exclusively for non-residential use, including any use directly servicing

any non-residential property, such as parking, as reasonably determined by the Board, and (vi) any other Assessor's Parcels at the reasonable discretion of the Board, provided that no such classification would reduce the sum of all Taxable Property to less than 40.35 acres of Acreage. Notwithstanding the above, the Board shall not classify an Assessor's Parcel as Exempt Property if such classification would reduce the sum of all Taxable Property to less than 40.35 acres of 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 40.35 acres of Acreage will continue to be classified as Developed Property or Undeveloped Property, as applicable, and will continue to be subject to Special Taxes accordingly.

SECTION K 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 Board not later than twelve months after having paid the first installment of the Special Tax that is disputed. A representative(s) of CFD No. 2002-3 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 Annual Special Tax on that Assessor's Parcel in the subsequent Fiscal Year(s).

SECTION L MANNER OF COLLECTION

The Annual Special Tax shall be collected in the same manner and at the same time as ordinary *ad valorem* property taxes, provided, however, that CFD No. 2002-3 may collect Annual Special Taxes at a different time or in a different manner if necessary to meet its financial obligations.

**RATE AND METHOD OF APPORTIONMENT FOR
COMMUNITY FACILITIES DISTRICT NO. 2003-3
OF MENIFEE UNION SCHOOL DISTRICT**

The following sets forth the Rate and Method of Apportionment for the levy and collection of Special Taxes of Menifee Union School District (“School District”) in Community Facilities District (“CFD”) No. 2003-3. An Annual Special Tax shall be levied on and collected in CFD No. 2003-3 each Fiscal Year in an amount determined through the application of the Rate and Method of Apportionment described below. All of the real property in CFD No. 2003-3, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent, and in the manner herein provided.

**SECTION A
DEFINITIONS**

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 Board may rely on the land area shown on the applicable Final Map, parcel map, condominium plan, or other recorded County parcel map.

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

“**Administrative Expenses**” means any ordinary and necessary expense incurred by the School District on behalf of CFD No. 2003-3 related to the determination of the amount of the levy of Special Taxes, the collection of Special Taxes including the expenses of collecting delinquencies, the administration of Bonds, the payment of salaries and benefits of any School District employee whose duties are directly related to the administration of CFD No. 2003-3, and costs otherwise incurred in order to carry out the authorized purposes of CFD No. 2003-3.

“**Annual Special Tax**” means the Special Tax actually levied in any Fiscal Year on any Assessor’s Parcel.

“**Assessor’s Parcel**” means a lot or parcel of land designated on an Assessor’s Parcel Map with an assigned Assessor’s Parcel Number within the boundaries of CFD No. 2003-3.

“**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.

“**Backup Annual Special Tax**” means the Special Tax of that name described in Section E.

“**Board**” means the Governing Board of Menifee Union School District or its designee as the legislative body of CFD No. 2003-3.

“**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, which obligation may be incurred by CFD No. 2003-3 or the School District.

“Building Permit” means a permit for the construction of one or more Units. For purposes of this definition, “Building Permit” shall not include permits for construction or installation of commercial/industrial structures, parking structures, retaining walls, utility improvements, temporary or permanent storm drain or detention facilities, or other such improvements not intended for human habitation.

“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, or other structures not used as living space, as determined by reference to the Building Permit for such Unit.

“Calendar Year” means the period commencing January 1 of any year and ending the following December 31.

“County” means the County of Riverside, State of California.

“Developed Property” means all Assessor’s Parcels of Taxable Property for which Building Permits were issued 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 and that each such Assessor’s Parcel is associated with a Lot, as determined reasonably by the Board.

“Exempt Property” means all Assessor’s Parcels designated as being exempt from Special Taxes in Section J.

“Final Map” means a final tract map, parcel map, lot line adjustment, or functionally equivalent map or instrument that creates building sites, recorded in the County Office of the Recorder.

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

“Lot” means an individual legal lot created by a Final Map for which a Building Permit could be issued.

“Maximum Special Tax” means the maximum Special Tax, determined in accordance with Section C, that can be levied by CFD No. 2003-3 in any Fiscal Year on any Assessor’s Parcel.

“Minimum Annual Special Tax Requirement” means the amount required in any Fiscal Year to pay: (i) the annual debt service or the periodic costs on all outstanding Bonds, (ii) Administrative Expenses of CFD No. 2003-3, (iii) the costs associated with the release of funds from an escrow account, and (iv) any amount required to establish or replenish any reserve funds established in association with the Bonds, less (v) any amount available to pay annual debt service or other periodic costs on the Bonds pursuant to any applicable bond indenture, fiscal agent agreement, or trust agreement.

“Partial Prepayment Amount” means the amount required to prepay a portion of the Annual Special Tax obligation for an Assessor’s Parcel, as described in Section H.

“Prepayment Amount” means the amount required to prepay the Annual Special Tax obligation in full for an Assessor’s Parcel, as described in Section G.

“Proportionately” means that the ratio of the actual Annual Special Tax levy to the applicable Special Tax is equal for all applicable Assessor’s Parcels.

“Special Tax” means any of the special taxes authorized to be levied by CFD No. 2003-3 pursuant to the Act.

“Taxable Property” means all Assessor’s Parcels which are not Exempt Property.

