



CITY of ESCONDIDO

COUNCIL MEETING AGENDA

WEDNESDAY, APRIL 10, 2024

4:00 PM - Closed Session (Cancelled)

5:00 PM - Regular Session

Escondido City Council Chambers, 201 North Broadway, Escondido, CA 92025

WELCOME TO YOUR CITY COUNCIL MEETING

We welcome your interest and involvement in the legislative process of Escondido. This agenda includes information about topics coming before the City Council and the action recommended by City staff.

MAYOR

Dane White

DEPUTY MAYOR

Christian Garcia (District 3)

COUNCILMEMBERS

Consuelo Martinez (District 1)

Joe Garcia (District 2)

Michael Morasco (District 4)

CITY MANAGER

Sean McGlynn

CITY ATTORNEY

Michael McGuinness

CITY CLERK

Zack Beck

HOW TO WATCH

The City of Escondido provides three ways to watch a City Council meeting:

In Person



201 N. Broadway

On TV



Cox Cable Channel 19 and U-verse Channel 99

Online



www.escondido.org



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HOW TO PARTICIPATE

The City of Escondido provides two ways to communicate with the City Council during a meeting:

In Person



Fill out Speaker Slip and Submit to City Clerk

In Writing



<https://escondido-ca.municodemeetings.com>

ASSISTANCE PROVIDED

If you need special assistance to participate in this meeting, please contact our ADA Coordinator at 760-839-4869. Notification 48 hours prior to the meeting will enable the city to make reasonable arrangements to ensure accessibility. Listening devices are available for the hearing impaired – please see the City Clerk.





CITY of ESCONDIDO

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WEDNESDAY, APRIL 10, 2024

REGULAR SESSION

5:00 PM Regular Session

MOMENT OF REFLECTION

City Council agendas allow an opportunity for a moment of silence and reflection at the beginning of the evening meeting. The City does not participate in the selection of speakers for this portion of the agenda, and does not endorse or sanction any remarks made by individuals during this time. If you wish to be recognized during this portion of the agenda, please notify the City Clerk in advance.

FLAG SALUTE

The City Council conducts the Pledge of Allegiance at the beginning of every City Council meeting.

CALL TO ORDER

Roll Call: C. Garcia, J. Garcia, Martinez, Morasco, White

PROCLAMATION

Sexual Assault Awareness Month

ORAL COMMUNICATIONS

In addition to speaking during particular agenda items, the public may address the Council on any item which is not on the agenda provided the item is within the subject matter jurisdiction of the City Council. State law prohibits the Council from discussing or taking action on such items, but the matter may be referred to the City Manager/staff or scheduled on a subsequent agenda. Speakers are limited to only one opportunity to address the Council under Oral Communications.

CONSENT CALENDAR

Items on the Consent Calendar are not discussed individually and are approved in a single motion. However, Council members always have the option to have an item considered separately, either on their own request or at the request of staff or a member of the public.

1. AFFIDAVITS OF PUBLICATION, MAILING, AND POSTING (COUNCIL/RRB)



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COUNCIL MEETING AGENDA

WEDNESDAY, APRIL 10, 2024

2. APPROVAL OF WARRANT REGISTER (COUNCIL)

Request approval for City Council and Housing Successor Agency warrant numbers:

- 382503 – 382669 dated March 27, 2024

Staff Recommendation: Approval (Finance Department: Christina Holmes)

3. APPROVAL OF MINUTES: None

4. WAIVER OF READING OF ORDINANCES AND RESOLUTIONS

CURRENT BUSINESS

5. ISSUANCE OF THE COMMUNITY FACILITIES DISTRICT NO. 2022-1 (ECLIPSE/MOUNTAIN HOUSE) SPECIAL TAX BONDS

Request the City Council, acting as the legislative body of Community Facilities District No. 2022-1 of the City of Escondido (“City”) Eclipse/Mountain House (“District”), adopt Resolution No. 2024-34 (“Resolution”) to authorize the issuance and sale of Special Tax Bonds, Series 2024 (“Bonds”) and approve certain documents and the taking of certain other actions in connection therewith.

Staff Recommendation: Approval (Finance Department: Christina Holmes, Director of Finance)

Presenter: Christina Holmes, Director of Finance

a) Resolution No. 2024-34

6. DESIGNATION OF ENFORCEMENT AUTHORITY FOR THE ESCONDIDO CAMPAIGN CONTROL ORDINANCE

Request the City Council adopt Resolution No. 2024-31 designating Christina M. Cameron, Esq. and the law firm of Devaney Pate Morris & Cameron, LLP (“Law Firm”) as the enforcement authority for the Escondido Campaign Control Ordinance for the 2024 Municipal Election (“Special Counsel”), as required by Escondido Municipal Code Section 2- 110.5(c).

Staff Recommendation: Approval (City Attorney's Office: Michael McGuinness, City Attorney)

Presenter: Michael R. McGuinness, City Attorney

a) Resolution No. 2024-31



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7. BOARD AND COMMISSION APPOINTMENTS

Request the City Council ratify the Mayor's appointments to serve on the following Boards and Commissions:

Building and Advisory Appeals Board – Barry Speer, Mirek Gorny, Shir Cornblum, George Khoury, Scott McColl

Library Board of Trustees – Virginia Segarra Bunnell

Planning Commission – Marc Correll, Jeff Jester, Dustin Steeve, Stan Weiler

Public Art Commission – Jacqueline Kelleher, Nathalie Martinez, Heidi Paul, Patricia Spann

Transportation and Community Safety Commission – Bill Durney, Lon Grothen, Beth Kassebaum,

Staff Recommendation: Approval (City Clerk's Office: Zack Beck, City Clerk)

Presenter: Mayor Dane White

FUTURE AGENDA

8. FUTURE AGENDA

The purpose of this item is to identify issues presently known to staff or which members of the City Council wish to place on an upcoming City Council agenda. Council comment on these future agenda items is limited by California Government Code Section 54954.2 to clarifying questions, brief announcements, or requests for factual information in connection with an item when it is discussed.

Staff Recommendation: None (City Clerk's Office: Zack Beck)

COUNCILMEMBERS SUBCOMMITTEE REPORTS AND OTHER REPORTS

CITY MANAGER'S WEEKLY ACTIVITY REPORT

The most current information from the City Manager regarding Economic Development, Capital Improvement Projects, Public Safety, and Community Development. This report is also available on the City's website, www.escondido.org.

ORAL COMMUNICATIONS

In addition to speaking during particular agenda items, the public may address the Council on any item which is not on the agenda provided the item is within the subject matter jurisdiction of the City Council. State law prohibits the Council from discussing or taking action on such items, but the matter may be referred to the City Manager/staff or scheduled on a subsequent agenda. Speakers are limited to only one opportunity to address the Council under Oral Communications.



CITY *of* ESCONDIDO

COUNCIL MEETING AGENDA

WEDNESDAY, APRIL 10, 2024

ADJOURNMENT

UPCOMING MEETING SCHEDULE

Wednesday, April 17, 2024 4:00 & 5:00 PM Closed Session, Regular Meeting, *Council Chambers*
Wednesday, May 08, 2024 4:00 & 5:00 PM Closed Session, Regular Meeting, *Council Chambers*

SUCCESSOR AGENCY

Members of the Escondido City Council also sit as the Successor Agency to the Community Development Commission, Escondido Joint Powers Financing Authority, and the Mobilehome Rent Review Board.



A F F I D A V I T S
O F
I T E M
P O S T I N G – N O N E



STAFF REPORT

April 10, 2024
File Number 0400-40

SUBJECT

APPROVAL OF WARRANT REGISTER (COUNCIL)

DEPARTMENT

Finance

RECOMMENDATION

Request approval for City Council and Housing Successor Agency warrant numbers:

382503 – 382669 dated March 27, 2024

Staff Recommendation: Approval (Finance Department: Christina Holmes)

ESSENTIAL SERVICE – Internal requirement per Municipal Code Section 10-49

COUNCIL PRIORITY –

FISCAL ANALYSIS

The total amount of the warrants for the following periods are as follows:

March 21, 2024 – March 27, 2024 is \$1,773,589.40

PREVIOUS ACTION – None

BACKGROUND

The Escondido Municipal Code Section 10-49 states that warrants or checks may be issued and paid prior to audit by the City Council, provided the warrants or checks are certified and approved by the Director of Finance as conforming to the current budget. These warrants or checks must then be ratified and approved by the City Council at the next regular Council meeting.



Consent Item No. 3

April 10, 2024

APPROVAL
OF
MINUTES



STAFF REPORT

ITEM NO. 4

SUBJECT

WAIVER OF READING OF ORDINANCES AND RESOLUTIONS –

ANALYSIS

The City Council/RRB has adopted a policy that is sufficient to read the title of ordinances at the time of introduction and adoption, and that reading of the full text of ordinances and the full text and title of resolutions may be waived.

Approval of this consent calendar item allows the City Council/RRB to waive the reading of the full text and title of all resolutions agendized in the Consent Calendar, as well as the full text of all ordinances agendized in either the Introduction and Adoption of Ordinances or General Items sections. **This particular consent calendar item requires unanimous approval of the City Council/RRB.**

Upon approval of this item as part of the Consent Calendar, all resolutions included in the motion and second to approve the Consent Calendar shall be approved. Those resolutions removed from the Consent Calendar and considered under separate action may also be approved without the reading of the full text and title of the resolutions.

Also, upon the approval of this item, the Mayor will read the titles of all ordinances included in the Introduction and Adoption of Ordinances section. After reading of the ordinance titles, the City Council/RRB may introduce and/or adopt all the ordinances in one motion and second.

RECOMMENDATION

Staff recommends that the City Council/RRB approve the waiving of reading of the text of all ordinances and the text and title of all resolutions included in this agenda. Unanimous approval of the City Council/RRB is required.

Respectfully Submitted,

Zack Beck
City Clerk



STAFF REPORT

April 10, 2024
File Number 0685-10

SUBJECT

ISSUANCE OF THE COMMUNITY FACILITIES DISTRICT NO. 2022-1 (ECLIPSE/MOUNTAIN HOUSE) SPECIAL TAX BONDS

DEPARTMENT

Finance

RECOMMENDATION

Request the City Council, acting as the legislative body of Community Facilities District No. 2022-1 of the City of Escondido (“City”) Eclipse/Mountain House (“District”), adopt Resolution No. 2024-34 (“Resolution”) to authorize the issuance and sale of Special Tax Bonds, Series 2024 (“Bonds”) and approve certain documents and the taking of certain other actions in connection therewith.

Staff Recommendation: Approval (Finance: Christina Holmes, Director of Finance)

Presenter: Christina Holmes, Director of Finance

ESSENTIAL SERVICE – Land Use/Development

COUNCIL PRIORITY – Yes, Encourage Housing Development

FISCAL ANALYSIS

The sale of the Bonds has no fiscal impact to the City. The Bonds to be issued by the City, for and on behalf of the District will be the sole responsibility of the property owners through a levy of special taxes on property within the District. Cost of issuance will be paid from the bond proceeds as well. The administration cost to the City for the Bonds will be built into the annual levy process and reimbursed by the special taxes collected.

PREVIOUS ACTION

On March 20, 2020, the City Council adopted Resolution No. 2020-20, approving Amended and Restated City of Escondido Statement of Goals and Policies Regarding the Establishment of Community Facilities Districts (“Goals and Policies”). Section 53312.7(a) of the Mello-Roos Act requires the City to consider and adopt local goals and policies concerning the use of the Mello-Roos Act prior to the initiation of proceedings on or after January 1, 1994, to establish a new community facilities district. The Goals and Policies provide guidance and conditions for the conduct by the City of proceedings for, and the issuance



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of bonds secured by special taxes levied in, a community facilities district established under the Mello-Roos Act.

On May 13, 2021, the City Council authorized a Deposit Account and Reimbursement Agreement between the City of Escondido and CWC Escondido 113, LLC which established the Eclipse (formerly known as Del Prado) zone of the project.

On August 31, 2021, the City Council authorized the First Amendment to Deposit Account and Reimbursement Agreement between the City of Escondido and CWC Escondido 113, LLC to include the additional project Mountain House in the CFD No 2022-1.

The City Council approved the establishment of Community Facilities District No. 2022-01 (the Eclipse/Mountain House project) on March 2, 2022, and has annually thereafter adopted a resolution setting the annual Special Tax Levy. Resolution No. 2022-106 was adopted on July 20, 2022, for FY2022/23 and Resolution No. 2023-84 was adopted on July 19, 2023, for Fiscal Year 2023/24.

BACKGROUND

A Community Facilities District (CFD) is a special taxing district that is formed at the request of a project proponent with the approval of the local jurisdiction. CFD's were established in State Government Code in 1982 (also referred to as the Mello-Roos Act) to provide an alternate method for private property owners to finance the acquisition, construction and maintenance of certain public capital facilities, and/or to cover the related cost of ongoing services. Under the Mello-Roos Act, the initial steps in the formation of a community services district to finance public improvements are adopting a resolution declaring the City's intention to establish a community facilities district and levy special taxes, and a resolution to issue bonds.

At the request of CWC Escondido 113, LLC, the City Council approved the formation of CFD No. 2022-2 on March 2, 2022, to fund the public facilities fees associated with the Eclipse/Mountain House Project. The CFD was formed with two distinct zones. Zone A originally contained 81 of the total 113 townhomes in the Eclipse project. The remaining 32 townhomes were annexed into Zone A of this CFD in December of 2022. Out of the total 113 proposed homes, 97 have closed to individuals with the final 16 houses all in escrow and due to close within the next month. The physical status of the lands is all 113 houses over 95 percent complete.

The proposed Resolution No. 2024-34 authorizes the issuance and sale of the special tax bonds and approves several bond documents. Pursuant to the Resolution, the true interest cost of the Bonds cannot exceed 7 percent and the principal amount of the Bonds cannot exceed \$6,000,000. Stifel, Nicolaus & Company, Incorporated, has been engaged by the City as the Underwriter ("Underwriter") of the Bonds, and the Underwriter's Discount paid pursuant to the Bond Purchase Agreement cannot exceed 2 percent of the principal amount of the Bonds. Pursuant to Section 5852.1 of the California Government Code, the



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City’s Municipal Advisor, CSG Advisors Incorporated, has provided good faith estimates of the costs related to the Bonds, which are attached as Exhibit “A” to the Resolution.

The City’s Goals and Policies adopted by Resolution No. 2020-20 require a minimum value-to-debt ratio for special tax financings of 4.00:1 (the value-to-lien calculation compares the value of the property to the proposed principal amount of the Bonds and bonds issued by overlapping community facilities districts and assessment districts). The value of the property is determined by an independent appraiser engaged by the City. Kitty Siino & Associates, Inc. (“Appraiser”) prepared the appraisal dated March 11, 2024 (“Appraisal Report”) of certain land and existing improvements within the District to provide an estimate of the market value of the fee simple interest of such land and improvements. Subject to the assumptions and limiting conditions of the Appraisal, the minimum market value of the taxable property in the District is estimated at \$70,508,092, resulting in an estimated value to lien ratio of approximately 20.98:1 based on a preliminary estimate of the par amount of the Bonds of \$3,360,000 (preliminary).

The following documents, as referred to within the Resolution No. 2024-34 are to be approved:

Preliminary Official Statement. The Official Statement is the primary disclosure document for investors in the Bonds. A Preliminary Official Statement (Attachment “1”) will be circulated to potential investors prior to the pricing of the Bonds. After the Bonds have been priced, a Final Official Statement will be circulated to investors; the Final Official Statement should be identical to the Preliminary Official Statement except for the addition of pricing information (principal amount, interest rates, redemption terms). The distribution of the Preliminary Official Statement by the City is subject to federal securities laws, including the Securities Act of 1933 and the Securities Exchange Act of 1934. These laws require the Preliminary Official Statement to include all facts that would be material to an investor in the Bonds. Material information is information that there is a substantial likelihood would have actual significance in the deliberations of the reasonable investor when deciding whether to buy or sell the bonds. If the City Council concludes that the Preliminary Official Statement includes all facts that would be material to an investor in the Bonds, it must adopt a resolution that authorizes staff to execute a certificate to the effect that the Preliminary Official Statement has been “deemed final.”

Continuing Disclosure Certificate. Under SEC Rule 15c2-12, the underwriter of the Bonds may only purchase the Bonds if it has determined that the City is obligated to provide continuing disclosure, including annual updates of the financial and operating data included in the Official Statement and notices of certain specified events. The form of the Continuing Disclosure Certificate (Attachment “2”) is included as an Appendix F of the Preliminary Official Statement.

Bond Indenture. This document governs the Bonds and the use of special taxes from the District to pay debt service on the Bonds. The special taxes will be levied on the regular County of San Diego tax roll and collected by the County from each taxable parcel in the District. The County will remit these special taxes to the City. The City will remit them to the Trustee specified therein as BNY Mellon Trust Company, N.A. (“Trustee”). The Trustee will use the revenues to (1) pay administrative costs of the District, and (2) pay



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principal of and interest on the Bonds to the bond owners. The Trustee will also hold the net proceeds of the Bonds until authorized by the District to release such proceeds for reimbursement to the Developer or use by the City to construct public facilities as previously authorized by the District and consistent with provisions of the Bond Indenture (Attachment “3”).

Bond Purchase Agreement. At the time the Bonds are sold, the City will enter into a Bond Purchase Agreement with the Underwriter, who will agree to underwrite the Bonds subject to satisfaction of the conditions described in the Bond Purchase Agreement (Attachment “4”).

RESOLUTIONS

- a. Resolution No. 2024-34 to authorize the issuance and sale of Special Tax Bonds, Series 2024

ATTACHMENTS

- a. Exhibit “A” – Good Faith Estimates
- b. Attachment “1” – Preliminary Official Statement
- c. Attachment “2” – Continuing Disclosure Certificate
- d. Attachment “3” – Bond Indenture
- e. Attachment “4” – Bond Purchase Agreement

RESOLUTION NO. 2024-34

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, ACTING AS THE LEGISLATIVE BODY OF COMMUNITY FACILITIES DISTRICT NO. 2022-1 OF THE CITY OF ESCONDIDO (ECLIPSE/MOUNTAIN HOUSE) AUTHORIZING THE ISSUANCE OF ITS SPECIAL TAX BONDS, SERIES 2024 IN A PRINCIPAL AMOUNT NOT TO EXCEED SIX MILLION DOLLARS (\$6,000,000) AND APPROVING CERTAIN DOCUMENTS AND TAKING CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH

WHEREAS, the City Council (“City Council”) of the City of Escondido (“City”), has heretofore undertaken proceedings to establish Community Facilities District No. 2022-1 of the City of Escondido (Eclipse/Mountain House) (“District”) and declared the necessity to issue bonds on behalf of the District pursuant to the terms and provisions of 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 (Act); and

WHEREAS, pursuant to Resolution No. 2022-10 and Resolution No. 2022-11 adopted by the legislative body of the District on March 2, 2022, certain bond propositions were submitted to the qualified electors within the District, and were approved by more than two-thirds of the votes cast at the election held on March 2, 2022; and

WHEREAS, the legislative body of the District desires to issue a first series of bonds for the District at this time under the Act to finance certain public facilities which the District is authorized to finance (“Facilities”); and

WHEREAS, the District desires to finance certain Facilities through the issuance of bonds in an aggregate principal amount not to exceed \$6,000,000 designated as the “Community Facilities District No.

2022-1 of the City of Escondido (Eclipse/Mountain House) Special Tax Bonds, Series 2024” (“Bonds”); and

WHEREAS, in order to effect the issuance of the Bonds, the District desires to enter into various agreements and approve certain documents in substantially the forms presented herein; and

WHEREAS, based on the appraisal of real property prepared by Kitty Siino & Associates, Inc. (“Appraisal”) of property within the District, the value of the real property in the District subject to the special tax to pay debt service on the Bonds is more than three times the sum of the principal amount of the Bonds and the principal amount of all other bonds outstanding that are secured by a special tax levied pursuant to the Act or a special assessment levied on property within the District as calculated in the manner set forth in Section 53345.8(a) of the Act; and

WHEREAS, the City Council has determined in accordance with Section 53360.4 of the Act that a negotiated sale of the Bonds to Stifel, Nicolaus & Company, Incorporated (“Underwriter”) in accordance with the terms of the Bond Purchase Agreement for the Bonds to be entered into by the District and the Underwriter (“Bond Purchase Agreement”) approved as to form by this City Council herein will result in a lower overall cost to the District than a public sale; and

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Escondido, California, as follows:

SECTION 1. The above recitals are true.

SECTION 2. The issuance of the Bonds is hereby authorized in an aggregate principal amount not to exceed \$6,000,000, with the exact principal amount to be determined by the official signing the Bond Purchase Agreement in accordance with Section 5 below. The City Council hereby determines that it is prudent in the management of the District’s fiscal affairs to issue the Bonds. The Bonds shall mature on the

dates and pay interest at the rates set forth in the Bond Purchase Agreement to be executed on behalf of the District in accordance with Section 5 hereof. All other provisions of the Bonds shall be governed by the terms and conditions of the Bond Indenture (“Indenture”), which Indenture shall be substantially in the form on file with the City Clerk, with such additions thereto and changes therein (including, but not limited to, changes in the amount to be maintained in the Reserve Account (as defined in the Indenture) as the officer or officers executing the same deem necessary to enhance the security for the Bonds, to cure any ambiguity or defect therein, to insert the offering price(s), interest rate(s), selling compensation, principal amount per maturity, redemption dates and prices and such other related terms and provisions as limited by Section 5 hereof or to conform any provisions therein to the Bond Purchase Agreement or the Official Statement delivered to the Underwriter of the Bonds. Approval of such changes shall be conclusively evidenced by the execution and delivery of the Indenture by one of the following: the Mayor of the City, or the City Manager, any Deputy City Manager, or the Director of Finance of the City (each, an “Authorized Officer”) or the designee thereof is hereby authorized and directed to execute the Indenture. Capitalized terms used in this Resolution which are not defined herein have the meanings ascribed to them in the Indenture.

SECTION 3. The Bonds shall be executed on behalf of the District by the manual or facsimile signature of the Mayor of the City or his or her written designee and be attested by the manual or facsimile signature of the City Clerk. The Bank of New York Mellon Trust Company, N.A is hereby appointed to act as trustee, registrar and transfer agent for the Bonds.

SECTION 4. The covenants set forth in the Indenture to be executed in accordance with Section 2 above are hereby approved, shall be deemed to be covenants of the City Council and shall be complied with by the District and its officers. The Indenture shall constitute a contract between the District and the Owners of the Bonds.

SECTION 5. The form of the Bond Purchase Agreement presented at this meeting is hereby approved and each of the Authorized Officers is hereby authorized to execute the Bond Purchase Agreement, with such additions thereto and changes therein relating to dates and numbers as are necessary to conform the Bond Purchase Agreement to the dates, amounts and interest rates applicable to the Bonds as of the sale date. Approval of such additions and changes shall be conclusively evidenced by the execution and delivery of the Bond Purchase Agreement by one or more of such Authorized Officers; provided, however, that the Bond Purchase Agreement shall be signed only if the Underwriter's discount does not exceed 2 percent of the principal amount of the Bonds and only if the true interest cost on the Bonds does not exceed 7 percent. Each of the Authorized Officers is authorized to determine the day on which the Bonds are to be priced in order to attempt to produce the lowest borrowing cost for the District and may reject any terms presented by the Underwriter if determined not to be in the best interest of the District.

SECTION 6. The form of the Continuing Disclosure Certificate presented at this meeting is hereby approved and each of the Authorized Officers is hereby authorized and directed to execute the Continuing Disclosure Certificate in the form hereby approved, with such additions therein and changes thereto as the officer or officers executing the same deem necessary to cure any defect or ambiguity therein, with such approval to be conclusively evidenced by the execution and delivery of such certificate.

SECTION 7. The form of the Preliminary Official Statement presented at this meeting is hereby approved and the Underwriter is hereby authorized to distribute the Preliminary Official Statement to prospective purchasers of the Bonds in the form hereby approved, together with such additions thereto and changes therein as are determined necessary by the Authorized Officers to make such Preliminary Official Statement final as of its date for purposes of Rule 15c2-12 of the Securities and Exchange Commission. Each of the Authorized Officers is hereby authorized to execute a final Official

Statement in the form of the Preliminary Official Statement, together with such changes as are determined necessary by the Authorized Officers, to make such Official Statement complete and accurate as of its date. The Underwriter is further authorized to distribute the final Official Statement for the Bonds and any supplement thereto to the purchasers of the Bonds upon the execution of the final Official Statement as described above.

SECTION 8. In accordance with the requirements of Section 53345.8 of the Act, based on the Appraisal, the legislative body of the District hereby determines that the value of the real property in the District subject to the special tax to pay debt service on the Bonds is more than three times the principal amount of the Bonds and the principal amount of all other bonds outstanding that are secured by a special tax levied pursuant to the Act or a special assessment levied on property within the District, all as calculated in the manner provided in Section 53345.8(a) of the Act.

SECTION 9. Each Authorized Officer is authorized to provide for all services necessary to effect the issuance of the Bonds. Such services shall include, but not be limited to, printing the Bonds, obtaining legal services, trustee and paying agent services, and any other services deemed appropriate as set forth in a certificate of such Authorized Officer. Each Authorized Officer is authorized to pay for the cost of such services, together with other costs of issuance, from Bond proceeds deposited pursuant to the Indenture.

SECTION 10. The Authorized Officers, the City Clerk and the other officers and staff of the City and the District responsible for the fiscal affairs of the District are hereby authorized and directed to take any actions and execute and deliver any and all documents as are necessary to accomplish the issuance, sale and delivery of the Bonds in accordance with the provisions of this Resolution and the fulfillment of the purposes of the Bonds as described in the Indenture, including, in the discretion of any of the Authorized Officers, the execution and delivery of a letter of credit or cash depository agreement with respect to the special taxes to be levied on property owned by the developer within the District and The

Bank of New York Mellon Trust Company, N.A, and providing certificates to the Underwriter as to the accuracy of any information relating to the District which is included within the Official Statement. Any document authorized herein to be signed by the City Clerk may be signed by a duly appointed deputy clerk.

SECTION 11. The good faith estimates of costs related to the Bonds which are required by Section 5852.1 of the California Government Code are disclosed in Exhibit "A" hereto and are available to the public at the meeting at which this Resolution is approved.

SECTION 12. This Resolution shall take effect from and after its date of adoption.

PASSED, APPROVED and ADOPTED by the City Council of the City of Escondido at a regular meeting this 10th day of April, 2024 by the following vote, to wit:

- AYES : Councilmembers:
- NOES : Councilmembers:
- ABSENT : Councilmembers:
- ABSTAIN : Councilmembers:

APPROVED:

DANE WHITE, Mayor of the
City of Escondido, California

ATTEST:

ZACK BECK, City Clerk of the
City of Escondido, California

RESOLUTION NO. 2024-__

GOOD FAITH ESTIMATES

The good faith estimates set forth herein are provided with respect to the Bonds in accordance with California Government Code Section 5852.1. Such good faith estimates have been provided to the District by CSG Advisors Incorporated (the District's "Municipal Advisor") in consultation with Stifel, Nicolaus & Company, Incorporated, the Underwriter of the Bonds.

Principal Amount. The Municipal Advisor has informed the District that, based on the District's financing plan and current market conditions, its good faith estimate of the aggregate principal amount of the Bonds to be sold is \$3,360,000 (the "Estimated Principal Amount"), which excludes approximately \$60,000 of net premium estimated to be generated based on current market conditions, which together total \$3,420,000 of gross proceeds of the Bonds. Net premium is generated when, on a net aggregate basis for a single issuance of bonds, the price paid for the bonds is higher than the face value of such bonds.

True Interest Cost of the Bonds. The Municipal Advisor has informed the District that, assuming that the Estimated Principal Amount of the Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the true interest cost of the Bonds, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the Bonds, is 5.02%.

Finance Charge of the Bonds. The Municipal Advisor has informed the District that, assuming that the Estimated Principal Amount of the Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the finance charge for the Bonds, which means the sum of all fees and charges paid to third parties and inclusive of reimbursements to the developer of the project for the costs to form the District (or costs associated with the Bonds), is \$342,200.

Amount of Proceeds to be Received. The Municipal Advisor has informed the District that, assuming that the Estimated Principal Amount of the Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the amount of proceeds expected to be received by the District for sale of the Bonds, less the finance charge of the Bonds, as estimated above, and any reserves or capitalized interest paid or funded with proceeds of the Bonds, is \$3,012,000.

Total Payment Amount. The Municipal Advisor has informed the District that, assuming that the Estimated Principal Amount of the Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the total payment amount, which means the sum total of all payments the District will make to pay debt service on the Bonds, plus the finance charge for the Bonds, as described above, not paid with the proceeds of the Bonds, calculated to the final maturity of the Bonds, is \$6,489,000.

The foregoing estimates constitute good faith estimates only. The actual principal amount of the Bonds issued and sold, the true interest cost thereof, the finance charges thereof, the amount of proceeds received therefrom and total payment amount with respect thereto may differ from such good faith estimates due to: (a) the actual date of the sale of the Bonds being different than the date assumed for purposes of such estimates; (b) the actual principal amount of Bonds sold being different from the Estimated Principal Amount; (c) the actual amortization of the Bonds being different than the amortization assumed for purposes of such estimates; (d) the actual market interest rates at the time of sale of the

Bonds being different than those estimated for purposes of such estimates; (e) other market conditions; or (f) alterations in the District's financing plan, delays in the financing, additional legal work or a combination of such factors and additional finance charges, if any, attributable thereto. Market interest rates are affected by economic and other factors beyond the control of the District.

PRELIMINARY OFFICIAL STATEMENT DATED _____, 2024**NEW ISSUE—BOOK-ENTRY ONLY****NO RATING**

In the opinion of Stradling Yocca Carlson & Rauth LLP, Bond Counsel, under existing statutes, regulations, rulings and judicial decisions, and assuming the accuracy of certain representations and compliance with certain covenants and requirements described herein, interest (and original issue discount) on the Bonds described herein is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals. In the further opinion of Bond Counsel, interest (and original issue discount) on the Bonds is exempt from State of California personal income tax. See the caption "TAX EXEMPTION" with respect to tax consequences relating to the Bonds.

\$3,360,000*

**COMMUNITY FACILITIES DISTRICT NO. 2022-1 OF THE
CITY OF ESCONDIDO (ECLIPSE/MOUNTAIN HOUSE)
SPECIAL TAX BONDS, SERIES 2024**

Dated: Delivery Date**Due: September 1, as shown on inside cover page**

The Community Facilities District No. 2022-1 of the City of Escondido (Eclipse/Mountain House) Special Tax Bonds, Series 2024 (the "Bonds") are being issued by Community Facilities District No. 2022-1 of the City of Escondido (Eclipse/Mountain House) (the "District") to: (i) finance certain public improvements needed with respect to the development of property located within the District, including public improvements to be owned by the City; (ii) fund a reserve account for the Bonds; and (iii) pay costs of issuance for the Bonds. The Bonds are authorized to be issued pursuant to the Mello-Roos Community Facilities Act of 1982, as amended (Section 53311 *et seq.* of the Government Code of the State of California) (the "Act"), and pursuant to that certain Bond Indenture, dated as of May 1, 2024 (the "Indenture"), by and between the District and The Bank of New York Mellon Trust Company, N.A, as trustee (the "Trustee").

The Bonds are payable from Net Taxes (as defined herein) derived from a certain annual Special Tax (as defined herein) to be levied on taxable parcels within the District and from certain other funds pledged under the Indenture, all as further described herein. The Special Tax is to be levied according to the rate and method of apportionment approved by the City Council of the City and the qualified electors within the District. See the caption "SOURCES OF PAYMENT FOR THE BONDS — Special Taxes" and Appendix A — "RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX."

The Bonds will be issued in fully registered form and when issued will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). Individual purchases of the Bonds may be made in principal amounts of \$5,000 and integral multiples thereof and will be in book-entry form only. Purchasers of the Bonds will not receive certificates representing their beneficial ownership of the Bonds but will receive credit balances on the books of their respective nominees. The Bonds will not be transferable or exchangeable except for transfer to another nominee of DTC or as otherwise described herein. Interest on the Bonds will be payable on each March 1 and September 1, commencing September 1, 2024. Principal of and interest on the Bonds will be paid by the Trustee to DTC for subsequent disbursement to DTC Participants, who will remit such payments to the Beneficial Owners of the Bonds.

NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE CITY, THE COUNTY OF SAN DIEGO, THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE BONDS. EXCEPT FOR THE NET TAXES, NO OTHER REVENUES OR TAXES ARE PLEDGED TO THE PAYMENT OF THE BONDS. THE BONDS ARE NOT GENERAL OR SPECIAL OBLIGATIONS OF THE CITY OR GENERAL OBLIGATIONS OF THE DISTRICT BUT ARE LIMITED OBLIGATIONS OF THE DISTRICT PAYABLE SOLELY FROM NET TAXES AND OTHER AMOUNTS HELD UNDER THE INDENTURE AS MORE FULLY DESCRIBED HEREIN.

The Bonds are subject to optional redemption, special mandatory redemption and mandatory sinking fund redemption prior to maturity as set forth herein. See the caption "THE BONDS — Redemption."

Investment in the Bonds involves risks that are not appropriate for certain investors. Certain events could affect the ability of the District to pay the principal of and interest on the Bonds when due. See the caption "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.

THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR GENERAL REFERENCE ONLY. IT IS NOT INTENDED TO BE A SUMMARY OF THE SECURITY OR TERMS OF THIS ISSUE. INVESTORS ARE ADVISED TO READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION.

**MATURITY SCHEDULE
(See Inside Cover Page)**

The Bonds are offered when, as and if issued and accepted by the Underwriter, subject to approval as to their legality by Stradling Yocca Carlson & Rauth LLP, Newport Beach, California, Bond Counsel, and subject to certain other conditions. Certain legal matters will be passed on for the City and the District by the City Attorney, and for the District by Stradling Yocca Carlson & Rauth LLP, Disclosure Counsel, for the Underwriter by Anzel Galvan LLP, San Francisco, California, and for the Trustee by its counsel. It is anticipated that the Bonds in book-entry form will be available for delivery on or about __, 2024.

[STIFEL LOGO]

Dated: _____, 2024

* Preliminary, subject to change.

\$3,360,000*
COMMUNITY FACILITIES DISTRICT NO. 2022-1 OF THE
CITY OF ESCONDIDO (ECLIPSE/MOUNTAIN HOUSE)
SPECIAL TAX BONDS, SERIES 2024

MATURITY SCHEDULE

\$ _____ Serial Bonds

<i>Maturity Date</i> <i>(September 1)</i>	<i>Principal</i> <i>Amount</i>	<i>Interest Rate</i>	<i>Yield</i>	<i>Price</i>	<i>CUSIP No.</i> [†]
--	---	-----------------------------	---------------------	---------------------	--------------------------------------

\$ _____ Term Bonds

\$ _____	% Term Bonds Due September 1, 20__	Yield: _____%	Price: _____%	CUSIP No. _____ [†]
\$ _____	% Term Bonds Due September 1, 20__	Yield: _____%	Price: _____%	CUSIP No. _____ [†]
\$ _____	% Term Bonds Due September 1, 20__	Yield: _____%	Price: _____%	CUSIP No. _____ [†]

[†] CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. Copyright© 2024 CUSIP Global Services. All rights reserved. CUSIP® data herein is provided by CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. None of the City, the District or the Underwriter or their agents or counsel assume responsibility for the accuracy of such numbers.

**CITY OF ESCONDIDO
COUNTY OF SAN DIEGO, CALIFORNIA**

CITY COUNCIL

Dane White, *Mayor*
Christian Garcia, *Deputy Mayor*
Joe Garcia, *Councilmember*
Consuelo Martinez, *Councilmember*
Michael Morasco, *Councilmember*

STAFF

Sean McGlynn, *City Manager*
Christopher McKinney, *Deputy City Manager*
Joanna Axelrod, *Deputy City Manager*
Christina Holmes, *Director of Finance*
Michael R. McGuinness, *City Attorney*

BOND AND DISCLOSURE COUNSEL

Stradling Yocca Carlson & Rauth LLP
Newport Beach, California

MUNICIPAL ADVISOR

CSG Advisors Incorporated
San Francisco, California

SPECIAL TAX CONSULTANT

Special District Financing & Administration, LLC
Escondido, California

APPRAISER

Kitty Siino & Associates, Inc.
Tustin, California

PRICE POINT CONSULTANT

Empire Economics, Inc.
Capistrano Beach, California

TRUSTEE

The Bank of New York Mellon Trust Company, N.A.
Los Angeles, California

Except where otherwise indicated, all information contained in this Official Statement has been provided by the City and the District. No dealer, broker, salesperson or other person has been authorized by the City, the District, 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 City, the District, 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.

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 and 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 City, the District or any other parties described herein since the date hereof. All summaries of the Indenture 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 City for further information in connection therewith.

IN CONNECTION WITH THE OFFERING OF THE BONDS, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF SUCH BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THE 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.

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 a "plan," "expect," "estimate," "project," "budget," or similar words. Such forward-looking statements include, but are not limited to certain statements contained in the information under the captions "THE DISTRICT" and "PROPERTY OWNERSHIP AND THE DEVELOPMENT."

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 DISTRICT DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THE FORWARD-LOOKING STATEMENTS SET FORTH IN THIS OFFICIAL STATEMENT. IN EVALUATING SUCH STATEMENTS, POTENTIAL INVESTORS SHOULD SPECIFICALLY CONSIDER THE VARIOUS FACTORS WHICH COULD CAUSE ACTUAL EVENTS OR RESULTS TO DIFFER MATERIALLY FROM THOSE INDICATED BY SUCH FORWARD-LOOKING STATEMENTS.

The City maintains a website. However, the information presented on such website is not part of this Official Statement and should not be relied upon in making an investment decision with respect to the Bonds.

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[INSERT VICINITY MAP]

[INSERT AERIAL PHOTOGRAPH]

\$3,360,000*
CITY OF ESCONDIDO
COMMUNITY FACILITIES DISTRICT NO. 2022-1 (ECLIPSE/MOUNTAIN HOUSE)
SPECIAL TAX BONDS, SERIES 2024

INTRODUCTION

The purpose of this Official Statement, which includes the cover page, the table of contents and the attached appendices (collectively, the “Official Statement”), is to provide certain information concerning the issuance by Community Facilities District No. 2022-1 of the City of Escondido (Eclipse/Mountain House) (the “District”) of its Special Tax Bonds, Series 2024 in the aggregate principal amount of \$3,360,000* (the “Bonds”). The proceeds of the Bonds will be used to: (i) finance certain public improvements needed with respect to the development of property located within the District, including public improvements to be owned by the City; (ii) fund a reserve account for the Bonds; and (iii) pay costs of issuance for the Bonds.