“Undeveloped Property” means all Assessor’s Parcels of Taxable Property which are not Developed Property.

“Unit” means each separate residential dwelling unit which comprises an independent facility capable of conveyance separate from adjacent residential dwelling units.

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

For each Fiscal Year, beginning with Fiscal Year 2004-05, each Assessor’s Parcel within CFD No. 2003-3 shall be classified as Taxable Property or Exempt Property. Furthermore, each Assessor’s Parcel of Taxable Property shall be classified as Developed Property or Undeveloped Property.

**SECTION C
MAXIMUM SPECIAL TAXES**

1. Developed Property

The Maximum Special Tax for each Assessor’s Parcel classified as Developed Property for any Fiscal Year shall be the amount determined by the greater of (i) the application of the Assigned Annual Special Tax or (ii) the application of the Backup Annual Special Tax.

2. Undeveloped Property

The Maximum Special Tax for each Assessor’s Parcel classified as Undeveloped Property for any Fiscal Year shall be the amount determined by the application of the Assigned Annual Special Tax.

**SECTION D
ASSIGNED ANNUAL SPECIAL TAXES**

1. Developed Property

The Assigned Annual Special Tax in any Fiscal Year for each Assessor’s Parcel of Developed Property shall be the amount determined by reference to Table 1.

TABLE 1

<i>ASSIGNED ANNUAL SPECIAL TAX FOR DEVELOPED PROPERTY</i>	
Building Square Feet	Assigned Annual Special Tax
< 2,000 BSF	\$1,336.68 per Unit
2,001 – 2,200 BSF	\$1,487.64 per Unit
2,201 – 2,400 BSF	\$1,510.30 per Unit
2,401 – 2,600 BSF	\$1,563.12 per Unit
> 2,600 BSF	\$1,683.90 per Unit

2. Undeveloped Property

The Assigned Annual Special Tax rate in any Fiscal Year for an Assessor’s Parcel classified as Undeveloped Property shall be \$8,725.57 per acre of Acreage.

**SECTION E
BACKUP ANNUAL SPECIAL TAXES**

Each Fiscal Year, each Assessor's Parcel of Developed Property shall be subject to a Backup Annual Special Tax. The Backup Annual Special Tax rate in any Fiscal Year for Developed Property within a Final Map shall be the rate per Lot calculated according to the following formula:

$$B = \frac{U \times A}{L}$$

The terms above have the following meanings:

- B = Backup Annual Special Tax per Lot in each Fiscal Year
- U = Assigned Annual Special Tax per acre of Acreage for Undeveloped Property
- A = Acreage of Taxable Property in such Final Map, as determined by the Board pursuant to Section J
- L = Lots in the Final Map

Notwithstanding the foregoing, if all or any portion of the Final Map(s) described in the preceding paragraph is subsequently changed or modified, then the Backup Annual Special Tax for each Assessor's Parcel of Developed Property in such Final Map area that is changed or modified shall be a rate per square foot of Acreage calculated as follows:

1. Determine the total Backup Annual Special Taxes anticipated to apply to the changed or modified Final Map area prior to the change or modification.
2. The result of paragraph 1 above shall be divided by the Acreage of Taxable Property which is ultimately expected to exist in such changed or modified Final Map area, as reasonably determined by the Board.
3. The result of paragraph 2 above shall be divided by 43,560. The result is the Backup Annual Special Tax per square foot of Acreage which shall be applicable to Assessor's Parcels of Developed Property in such changed or modified Final Map area for all remaining Fiscal Years in which the Special Tax may be levied.

**SECTION F
METHOD OF APPORTIONMENT OF THE ANNUAL SPECIAL TAX**

Commencing Fiscal Year 2004-05 and for each subsequent Fiscal Year, the Board shall levy Annual Special Taxes as follows:

Step One: The Board shall levy an Annual Special Tax on each Assessor's Parcel of Developed Property in an amount equal to the Assigned Annual Special Tax applicable to each such Assessor's Parcel.

Step Two: If the sum of the amounts collected in step one is insufficient to satisfy the Minimum Annual Special Tax Requirement, then the Board shall Proportionately levy an Annual Special Tax on each Assessor's Parcel of Undeveloped Property, up to the Assigned Annual Special Tax applicable to each such Assessor's Parcel, to satisfy the Minimum Annual Special Tax Requirement.

Step Three: If the sum of the amounts collected in steps one and two is insufficient to satisfy the Minimum Annual Special Tax Requirement, then the Board shall Proportionately levy an

Annual Special Tax on each Assessor’s Parcel of Developed Property, up to the Maximum Special Tax applicable to each such Assessor’s Parcel, to satisfy the Minimum Annual Special Tax Requirement.

**SECTION G
PREPAYMENT OF ANNUAL SPECIAL TAXES**

The Annual Special Tax obligation of an Assessor’s Parcel, may be prepaid in full at the times and under the conditions set forth in this Section G, provided that there are no delinquent Special Taxes, penalties, or interest charges outstanding with respect to such Assessor’s Parcel at the time the Annual Special Tax obligation would be prepaid.

1. Prepayment Times and Conditions

a. Undeveloped Property

Prior to the issuance of a Building Permit for the construction of a production Unit on a Lot within a Final Map area, the owner of no less than all the Taxable Property within such Final Map area may elect in writing to the Board to prepay the Annual Special Tax obligations for all the Assessor’s Parcels within such Final Map area in full. The prepayment of the Annual Special Tax obligation for each such Assessor’s Parcel shall be collected prior to the issuance of the Building Permit with respect to such Assessor’s Parcel.

b. Developed Property

In any Fiscal Year, following the first Fiscal Year in which such Assessor’s Parcel was classified as Developed Property, the owner of such an Assessor’s Parcel may prepay the Annual Special Tax obligation for such Assessor’s Parcel in full, as calculated in Section G.2.

2. Prepayment Amount

The Prepayment Amount for an Assessor’s Parcel eligible for prepayment shall be determined as described below. The Board shall determine whether all Bonds for CFD No. 2003-3 have been issued.

a. Prior to Issuance of All Bonds

The Prepayment Amount for each applicable Assessor’s Parcel prior to the issuance of all Bonds shall be determined by reference to Table 2.

TABLE 2

<i>PREPAYMENT AMOUNT</i>	
Building Square Feet	Prepayment Amount
< 2,000 BSF	\$11,529.97 per Unit
2,001 – 2,200 BSF	\$12,086.74 per Unit
2,201 – 2,400 BSF	\$12,170.32 per Unit
2,401 – 2,600 BSF	\$12,365.13 per Unit
> 2,600 BSF	\$12,810.59 per Unit

b. Subsequent to Issuance of All Bonds

Subsequent to the issuance of all Bonds, the Prepayment Amount for each applicable Assessor's Parcel shall be calculated according to the following formula (capitalized terms defined below):

	Bond Redemption Amount
plus	Redemption Premium
plus	Defeasance
plus	Administrative Fee
less	<u>Reserve Fund Credit</u>
equals	Prepayment Amount

As of the date of prepayment, the Prepayment Amount shall be calculated as follows:

1. For Assessor's Parcels of Developed Property, compute the sum of the Assigned Annual Special Taxes and the Backup Annual Special Taxes applicable to the Assessor's Parcel. For Assessor's Parcels of Undeveloped Property, compute the sum of the Assigned Annual Special Taxes and the Backup Annual Special Taxes applicable to the Assessor's Parcel as though it was already designated as Developed Property, based upon the Building Permit issued or to be issued for that Assessor's Parcel.
2. For each Assessor's Parcel of Developed Property or Undeveloped Property to be prepaid, (a) divide the sum of the Assigned Annual Special Taxes computed pursuant to paragraph 1 for such Assessor's Parcel by the sum of the estimated Assigned Annual Special Taxes applicable to all Assessor's Parcels of Developed Property at build out, as reasonably determined by the Board, and (b) divide the sum of Backup Annual Special Tax computed pursuant to paragraph 1 for such Assessor's Parcel by the sum of the estimated Backup Annual Special Taxes applicable to all Assessor's Parcels of Developed Property at build out, as reasonably determined by the Board.
3. The amount determined pursuant to Section G.2.b. shall be (a) increased by the portion of the Bonds allocable to costs of issuance, reserve fund deposits, and capitalized interest with respect to the applicable Assessor's Parcel and (b) reduced by the amount of regularly retired principal which is allocable to the applicable Assessor's Parcel, as determined by the Board. The result is the "Outstanding Gross Prepayment Amount." In no event shall any Annual Special Taxes determined to have been used to make a regularly scheduled principal payment on the Bonds be adjusted for any increase in any cost index or other basis subsequent to the date of the applicable principal payment.
4. Multiply the larger quotient computed pursuant to paragraph 2(a) or 2(b) of this Section G.2.b. by the face value of all outstanding Bonds. If the product is greater than the Outstanding Gross Prepayment Amount, then the product shall be the "Bond Redemption Amount." If the product is less than the Outstanding Gross Prepayment Amount, then the Outstanding Gross Prepayment Amount shall be the "Bond Redemption Amount."
5. Multiply the Bond Redemption Amount by the applicable redemption premium, if any, on the outstanding Bonds to be redeemed with the proceeds of the Bond Redemption Amount. This product is the "Redemption Premium."

6. Compute the amount needed to pay interest on the Bond Redemption Amount, the Redemption Premium, and the Reserve Fund Credit (see step 10) to be redeemed with the proceeds of the Prepayment Amount until the earliest call date for the outstanding Bonds.
7. Estimate the amount of interest earnings to be derived from the reinvestment of the Bond Redemption Amount plus the Redemption Premium until the earliest call date for the outstanding Bonds.
8. Subtract the amount computed pursuant to paragraph 7 from the amount computed pursuant to paragraph 6. This difference is the “Defeasance.”
9. Estimate the administrative fees and expenses associated with the prepayment, including the costs of computation of the Prepayment Amount, the costs of redeeming Bonds, and the costs of recording any notices to evidence the prepayment and the redemption. This amount is the “Administrative Fee.”
10. Calculate the “Reserve Fund Credit” as the lesser of: (a) the expected reduction in the applicable reserve requirements, if any, associated with the redemption of outstanding Bonds as a result of the prepayment, or (b) the amount derived by subtracting the new reserve requirements in effect after the redemption of outstanding Bonds as a result of the prepayment from the balance in the applicable reserve funds on the prepayment date. Notwithstanding the foregoing, if the reserve fund requirement is satisfied by a surety bond or other instrument at the time of the prepayment, then no Reserve Fund Credit shall be given. Notwithstanding the foregoing, the Reserve Fund Credit shall in no event be less than 0.
11. The Prepayment Amount is equal to the sum of the Bond Redemption Amount, the Redemption Premium, the Defeasance, and the Administrative Fee, less the Reserve Fund Credit.