The Bonds are authorized to be issued pursuant to the Mello-Roos Community Facilities Act of 1982, as amended (Section 53311 *et seq.* of the Government Code of the State of California) (the “Act”), a resolution adopted on January 24, 2024, by the City Council of the City of Escondido (the “City”), acting as the legislative body of the District, and a Bond Indenture, dated as of May 1, 2024 (the “Indenture”), by and between the District and The Bank of New York Mellon Trust Company, N.A, as trustee (the “Trustee”). The Bonds are secured under the Indenture by a pledge of and lien upon Net Taxes (as such term is defined herein) and all moneys in the Special Tax Fund (other than the Administrative Expense Account therein) as described in the Indenture.

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 sale and delivery of Bonds to potential investors is made only by means of the entire Official Statement. All capitalized terms used in this Official Statement and not defined have the meanings set forth in Appendix F.

The District

General. The City is located in the County of San Diego (the “County”), approximately eighteen miles inland and thirty miles north of downtown San Diego. The City is located adjacent to the west of the City of San Marcos and surrounded by unincorporated County land to the north, east and south. At its formation, the District initially consisted of approximately 466.61 gross acres, consisting of approximately 3.38 gross acres in Zone A of the District, approximately 1.44 gross acres in a Future Annexation Area (which was annexed into Zone A in December 2022) and approximately 463.23 gross acres in Zone B. However, in December 2023 the Developer (as defined below) prepaid the Special Tax obligations with respect to the property in Zone B of the District and, therefore, the property in Zone B is no longer subject to the Special Tax. Accordingly, only the property in Zone A of the District will be subject to the levy of the Special Tax in the future.

The District is located at the southwest corner of Brotherton Road and South Centre City Parkway in the southern portion of the City. South Centre City Parkway is a frontage road alongside Centre City Parkway which is the business route for Interstate-15 and a main arterial through the City. The District has been developed by CWC Escondido 113 LLC, a Delaware limited liability company (the “Developer”), into 113 attached three-story townhomes within a gated community known as “Eclipse.” The 113 townhomes developed within the District are organized in 27 buildings with four different floor plans. As of February 9,

* Preliminary, subject to change.

2024, the date of value of the Appraisal Report (defined below), of the 113 residential units planned within the District, 97 single-family residential units had been completed and conveyed to individual homeowners, and the Developer owned sixteen single-family residential units over 95% completed, all of which were in escrow to be sold to individual homeowners. Since February 9, 2024, all 16 of the homes owned by the Developer as of such date have been conveyed to individual homeowners.

As of March 1, 2023, 81 building permits for the 113 planned dwelling units had been obtained and were therefore classified as Developed Property for the Fiscal Year 2023-24 Special Tax levy. However, as of March 1, 2024, the remaining 32 building permits had been obtained and all 113 dwelling units will therefore be classified as Developed Property for the Fiscal Year 2024-25 Special Tax levy and for each fiscal year thereafter. See "THE PROPERTY OWNERSHIP AND THE DEVELOPMENT."

All of the major infrastructure (sewer, water, storm drains, utilities, and arterial roads) necessary to develop the property within the District has been completed. The in-tract infrastructure within the District is substantially complete. See the captions "THE DISTRICT" and "PROPERTY OWNERSHIP AND THE DEVELOPMENT" for further information with respect to the District, the Developer and development within the District.

Formation Proceedings. The District was formed on March 2, 2022 pursuant to the Act. The Act was enacted to provide an alternative method of financing certain public capital facilities and services, especially in developing areas of the State. Any local agency (as defined in the Act) may establish a community facilities district to provide for and finance the cost of eligible public facilities and services. Generally, the legislative body of the local agency which forms a community facilities district acts on behalf of such district as its legislative body. Subject to approval by two-thirds of the votes cast at an election and compliance with the other provisions of the Act, a legislative body of a local agency may issue bonds for a community facilities district and may levy and collect a special tax within such district to repay such indebtedness. See the caption "SPECIAL RISK FACTORS—Ballot Initiatives; Initiative 1935" for a discussion of an initiative that has qualified for the November 2024 Statewide general election which may affect the March 2, 2022 election held within the District.

Pursuant to the Act, on January 26, 2022, the City Council adopted Resolution No. 2022-02 (the "Resolution of Intention"), stating its intention to form the District and to authorize the levy of a special tax on the taxable property within the District, and Resolution No. 2022-08, stating its intention to incur bonded indebtedness in an aggregate principal amount not to exceed \$6,000,000 for the purpose of financing the purchase, construction, expansion or rehabilitation of certain public facilities to serve the area within the District.

Subsequent to a noticed public hearing on March 2, 2022, the City Council adopted Resolution Nos. 2022-10 and 2022-11 on March 2, 2022 (collectively the "Resolution of Formation"). The Resolution of Formation: (i) established the District and designated certain parcels as territory property for future annexation into the District (the "Future Annexation Area"); (ii) authorized the levy of a special tax (the "Special Tax") within the District; (iii) determined the necessity to incur bonded indebtedness in an amount not to exceed \$6,000,000 within the District; and (iv) called an election within the District on the proposition of incurring bonded indebtedness, levying the Special Tax and setting an appropriations limit.

On March 2, 2022, an election was held within the District in which the property owner within the District approved the proposition authorizing the issuance of bonds in an amount not to exceed \$6,000,000. A Notice of Special Tax Lien for the District was recorded in the office of the County Recorder on March 8, 2022, as Document No. 2022-0103494. On March 16, 2022, the City Council adopted Ordinance No. 2022-03 (the "Ordinance") which authorizes the levy of a special tax pursuant to the Rate and Method of Apportionment approved at the March 2, 2022 election (the "Rate and Method"), a copy of which is attached hereto as Appendix A.

Subsequent to the March 2, 2022 formation, on November 4, 2022, the Developer, as the then-owner of all of the property within the Future Annexation Area, executed a Unanimous Approval (the "Unanimous Approval") stating the Developer's intention to annex all of the property within the Future Annexation Area into the District pursuant to the Resolution of Formation and the Act. On December 7, 2022, the City Council adopted Resolution No. 2022-182 approving the annexation of the property within the Future Annexation Area to the District in accordance with the Unanimous Approval.

Sources of Payment for the Bonds

Special Taxes. As used in this Official Statement, the term "Special Tax" means the annual Special Tax which has been authorized pursuant to the Act and the Rate and Method to be levied upon taxable property within the District. As previously described, only the property in Zone A of the District will be subject to the levy of the Special Tax in the future. See the caption "SOURCES OF PAYMENT FOR THE BONDS — Special Taxes" and Appendix A — "RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX." See the caption "THE DISTRICT."

Under the Indenture, the District has pledged to repay the Bonds and any Parity Bonds (as defined herein) from the Special Tax revenues remaining after the payment of certain annual Administrative Expenses of the District (the "Net Taxes") and from other amounts in the Special Tax Fund (other than the Administrative Expense Account therein) established under the Indenture. The Special Taxes are the primary source of security for the repayment of the Bonds and any Parity Bonds. In the event that the Special Taxes are not paid when due, the only sources of funds available to pay the debt service on the Bonds and any Parity Bonds are amounts held by the Trustee in the Special Tax Fund, including amounts held in the Reserve Account therein, to the limited extent described in the Indenture. See the caption "SOURCES OF PAYMENT FOR THE BONDS — Reserve Account of the Special Tax Fund."

Foreclosure Proceeds. The District will covenant in the Indenture for the benefit of the owners of the Bonds and Parity Bonds that it will: (i) commence judicial foreclosure proceedings against parcels with delinquent Special Taxes in excess of \$5,000 by the October 1 following the close of each Fiscal Year in which such Special Taxes were due; and (ii) commence judicial foreclosure proceedings against all parcels with delinquent Special Taxes by the October 1 following the close of each Fiscal Year in which it receives Special Taxes in an amount which is less than 95% of the total Special Tax levied; and (iii) diligently pursue such foreclosure proceedings until the delinquent Special Taxes are paid; provided that, notwithstanding the foregoing, the District may elect to defer foreclosure proceedings on any parcel so long as the amount in the Reserve Account is at least equal to the Reserve Requirement. See the caption "SOURCES OF PAYMENT FOR THE BONDS — Special Taxes — Proceeds of Foreclosure Sales." There is no assurance that the property within the District can be sold for the appraised or assessed values described herein, or for a price sufficient to pay the principal of and interest on the Bonds in the event of a default in payment of Special Taxes by the current or future landowners within the District. See the caption "SPECIAL RISK FACTORS — Property Values."

EXCEPT FOR THE NET TAXES, NO OTHER TAXES ARE PLEDGED TO THE PAYMENT OF THE BONDS. THE BONDS ARE NOT GENERAL OR SPECIAL OBLIGATIONS OF THE CITY OR GENERAL OBLIGATIONS OF THE DISTRICT, BUT ARE LIMITED OBLIGATIONS OF THE DISTRICT PAYABLE SOLELY FROM NET TAXES AND AMOUNTS HELD UNDER THE INDENTURE, AS MORE FULLY DESCRIBED HEREIN.

Appraisal Report

Kitty Siino & Associates, Inc. (the "Appraiser") has conducted an Appraisal dated March 11, 2024 (the "Appraisal Report") of certain land and existing improvements within the District to provide an estimate of the market value of the fee simple interest of such land and improvements. The Appraisal Report provides an estimate of the approximate market value of the property in the District subject to the levy of Special Taxes,

assuming that development of the property consists of 113 residential units. Based on the contingencies, assumptions and limiting conditions in the Appraisal Report, the Appraiser concluded that the minimum market value of all of the parcels within the District subject to the Special Tax was \$70,508,092 as of February 9, 2024 (the "Date of Value").

The Appraisal Report is based upon a variety of assumptions and limiting conditions that are described in Appendix D. The District makes no representation as to the accuracy of the Appraisal Report. See "THE DISTRICT — Appraisal Report" and "— Estimated Appraised Value-to-Lien Ratios." There is no assurance that property within the District can be sold for the prices set forth in the Appraisal Report or that any parcel can be sold for a price sufficient to pay the Special Tax for that parcel in the event of a default in payment of Special Taxes by a property owner. See "THE DISTRICT," "SPECIAL RISK FACTORS — Property Values" herein and Appendix D.

Price Point Study

In connection with the formation of the District, the City hired Empire Economics, Inc., Capistrano Beach, California (the "Price Point Consultant") to prepare a price point study of the prices of the homes planned within the District, dated December 13, 2021 (the "Original Price Point Study"). The Special Tax rates set forth in the Rate and Method were based in part on the prices set forth in the Original Price Point Study. In connection with and in preparation for the issuance of the Bonds, the City hired the Price Point Consultant to conduct an update to the Original Price Point Study within the District, dated November 20, 2023 (the "Updated Price Point Study"). Pursuant to Section D of the Rate and Method, prior to the issuance of Bonds, the City is required to amend the Assigned Facilities Special Tax (as defined in the Rate and Method) to the extent necessary to cause the total effective tax burden for residential property in the District to not exceed 1.95% of the minimum sales prices set forth in the Updated Price Point Study. A copy of the Updated Price Point Study is included as Appendix E to this Official Statement. Based on the conclusions of the Updated Price Point Study, the Special Taxes and all direct and overlapping property taxes, special assessments and other special taxes, the City does not expect to amend the Assigned Facilities Special Tax because effective tax rates are not projected to exceed 1.95% for any parcel. See "THE COMMUNITY FACILITIES DISTRICT — Direct and Overlapping Debt — Table 5." See also "SOURCES OF PAYMENT FOR THE BONDS — Special Taxes — *Rate and Method of Apportionment.*"

Description of the Bonds

The Bonds will be issued and delivered 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") in the denominations of \$5,000 or any integral multiple thereof, under the book-entry system maintained by DTC, only through brokers and dealers who are or act through DTC Participants as described herein. Beneficial Owners will not be entitled to receive physical delivery of the Bonds. In the event that the book-entry only system described herein is no longer used with respect to the Bonds, the Bonds will be registered and transferred in accordance with the Indenture. See Appendix H — "BOOK-ENTRY ONLY SYSTEM."

Principal of, premium, if any, and interest on the Bonds is payable by the Trustee to DTC. Disbursement of such payments to DTC Participants is the responsibility of DTC and disbursement of such payments to the Beneficial Owners is the responsibility of DTC Participants. See Appendix H — "BOOK-ENTRY ONLY SYSTEM."

The Bonds are subject to optional redemption, special mandatory redemption and mandatory sinking fund redemption prior to maturity as described herein. See the caption "THE BONDS — Redemption." For a more complete description of the Bonds and the basic documentation pursuant to which they are being sold and delivered, see the caption "THE BONDS" and Appendix F — "SUMMARY OF THE INDENTURE."

Tax Exemption

In the opinion of Stradling Yocca Carlson & Rauth LLP, Newport Beach, California (“Bond Counsel”), under existing statutes, regulations, rulings and judicial decisions, and assuming certain representations and compliance with certain covenants and requirements described herein, interest (and original issue discount) on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals. In the further opinion of Bond Counsel, interest (and original issue discount) on the Bonds is exempt from State of California personal income tax. See the caption “TAX EXEMPTION.”

Set forth in Appendix C is the form of opinion of Bond Counsel expected to be delivered in connection with the issuance of the Bonds. For a more complete discussion of such opinion and certain tax consequences incident to the ownership of the Bonds, see the caption “TAX EXEMPTION.”

Professionals Involved in the Offering

The Bank of New York Mellon Trust Company, N.A, Los Angeles, California, will act as Trustee under the Indenture. Stifel, Nicolaus & Company, Incorporated (the “Underwriter”) is the Underwriter of the Bonds. Certain proceedings in connection with the issuance and delivery of the Bonds are subject to the approval of Stradling Yocca Carlson & Rauth LLP, Newport Beach, California, Bond Counsel and Disclosure Counsel to the District in connection with the issuance of the Bonds. Certain legal matters will be passed on for the City and the District by the City Attorney, for the Underwriter by Anzel Galvan LLP, San Francisco, California, and for the Trustee by its counsel. Other professional services have been performed by Special District Financing & Administration, LLC, Escondido, California, as Special Tax Consultant (the “Special Tax Consultant”), Kitty Siino & Associates, Tustin, California, as Appraiser and Empire Economics, Inc. as the Price Point Consultant to the District.

For information concerning circumstances in which certain of the above-mentioned professionals, advisors, counsel and consultants may have a financial or other interest in the offering of the Bonds, see the caption “FINANCIAL INTERESTS.”

Continuing Disclosure

Pursuant to a Continuing Disclosure Certificate to be executed by the District (the “District Continuing Disclosure Certificate”), the District will agree to provide, or cause to be provided, to the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access system (“EMMA”), maintained on the Internet at <http://emma.msrb.org>, certain annual financial information and operating data and notices of certain enumerated events. These covenants are being made in order to assist the Underwriter in complying with subsection (b)(5) of Rule 15c2-12 adopted by the Securities and Exchange Commission (“Rule 15c2-12”).

See “CONTINUING DISCLOSURE,” Appendix G — “FORM OF DISTRICT CONTINUING DISCLOSURE CERTIFICATE.”

Parity Bonds for Refunding Purposes Only

The District will covenant in the Indenture not to issue additional indebtedness secured by the Net Taxes on a parity with the Bonds (“Parity Bonds”) other than for refunding all or a portion of the Bonds or Parity Bonds. See the caption “SOURCES OF PAYMENT FOR THE BONDS — Parity Bonds for Refunding Purposes Only.” Other taxes and/or special assessments with liens equal in priority to the continuing lien of the Special Taxes may also be levied in the future on the property within the District, which could adversely affect the willingness of the landowners to pay the Special Taxes when due. See the captions

“THE DISTRICT — Direct and Overlapping Debt” and “SPECIAL RISK FACTORS — Direct and Overlapping Indebtedness.”

Bond Owners’ Risks

Certain events could affect the ability of the District to pay the principal of and interest on the Bonds when due. See the caption “SPECIAL RISK FACTORS” for a discussion of certain factors which should be considered, in addition to other matters set forth herein, in evaluating an investment in the Bonds. The purchase of the Bonds involves risks, and the Bonds may not be appropriate investments for some types of investors.

Other Information

This Official Statement speaks only as of its date, and the information contained herein is subject to change.

Brief descriptions of the Bonds and the Indenture are included in this Official Statement. Such descriptions and information do not purport to be comprehensive or definitive. All references herein to the Indenture, the Bonds and the Constitution and laws of the State, as well as the proceedings of the City Council, acting as the legislative body of the District, are qualified in their entirety by references to such documents, laws and proceedings, and with respect to the Bonds, by reference to the Indenture. Capitalized terms not otherwise defined in this Official Statement have the meanings set forth in Appendix F.

Copies of the Indenture and other documents and information are available for inspection and copies may be obtained from the City, 201 North Broadway, Escondido, CA 92025, Attention: City Clerk.

FINANCING PLAN

Estimated Sources and Uses of Funds

The following table sets forth the expected sources and uses of Bond proceeds and certain other funds on hand.

Sources of Funds

Principal Amount of Bonds
 Plus Original Issue Premium
 Plus Funds on Hand⁽¹⁾
 Total Sources

Uses of Funds:

Acquisition and Construction Fund
 Costs of Issuance⁽³⁾
 Reserve Account of the Special Tax Fund
 Total Uses

⁽¹⁾ Reflects Fiscal Year 2022-23 and 2023-24 Special Tax collections, net of Administrative Expenses.

⁽²⁾ To pay costs of issuance of the Bonds, including legal fees, underwriter’s discount, printing costs, Appraiser, Special Tax Consultant and Trustee fees.

THE BONDS

General Provisions

The Bonds will be dated their date of delivery and will bear interest at the rates per annum set forth on the inside cover page hereof, payable semiannually on each March 1 and September 1, commencing September 1, 2024 (each, an "Interest Payment Date"), and will mature in the amounts and on the dates set forth on the inside cover page of this Official Statement. Interest will be calculated on the basis of a 360-day year comprised of twelve 30-day months. The Bonds will be issued in fully registered form in denominations of \$5,000 or any integral multiple thereof.

Interest on any Bond will be payable from the Interest Payment Date next preceding the date of authentication of such Bond, unless: (i) such date of authentication is an Interest Payment Date, in which event interest will be payable from such date of authentication; (ii) the date of authentication is after the fifteenth day of the month preceding an Interest Payment Date, regardless of whether such day is a Business Day (each, a "Record Date") but prior to the immediately succeeding Interest Payment Date, in which event interest will be payable from the Interest Payment Date immediately succeeding the date of authentication; or (iii) the date of authentication is prior to the close of business on the first Record Date occurring after the issuance of such Bond, in which event interest will be payable from the dated date of such Bond, as applicable; provided, however, that if at the time of authentication of such Bond, interest is in default, interest on such Bond will be payable from the last Interest Payment Date to which the interest has been paid or made available for payment or, if no interest has been paid or made available for payment on such Bond, interest on such Bond will be payable from its dated date.

Interest on any Bond will be paid to the person whose name appears as its owner in the registration books held by the Trustee on the close of business on the Record Date. Principal of, premium, if any, due upon redemption is payable upon presentation and surrender of the Bonds at the principal corporate trust office of the Trustee in Los Angeles, California.

The Bonds will be issued as fully registered bonds 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 thereof. So long as DTC is the securities depository all payments of principal and interest on the Bonds will be made to DTC and will be paid to the Beneficial Owners in accordance with DTC's procedures and the procedures of DTC's Participants. See APPENDIX H — "BOOK-ENTRY-ONLY SYSTEM."

In the event the Bonds are not held in book-entry form, interest will be paid by check of the Trustee mailed by first class mail, postage prepaid, to the Bondowner at its address on the registration books kept by the Trustee. Pursuant to a written request prior to the Record Date of a Bondowner of at least \$1,000,000 in aggregate principal amount of Bonds or of any issue of Parity Bonds, payment will be made by wire transfer in immediately available funds to a designated account in the United States.

Debt Service Schedule

The following table presents the annual debt service on the Bonds (including sinking fund redemptions), assuming that there are no optional or special mandatory redemptions. See the caption “— Redemption” below.

<i>Year Ending September 1</i>	<i>Principal</i>	<i>Interest</i>	<i>Total Debt Service</i>
2024	\$	\$	\$
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			
2043			
2044			
2045			
2046			
2047			
2048			
2049			
2050			
2051			
2052			
2053			
2054			
Total	\$ _____	\$ _____	\$ _____

Redemption

Optional Redemption*. The Bonds may be redeemed at the option of the District from any source of funds on any Interest Payment Date on or after September 1, 20_, in whole or in part, from such maturities as are selected by the District and by lot within a maturity, at the following redemption prices, expressed as a percentage of the principal amount to be redeemed, together with accrued interest to the date of redemption:

* Preliminary, subject to change.

<i>Redemption Date</i>	<i>Redemption Price</i>
September 1, 2030 and March 1, 2031	103%
September 1, 2031 and March 1, 2032	102
September 1, 2032 and March 1, 2033	101
September 1, 2033 and any Interest Payment Date Thereafter	100

In the event that the District elects to redeem Bonds as provided above, the District will give written notice to the Trustee of its election to so redeem, the redemption date and the principal amount of the Bonds of each maturity to be redeemed. The notice to the Trustee will be given at least 30 but no more than 60 days prior to the redemption date, or by such later date as is acceptable to the Trustee.

Mandatory Sinking Fund Redemption. The Bonds maturing on September 1, 20__ (the "20__ Term Bonds") will be called before maturity and redeemed, from the Sinking Fund Payments that have been deposited into the Redemption Account established under the Indenture, on September 1, 20__, and on each September 1 thereafter prior to maturity, in accordance with the schedule of Sinking Fund Payments set forth below. The 20__ Term Bonds so called for redemption will be selected by the Trustee by lot and will be redeemed at a redemption price for each redeemed 20__ Term Bond equal to the principal amount thereof, plus accrued interest to the redemption date, without premium, as follows:

Term Bonds Maturing September 1, 20__

*Sinking Fund Redemption Date
(September 1)*

Sinking Fund Payments

*

* Maturity.

The Bonds maturing on September 1, 20__ (the "20__ Term Bonds") will be called before maturity and redeemed, from the Sinking Fund Payments that have been deposited into the Redemption Account established under the Indenture, on September 1, 20__, and on each September 1 thereafter prior to maturity, in accordance with the schedule of Sinking Fund Payments set forth below. The 20__ Term Bonds so called for redemption will be selected by the Trustee by lot and will be redeemed at a redemption price for each redeemed 20__ Term Bond equal to the principal amount thereof, plus accrued interest to the redemption date, without premium, as follows:

Term Bonds Maturing September 1, 20__

*Sinking Fund Redemption Date
(September 1)*

Sinking Fund Payments

_*

* Maturity.

The Bonds maturing on September 1, 20__ (the "20__ Term Bonds") will be called before maturity and redeemed, from the Sinking Fund Payments that have been deposited into the Redemption Account established under the Indenture, on September 1, 20__, and on each September 1 thereafter prior to maturity, in accordance with the schedule of Sinking Fund Payments set forth below. The 20__ Term Bonds so called for

redemption will be selected by the Trustee by lot and will be redeemed at a redemption price for each redeemed 20 Term Bond equal to the principal amount thereof, plus accrued interest to the redemption date, without premium, as follows:

Term Bonds Maturing September 1, 20_

***Sinking Fund Redemption Date
(September 1)***

Sinking Fund Payments

*

* Maturity.

If the District purchases Term Bonds during the Fiscal Year immediately preceding one of the sinking fund redemption dates specified above, the District will notify the Trustee at least 45 days prior to the redemption date as to the principal amount purchased, and the amount purchased will be credited at the time of purchase to the next Sinking Fund Payment for the Term Bond so purchased, to the extent of the full principal amount of the purchase. All Term Bonds purchased will be cancelled pursuant to the Indenture.

In the event of a partial optional redemption or special mandatory redemption of the Term Bonds, each of the remaining Sinking Fund Payments for such Term Bonds will be reduced, as nearly as practicable, on a pro rata basis, as set forth in a revised sinking fund schedule delivered by the District to the Trustee.

Special Mandatory Redemption from Special Tax Prepayments*. The Bonds are subject to special mandatory redemption as a whole or in part on a pro rata basis among maturities and by lot within a maturity, on any Interest Payment Date on or after September 1, 20_, and will be redeemed by the Trustee, from any amounts paid by the District to the Trustee and designated by the District as a prepayment of Special Taxes for one or more parcels in the District made in accordance with the Rate and Method (the "Prepayments") deposited to the Redemption Account pursuant to the Indenture, plus amounts transferred from the Reserve Account pursuant to the Indenture, at the following redemption prices, expressed as a percentage of the principal amount to be redeemed, together with accrued interest to the redemption date:

<i>Redemption Date</i>	<i>Redemption Price</i>
Any Interest Payment Date from September 1, 2024 through March 1, 2031	103%
September 1, 2031 and March 1, 2032	102
September 1, 2032 and March 1, 2033	101
September 1, 2033 and any Interest Payment Date thereafter	100

See the caption "SPECIAL RISK FACTORS — Potential Early Redemption of Bonds from Prepayments or Community Facilities District Bond Proceeds" for a discussion of the potential for a lower than expected yield on the Bonds as a result of a special mandatory redemption from prepayment of Special Taxes or proceeds of bonds of other community facilities districts.

Notice of Redemption. So long as the Bonds are held in book-entry form, notice of redemption will be sent by the Trustee to DTC and not to the Beneficial Owners of the Bonds under the DTC book-entry only system. Neither the District nor the Trustee is responsible for notifying the Beneficial Owners, who are to be

* Preliminary, subject to change.

notified in accordance with the procedures in effect for the DTC book-entry system. See Appendix H — “BOOK-ENTRY ONLY SYSTEM.”

The Trustee will give notice, in the name of the District, of the redemption of Bonds. Such notice of redemption will: (i) specify the CUSIP numbers (if any), the bond numbers and the maturity date or dates of the Bonds selected for redemption, except that where all of the Bonds are subject to redemption, or all of the Bonds of one maturity are to be redeemed, the bond numbers of such issue need not be specified; (ii) state the date fixed for redemption and surrender of the Bonds to be redeemed; (iii) state the redemption price; (iv) state the place or places where the Bonds are to be redeemed; (v) in the case of Bonds to be redeemed only in part, state the portion of such Bond which is to be redeemed; (vi) state the date of issue of the Bonds as originally issued; (vii) state the rate of interest borne by each Bond being redeemed; and (viii) state any other descriptive information needed to identify accurately the Bonds being redeemed as specified by the Trustee. Such notice will further state that on the date fixed for redemption, there will become due and payable on each Bond, or portion thereof called for redemption, the principal thereof, together with any premium, and interest accrued to the redemption date, and that from and after such date, interest thereon will cease to accrue and be payable. At least 30 days but no more than 45 days prior to the redemption date, the Trustee will mail a copy of such notice of redemption, by first class mail, postage prepaid, to the respective Owners thereof at their addresses appearing on the Bond Register, and to the original purchaser of any Bonds; provided, however, so long as the Bonds are registered in the name of the Nominee, such notice shall be given in such manner as complies with the requirements of the Depository. The actual receipt by the Owner of any Bond of notice of such redemption is not a condition precedent to redemption, and neither the failure to receive nor any defect in such notice will affect the validity of the proceedings for the redemption of such Bonds, or the cessation of interest on the redemption date. A certificate by the Trustee that notice of such redemption has been given as provided in the Indenture will be conclusive as against all parties and the Owner is not entitled to show that he or she failed to receive notice of such redemption.

In addition to the foregoing notice, further notice will be given by the Trustee as set out below, but no defect in said further notice nor any failure to give all or any portion of such further notice will in any manner defeat the effectiveness of a call for redemption if notice thereof is given as above prescribed.

Each further notice of redemption will be sent not later than the date that notice of redemption is given to the Owners pursuant to the Indenture by first class mail or facsimile to the Depository and posted on the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access system (“EMMA”). The sole remedy for the Trustee’s failure to post such redemption notices on EMMA shall be an action in mandamus by the holders of the Bonds and the Parity Bonds for specific performance or a similar remedy to compel performance.

Upon the payment of the redemption price of any Bonds and Parity Bonds being redeemed, each check or other transfer of funds issued for such purpose shall to the extent practicable bear the CUSIP number identifying, by issue and maturity, the Bonds and Parity Bonds being redeemed with the proceeds of such check or other transfer. Redemption notices may state that no representation is made as to the accuracy or correctness of the CUSIP numbers printed therein or on the Bonds or Parity Bonds.

With respect to any notice of optional redemption of Bonds, such notice may state that such redemption is conditional upon the receipt by the Trustee on or prior to the date fixed for such redemption of moneys sufficient to pay the principal of, premium, if any, and interest on such Bonds to be redeemed and that, if the District determines that such moneys have not been so received on the redemption date, said notice will be of no force and effect and the Trustee will not be required to redeem such Bonds. In the event that such notice of redemption contains such a condition and the District determines that such moneys are not so received, the redemption will not be made, and the Trustee will within a reasonable time thereafter give notice, in the manner in which the notice of redemption was given, that such moneys were not so received.

Selection of Bonds for Redemption. If less than all of the Bonds Outstanding are to be redeemed, the portion of any Bond of a denomination of more than \$5,000 to be redeemed will be in the principal amount of \$5,000 or an integral multiple thereof. In selecting portions of such Bonds for redemption, the Trustee will treat such Bonds, as applicable, as representing that number of Bonds of \$5,000 denominations which is obtained by dividing the principal amount of such Bonds to be redeemed in part by \$5,000. The procedure for the selection of Parity Bonds for redemption may be modified as set forth in the Supplemental Indenture for such Parity Bonds. The Trustee will promptly notify the District in writing of the Bonds, or portions thereof, selected for redemption.

Partial Redemption of Bonds. Upon surrender of any Bond to be redeemed in part only, the District will execute and the Trustee will authenticate and deliver to the Owner, at the expense of the District, a new Bond or Bonds of authorized denominations equal in aggregate principal amount to the unredeemed portion of the Bonds surrendered, with the same interest rate and the same maturity.

Effect of Notice and Availability of Redemption Money. Notice of redemption having been duly given, as provided in the Indenture, and the amount necessary for the redemption having been made available for that purpose and being available therefor on the date fixed for such redemption: (i) the Bonds, or portions thereof, designated for redemption will, on the date fixed for redemption, become due and payable at the redemption price thereof as provided in the Indenture, anything in the Indenture or in the Bonds to the contrary notwithstanding; (ii) upon presentation and surrender thereof at the office of the Trustee, the redemption price of such Bonds will be paid to the Owners thereof; (iii) as of the redemption date the Bonds, or portions thereof so designated for redemption will be deemed to be no longer Outstanding and such Bonds, or portions thereof, will cease to bear further interest; and (iv) as of the date fixed for redemption no Owner of any of the Bonds, or portions thereof so designated for redemption will be entitled to any of the benefits of the Indenture, or to any other rights, except with respect to payment of the redemption price and interest accrued to the redemption date from the amounts so made available.

Registration, Transfer and Exchange

Registration. The Trustee will keep sufficient books for the registration and transfer of the Bonds. The ownership of the Bonds will be established by the Bond registration books held by the Trustee.

Transfer or Exchange. Subject to the limitations set forth in the following paragraph, the registration of any Bond may, in accordance with its terms, be transferred upon the Bond Register by the person in whose name it is registered, in person or by his or her duly authorized attorney, upon surrender of such Bond for cancellation at the office of the Trustee, accompanied by delivery of written instrument of transfer in a form acceptable to the Trustee and duly executed by the Owner or his or her duly authorized attorney.

Bonds may be exchanged at the office of the Trustee for a like aggregate principal amount of Bonds for other authorized denominations of the same maturity and issue. The Trustee may not collect from the Owner any charge for any new Bond issued upon any exchange or transfer, but will require the Owner requesting such exchange or transfer to pay any tax or other governmental charge required to be paid with respect to such exchange or transfer. Whenever any Bonds are surrendered for registration of transfer or exchange, the District will execute and the Trustee will authenticate and deliver a new Bond or Bonds, as applicable, of the same issue and maturity, for a like aggregate principal amount; provided that the Trustee is not required to register transfers or make exchanges of: (i) Bonds for a period of 15 days next preceding any selection of the Bonds to be redeemed; or (ii) any Bonds chosen for redemption.

SOURCES OF PAYMENT FOR THE BONDS

Limited Obligations

The Bonds are special, limited obligations of the District payable only from amounts pledged under the Indenture and from no other sources.

The Special Taxes are the primary source of security for the repayment of the Bonds. Under the Indenture, the District has pledged to repay the Bonds from the Net Taxes (which are Special Tax revenues remaining after the payment of the annual Administrative Expenses in an amount not to exceed the Administrative Expenses Cap (as defined in the Indenture)) and from amounts held in the Special Tax Fund (other than amounts held in the Administrative Expense Account therein). Special Tax revenues include the proceeds of the annual Special Tax levy received by the District, including any scheduled payments and Prepayments thereof, and the net proceeds of the redemption of delinquent Special Taxes or sale of property sold as a result of foreclosure of the lien of delinquent Special Taxes to the amount of said lien, and penalties and interest thereon; provided that any delinquent Special Tax sold to an independent third-party or to the City for 100% of the delinquent amount will no longer be pledged under the Indenture to the payment of the Bonds or Parity Bonds.

In the event that the Special Tax revenues are not received when due, the only sources of funds available to pay the debt service on the Bonds are amounts held by the Trustee in the Special Tax Fund (other than the Administrative Expense Account therein), including amounts held in the Reserve Account therein, for the exclusive benefit of the Owners of the Bonds.

NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE CITY, THE COUNTY, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE BONDS. EXCEPT FOR THE NET TAXES, NO OTHER TAXES ARE PLEDGED TO THE PAYMENT OF THE BONDS. THE BONDS ARE NOT GENERAL OR SPECIAL OBLIGATIONS OF THE CITY BUT ARE LIMITED OBLIGATIONS OF THE DISTRICT PAYABLE SOLELY FROM THE NET TAXES AND OTHER AMOUNTS PLEDGED UNDER THE INDENTURE AS MORE FULLY DESCRIBED HEREIN.

Special Taxes

Authorization and Pledge. In accordance with the provisions of the Act, the City established the District on March 2, 2022 for the purpose of financing of various public improvements required in connection with the proposed development within the District. At a special election held on March 2, 2022, the qualified elector within the District authorized the District to incur indebtedness in an amount not to exceed \$6,000,000 for the District and the levy of the Special Taxes on property within the District to repay such bonds and to finance the Facilities (as defined below). The qualified elector within the District also voted to approve the Rate and Method which authorized the Special Tax to be levied to repay indebtedness of the District, including the Bonds. Subsequent to the March 2, 2022 formation, on November 4, 2022, the Developer, as the then-owner of all of the property within the Future Annexation Area, executed the Unanimous Approval stating the Developer's intention to annex all of the property within the Future Annexation Area into the District pursuant to the Resolution of Formation and the Act. On December 7, 2022, the City Council approved the annexation of the property within the Future Annexation Area to the District in accordance with the Unanimous Approval. See the caption "SPECIAL RISK FACTORS—Ballot Initiatives; Initiative 1935" for a discussion of an initiative that has qualified for the November 2024 Statewide general election which may affect the March 2, 2022 election held within the District.

The Bonds will be repaid only from annual Net Taxes derived from the levy and collection of Special Taxes pursuant to the Rate and Method. The Rate and Method permits the prepayment of Special Taxes for an Assessor's Parcel, and any such Prepayments will be applied to redeem Bonds and Parity Bonds, if any. The

Net Taxes collected from the annual Special Tax levy and the proceeds of any Prepayment have been pledged under the Indenture to the repayment of the Bonds and Parity Bonds.

The Special Taxes levied in any Fiscal Year may not exceed the maximum rates authorized pursuant to the Rate and Method. See “— *Rate and Method of Apportionment of Special Tax*” and Appendix A — “RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX.” There is no assurance that the Net Taxes will, in all circumstances, be adequate to pay the principal of and interest on the Bonds when due. See the caption “SPECIAL RISK FACTORS — Insufficiency of Special Tax Revenues.”

Rate and Method of Apportionment of Special Tax. The Rate and Method applicable to the District is contained in Appendix A — “RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX.” The meaning of the defined terms used in this section are as set forth in Appendix A.

In general, the Rate and Method imposes a different Maximum Special Tax on Taxable Property within the District depending upon whether such Taxable Property is classified as: (i) “Developed Property” (in general, Taxable Property for which a building permit for new construction was issued prior to March 1st of the prior Fiscal Year), (ii) “Final Mapped Property” (in general, parcels of Taxable Property, exclusive of Developed Property, Taxable Property Owner Association Property, and Taxable Public Property, which as of January 1 of the previous Fiscal Year was located within a Final Map), (iii) “Undeveloped Property” (in general, Taxable Property that is not Developed Property, Final Mapped Property, Property Owner Association Property or Public Property) or (iv) “Property Owner Association Property” (in general, Taxable Property that would otherwise be classified as Exempt Property but cannot be classified as Exempt Property because to do so would reduce the Acreage of all Taxable Property below the required minimum Acreage set forth in the Rate and Method). Different Maximum Special Taxes are also applicable to Developed Property depending upon its status as either “Residential Property” or “Non-Residential Property.”

Pursuant to the Rate and Method the District is required to determine the “Special Tax Requirement” for each Fiscal Year. The Special Tax Requirement for the District is the amount required in any Fiscal Year to pay: (i) Administration Expenses; (ii) debt service on all outstanding Bonds and Parity Bonds due in the calendar year that commences in such Fiscal Year; (iii) periodic costs on the Bonds and Parity Bonds, including but not limited to, credit enhancement and rebate payments on the Bonds and Parity Bonds; (iv) any amounts required to replenish any reserve funds for all outstanding Bonds and Parity Bonds; (v) directly for acquisition or construction of Facilities that are eligible to be financed through the District under the Act, as reasonably determined by the City, so long as the inclusion of such amount does not cause an increase in the Special Tax attributable to Final Mapped Property, Undeveloped Property, Public Property that is not Exempt Property, Property Owner Association Property that is not Exempt Property or the levy of the Backup Special Tax; (vi) in anticipation of reasonably anticipated delinquent Special Taxes based on the delinquency rate of Special Taxes within the District, levied in the previous Fiscal Year if available or if not available, the lowest delinquency rate of all community facilities districts of the City, less (vii) a credit for funds available to reduce the annual Special Tax levy after the issuance of Bonds, as determined by the CFD Administrator pursuant to the Indenture.