With respect to an Annual Special Tax obligation that is prepaid pursuant to this Section G, the Board shall indicate in the records of CFD No. 2003-3 that there has been a prepayment of the Annual Special Tax obligation and shall cause a suitable notice to be recorded in compliance with the Act to indicate the prepayment of the Annual Special Tax obligation and the release of the Annual Special Tax lien on such Assessor’s Parcel, and the obligation of such Assessor’s Parcel to pay such Annual Special Taxes shall cease.

Notwithstanding the foregoing, no prepayment will be allowed unless the amount of Annual Special Taxes that may be levied on Taxable Property, net of Administrative Expenses, 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 after such prepayment and such prepayment will not impair the security of all currently outstanding Bonds, as reasonably determined by the Board. Such determination shall include identifying all Assessor’s Parcels that are expected to become Exempt Property.

SECTION H PARTIAL PREPAYMENT OF ANNUAL SPECIAL TAXES

The Annual Special Tax obligation of an Assessor’s Parcel may be partially prepaid at the times and under the conditions set forth in this section, provided that there are no delinquent Special Taxes, penalties, or interest charges outstanding with respect to such Assessor’s Parcel at the time the Annual Special Tax obligation would be prepaid.

1. Partial Prepayment Times and Conditions

Prior to the issuance of the first Building Permit for the construction of a production Unit on a Lot within a Final Map area, the owner of no less than all the Taxable Property within such Final Map area may elect in writing to the Board to prepay a portion of the Annual Special Tax obligations for all the Assessor's Parcels within such Final Map area, as calculated in Section H.2. below. The partial prepayment of each Annual Special Tax obligation shall be collected for all Assessor's Parcels prior to the issuance of the first Building Permit with respect to such Final Map.

2. Partial Prepayment Amount

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

$$PP = P_G \times F$$

The terms above have the following meanings:

- PP = the Partial Prepayment Amount
- P_G = the Prepayment Amount calculated according to Section G
- F = the percent by which the owner of the Assessor's Parcel is partially prepaying the Annual Special Tax obligation

3. Partial Prepayment Procedures and Limitations

With respect to any Assessor's Parcel that is partially prepaid, the Board shall indicate in the records of CFD No. 2003-3 that there has been a partial prepayment of the Annual Special Tax obligation and shall cause a suitable notice to be recorded in compliance with the Act to indicate the partial prepayment of the Annual Special Tax obligation and the partial release of the Annual Special Tax lien on such Assessor's Parcel, and the obligation of such Assessor's Parcel to pay such prepaid portion of the Annual Special Tax shall cease. Additionally, the notice shall indicate that the Assigned Annual Special Tax and the Backup Annual Special Tax for the Assessor's Parcel has been reduced by an amount equal to the percentage which was partially prepaid.

Notwithstanding the foregoing, no partial prepayment will be allowed unless the amount of Annual Special Taxes that may be levied on Taxable Property after such partial prepayment, net of Administrative Expenses, 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.

**SECTION I
TERMINATION OF SPECIAL TAX**

Annual Special Taxes shall be levied for a period of thirty-three (33) Fiscal Years after Bonds have been issued, provided that Annual Special Taxes shall not be levied after Fiscal Year 2037-38.

**SECTION J
EXEMPTIONS**

The Board shall classify as Exempt Property (i) Lots 1, 2, 3, and 4 of Final Map No. 30225 until such time that a Building Permit is issued for each Lot, upon which such Lot will be classified as Developed Property (ii) Assessor's Parcels owned by the State of California, Federal or other local governments, (iii) Assessor's Parcels which are used as places of worship and are exempt from *ad valorem* property taxes because they are owned by a religious organization, (iv) Assessor's Parcels owned by a homeowners' association, (v) Assessor's Parcels with public or utility easements making impractical their utilization for other than the

purposes set forth in the easement, (vi) Assessor's Parcels developed or expected to be developed exclusively for non-residential use, including any use directly servicing any non-residential property, such as parking, as reasonably determined by the Board, and (vii) any other Assessor's Parcels at the reasonable discretion of the Board, provided that no such classification would reduce the sum of all Taxable Property to less than 25.34 acres of Acreage. Notwithstanding the above, the Board shall not classify an Assessor's Parcel as Exempt Property if such classification would reduce the sum of all Taxable Property to less than 25.34 acres of 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 25.34 acres of Acreage will continue to be classified as Developed Property or Undeveloped Property, as applicable, and will continue to be subject to Special Taxes accordingly.

SECTION K 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 Board not later than twelve months after having paid the first installment of the Special Tax that is disputed. A representative(s) of CFD No. 2003-3 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 Annual Special Tax on that Assessor's Parcel in the subsequent Fiscal Year(s).

SECTION L MANNER OF COLLECTION

The Annual Special Tax shall be collected in the same manner and at the same time as ordinary *ad valorem* property taxes, provided, however, that CFD No. 2003-3 may collect Annual Special Taxes at a different time or in a different manner if necessary to meet its financial obligations.