The Special Tax Requirement for the District is to be satisfied first by levying the Special Tax Proportionately on each Assessor’s Parcel of Developed Property up to 100% of the applicable Assigned Special Tax. If additional moneys are needed to satisfy the Special Tax Requirement, the Special Tax will be levied Proportionately on each Assessor’s Parcel of Final Mapped Property in an amount up to 100% of the Maximum Special Tax for Final Mapped Property to satisfy the Special Tax Requirement. If additional moneys are still needed to satisfy the Special Tax Requirement, the Special Tax will be levied Proportionately on each Assessor’s Parcel of Undeveloped Property in an amount up to 100% of the Maximum Special Tax for Undeveloped Property to satisfy the Special Tax Requirement. If additional moneys are needed to satisfy the Special Tax Requirement, the Special Tax on each Assessor’s Parcel of Developed Property whose Maximum Special Tax is determined through the application of the Backup Special Tax will be increased Proportionately from the Assigned Special Tax up to Maximum Special Tax. Finally, if additional moneys are needed to

satisfy the Special Tax Requirement, the Special Tax will be levied Proportionately on each Assessor's Parcel of Public Property which is not Exempt Property and Property Owner Association Property which is not Exempt Property at up to 100% of the Maximum Special Tax for Property Owner Association Property and Public Property to satisfy the Special Tax Requirement.

Within the District, based on development status as of March 1, 2023, 81 units were classified as Developed Property for the Fiscal Year 2023-24 Special Tax levy. However, based on building permits obtained within the District as of March 1, 2024, all 113 units will be classified as Developed Property for the Fiscal Year 2024-25 Special Tax levy and for each fiscal year thereafter. See Table 2, Table 3 and "PROPERTY OWNERSHIP AND THE DEVELOPMENT."

The Assigned Special Tax for Developed Property within the District that is classified as Residential Property ranges from \$2,249.20 per taxable unit with a Developed Floor Area of less than 1,200 square feet to \$2,615.42 per taxable unit with a Developed Floor Area of greater than 1,400 square feet. The Assigned Special Tax for Developed Property within the District that is classified as Non-Residential Property is \$2,558.01 per taxable unit.

Annual Debt Service for the Bonds has been structured so that Developed Property at buildout levied at the Assigned Special Tax rate, assuming no delinquencies beginning in Fiscal Year 2024-25, will generate in each Fiscal Year not less than the Administrative Expenses Cap plus 110% of debt service payable with respect to the Bonds in the calendar year that begins in that Fiscal Year, assuming that Special Taxes are levied and collected on such Developed Property pursuant to the Rate and Method. With respect to Fiscal Year 2023-24, Annual Debt Service on the Bonds due September 1, 2024 has been structured assuming the District will not collect approximately \$32,500 in Special Taxes attributable to 13 dwelling units for which the first installment of the Fiscal Year 2023-24 Special Taxes had not been paid as of March 26, 2024 because the County's process of subdividing parcels within the District had not been completed at the time the County prepared the Fiscal Year 2023-24 tax bills. However, the County is expected to send updated tax bills for such 13 dwelling units by the end of March 2024, and the Fiscal Year 2023-24 amounts due pursuant to such updated tax bills are expected to become delinquent 30 days from the date such updated tax bills are distributed. See the caption "THE DISTRICT—Delinquency History."

Table 1A below sets forth the Special Tax levy for Fiscal Year 2023-24 by property classification as of March 1, 2023. Based on building permits obtained within the District as of March 1, 2023, the cutoff date in the Rate and Method for determining property to be Developed Property for the Fiscal Year 2023-24 Special Tax levy, 81 units were classified as Developed Property for the Fiscal Year 2023-24 Special Tax levy.

Table 1B below sets forth the projected Special Tax levy for Fiscal Year 2024-25 by property classification as of March 1, 2024. Based on building permits obtained within the District as of the March 1, 2024 cutoff date in the Rate and Method for determining property to be Developed Property for the Fiscal Year 2024-25 Special Tax levy, all 113 units will be classified as Developed Property for the Fiscal Year 2024-25 Special Tax levy and for each fiscal year thereafter. See Table 2, Table 3 and the caption "PROPERTY OWNERSHIP AND THE DEVELOPMENT."

**TABLE 1A
COMMUNITY FACILITIES DISTRICT NO. 2022-1
OF THE CITY OF ESCONDIDO
(ECLIPSE/MOUNTAIN HOUSE)
FISCAL YEAR 2023-24 SPECIAL TAX LEVY**

<i>Special Tax Land Use Category</i>	<i>Developed Floor Area</i>	<i>Number of Units⁽¹⁾</i>	<i>Maximum Assigned Special Tax Rate</i>	<i>Actual Assigned Special Tax Rate</i>	<i>Per Unit or Projected Unit⁽²⁾</i>	<i>Actual Fiscal Year 2023-24 Annual Special Tax Levy⁽³⁾</i>
<u>Developed Property</u>						
Residential Property						
	1	< 1,200 sq. ft.	16	\$2,249.20	\$2,249.20	Per Unit \$ 35,987.20
	2	1200 - 1400 sq. ft.	20	2,371.25	2,371.24	Per Unit 47,424.80
	3	> 1,400 sq. ft.	<u>45</u>	2,615.42	2,615.42	Per Unit <u>117,693.90</u>
Subtotal - Developed Residential Property		81				\$ 201,105.90
<u>Non-Residential</u>						
	4	NA	0	\$2,558.01	\$0.00	Per Projected Unit \$ 0.00
Subtotal - Developed Non-Residential Property						
<u>Undeveloped Property</u>						
Final Map Property ⁽⁵⁾	NA	NA	32	\$2,589.52	\$0.00	Per Projected Unit \$ 0.00
Undeveloped Property	NA	NA	<u>0</u>	2,589.52	0.00	Per Projected Unit <u>0.00</u>
Grand Total⁽⁴⁾		113				\$ 201,105.90

⁽¹⁾ As of March 1, 2023, 81 building permits had been issued representing 71.68% of the total 113 expected dwelling units in the District.

⁽²⁾ Non-Residential Property, Final Map Property and Undeveloped Property are levied per Projected Dwelling Unit as defined in the Rate and Method of Apportionment.

⁽³⁾ Based on the building permits issued as of March 1, 2023, and assumes no further development. 100% of the Assigned Special Tax was levied in Fiscal Year 2023-24.

⁽⁴⁾ Does not include potential revenues from a Backup Special Tax levy on Developed Residential Property.

⁽⁵⁾ Comprised of 32 Units for which no building permit was issued prior to March 1, 2023. However, between March 1, 2023, and June 1, 2023, permits were issued for such Units. These 32 Units will be levied as Developed Property beginning in Fiscal Year 2024-25.

**TABLE 1B
COMMUNITY FACILITIES DISTRICT NO. 2022-1
OF THE CITY OF ESCONDIDO
(ECLIPSE / MOUNTAIN HOUSE)
PROJECTED FISCAL YEAR 2024-25 SPECIAL TAX LEVY**

<i>Special Tax Land Use Category</i>	<i>Developed Floor Area</i>	<i>Number of Units⁽¹⁾</i>	<i>Maximum Assigned Special Tax Rate</i>	<i>Projected Actual Assigned Special Tax Rate[*]</i>	<i>Per Unit or Projected Unit⁽²⁾</i>	<i>Projected Actual Fiscal Year 2024-25 Annual Special Tax Levy⁽³⁾⁽⁵⁾</i>
<u>Developed Property</u>						
Residential Property						
	1	< 1,200 sq. ft.	20	\$2,249.20	\$2,066.08	Per Unit \$ 41,321.60
	2	1200 - 1400 sq. ft.	28	2,371.25	2,178.20	Per Unit 60,989.60
	3	> 1,400 sq. ft.	<u>65</u>	2,615.42	2,402.48	Per Unit <u>156,161.20</u>
Subtotal - Developed Residential Property		113				\$ 258,472.40
<u>Non-Residential</u>						
	4	NA	0	\$2,558.01	\$0.00	Per Projected Unit \$ 0.00
Subtotal - Developed Non-Residential Property						
<u>Undeveloped Property</u>						
Final Map Property ⁽⁶⁾	NA	NA	0	\$2,589.52	\$0.00	Per Projected Unit \$ 0.00
Undeveloped Property	NA	NA	<u>0</u>	2,589.52	0.00	Per Projected Unit <u>0.00</u>
Grand Total⁽⁴⁾		113				\$ 258,472.40

^{*} Preliminary subject to change.

(1) As of June 1, 2023, 113 building permits had been issued representing 100% of the total 113 expected dwelling units in the District.

(2) Non-Residential Property, Final Map Property and Undeveloped Property are levied per Projected Dwelling Unit as defined in the Rate and Method of Apportionment.

(3) Based on the building permits issued as of June 1, 2023, and assumes no further development. The Assigned Special Tax will be levied as prescribed in the RMA which is projected to be approximately 92%^{*} of the Assigned Special Tax for Fiscal Year 2024-25.

(4) Does not include potential revenues from a Backup Special Tax levy on Developed Residential Property.

(5) The Developer has prepaid the Special Tax with respect to Zone B of the District. Such prepayment generated approximately \$712,087 of proceeds, which may be used by the District for Facilities or other lawful purposes of the District. The property within Zone B shall not be subject to the Special Tax levy, and the District assumes no Special Taxes will be levied on the property within Zone B.

Sources: City; Developer; Special Tax Consultant.]

Backup Special Tax Rates. The Backup Special Tax per Dwelling Unit of Developed Property that is classified as Residential Property is \$2,589.52 per Dwelling Unit.

Prepayment of Special Taxes. The Maximum Special Tax obligation may be prepaid and permanently satisfied for (i) Assessor's Parcels of Developed Property, (ii) Assessor's Parcels of Final Mapped Property or Undeveloped Property for which a building permit has been issued or is pending to be issued, and (iii) Assessor's Parcels of Public Property and/or Property Owner's Association Property that is not Exempt Property. In addition, the Maximum Special Tax on an Assessor's Parcel of Developed Property or an Assessor's Parcel of Undeveloped Property for which a building permit has been issued or is pending to be issued may be partially prepaid, provided an Assessor's Parcel of Developed Property may only be partially prepaid prior to or concurrent with the close of escrow of a sale to the initial homebuyer. The partial prepayment amount is calculated based on the sum of the administrative fee, as determined by the Rate and Method, together with the product of the prepayment amount, as calculated pursuant to the Rate and Method, and the percentage of the Maximum Special Tax being partially prepaid, all as specified in Section I of the Rate and Method attached as Appendix A. Future prepayments of Special Taxes will be applied to effect an extraordinary redemption of Bonds and Parity Bonds. See "THE BONDS — Redemption — Special Mandatory Redemption from Special Tax Prepayments."

The Developer has prepaid the Special Tax with respect to Zone B of the District. Such prepayment generated approximately \$712,087 of proceeds, which may be used by the District for Facilities or other lawful

purposes of the District. The property within Zone B shall not be subject to the Special Tax levy, and the District assumes no Special Taxes will be levied on the property within Zone B.

Estimated Debt Service Coverage. In connection with the issuance of the Bonds, the Special Tax Consultant will certify that the Maximum Special Tax that may be levied in each Fiscal Year on Assessor's Parcels within the District classified as Taxable Property will be at least equal to the sum of: (i) 110% of Maximum Annual Debt Service on the Bonds; plus (ii) the Administrative Expenses Cap. Actual collections of the Special Tax will depend on the amount of Special Tax delinquencies.

Limitation on Special Tax Levy and Potential Impact on Coverage. Pursuant to Section 53321(d) of the Government Code, the special tax levied against any Assessor's parcel for which an occupancy permit for private residential use has been issued will not be increased as a consequence of delinquency or default by the owner of any other Assessor's parcel within the District by more than 10% above the amount that would have been levied in that fiscal year had there never been any such delinquencies or defaults. As a result, it is possible that the District may not be able to increase the tax levy to the Assigned Special Tax in all years.

Levy, Collection and Application of Special Taxes. The Special Taxes are levied and collected by the Treasurer-Tax Collector of the County in the same manner and at the same time as *ad valorem* property taxes, although it is possible that the District could elect to provide handbills to property owners within the District.

The District will covenant in the Indenture that each year it will levy Special Taxes up to the maximum rates permitted under the Rate and Method in an amount sufficient, together with other amounts on deposit in the Special Tax Fund, to pay the principal of and interest coming due in the coming calendar year on any Outstanding Bonds and Parity Bonds, to replenish the Reserve Account to the Reserve Requirement and to pay Administrative Expenses.

The District will make certain covenants in the Indenture which are intended to ensure that the current maximum Special Tax rates and method of collection of the Special Taxes are not altered in a manner that would impair the District's ability to collect sufficient Special Taxes to pay debt service on the Bonds, Parity Bonds and Administrative Expenses when due.

First, the District will covenant in the Indenture that it will take no actions that would discontinue or cause the discontinuance of the Special Tax levy or the District's authority to levy the Special Tax for so long as the Bonds and any Parity Bonds are Outstanding.

Second, the District will covenant in the Indenture, to the maximum extent that the law permits it to do so, not to initiate proceedings to reduce the maximum Special Tax rates for the District, unless, in connection therewith, the District receives a certificate from one or more Independent Financial Consultants which, when taken together, certify that: (i) such changes do not reduce the maximum Special Taxes that may be levied in each year on property within the District to an amount which is less than the Administrative Expense Cap plus 110% of the Annual Debt Service due in each corresponding future Bond Year with respect to the Bonds and Parity Bonds Outstanding as of the date of such proposed reduction; and (ii) the District is not delinquent in the payment of the principal of or interest on the Bonds or any Parity Bonds.

Third, the District will covenant in the Indenture that, in the event that any initiative is adopted by the qualified electors within the District which purports to reduce the maximum Special Tax below the levels specified in the preceding paragraph or to limit the power of the District to levy the Special Taxes for the purposes set forth in the Indenture, it will commence and pursue legal action in order to preserve its ability to comply with such covenants. The District can provide no assurance that any such legal action will be successful. See the caption "SPECIAL RISK FACTORS — Proposition 218."

Fourth, the District will covenant in the Indenture that it will not adopt any policy pursuant to the Act permitting the tender of Bonds or Parity Bonds in full payment or partial payment of any Special Taxes unless

the District has first received a certificate from an Independent Financial Consultant that the acceptance of such a tender will not result in the District having insufficient Net Taxes to pay the principal of and interest on the Bonds and Parity Bonds when due.

See Appendix F under the caption "COVENANTS AND WARRANTY."

Although the Special Taxes constitute liens on taxed parcels within the District, they do not constitute a personal indebtedness of the owners of property within the District. Moreover, other liens for taxes and assessments already exist on the property located within the District and others could come into existence in the future in certain situations without the consent or knowledge of the City or the landowners in the District. See the captions "THE DISTRICT — Direct and Overlapping Debt" and "SPECIAL RISK FACTORS — Direct and Overlapping Indebtedness." There is no assurance that property owners will be financially able to pay the annual Special Taxes or that they will pay such taxes even if financially able to do so, all as more fully described under the caption "SPECIAL RISK FACTORS."

Proceeds of Foreclosure Sales. The net proceeds received following a judicial foreclosure sale of property within the District resulting from a property owner's failure to pay the Special Taxes when due are included within the Net Taxes pledged to the payment of principal of and interest on the Bonds and any Parity Bonds under the Indenture.

Pursuant to Section 53356.1 of the Act, in the event of any delinquency in the payment of any Special Tax or receipt by the District of Special Taxes in an amount which is less than the Special Taxes levied, the City Council, as the legislative body of the District, may order that Special Taxes be collected by a Superior Court action to foreclose the lien within specified time limits. In such an action, the real property subject to the unpaid amount may be sold at a judicial foreclosure sale. Under the Act, the commencement of judicial foreclosure following the nonpayment of a Special Tax is not mandatory. However, the District will covenant in the Indenture for the benefit of the owners of the Bonds and any Parity Bonds that it will: (i) commence judicial foreclosure proceedings against parcels with delinquent Special Taxes in excess of \$5,000 by the October 1 following the close of each Fiscal Year in which such Special Taxes were due; and (ii) commence judicial foreclosure proceedings against all parcels with delinquent Special Taxes by the October 1 following the close of each Fiscal Year in which it receives Special Taxes in an amount which is less than 95% of the total Special Tax levied; and (iii) diligently pursue such foreclosure proceedings until the delinquent Special Taxes are paid; provided that, notwithstanding the foregoing, the District may elect to defer foreclosure proceedings on any parcel so long as the amount in the Reserve Account is at least equal to the Reserve Requirement.

The District will covenant in the Indenture that it will deposit the net proceeds of any foreclosure in the Special Tax Fund and will apply such proceeds remaining after the payment of Administrative Expenses to make current payments of principal and interest on the Bonds and any Parity Bonds, to bring the amount on deposit in the Reserve Account up to the Reserve Requirement and to pay any delinquent installments of principal or interest due on the Bonds and any Parity Bonds. See APPENDIX F — "SUMMARY OF THE INDENTURE — COVENANTS AND WARRANTY — Covenants" herein.

If foreclosure is necessary and other funds (including amounts in the Reserve Account) have been exhausted, debt service payments on the Bonds could be delayed unless the foreclosure proceedings produce sufficient net foreclosure sale proceeds. Judicial foreclosure actions are subject to the normal delays associated with court cases and may be further slowed by bankruptcy actions, involvement by agencies of the federal government and other factors beyond the control of the City and the District. See the caption "SPECIAL RISK FACTORS — Enforcement Delays – Bankruptcy." Moreover, no assurances can be given that the real property subject to foreclosure and sale at a judicial foreclosure sale will be sold or, if sold, that the net proceeds of such sale will be sufficient to pay any delinquent Special Tax installment. See the caption "SPECIAL RISK FACTORS — Property Values." Although the Act authorizes the District to cause such an action to be commenced and diligently pursued to completion, the Act does not impose on the District or the

City any obligation to purchase or acquire any lot or parcel of property sold at a foreclosure sale if there is no other purchaser at such sale. The Act provides that, in the case of a delinquency, the Special Tax will have the same lien priority as is provided for *ad valorem* taxes.

Collection of Special Taxes and Flow of Funds. The Special Taxes will be levied and collected by the Treasurer-Tax Collector of the County in the same manner and at the same time as *ad valorem* property taxes, although it is possible that the District could elect to provide handbills to property owners within the District. When the County apportions Special Taxes to the District, the District will transmit the Special Taxes to the Trustee for deposit in the Special Tax Fund established by the Indenture.