APPENDIX E

FORM OF BOND COUNSEL OPINION

Upon delivery of the Bonds, Jones Hall LLP, San Mateo, California, Bond Counsel to the Menifee Union School District Public Financing Authority, expects to render their final approving opinion with respect to the Bonds in substantially the following form:

_____, 2026

Board of Directors
Menifee Union School District Public Financing Authority
29775 Haun Road
Menifee, CA 92586

OPINION: \$ _____ Menifee Union School District Public Financing Authority
Special Tax Revenue Bonds, 2026 Series A

Members of the Board:

We have acted as bond counsel in connection with the issuance and delivery by the Menifee Union School District Public Financing Authority (the “Authority”) of the bonds captioned above (the “Bonds”), dated _____, 2026. In such capacity, we have examined such law and such certified proceedings, certifications, and other documents as we have deemed necessary to render this opinion.

The Bonds are issued under the Marks-Roos Local Bond Pooling Act of 1985, constituting Article 4 of Chapter 5, Division 7, Title 1 of the California Government Code (commencing with Section 6584), as amended (the “Act”), a resolution of the Board of Directors of the Authority adopted on May 12, 2026, and an Indenture of Trust dated as of June 1, 2026 (the “Indenture”), by and between the Authority and Zions Bancorporation, National Association, as trustee. Capitalized terms used but not defined herein have the meanings given to such terms in the Indenture.

The Bonds have been issued by the Authority to provide funds to refund certain outstanding revenue bonds of the Authority, and to purchase the Local Obligations in order to refund certain outstanding bonds of the Districts and provide additional moneys for the acquisition and construction of additional school facilities. Under the Indenture, the Authority has pledged certain revenues (the “Revenues”), consisting primarily of all amounts received from the Districts pursuant to the Local Obligations, for the payment of principal, premium (if any) and interest on the Bonds when due.

Regarding questions of fact material to our opinion, we have relied on representations of the Authority and the Districts contained in the Indenture and each Fiscal Agent Agreement, as applicable, and on the certified proceedings and other certifications of public officials furnished to us, without undertaking to verify the same by independent investigation.

Based on the foregoing, we are of the opinion that, under existing law:

1. The Authority is a public agency duly organized and existing under the laws of the State of California, with power to enter into the Indenture to perform the agreements on its part contained therein and to issue the Bonds and to purchase the Local Obligations.

2. The Indenture has been duly approved by the Authority and constitutes a legal, valid and binding obligation of the Authority enforceable against the Authority.

3. The Indenture establishes a valid lien on and pledge of the Revenues and other funds pledged thereunder for the security of the Bonds, on a parity with other bonds (if any) issued or to be issued in accordance with the Indenture.

4. The Bonds have been duly authorized, executed and delivered by the Authority and are legal, valid and binding obligations of the Authority, payable solely from the Revenues and other funds provided therefor in the Indenture.

5. The interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax. It should be noted however that interest on the Bonds may be subject to the corporate alternative minimum tax. The opinions set forth in the preceding sentences are subject to the condition that the Authority and the Districts comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. The Authority and the Districts have made certain representations and covenants in order to comply with each such requirement. Inaccuracy of those representations, or failure to comply with certain of those covenants, may cause the inclusion of such interest in gross income for federal income tax purposes, which may be retroactive to the date of issuance of the Bonds.

6. Interest on the Bonds is exempt from California personal income taxation.

We express no opinion regarding any other tax consequences arising with respect to the ownership, sale or disposition of, or the amount, accrual or receipt of interest on, the Bonds.

The rights of the owners of the Bonds and the enforceability of the Bonds and the Indenture are limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally, and by equitable principles, whether considered at law or in equity.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur. Moreover, our opinions are not a guarantee of a particular result, and are not binding on the Internal Revenue Service or any court; rather, our opinions represent our legal judgment based upon our review of existing law that we deem relevant to such opinions, and any assumptions expressed herein, and in reliance upon the representations, and covenants referenced above. Our engagement with respect to this matter has terminated as of the date hereof.

Respectfully submitted,

APPENDIX F

FORM OF CONTINUING DISCLOSURE CERTIFICATE

THIS CONTINUING DISCLOSURE CERTIFICATE (“Disclosure Certificate”), dated _____, 2026, is executed and delivered by the MENIFEE UNION SCHOOL DISTRICT PUBLIC FINANCING AUTHORITY (the “Issuer”) in connection with the issuance of \$ _____ aggregate principal amount the Menifee Union School District Public Financing Authority Special Tax Revenue Bonds, 2026 Series A (the “Bonds”). The Bonds are being issued pursuant to an Indenture of Trust, dated as of June 1, 2026 (the “Indenture”), by and between Zions Bancorporation, National Association, as trustee (the “Trustee”), and the Issuer. The proceeds of the Bonds will be used to acquire the Local Obligations (as defined below). The Issuer and the Dissemination Agent covenant and agree as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the Owners and Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with Rule 15c2-12(b)(5) of the Securities and Exchange Commission, as amended.

Section 2. Definitions. In addition to the definitions set forth in the Indenture, 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” shall mean any Annual Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“Beneficial Owner” shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income purposes.

“CFD Act” shall mean the Mello-Roos Community Facilities Act of 1982, constituting Chapter 2.5 (commencing with Section 53311) of Article 1 of Division 2 of Title 5 of the Government Code of the State of California, as it may hereafter be amended from time to time.

“Community Facilities District No. 94-1” shall mean Community Facilities District No. 94-1 of the Menifee Union School District, a community facilities district formed pursuant to the CFD Act.

“Community Facilities District No. 99-1 Improvement Area A” shall mean Improvement Area A of Community Facilities District No. 99-1 of the Menifee Union School District, a community facilities district formed pursuant to the CFD Act.

“Community Facilities District No. 99-1 Zone 1” shall mean Zone 1 of Community Facilities District No. 99-1 of the Menifee Union School District, a community facilities district formed pursuant to the CFD Act.

“Community Facilities District No. 99-1 Zone 2” shall mean Zone 2 of Community Facilities District No. 99-1 of the Menifee Union School District, a community facilities district formed pursuant to the CFD Act.

“Community Facilities District No. 2002-1” shall mean Community Facilities District No. 2002-1 of the Menifee Union School District, a community facilities district formed pursuant to the CFD Act.

“Community Facilities District No. 2002-3” shall mean Community Facilities District No. 2002-3 of the Menifee Union School District, a community facilities district formed pursuant to the CFD Act.

“Community Facilities District No. 2003-3” shall mean Community Facilities District No. 2003-3 of the Menifee Union School District, a community facilities district formed pursuant to the CFD Act.

“Disclosure Representative” shall mean the Executive Director of the Issuer, or his or her designee, or such other officer or employee as the Issuer shall designate in writing to the Dissemination Agent from time to time.

“Dissemination Agent” shall mean KeyAnalytics, acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the Issuer and which has filed with the Trustee and the Issuer a written acceptance of such designation.

“EMMA” shall mean the Electronic Municipal Market Access system of the MSRB.

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

“MSRB” means the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934 and any successor entity designated under the Rule as the repository for filings made pursuant to Section 15B(b)(2) of the Securities Exchange Act of 1934.

“Official Statement” shall mean that certain Official Statement for the Bonds dated _____, 2026.

“Owners” shall mean the registered owners of the Bonds as set forth in the registration books maintained by the Trustee.

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

“Repository” shall mean the Electronic Municipal Market Access System of the Municipal Securities Rulemaking Board, which can be found at www.emma.msrb.org, any other repository of disclosure information that may be designated by the Securities and Exchange Commission in the future.

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

“School District” shall mean the Menifee Union School District.

“State” shall mean the State of California.

“Taxing Jurisdiction” means any one of Community Facilities District No. 94-1, Community Facilities District No. 99-1 Improvement Area A, Community Facilities District No. 99-1 Zone 1, Community Facilities District No. 99-1 Zone 2, Community Facilities District No. 2002-1, Community Facilities District No. 2002-3 and Community Facilities District No. 2003-3.

Section 3. Provision of Annual Reports.

(a) The Issuer shall, or upon written direction shall cause the Dissemination Agent to, not later than the February 1 following the end of the Issuer’s Fiscal Year (June 30) commencing with the report due by February 1, 2027, provide to the Repository, in an electronic format and accompanied by identifying information as prescribed by the MSRB, an Annual Report which is consistent with the requirements of

Section 4 of this Disclosure Certificate. 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 the audited financial statements of the School District, if any exist, may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the Issuer's fiscal year changes, the Issuer shall give notice of such change in the same manner as for a Listed Event under Section 5(a). The Issuer shall provide a written certification with each Annual Report furnished to the Dissemination Agent and the Trustee to the effect that such Annual Report constitutes the Annual Report required to be furnished by it hereunder. The Dissemination Agent and Trustee may conclusively rely upon such certification of the Issuer and shall have no duty or obligation to review such Annual Report.

(b) Not later than (15) Business Days prior to the date specified in subsection (a) for providing the Annual Report to the Repository, the Issuer shall provide the Annual Report to the Dissemination Agent. If by fifteen (15) Business Days prior to such date, the Dissemination Agent has not received a copy of the Annual Report, the Dissemination Agent shall contact the Issuer to inquire if the Issuer is in compliance with subsection (a).

(c) If the Dissemination Agent is unable to verify that an Annual Report has been provided to the Repository by the date required in subsection (a), the Dissemination Agent in a timely manner shall send a notice to the Municipal Securities Rulemaking Board in substantially the form attached as Exhibit A.

(d) The Dissemination Agent shall:

(i) determine each year prior to date for providing the Annual Report the name and address of the Repository; and

(ii) file a report with the Issuer certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, stating the date it was provided and listing the Repository(ies) to which it was provided.

Section 4. Content of Annual Reports. The Annual Report shall contain or include by reference the following:

(a) The audited financial statements of the School District for the prior fiscal year, if any have been prepared and which, if prepared, shall be 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 is preparing audited financial statements and such audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the audited financial statements may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if such audited financial statements are not available by the date required for filing the Annual Report.