Except for Prepayments, which will be deposited to the Redemption Account of the Special Tax Fund, the Trustee will, on each date on which the Special Taxes are received from the District, deposit the Special Taxes in the Special Tax Fund to be held in trust for the Owners. The Trustee will transfer the Special Taxes on deposit in the Special Tax Fund on the dates, in the amounts and in the following order of priority, to:

- First: To the Administrative Expense Account in an amount up to the Administrative Expenses Cap for the current fiscal year.
- Second: To the Interest Account, an amount such that the balance in the Interest Account one Business Day prior to each Interest Payment Date is equal to the installment of interest due on the Bonds and any Parity Bonds on said Interest Payment Date and any installment of interest due on a previous Interest Payment Date which remains unpaid. Moneys in the Interest Account will be used for the payment of interest on the Bonds and any Parity Bonds as the same become due.
- Third: To the Principal Account, an amount such that the balance in the Principal Account one Business Day prior to September 1 of each year, commencing September 1, 2024, is equal the principal payment due on the Bonds and any Parity Bonds maturing on such September 1 and any principal payment due on a previous September 1 which remains unpaid. Moneys in the Principal Account shall be used for the payment of the principal of such Bonds and any Parity Bonds as the same become due at maturity.
- Fourth: To the Redemption Account, the amount needed to make the balance in the Redemption Account one Business Day prior to each September 1 on which a Sinking Fund Payment is due equal to the Sinking Fund Payment due on any Outstanding Bonds and Parity Bonds on such September 1; provided, however, that, if amounts in the Special Tax Fund are inadequate to make the foregoing transfers, then any deficiency will be made up by an immediate transfer from the Reserve Account, if funded, pursuant to the Indenture; and thereafter, to pay the principal and premium, if any, due in connection with an optional redemption of Bonds or Parity Bonds.
- Fifth: To the Reserve Account of the Special Tax Fund to the extent necessary to replenish the Reserve Account to the Reserve Requirement.
- Sixth: To the Administrative Expense Account of the Special Tax Fund the amount of any Administrative Expenses for the current Bond Year in excess of the Administrative Expenses Cap as directed by the City.
- Seventh: To the Rebate Fund established by the Indenture to the extent directed by the City pursuant to the Indenture.
- Eighth: To the Surplus Fund established by the Indenture such remaining amounts in the Special Tax Fund after making the foregoing transfers on September 1.

Reserve Account of the Special Tax Fund

In order to secure further the payment of principal of and interest on the Bonds, the District is required, upon delivery of the Bonds, to deposit in the Reserve Account and thereafter to maintain in the Reserve Account an amount equal to the Reserve Requirement. The term "Reserve Requirement" is defined in the Indenture to mean, that amount as of any date of calculation, equal to the lesser of: (i) 10% of the initial principal amount of the Bonds and Parity Bonds, if any; (ii) Maximum Annual Debt Service on the then Outstanding Bonds and Parity Bonds, if any; (iii) 125% of average Annual Debt Service on the then Outstanding Bonds and Parity Bonds; and (iv) \$_____ the initial Reserve Requirement as of the Date of Delivery of the Bonds. The Reserve Requirement may be satisfied in whole or in part by cash, a Reserve Policy (as defined in the Indenture), or a combination thereof.

Subject to the limits on the maximum annual Special Tax levy set forth in the Rate and Method and in the Indenture, the District will covenant in the Indenture to levy Special Taxes in an amount sufficient, in light of the other intended uses of the Special Tax proceeds, to maintain the balance in the Reserve Account at the Reserve Requirement. Amounts in the Reserve Account are to be applied: (i) to pay debt service on the Bonds, or any Parity Bonds, including Sinking Fund Payments, to the extent that other monies are not available therefor; (ii) to redeem Bonds or Parity Bonds in the event of prepayment of Special Taxes, to optionally redeem Bonds or Parity Bonds or in connection with a partial defeasance of Bonds or Parity Bonds, in accordance with the Indenture; and (iii) to pay any rebate requirements. See Appendix F under the caption "CREATION OF FUNDS AND APPLICATION OF PROCEEDS — Reserve Account of the Special Tax Fund."

No Teeter Plan

Although the County has adopted the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the "Teeter Plan") which allows each entity levying secured property taxes in the County to draw on the amount of property taxes levied rather than the amount actually collected, as provided for in Section 4701 et seq. of the California Revenue and Taxation Code, the District is not eligible to be included in the County Teeter Plan. Consequently, the District may not draw on the County Tax Loss Reserve Fund in the event of delinquencies in Special Tax payments within the District.

Parity Bonds for Refunding Purposes Only

The District will covenant in the Indenture not to issue Parity Bonds except as provided in the Indenture and only for the purposes of refunding all or a portion of the Bonds and any Parity Bonds. See Appendix F under the caption "DEFEASANCE AND PARITY BONDS."

THE DISTRICT

General Description of the District

The City is located in the County, approximately eighteen miles inland and thirty miles north of downtown San Diego. The City is located adjacent to the west of the City of San Marcos and surrounded by unincorporated County land to the north, east and south. At its formation, the District initially consisted of approximately 466.61 gross acres, consisting of approximately 3.38 gross acres in Zone A of the District, approximately 1.44 gross acres in a Future Annexation Area (which was annexed into Zone A in December 2022) and approximately 463.23 gross acres in Zone B. However, in December 2023 the Developer prepaid the Special Tax obligations with respect to the property in Zone B of the District and, therefore, the property in Zone B is no longer subject to the Special Tax.

The District is located at the southwest corner of Brotherton Road and South Centre City Parkway in the southern portion of the City. South Centre City Parkway is a frontage road alongside Centre City Parkway

which is the business route for Interstate-15 and a main arterial through the City. The District has been developed by the Developer, into 113 attached three-story townhomes within a gated community known as "Eclipse." The 113 townhomes developed within the District are organized in 27 buildings with four different floor plans. As of February 9, 2024, the date of value of the Appraisal Report, of the 113 residential units planned within the District, 97 single-family residential units had been completed and conveyed to individual homeowners and the Developer owned 16 single-family residential units over 95% completed, all of which were in escrow to be sold to individual homeowners. Since February 9, 2024, all 16 of the homes owned by the Developer as of such date have been conveyed to individual homeowners.

As of March 1, 2023, 81 building permits for the 113 planned dwelling units had been obtained and were therefore classified as Developed Property for the Fiscal Year 2023-24 Special Tax levy. However, as of March 1, 2024, the remaining 32 building permits had been obtained and all 113 dwelling units will therefore be classified as Developed Property for the Fiscal Year 2024-25 Special Tax levy and for each fiscal year thereafter.

All of the major infrastructure (sewer, water, storm drains, utilities, and arterial roads) necessary to develop the property within the District has been completed. The in-tract infrastructure within the District is substantially complete. See the caption "PROPERTY OWNERSHIP AND THE DEVELOPMENT" for further information with respect to the District, the Developer and development within the District.

Water and sewer service to the property within the District is currently supplied by the City. Electricity and gas is currently supplied by San Diego Gas & Electric Company. Public education instruction is provided by the Escondido Union School District, Escondido Union High School District and San Marcos Unified School District.

The property within the District is not located in an Alquist-Priolo Earthquake Study Zone and the nearest Alquist-Priolo Earthquake Zone is near Lake Henshaw, approximately 20 miles east of the District. Additionally, the District is not located in a flood plain area or in an area which the Department of Forestry and Fire Protection of the State of California has designated as a high fire hazard severity zone. Notwithstanding the foregoing, the property in the District may be subject to unpredictable seismic activity, fires, flood, or other natural disasters. See "SPECIAL RISK FACTORS — Natural Disasters."

A map showing the location of the District and an aerial photograph thereof appear following the Table of Contents.

Authorized Uses of Bond Proceeds

Proceeds of the Bonds are authorized to be used to pay for the costs of construction of City facilities, including certain storm drain and street improvements. See the caption "FINANCING PLAN."

Appraisal Report

The estimated assessed value of the property within the District, as shown on the County's assessment roll for Fiscal Year 2023-24 is approximately \$37,196,940. A property's assessed value is not necessarily indicative of its market value. In order to provide information with respect to the value of the taxable property within the District, the City engaged the Appraiser to prepare the Appraisal Report. The Appraiser has an "MAI" designation from the Appraisal Institute and has prepared numerous appraisals for the sale of land-secured municipal bonds. The Appraiser was selected by the City and has no material relationships with the City or the owners of the land within the District other than the relationship represented by the engagement to prepare the Appraisal Report. The City instructed the Appraiser to prepare its analysis and report in conformity with City-approved guidelines and the Appraisal Standards for Land Secured Financings published in 1994 and revised in 2004 by the California Debt and Investment Advisory Commission. A copy of the Appraisal Report is included as Appendix D — "APPRAISAL REPORT" to this Official Statement.

The purpose of the Appraisal Report was to estimate the minimum market value of the property within the District subject to the lien of the Special Taxes. The estimate of market value takes into consideration and assumes the improvements to be funded with the proceeds of the Bonds have been installed and that the remaining costs to develop the property within the District provided to the Appraiser by the Developer are correct. As a result, the value conclusions are based upon a hypothetical condition that all improvements and benefits to the District, which are to be funded with the proceeds of the Bonds, are completed and in place.

Subject to the assumptions and limiting conditions set forth in the Appraisal Report, the Appraiser concluded that, as of February 9, 2024, the minimum market value of the Taxable Property within the District was \$70,508,092. In valuing the property within the District, the Appraiser used a sales comparison approach for the property to be developed and, with respect to the Developer-owned models and production units more than 95% complete, a discounted cash flow analysis was applied. The discounted cash flow analysis accounts for remaining development costs, marketing and carrying costs and a discount rate through the estimated absorption period for such models and production units.

The Appraisal Report is based upon a variety of assumptions and limiting conditions that are described in Appendix D. The City, the Underwriter and the District make no representation as to the accuracy of the Appraisal Report. There is no assurance that the property within the District can be sold for the prices set forth in the Appraisal Report or that any parcel can be sold for a price sufficient to pay the Special Tax for that parcel in the event of a default in payment of Special Taxes by the landowner. See "SPECIAL RISK FACTORS — Property Values," Appendix D — "APPRAISAL REPORT."

Value-to-Lien Ratios

The value of the property within the District is significant because, in the event of a delinquency in the payment of Special Taxes, the District may foreclose only against delinquent parcels. Likewise, the ratio of the value of a parcel to its "share" of the Bonds is important because it provides an indication of the extent of the relative burden imposed on each parcel by the applicable Special Tax. As indicated above, the minimum appraised value of the property within the District is not less than \$70,508,092. The ratio of that value to the \$3,360,000* total principal amount of the Bonds is approximately 20.98*-to-1. Taking other direct and overlapping tax and assessment debt within the District into account, the ratio of the minimum appraised value to the total amount of existing tax and assessment debt for the District plus the Bonds of \$4,049,800* is approximately 17.41*-to-1. See "— Direct and Overlapping Debt." Table 2 sets forth the appraised value-to-lien ratios of all the taxable property within the District by ownership and development status as of February 9, 2024.

Additionally, Table 3 below sets forth the stratification of value-to-liens of the parcels within the District, based on the appraised value of such parcels set forth in the Appraisal Report and such parcels' respective shares of the principal amount of the Bonds (allocated to each parcel based upon its respective share of the total projected Fiscal Year 2024-25 Special Tax levy) and the ratio of the appraised value to its share of the Bonds.

* Preliminary, subject to change.

**TABLE 2
COMMUNITY FACILITIES DISTRICT NO. 2022-1
OF THE CITY OF ESCONDIDO
(ECLIPSE/MOUNTAIN HOUSE)
APPRAISED VALUE-TO-LIEN RATIOS
BY OWNERSHIP AND STATUS OF DEVELOPMENT**

<i>Owner⁽¹⁾</i>	<i>Status of Development⁽¹⁾</i>	<i>No. of Planned Units</i>	<i>Projected Fiscal Year 2024-25 Special Tax Levy^{(2)*}</i>	<i>Percent of Projected Fiscal Year 2024-25 Special Tax Levy*</i>	<i>Appraised Value</i>	<i>Bonds Allocated Based on Projected Fiscal Year 2024-25 Special Tax Levy^{(3)*}</i>	<i>Average Appraised Value-to-Lien Ratio*</i>
Individual Homeowners	Completed and Sold	97	\$221,826.92	85.82%	\$ 62,411,040.00	\$ 2,883,628.88	21.64
CWC Escondido 113 LLC	95% Completed / In Escrow	<u>16</u>	<u>36,645.48</u>	<u>14.18</u>	<u>8,097,052.00</u>	<u>476,371.12</u>	<u>17.00</u>
Grand Total		113	\$258,472.40	100.00%	\$ 70,508,092.00	\$ 3,360,000.00	20.98

* Preliminary, subject to change.

⁽¹⁾ Ownership and status of development as of February 9, 2024, as described in the Appraisal Report. Since February 9, 2024, all 16 of the homes owned by the Developer as of such date had been conveyed to individual homeowners.

⁽²⁾ Based on the status of development and ownership as of February 9, 2024, as described in the Appraisal Report. Projected Special Tax levy requirements for Fiscal Year 2024-25 include the estimated debt service due in calendar year 2025 on the Bonds and estimated Administrative Expenses in the amount of \$32,472.96 and an allowance for delinquencies of \$0.00. The District did not levy the Special Tax on 32 units classified as Final Mapped Property (parcels that had not yet been issued a building permit prior to March 1, 2023) for the Fiscal Year 2023-24 Special Tax levy. Since March 1, 2023, all of such parcels have received building permits and will be classified as Developed Property for purposes of the projected Fiscal Year 2024-25 Special Tax levy and each fiscal year thereafter.

⁽³⁾ Equal to the estimated principal amount of the Bonds. Does not include overlapping debt secured by *ad valorem* taxes on the property. Allocated based on the proportionate share of the projected Fiscal Year 2024-25 Special Tax levy.

Sources: Appraiser; Underwriter; Special Tax Consultant.

TABLE 3
COMMUNITY FACILITIES DISTRICT NO. 2022-1
OF THE CITY OF ESCONDIDO
(ECLIPSE/MOUNTAIN HOUSE)
APPRAISED VALUE-TO-LIEN RATIOS STRATIFICATION
BASED ON SPECIAL TAX LEVY AT FULL BUILDOUT

<i>Appraised Value-to-Lien Category</i>	<i>No. of Developed Units⁽¹⁾</i>	<i>Percent of Total Developed Units</i>	<i>Projected Fiscal Year 2024-25 Special Tax Levy^{(2)*}</i>	<i>Percent of Projected Fiscal Year 2024-25 Special Tax Levy*</i>	<i>Appraised Value</i>	<i>Percent of Appraised Value*</i>	<i>Bonds^{(3)*}</i>	<i>Aggregate Appraised Value-to-Lien Ratio*</i>
Greater than 22.0:1	23	20.35%	\$ 50,098.60	19.38%	\$ 14,389,950.00	20.41%	\$ 651,252.23	22.10
21.0:1 to 22.0:1	74	65.49	171,728.32	66.44	48,021,090.00	68.11	2,232,376.65	21.51
17.0:1 to 21:1	5	4.42	10,891.00	4.21	2,448,414.10	3.47	141,576.57	17.29
Less than 17.0:1	<u>11</u>	<u>9.73</u>	<u>25,754.48</u>	<u>9.96</u>	<u>5,648,637.90</u>	<u>8.01</u>	<u>334,794.55</u>	<u>16.87</u>
Total	113	100.00%	\$ 258,472.40	100.00%	\$ 70,508,092.00	100.00%	\$ 3,360,000.00	20.98

* Preliminary, subject to change.

⁽¹⁾ Developed units for the projected Fiscal Year 2024-25 Special Tax levy.

⁽²⁾ Based on the status of development and ownership as of February 9, 2024 as described in the Appraisal Report. Projected Special Tax levy requirements for Fiscal Year 2024-25 includes the estimated debt service due in calendar year 2025 on the Bonds and estimated Administrative Expenses in the amount of \$32,472.96 and an allowance for delinquencies of \$0.00.

⁽³⁾ Equal to the estimated principal amount of the Bonds. Does not include overlapping debt secured by *ad valorem* taxes on the property. Allocated based on the proportionate share of the projected Fiscal Year 2024-25 Special Tax levy.

Source: Appraiser; Underwriter; Special Tax Consultant.

Direct and Overlapping Debt

The District 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 the District is shown in Table 4 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 the District; and such districts or the agencies that formed them could issue more bonds and levy additional special taxes or assessments.

**TABLE 4
CITY OF ESCONDIDO
COMMUNITY FACILITIES DISTRICT NO. 2022-1 (ECLIPSE/MOUNTAIN HOUSE)
DIRECT AND OVERLAPPING DEBT
AS OF MARCH 7, 2024**

2023-24 Local Secured Assessed Valuation: \$37,196,940

<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>% Applicable</u>	<u>Debt 3/1/24</u>
Metropolitan Water District General Obligation Bonds	0.001%	\$ 175
Palomar Community College District General Obligation Bonds	0.023	145,793
Escondido Union High School District General Obligation Bonds	0.139	102,413
Escondido Union School District General Obligation Bonds	0.143	230,277
City of Escondido General Obligation Bonds	0.173	79,583
Palomar Pomerado Hospital District General Obligation Bonds	0.034	131,559
City of Escondido Community Facilities District No. 2022-01	100.000	0⁽¹⁾
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		\$ 689,800
 <u>OVERLAPPING GENERAL FUND DEBT:</u>		
San Diego County General Fund Obligations	0.005%	\$ 19,819
San Diego County Pension Obligation Bonds	0.005	11,175
San Diego County Superintendent of Schools Obligations	0.005	320
Palomar Community College District General Fund Obligations	0.023	301
Escondido Union High School District Certificates of Participation	0.139	65,334
Escondido Union School District Certificates of Participation	0.143	39,276
City of Escondido General Fund Obligations	0.173	<u>3,845</u>
TOTAL OVERLAPPING GENERAL FUND DEBT		\$ 140,070
 COMBINED TOTAL DEBT		 \$ 829,870⁽²⁾

Ratios to 2023-24 Assessed Valuation:

Direct Debt (\$0)	0.00%
Total Direct and Overlapping Tax and Assessment Debt	1.85
Combined Total Debt	2.23

⁽¹⁾ Excludes issue to be sold.

⁽²⁾ Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Source: California Municipal Statistics, Inc.

Table 5 sets forth sample tax bills for a sample 1,406 square foot home, which is the average Residential Floor Area of the 97 dwelling units completed and conveyed to individual homeowners within the District as of February 9, 2024, for Fiscal Year 2023-24 based on the average appraised value of such homes as of the Date of Value, the actual Fiscal Year 2023-24 Special Tax levy for all other overlapping taxing jurisdictions, assuming no additional development or home sales. Based on the foregoing and the projected debt service on the Bonds, the Administrative Expenses Cap of \$32,472.96 (which amount shall escalate at 2% per Fiscal Year), in Fiscal Year 2023-24, the projected effective tax rates to be levied on Developed Property within the District is approximately 1.55%.