(b) The Annual Report shall contain or incorporate by reference the following:

(i) the principal amount of the Bonds and each series of Local Obligations outstanding as of the September 2 preceding the filing of the Annual Report;

(ii) the balance in each fund and account under the Indenture and each Local Obligation Fiscal Agent Agreement, the Reserve Requirement and Reserve Fund Account as of the September 30 preceding the filing of the Annual Report;

(iii) any changes to the Rates and Methods of Apportionment of the Special Taxes for each Taxing Jurisdiction approved or submitted to the qualified electors for approval prior to the filing

of the Annual Report and a description of any parcels for which the Special Taxes have been prepaid in the Fiscal Year for which the Annual Report is being prepared for each Taxing Jurisdiction;

(iv) an update of the estimated assessed value-to-lien ratio for each Taxing Jurisdiction substantially in the form of Table 12 in the Official Statement based upon the most recent Special Tax levy preceding the date of the Annual Report and on the assessed values of property for the current fiscal year; provided, however, that such update need only account for the CFD Bonds and the Prior CFD Bonds and shall not account for other land-secured debt and general obligation debt;

(v) the status of any foreclosure actions being pursued by the Districts within the Taxing Jurisdictions with respect to delinquent Special Taxes;

(vi) an update by Taxing Jurisdiction similar to Table A-7 of the total Special Taxes levied in the most recent prior fiscal year and the current fiscal year, and the total Special Taxes that remain unpaid for the prior fiscal year in which Special Taxes were levied and the number of delinquent parcels in each Taxing Jurisdiction;

(vii) any changes with respect to the inclusion or exclusion of the Taxing Jurisdictions in the County's Teeter Plan; and

(viii) any information not already included under (i) through (vii) above that the Issuer is required to file in its annual report to the California Debt and Investment Advisory Commission pursuant to the provisions of the Mello-Roos Community Facilities Act of 1982, as amended.

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 Issuer or related public entities, which have been submitted to the Repository. If the document included by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board. The Issuer shall clearly identify each such other document so included by reference.

Section 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the Issuer shall give, or cause the Dissemination Agent to give, notice of the occurrence of any of the following events with respect to the Bonds in a timely manner not more than ten (10) business days after the event:

1. principal and interest payment delinquencies;
2. unscheduled draws on debt service reserves reflecting financial difficulties;
3. unscheduled draws on credit enhancements reflecting financial difficulties;
4. substitution of credit or liquidity providers, or their failure to perform;
5. adverse tax opinions or the issuance by the Internal Revenue Service of proposed or final determinations of taxability or of a Notice of Proposed Issue (IRS Form 5701-TEB);
6. tender offers;
7. defeasances;
8. ratings changes;

9. bankruptcy, insolvency, receivership or similar proceedings; and

Note: for the purposes of the event identified in subparagraph (9), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governmental 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 obligated person.

10. 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) Pursuant to the provisions of this Section 5, the Issuer shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material:

1. unless described in paragraph 5(a)(5) above, notices or determinations by the Internal Revenue Service with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;
2. the consummation of a merger, consolidation or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, 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;
3. appointment of a successor or additional trustee or the change of the name of a trustee;
4. nonpayment related defaults;
5. modifications to the rights of Owners of the Bonds;
6. bond calls;
7. release, substitution or sale of property securing repayment of the Bonds; and
8. incurrence of a financial obligation of the obligated person, 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 reflect financial difficulties.

(c) In the event of the occurrence of a Listed Event under Section 5(b) above, the Issuer shall as soon as possible determine if such event would be material under applicable federal securities laws.

(d) If the Issuer determines that knowledge of the occurrence of a Listed Event under Section 5(b) would be material under applicable federal securities laws, the Issuer shall file, or cause the Dissemination Agent to file, a notice of such occurrence with the Repository in a timely manner not more than 10 business days after the event.

(e) The Issuer hereby agrees that the undertaking set forth in this Disclosure Certificate is the responsibility of the Issuer and that the Dissemination Agent, if other than the Issuer, shall not be responsible for determining whether the Issuer's instructions to the Dissemination Agent under this Section 5 comply with the requirements of the Rule.

(f) For purposes of the events identified in subparagraphs (a)(10) and (b)(8) under this Section 5, the term "financial obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term financial obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

Section 6. Format for Filings with the MSRB. Any report or filing with the MSRB pursuant to this Disclosure Certificate must be submitted in electronic format, accompanied by such identifying information as is prescribed by the MSRB.

Section 7. Termination of Reporting Obligation. The Issuer'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 Issuer shall give notice of such termination in the same manner as for a Listed Event under Section 5(a).

Section 8. Dissemination Agent. The Issuer 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 Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Issuer pursuant to this Disclosure Certificate. If at any time there is not any other designated Dissemination Agent, the Trustee shall be the Dissemination Agent. The initial Dissemination Agent shall be KeyAnalytics. The Dissemination Agent may resign by providing thirty (30) days written notice to the Issuer and the Trustee.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Issuer 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 related to the provisions of Sections 3(a), 4, or 5, 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 the type of business conducted;

(b) The undertaking hereunder, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Owners of the Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of Owners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Owners or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the Issuer shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment related to the accounting principles to be followed in preparing financial

statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(a), and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the formed accounting principles.