TABLE 5
CITY OF ESCONDIDO
COMMUNITY FACILITIES DISTRICT NO. 2022-1 (ECLIPSE/MOUNTAIN HOUSE)
SAMPLE TAX BILLS

Average Residential Floor Area (Sq. Ft.)⁽¹⁾:	1,412
Net Taxable Value	
Appraised Value ⁽²⁾	\$ 643,413.00
Less: Homeowner's Exemption	<u>(7,000.00)</u>
Net Taxable Value	\$ 636,413.00
Ad Valorem Property Taxes	Rate
Base Property Tax	1.00000% \$ 6,364.13
Palomar Health 2005A - Debt Service	0.03300 210.02
Escondido Union School District Debt ⁽³⁾	0.03631 231.08
Escondido High School District Debt ⁽³⁾	0.02786 177.30
Palomar Community College Debt ⁽³⁾	0.01789 113.85
Escondido City Public Safety Facilities Impr Refunding	0.01748 111.24
MWD Debt Service Remainder of SDCWA	<u>0.00350 22.27</u>
Total Ad Valorem Property Taxes	1.13604% \$ 7,229.91
Parcel Charges, Assessments, and Special Taxes	
Vector Disease Control	\$ 6.36
Mosquito Surveillance	2.28
County Water Authority Water Availability	10.00
MWD Water Standby Charge	11.50
City of Escondido CFD No. 2020-1 (Services) ⁽⁴⁾	0.00
City of Escondido CFD No. 2022-1 (Eclipse) ⁽⁵⁾	<u>2,615.42</u>
Total Parcel Charges, Assessments, and Special Taxes	\$ 2,645.56
Total Taxes	\$ 9,875.47
Total Effective Tax Rate	1.55%

⁽¹⁾ Represents the average Residential Floor Area of the 97 completed and sold homes as reported in the Appraisal Report.

⁽²⁾ Represents the average Appraised Value of the 97 completed and sold homes as reported in the Appraisal Report.

⁽³⁾ Represents the total *ad valorem* rate levied by this agency.

⁽⁴⁾ Equal to the Actual Special Tax levied for City of Escondido CFD No. 2020-1 (Services) for Fiscal Year 2023-24.

⁽⁵⁾ Equal to 100% of the applicable Assigned Special Tax rate for the District.

Sources: Appraisal, San Diego County Tax Collector's Office; Special Tax Consultant.

Delinquency History

The following table is a summary of Special Tax levies, collections and delinquency rates in the District for Fiscal Year 2022-23 and Fiscal Year 2023-24. In Fiscal Year 2022-23, which was the first fiscal

year in which Special Taxes were levied, the District levied Special Taxes in the amount of \$129,165.30. For the Fiscal Year 2023-24 Special Tax levy, the District levied Special Taxes in the amount of \$201,105.90.

TABLE 6
CITY OF ESCONDIDO
COMMUNITY FACILITIES DISTRICT NO. 2022-1 (ECLIPSE/MOUNTAIN HOUSE)
DELINQUENCIES AND DELINQUENCY RATES

<i>Fiscal Year</i>	<i>Amount Levied</i>	<i>Parcels Levied⁽¹⁾</i>	<i>Fiscal Year End</i>			<i>Delinquencies as of March 26, 2024</i>		
			<i>Parcels Delinquent</i>	<i>Amount Delinquent</i>	<i>Percent Delinquent</i>	<i>Parcels Delinquent</i>	<i>Amount Delinquent</i>	<i>Percent Delinquent</i>
2022-23	\$129,165.30	1	0	\$0.00	0.00%	0	\$ 0.00	0.00%
2023-24 ⁽²⁾	201,105.90	69	N/A	N/A	N/A	1	1,124.60	1.12

⁽¹⁾ Represents parcels levied prior to complete subdivision of the property within the District. In Fiscal Year 2022-23, represented 53 dwelling units of Developed Property and in Fiscal Year 2023-24 represents 81 dwelling units of Developed Property.

⁽²⁾ As of March 26, 2024, the first installment of the Fiscal Year 2023-24 Special Taxes had not been paid with respect to an additional 13 dwelling units because the County's process of subdividing parcels within the District had not been completed at the time the County prepared the Fiscal Year 2023-24 tax bills. Annual Debt Service on the Bonds due September 1, 2024 has been structured assuming the District will not collect Fiscal Year 2023-24 Special Taxes from such 13 dwelling units. However, the County is expected to send updated tax bills for such 13 dwelling units by the end of March 2024, and the amounts due are expected to become delinquent 30 days from the date such updated tax bills are distributed. See the caption "SOURCES OF PAYMENT FOR THE Bonds—Special Taxes."

Source: San Diego County Tax Collector Report reflecting all payments received on or before June 30, 2023.

PROPERTY OWNERSHIP AND THE DEVELOPMENT

The information about the property in the District contained in this Official Statement has been provided by representatives of the Developer and others, and has not been independently confirmed or verified by the Underwriter, the City or the District. The Underwriter, the City, and the District make no representation as to the accuracy or adequacy of the information contained in this caption. There may be material adverse changes in this information after the date of this Official Statement. Neither the Bonds nor the Net Taxes securing the Bonds and any Parity Bonds are personal obligations of the Developer or any affiliate thereof or any other property owner and, in the event that any property owner defaults in the payment of its Special Taxes, the District may proceed with judicial foreclosure but has no direct recourse to the assets of any property owner or any affiliate thereof. See the caption "SPECIAL RISK FACTORS."

Notwithstanding the belief of the Developer that its will have sufficient funds to complete its planned development in the District, no assurance can be given that amounts necessary to fund the remaining planned development by the Developer in the District will be available when needed. None of the Developer, or any other entity or person is under any legal obligation of any kind to expend funds for the development of the property as planned by the Developer in the District. Any contributions by the Developer or any other entity or person to fund the costs of its development are entirely voluntary. If and to the extent the aforementioned sources are inadequate to pay the costs to complete the planned development by the Developer within the District, the remaining portions of such development may not be completed. The Developer has no legal obligation to Bondholders to make any such funds available for construction or development, or the payment of ad valorem property taxes or the Special Taxes. See the caption "SPECIAL RISK FACTORS."

The Developer

The taxable property in the District has been developed by CWC Escondido 113 LLC, a Delaware limited liability company (previously defined as the "Developer"). The taxable property in the District was the sole asset of the Developer. The two members of the Developer are CWC Escon 113 MGMT LP, a California limited partnership ("CWC Escon"), which is the Developer's managing member, and IHP Capital Partners VI,

LLC, a Delaware limited liability company (“IHP VI”). CWC Escon is affiliated with California West Communities, a privately owned full-service residential land developer and homebuilding company, specializing in land entitlements, land development, homebuilding and sales of both homes and properties (“California West”). California West acquires and develops real estate in the Southern California region, including San Diego, Orange, Riverside and San Bernardino counties.

IHP VI is an investment entity established by IHP Capital Partners to finance for sale residential projects. Founded in 1992, IHP Capital Partners manages investments in for sale residential real estate projects throughout the United States for some of the country’s largest institutional investors.

Development Plan

General. The District has been developed with a gated townhome community known as “Eclipse.” Eclipse consists of 113 single-family attached dwelling units on condominium mapped lots across 27 buildings, with three to six dwelling units in each building. The homes within Eclipse are each three-story attached townhomes, consisting of four floor plans ranging in size from approximately 1,140 square feet to approximately 1,534 square feet. The Developer purchased the northern parcel within the District in December 2020 and the southern parcel in August 2022, and conveyed the final completed homes to individual homeowners in February 2024.

The property within the Eclipse development originally consisted of a northern parcel and a southern parcel, which are bisected by an access road to an electrical substation which is located to the west of the southern parcel. The northern parcel contains 81 homes, all of which had been completed and conveyed to individual homeowners as February 9, 2024. The southern parcels contains 32 homes. As of February 9, 2024, of such 32 homes, 16 had been completed and conveyed to individual homeowners and the Developer owned 16 completed homes, all of which were in escrow to be sold to individual homeowners. Since February 9, 2024, all 16 of the homes owned by the Developer as of such date have been conveyed to individual homeowners.

The table below details the product mix and status of development by the Developer of its property within the District as of March 6, 2024.

<i>Floor Plan</i>	<i>Number of Units</i>	<i>Units With Closed Escrows to Individual Homeowners</i>	<i>Minimum Square Footage</i>	<i>Base Sales Price</i>
1	20	20	1,140	\$581,400
2	28	28	1,290	625,650
3	34	34	1,568	674,240
4	<u>31</u>	<u>31</u>	1,534	667,290
Totals	113	113		

Source: The Developer.

In-Tract Infrastructure Development. All 113 homes within the District had been completed as of February 9, 2024 and all of the in-tract infrastructure serving such homes had been completed.

Subdivision Map Status. The property within the District is encompassed by Tract Map Nos. 16458 and 16559. Tract Map No. 16458 recorded June 22, 2021, and divided the 3.43 acres of the northern parcel into a single lot. Tract Map No. 16559 recorded on March 24, 2023, and divided the 1.43 acres into a single lot. A development plan was filed and approved which divided Tract Map No. 16458 into 81 attached townhome pads, each with two-car garages along with 16 additional parking spots and on-street parking of 13

spaces. Another development plan was filed and approved which divided Tract Map No. 16559 into 32 townhome pads, each with a two-car garage along with 4 additional parking spots along with eight additional on-street parking spaces.

Infrastructure and Entitlements. All of the publicly owned infrastructure improvements serving the property within the District have been completed and all discretionary entitlements are in place.

Other than as described in this Official Statement, the Developer represents that it is not aware of any federally or State classified hazardous materials or any species currently listed as endangered located on any of its property in the District that requires mitigation. See the caption "RISK FACTORS — Hazardous Substances."

SPECIAL RISK FACTORS

The Bonds have not been rated by any rating agency, and the purchase of the Bonds involves significant risks that are not appropriate for certain 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 District to pay their Special Taxes when due. Such failures to pay Special Taxes could result in the inability of the District to make full and punctual payments of 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 District. See "— Property Values" below.

Risks of Real Estate Secured Investments Generally

The Bond Owners will be subject to the risks generally incident to an investment secured by real estate, including, without limitation: (i) adverse changes in local market conditions, such as changes in the market value of real property in the vicinity of the District, 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 and floods), which may result in uninsured losses; (iv) adverse changes in local market conditions; and (v) increased delinquencies due to rising mortgage costs and other factors.

No assurance can be given that the property owners within the District will pay Special Taxes in the future or that they will be able to pay such Special Taxes on a timely basis. See the caption "— Enforcement Delays — Bankruptcy" for a discussion of certain limitations on the District's ability to pursue judicial proceedings with respect to delinquent parcels.

Insufficiency of Special Tax Revenues

As discussed below, the Special Taxes may not produce revenues sufficient to pay the debt service on the Bonds either due to nonpayment of the amounts levied or because acreage within the District becomes exempt from taxation due to the transfer of title to a public agency.

In order to pay debt service on the Bonds, it is generally necessary that the Special Taxes be paid in a timely manner. Should the Special Taxes not be paid on time, the District has established a Reserve Account under the Indenture to be maintained in an amount equal to the Reserve Requirement to pay debt service on the Bonds to the extent other funds are not available. See "SOURCES OF PAYMENT FOR THE BONDS — Reserve Account of the Special Tax Fund." The District will covenant in the Indenture to maintain in the

Reserve Account an amount equal to the Reserve Requirement, subject, however, to the availability of Net Taxes in amounts sufficient to do so and to the limitation that the District may not levy the Special Tax in any Fiscal Year at a rate in excess of the maximum amounts permitted under the Rate and Method. See Appendix A and Appendix F hereto. As a result, if a significant number of Special Tax delinquencies occurs within the District, the District could be unable to replenish the Reserve Account to the Reserve Requirement due to the limitations on the amount of the Special Tax that may be levied. If such defaults were to continue in successive years, the Reserve Account could be depleted and a default on the Bonds could occur.

The Act provides that, if any property within the District 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 Act provides that, if property subject to the Special Tax is acquired by a public entity through eminent domain proceedings, the obligation to pay the Special Tax with respect to that property is to be treated as if it were a special assessment and be paid from the eminent domain award. The constitutionality and operation of these provisions of the Act have not been tested in the courts, but it is doubtful that they would be upheld as to, for example, property owned by the federal government. If for any reason property within the District becomes exempt from taxation by reason of ownership by a non-taxable entity such as the federal government or another public agency, subject to the limitation of the Maximum Special Tax, the Special Tax will be reallocated to the remaining taxable parcels within the District. This would result in the owners of such property paying a greater amount of the Special Tax and could have an adverse impact upon their willingness and/or ability to pay the Special Tax. Moreover, if a substantial portion of additional land within the District became exempt from the Special Tax because of public ownership, or otherwise, the Maximum Special Tax which could be levied upon the remaining acreage might not be sufficient to pay principal of and interest on the Bonds when due and a default will occur with respect to the payment of such principal and interest.

The District will covenant in the Indenture that, under certain circumstances, it will institute foreclosure proceedings to sell any property with delinquent Special Taxes in order to obtain funds to pay debt service on the Bonds. If foreclosure proceedings were ever instituted, any mortgage or deed of trust holder could, but would not be required to, advance the amount of the delinquent Special Tax to protect its security interest. See "SOURCES OF PAYMENT FOR THE BONDS — Special Taxes — *Proceeds of Foreclosure Sales*" for provisions which apply in the event of such foreclosure and which the District is required to follow in the event of delinquencies in the payment of the Special Tax.

In the event that sales or foreclosures of property are necessary, there could be a delay in payments to Owners of the Bonds (if the Reserve Account has been depleted) pending such sales or the prosecution of such foreclosure proceedings and receipt by the City on behalf of the District of the proceeds of sale. The District may adjust the future Special Tax levied on taxable parcels in the District, subject to limitations described above under the caption "THE DISTRICT — Rate and Method of Apportionment," to provide an amount required to pay interest on and principal of the Bonds, and the amount, if any, necessary to replenish the Reserve Account to an amount equal to the Reserve Requirement, and to pay all current expenses. There is, however, no assurance that the total amount of the Special Tax that could be levied and collected against taxable parcels in the District will be at all times sufficient to pay the amounts required to be paid by the Indenture, even if the Special Tax is levied at the Maximum Special Tax rates. See "— Enforcement Delays — Bankruptcy."

No assurance can be given that the real property subject to sale or foreclosure will be sold, or if sold, that the proceeds of sale will be sufficient to pay any delinquent installments of the Special Tax. The Act does not require the City to purchase or otherwise acquire any lot or parcel of property to be sold at foreclosure if there is no other purchaser at such sale. The Act and the Indenture do specify that the Special Tax will have the same lien priority as for *ad valorem* property taxes in the case of delinquency. Section 53356.6 of the Act requires that property sold pursuant to foreclosure under the Act be sold for not less than the amount of judgment in the foreclosure action, plus post judgment interest and authorized costs, unless the consent of the owners of 75% of the Outstanding Bonds is obtained.

Prior to July 1, 1983, the right of redemption from foreclosure sales was limited to a period of one year from the date of sale. Under legislation effective July 1, 1983, the statutory right of redemption from such foreclosure sales has been repealed. However, a period of 20 days must elapse after the date on which the notice of levy of the interest in real property was served on the judgment debtor before the sale of such lot or parcel can be made. Furthermore, if the purchaser at the sale is the judgment creditor (e.g., the District), an action may be commenced by the delinquent property owner within 90 days after the date of sale to set aside such sale. The constitutionality of the aforementioned legislation, which repeals the one year redemption period, has not been tested and there can be no assurance that, if tested, such legislation will be upheld. (Section 701.680 of the Code of Civil Procedure of the State.)

Property Values

The value of the property within the District is a critical factor in determining the investment quality of the Bonds. If a property owner is delinquent in the payment of Special Taxes, the District's only remedy is to commence foreclosure proceedings against the delinquent parcel in an attempt to obtain funds to pay the Special Taxes. Reductions in property values due to a downturn in the economy, physical events such as earthquakes, fires or floods, stricter land use regulations, delays in development or other events will adversely impact the security underlying the Special Taxes. See "THE DISTRICT — Appraisal Report" and Appendix D — "APPRAISAL REPORT."

The Appraiser has estimated, on the basis of certain assumptions and limiting conditions contained in the Appraisal Report, that as of the Date of Value, the market value of the land and improvements within the District was approximately \$70,508,092. See "THE DISTRICT — Appraisal Report." The Appraisal Report indicates the Appraiser's opinion as to the market value of the properties referred to therein as of the date and under the conditions specified therein. The Appraiser's opinion reflects conditions prevailing in the applicable market as of the Date of Value. The Appraiser's opinion does not predict the future value of the subject property, and there can be no assurance that market conditions will not change adversely in the future.

Prospective purchasers of the Bonds should not assume that the taxable land within the District could be sold for the appraised amount or for the assessed values at a foreclosure sale for delinquent Special Taxes. In arriving at the estimate of market value of the property in the District, the Appraiser assumes that any sale will be unaffected by undue stimulus and will occur following a reasonable marketing period, which is not always present in a foreclosure sale. See Appendix D for a description of other assumptions made by the Appraiser and for the definitions and limiting conditions used by the Appraiser. Any event which causes one of the Appraiser's assumptions to be untrue could result in a reduction of the value of the taxable land and improvements within the District from the market value estimated by the Appraiser.

No assurance can be given that any bid will be received for a parcel with delinquent Special Taxes offered for sale at foreclosure or, if a bid is received, that such bid will be sufficient to pay all delinquent Special Taxes. See "SOURCES OF PAYMENT FOR THE BONDS — Special Taxes — *Proceeds of Foreclosure Sales.*"

Natural Disasters

The District, like all California communities, may be subject to unpredictable seismic activity, fires, flood, or other natural disasters. Southern California is a seismically active area. Seismic activity represents a potential risk for damage to buildings, roads, bridges and property within the District. In addition, land susceptible to seismic activity may be subject to liquefaction during the occurrence of such event. The property within the District is not located in an Alquist-Priolo Earthquake Study Zone and is not located within one-half mile of an active earthquake fault. Additionally, the District is not located in a flood plain area.

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.

The District is not located in an area which the Department of Forestry and Fire Protection of the State of California has designated as a high fire hazard severity zone. However, there is a risk of residential property within the District being destroyed by wildfires and no assurance can be given as to the severity or frequency of wildfires within the vicinity of the District. 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 District. 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 land in the District 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 District be affected by a hazardous substance, is to reduce the marketability and value by the costs of remedying the condition.

The 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 District. However, it is possible that such materials do currently exist and that the District is not aware of them.

It is possible that property in the District 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.

Enforcement Delays – Bankruptcy

In the event of a delinquency in the payment of the Special Taxes, the District is required to commence enforcement proceedings under the circumstances described under the caption "SOURCES OF PAYMENT FOR THE BONDS — Special Taxes — *Proceeds of Foreclosure Sales.*" However, prosecution of such proceedings could be delayed due to crowded local court calendars or 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, bankruptcy of a person or entity with an interest in the applicable property 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 of and interest on the applicable Bonds. The various legal opinions to be 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 and the Indenture by reference to bankruptcy, reorganization, moratorium, insolvency and other laws affecting the rights of creditors generally or against public entities such as the District.

Special Tax Delinquencies

Under provisions of the Act, the Special Taxes, from which funds necessary for the payment of principal of, and interest on, the Bonds are derived, will be billed to the properties within the District on the regular ad valorem property tax bills sent to owners of such properties by the County Tax Collector. The 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 APPENDIX F — "SUMMARY OF THE INDENTURE — COVENANTS AND WARRANTY — Covenants" for a discussion of the provisions which apply, and procedures which the District is obligated to follow under the Indenture, in the event of delinquencies in the payment of Special Taxes. See "— FDIC/Federal Government Interests in Parcels" for a discussion of the policy of the Federal Deposit Insurance Corporation regarding the payment of special taxes and assessment and limitations on the District's ability to foreclose on the lien of the Special Taxes in certain circumstances.