Section 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer 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 Issuer 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 Issuer 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 Issuer to comply with any provision of this Disclosure Certificate, the Trustee at the written direction of any Participating Underwriter or the Owners of at least 25% aggregate principal amount of Outstanding Bonds, shall, or any Owner 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 Issuer to comply with its obligations under this Disclosure Certificate, but only to the extent funds have been provided to it or it has been otherwise indemnified to its satisfaction from any cost, liability, expense or additional charges of the Trustee whatsoever, including, without limitation, fees and expenses of its attorney. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Indenture, and the sole remedy under 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 Issuer agrees to indemnify and save the Dissemination Agent and 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 obligations of the Issuer under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

Section 13. Notices. Any notices or communications to or among any of the parties to this Disclosure Certificate may be given as follows:

Issuer:	Menifee Union School District Public Financing Authority c/o Menifee Union School District 29775 Haun Road Menifee, California 92586 Attention: Superintendent
Dissemination Agent:	KeyAnalytics 27201 Puerta Real, Suite 260 Mission Viejo, California 92691
To the Participating Underwriter:	Stifel, Nicolaus & Company, Incorporated 2121 Avenue of the Stars, Suite 2150 Los Angeles, California 90067 Attention: Public Finance

Any person may, by written notice to the other persons listed above, designate a different address or telephone number(s) to which subsequent notice or communications should be sent.

Section 14. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Trustee, the Dissemination Agent, the Participating Underwriter and Owners and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Section 15. Counterparts. This Disclosure Certificate may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 16. Governing Law. This Disclosure Certificate shall be construed and governed in accordance with the laws of the State of California.

MENIFEE UNION SCHOOL DISTRICT PUBLIC
FINANCING AUTHORITY

By: _____
Executive Director

AGREED AND ACCEPTED:
KEYANALYTICS, as Dissemination Agent

By: _____
Authorized Representative

EXHIBIT A

NOTICE TO REPOSITORY OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: MENIFEE UNION SCHOOL DISTRICT PUBLIC FINANCING AUTHORITY

Name of Bond Issue: \$ _____ MENIFEE UNION SCHOOL DISTRICT PUBLIC FINANCING AUTHORITY SPECIAL TAX REVENUE BONDS, 2026 SERIES A

Date of Issuance: _____, 2026

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by the Continuing Disclosure Certificate dated _____, 2026. The Issuer anticipated that the Annual Report will be filed by _____.

Dated: _____

KEYANALYTICS,
as Dissemination Agent on behalf of
Menifee Union School District Public Financing Authority

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APPENDIX G

DTC AND THE BOOK-ENTRY-ONLY SYSTEM

The information in this section concerning DTC and DTC's book-entry only system has been obtained from sources that the Authority believes to be reliable, but the Authority takes no responsibility for the completeness or accuracy thereof. The following description of the procedures and record keeping with respect to beneficial ownership interests in the Bonds, payment of principal, premium, if any, accreted value and interest on the Bonds to DTC Participants or Beneficial Owners, confirmation and transfers of beneficial ownership interests in the Bonds and other related transactions by and between DTC, the DTC Participants and the Beneficial Owners is based solely on information provided by DTC to the Authority which the Authority believes to be reliable, but the Authority and the Underwriters do not and cannot make any independent representations concerning these matters and do not take responsibility for the accuracy or completeness thereof. Neither the DTC, Direct Participants, Indirect 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.

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond will be issued for each annual maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited through the facilities of DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a 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. Such website is not incorporated herein by such reference.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial

Owners will not receive Bonds representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Community Facilities Districts 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 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Community Facilities Districts or the Trustee, 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, the Trustee, or the District, 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 the Community Facilities Districts or the Trustee, 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.

A Bond Owner shall give notice to elect to have its Bonds purchased or tendered, through its Participant, to the Trustee, and shall effect delivery of such Bonds by causing the Direct Participant to transfer the Participant's interest in the Bonds, on DTC's records, to the Trustee. The requirement for physical delivery of Bonds in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Bonds to the Trustee's DTC account.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Community Facilities Districts or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, physical certificates are required to be printed and delivered.

The Community Facilities Districts may decide to discontinue use of the system of book-entry only transfers through DTC (or a successor securities depository). In that event, Bonds will be printed and delivered to DTC.

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APPENDIX H
SPECIMEN MUNICIPAL BOND INSURANCE POLICY

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MUNICIPAL BOND INSURANCE POLICY

ISSUER:

Policy No.: -N

BONDS: \$ in aggregate principal amount of

Effective Date:

Premium: \$

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

On the later of the day on which such principal and interest becomes Due for Payment or the Business Day next following the Business Day on which AG shall have received Notice of Nonpayment, AG will disburse to or for the benefit of each Owner of a Bond the face amount of principal of and interest on the Bond that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by AG, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of the principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in AG. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by AG is incomplete, it shall be deemed not to have been received by AG for purposes of the preceding sentence and AG shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, who may submit an amended Notice of Nonpayment. Upon disbursement in respect of a Bond, AG shall become the owner of the Bond, any appurtenant coupon to the Bond or right to receipt of payment of principal of or interest on the Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under the Bond, to the extent of any payment by AG hereunder. Payment by AG to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of AG under this Policy.

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

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

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

This Policy sets forth in full the undertaking of AG, and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, (a) any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity and (b) this Policy may not be canceled or revoked. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW.

In witness whereof, ASSURED GUARANTY INC. has caused this Policy to be executed on its behalf by its Authorized Officer.

ASSURED GUARANTY INC.

By _____
Authorized Officer

1633 Broadway, New York, N.Y. 10019

(212) 974-0100

Form 500 (8/24)