FDIC/Federal Government Interests in Parcels

The ability of the District to collect interest and penalties specified by the Act and to foreclose the lien of delinquent Special Taxes may be limited in certain respects with regard to parcels in which the Federal Deposit Insurance Corporation (the "FDIC"), or other federal government entities such as Fannie Mae or Freddie Mac, has or obtains an interest.

In the case of the FDIC, in the event that any financial institution making a loan which is secured by parcels is taken over by the FDIC and the applicable Special Tax is not paid, the remedies available to the District may be constrained. The FDIC's policy statement regarding the payment of state and local real property taxes (the "Policy Statement") provides that taxes other than *ad valorem* taxes which are secured by a valid lien in effect before the FDIC acquired an interest in a property will be paid unless the FDIC determines that abandonment of its interests is appropriate. The Policy Statement provides that the FDIC generally will not pay installments of non-*ad valorem* taxes which are levied after the time the FDIC acquires its fee interest, nor will the FDIC recognize the validity of any lien to secure payment except in certain cases where the Resolution Trust Corporation had an interest in property on or prior to December 31, 1995. Moreover, the Policy Statement provides that, with respect to parcels on which the FDIC holds a mortgage lien, the FDIC will not permit its lien to be foreclosed out by a taxing authority without its specific consent, nor will the FDIC pay or recognize liens for any penalties, fines or similar claims imposed for the nonpayment of taxes.

The FDIC has taken a position similar to that expressed in the Policy Statement in legal proceedings brought against Orange County in United States Bankruptcy Court and in Federal District Court. The Bankruptcy Court issued a ruling in favor of the FDIC on certain of such claims. Orange County appealed that ruling, and the FDIC cross-appealed. On August 28, 2001, the Ninth Circuit Court of Appeals issued a ruling favorable to the FDIC except with respect to the payment of pre-receivership liens based upon delinquent property tax.

The District is unable to predict what effect the application of the Policy Statement would have in the event of a delinquency with respect to parcels in which the FDIC has or obtains an interest, although prohibiting the lien of the FDIC to be foreclosed out at a judicial foreclosure sale would prevent or delay the foreclosure sale.

In the case of Fannie Mae and Freddie Mac, in the event a parcel of taxable property is owned by a federal government entity or federal government sponsored entity, such as Fannie Mae or Freddie Mac, or a private deed of trust secured by a parcel of taxable property is owned by a federal government entity or federal government sponsored entity, such as Fannie Mae or Freddie Mac, the ability to foreclose on the parcel or to collect delinquent Special Taxes may be limited. Federal courts have held that, based on the supremacy clause of the United States Constitution “this Constitution, and the Laws of the United States which shall be made in Pursuance thereof; and all Treaties made, or which shall be made, under the Authority of the United States, shall be the supreme Law of the Land; and the Judges in every State shall be bound thereby, anything in the Constitution or Laws of any State to the contrary notwithstanding.” In the absence of Congressional intent to the contrary, a state or local agency cannot foreclose to collect delinquent taxes or assessments if foreclosure would impair the federal government interest. This means that, unless Congress has otherwise provided, if a federal government entity owns a parcel of taxable property but does not pay taxes and assessments levied on the parcel (including Special Taxes), the applicable state and local governments cannot foreclose on the parcel to collect the delinquent taxes and assessments.

Moreover, unless Congress has otherwise provided, if the federal government has a mortgage interest in the parcel and the District wishes to foreclose on the parcel as a result of delinquent Special Taxes, the property cannot be sold at a foreclosure sale unless it can be sold for an amount sufficient to pay delinquent taxes and assessments on a parity with the Special Taxes and preserve the federal government’s mortgage interest. For a discussion of risks associated with taxable parcels within the District becoming owned by the federal government, federal government entities or federal government sponsored entities, see “— Insufficiency of Special Tax Revenues.”

The District’s remedies may also be limited in the case of delinquent Special Taxes with respect to parcels in which other federal agencies (such as the Internal Revenue Service and the Drug Enforcement Administration) have or obtain an interest.

Direct and Overlapping Indebtedness

The ability of an owner of property within the District to pay the applicable Special Taxes could be affected by the existence of other taxes and assessments imposed upon taxable parcels. See “THE DISTRICT — Direct and Overlapping Debt” herein. The City and other public agencies whose boundaries overlap those of the District could impose additional taxes or assessment liens on the property within the District in order to finance public improvements or services to be located or provided inside of or outside of such area. The lien created on the property within the District through the levy of such additional taxes may be on a parity with the lien of the Special Taxes applicable to the property within the District.

The imposition of additional liens on a parity with the Special Taxes may reduce the ability or willingness of property owners to pay the Special Taxes and increase the possibility that foreclosure proceeds will not be adequate to pay delinquent Special Taxes.

Payment of Special Taxes is not a Personal Obligation of the Property Owners

An owner of a taxable parcel is not personally obligated to pay Special Taxes. Rather, Special Taxes are an obligation which is secured only by a lien against the taxable parcel. If the value of a taxable parcel is not sufficient, taking into account other liens imposed by public agencies, to secure fully Special Taxes, the District has no recourse against the property owner.

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.

Limited Obligations

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

The District's legal obligations with respect to any delinquent Special Taxes are limited to: (i) payments from the Reserve Account to the extent of funds on deposit therein; and (ii) the institution of judicial foreclosure proceedings under certain circumstances with respect to any parcels for which Special Taxes are delinquent. See the caption "SOURCES OF PAYMENT FOR THE BONDS — Special Taxes — *Proceeds of Foreclosure Sales*." The Bonds cannot be accelerated in the event of any default.

The obligation to pay Special Taxes does not constitute a personal obligation of the current or subsequent owners of the respective parcels which are subject to such liens. See the caption "— Payment of the Special Tax is Not a Personal Obligation of the Property Owners." Enforcement of Special Tax payment obligations by the District is limited to judicial foreclosure in the Superior Court of California, County of San Diego. There is no assurance that any current or subsequent owner of a parcel subject to a Special Tax lien will be able to pay the amounts due or that such owner will choose to pay such amounts even though financially able to do so.

Failure by owners of the parcels to pay Special Tax installments when due, delay in foreclosure proceedings, or the inability of the District to sell parcels that 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 District to make full or timely payments of debt service on the Bonds, which may in turn result in the depletion of the Reserve Account. See the caption "— Enforcement Delays — Bankruptcy."

Proposition 218

An initiative measure entitled "The Right to Vote on Taxes Act" ("Proposition 218") was approved by the voters at the November 5, 1996 statewide general election. Among other things, Proposition 218 added a new Article XIII C to the California Constitution which states that ". . . the initiative power shall not be prohibited or otherwise limited in matters of reducing or repealing any local tax, assessment, fee or charge." The Act 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 Act prohibits a legislative body from adopting any resolution to reduce the rate of any special tax or terminate the levy of any special tax pledged to repay any debt incurred pursuant to the Act unless such legislative body determines that the reduction or termination of the special tax would not interfere with the timely retirement of that debt. While the application of Proposition 218 in this context has not yet been interpreted by the courts and the matter is not completely free from doubt, it is not likely that Proposition 218 has conferred on the voters the power to effect a repeal or reduction of the Special Tax if the result thereof would be to impair the security of the Bonds.

It may be possible, however, for voters or the City Council, acting as the legislative body of the District, to reduce the Special Taxes in a manner which does not interfere with the timely repayment of the Bonds, but which does reduce the maximum amount of Special Taxes that may be levied in any year below the existing levels. Therefore, no assurance can be given with respect to the future levy of Special Taxes in amounts greater than the amount necessary for the timely retirement of the Bonds. Nevertheless, to the maximum extent that the law permits it to do so, the District will covenant that it will not initiate proceedings under the Act to reduce the maximum Special Tax rates for the District, unless, in connection therewith,

(i) such changes do not reduce the maximum Special Taxes that may be levied in each year on property within the District to an amount which is less than the Administrative Expense Cap plus 110% of the Annual Debt Service due in each corresponding future Bond Year with respect to the Bonds and Parity Bonds Outstanding as of the date of such proposed reduction; and (ii) the District is not delinquent in the payment of the principal of or interest on the Bonds or any Parity Bonds. The District also will covenant that, in the event an initiative is adopted which purports to reduce or otherwise alter the Rate and Method, it will commence and pursue legal action in order to preserve its ability to comply with the foregoing covenant. However, no assurance can be given as to the enforceability of the foregoing covenants.

Ballot Initiatives; Initiative 1935

General. 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 of the California Constitution were adopted pursuant to measures qualified for the ballot pursuant to the State's constitutional initiative process, including through Proposition 13 in 1978, Proposition 218 in 1996 and Proposition 26 in 2010. From time to time, other initiative measures could be adopted by California voters. The adoption of any such initiative might place limitations on the ability of the State, the City, or other local agencies to increase revenues or to increase appropriations.

As described above, Proposition 218 was approved by California voters in 1996 and added Article XIII C to the California Constitution. On November 2, 2010, the voters of the State approved Proposition 26, known as the "Supermajority Vote to Pass New Taxes and Fees Act" ("Proposition 26"). Proposition 26, among other things, amends Article XIII C to the California Constitution principally to define what constitutes a "tax" under the limitations and requirements of that provision. Article XIII C imposes limitations on local governments when imposing certain taxes, including a requirement that the local government submit certain taxes to the electorate for its approval. Before Proposition 26, Article XIII C did not define the term "tax." Proposition 26 broadly defines a tax under Article XIII C to include "any levy, charge, or exaction of any kind imposed by a local government." Proposition 26 lists several exceptions to the definition of "tax," which include (a) a charge for a specific benefit or privilege, which does not exceed the reasonable costs of providing the benefit or privilege, (b) a charge for a government service or product, which does not exceed the reasonable costs of providing the service or product, (c) a charge for the reasonable regulatory costs of issuing licenses and permits, performing investigations, inspections, and audits, and the administrative enforcement thereof, (d) a charge for entrance to or use of local government property, or the purchase, rental, or lease of local government property, (e) a fine, penalty, or other monetary charge imposed as a result of a violation of law, (f) a charge imposed as a condition of property development, and (g) assessments and property-related fees imposed in accordance with the provisions of Article XIII D.

Initiative 1935. From time to time other constitutional initiatives or initiative measures may be adopted by California voters. The adoption of any such initiative might place limitations on the ability of the State or any political subdivision thereof, including the City, to increase revenues or to increase appropriations, or might affect the ability of the Community Facilities District to collect the Special Tax.

One such proposed voter initiative, titled "The Taxpayer Protection and Government Accountability Act" ("Initiative 1935") has been determined to be eligible for the November 2024 Statewide general election and, unless withdrawn by its proponent prior to June 27, 2024, will be certified as qualified for the ballot in such election. Similar to Proposition 218 and Proposition 26, Initiative 1935 would, among other things, amend the State Constitution to impose additional requirements for the imposition of taxes by State and local governments. Such additional requirements include, among other things, requirements that the title and summary and ballot label or question for each tax measure identify the type, amount or rate, duration, and use of revenue of the tax (the "Initiative 1935 Ballot Label Requirements"). Additionally, Initiative 1935 would provide that any tax imposed after January 1, 2022, not in compliance with its requirements is void 12 months after the effective date of Initiative 1935 unless subsequently reenacted in accordance therewith. If adopted, the scope and impact of Initiative 1935 would be subject to future judicial interpretation. The District is unable

to predict how Initiative 1935, if adopted, might be interpreted by the courts, and there can be no assurance that any such interpretation would not have an adverse impact on the District's ability to levy and collect the Special Taxes.

At the request of the Governor of California and the State Legislature, the California Supreme Court has agreed to consider whether Initiative 1935 should be barred from appearing on the ballot as an unlawful revision of the State Constitution, given its potential wide-ranging impact on the ability of the State and local governments to fund their operations. The Governor and the State Legislature have requested a decision by the California Supreme Court by late June 2024, prior to the ballot certification date. Neither the City nor the District can predict the outcome of the pending litigation.

As described in this Official Statement, the election within the District took place after January 1, 2022 and additional property was annexed into the District in November 2022 via the Unanimous Approval of the landowners that at the time owned all of the property within the annexed area not exempt from the Special Tax. Also as described in this Official Statement, at the election held on March 2, 2022, the qualified electors within the District, consisting solely of the landowners that at the time owned all of the property within the boundaries of the District not exempt from the Special Tax, voted to approve the measure to levy the Special Tax. In connection with such election, such landowners, as the only qualified electors, waived, among other things, compliance with any time limits or other procedural requirements pertaining to the conduct of the March 2, 2022 election and their right to make any protest or complaint or undertake any legal action challenging the validity of the Special Election, and represented that compliance with the procedural requirements for conducting the Special Election, including the receipt of any ballot arguments and impartial analysis, were unnecessary in light of the fact that such electors had received sufficient information regarding the imposition of the Special Tax, the issuance of the Bonds and the formation of the District to allow such electors to properly complete their ballots. Similarly, in the Unanimous Approval, the landowners made substantially similar waivers and representations at the time of annexation of a portion of the property within the Future Annexation Area into the District. In their Affirmation of Waiver, dated 12/15/2024, such electors acknowledged, confirmed and agreed that each such waiver by such electors was a knowing, intelligent and voluntary waiver and that such waivers by such electors encompass, and constitute, a waiver of the Initiative 1935 Ballot Label Requirements and the Landowners affirmed therein that they had waived the Initiative 1935 Ballot Label Requirements. Furthermore, in any event, the District believes the materials provided to the qualified electors for the March 2, 2022 election within the District substantially complied with the Initiative 1935 Ballot Label Requirements, which is the standard a court would likely apply to any judicial review of the election held within the District on March 2, 2022.

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 District, the Special Taxes, or the Bonds. The City of Sacramento did not appeal the superior court's ruling.

The Special Tax Election in the District. 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 District 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 election in the District. 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 the District approved Special Tax on March 2, 2022. Based on Sections 53341 and 53359 of the Act and analysis of existing laws, regulations, rulings and court decisions, the District believes that no successful challenge to the Special Tax being levied in accordance with the Rate and Method may now be brought. In connection with the issuance of the Bonds, Bond Counsel expects to deliver its opinion in the proposed form attached hereto as Appendix C.

Loss of Tax Exemption

As discussed under the heading "TAX MATTERS," interest on the Bonds could cease to be excluded from 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 District. In addition, it is possible that future changes in applicable federal tax laws could cause interest on the Bonds to be included in gross income for federal income taxation or could otherwise reduce the equivalent taxable yield of such interest and thereby reduce the value of the Bonds.

No Ratings – Limited Secondary Market

The District has not applied to have the Bonds rated by any nationally recognized bond rating company, and it does not expect to do so in the future.

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 District has committed to provide certain financial and operating information, there can be no assurance that such information will be available to Bond owners on a timely basis. The failure to provide the required annual financial information does not give rise to monetary damages but merely an action for specific performance. Occasionally, because of general market conditions, lack of current information, the absence of a credit rating 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.

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 or to preserve the tax-exempt status of 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 creditor's rights, by equitable principles and by the exercise of judicial discretion and by limitations on remedies against public agencies in the State of California. 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.

Potential Early Redemption of Bonds from Prepayments or Community Facilities District Bond Proceeds

Property owners within the District 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 the Bonds on the Interest Payment Date for which timely notice may be given under the Indenture following the receipt of the prepayment. The resulting redemption of Bonds that were purchased at a price greater than par could reduce the otherwise expected yield on such Bonds. See the caption "THE BONDS — Redemption — *Special Mandatory Redemption from Special Tax Prepayments.*"

Cybersecurity

The City, like many other public and private entities, rely on computer and other digital networks and systems to conduct their operations. The City is potentially subject to multiple cyber threats, including without limitation hacking, viruses, ransomware, malware and other attacks. No assurance can be given that the efforts of the City to manage cyber threats and attacks will be successful in all cases, or that any such attack will not materially impact the operations or finances of the City, or the administration of the Bonds. The City is also reliant on other entities and service providers in connection with the administration of the Bonds, including without limitation the County tax collector for the levy and collection of Special Taxes and the Trustee. No assurance can be given that the City and these other entities will not be affected by cyber threats and attacks in a manner that may affect the Bond owners.

CONTINUING DISCLOSURE

Pursuant to a Continuing Disclosure Certificate, dated as of the closing date (the “Disclosure Certificate”), to be executed and delivered by the District at the time of issuance of the Bonds, the District will covenant for the benefit of the holders and Beneficial Owners of the Bonds to provide certain financial information and operating data relating to the District by April 1 following the end of the District’s Fiscal Year (currently its Fiscal Year ends on June 30) (the “Annual Report”), commencing with the report for the Fiscal Year ending June 30, 2025, and to provide notices of the occurrence of certain enumerated events. The Annual Report and the notices of enumerated events will be filed by the District with EMMA. The specific nature of the information to be contained in the Annual Report and the notice of enumerated events is set forth in Appendix G — “FORM OF DISTRICT CONTINUING DISCLOSURE CERTIFICATE.” These covenants have been made in order to assist the Underwriter in complying with subsection (b)(5) of Rule 15c2-12.

The District has not had any continuing disclosure undertakings outstanding during the previous five-year period.

In the past five years, (i) the City entered into an installment sale agreement with the California Infrastructure and Economic Development Bank in September, 2021, which constituted a “financial obligation” under the Rule, but notice of such installment sale agreement was filed with EMMA approximately 35 days later than the date required by the Rule; and (ii) the annual report for Fiscal Year 2022-23 with respect to the City of Escondido Community Facilities District No. 2000-01 (Hidden Trails) Special Tax Refunding Bonds, Series 2013 was filed three days after its due date. Except as described in this paragraph, the City and its related entities have not failed to comply with the terms of their prior continuing disclosure undertakings in any material respect in the last five years.

In order to assure compliance with its continuing disclosure obligations going forward, the City and the District have adopted continuing disclosure compliance policies and procedures as part of their debt management policy. In addition, the District has retained Special District Financing & Administration, LLC to serve as Dissemination Agent for the District’s continuing disclosure undertaking related to the Bonds.

Neither the Developer nor any of the property owners within the District have agreed to provide continuing disclosure in connection with the Bonds.

TAX EXEMPTION

In the opinion of Stradling Yocca Carlson & Rauth LLP, Newport Beach, California, Bond Counsel, under existing statutes, regulations, rulings and judicial decisions, and assuming the accuracy of certain representations and compliance with certain covenants and requirements described herein, interest (and original issue discount) on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals. In the further opinion of Bond Counsel, interest (and original issue discount) on the Bonds is exempt from State of California personal income tax.

In the opinion of Bond Counsel, the difference between the issue price of a Bond (the first price at which a substantial amount of the Bonds of the same maturity is to be sold to the public) and the stated redemption price at maturity with respect to such Bond (to the extent the redemption price at maturity is greater than the issue price) constitutes original issue discount. Original issue discount accrues under a constant yield method, and original issue discount will accrue to a Beneficial Owner before receipt of cash attributable to such excludable income. The amount of original issue discount deemed received by the Beneficial Owner will increase the Beneficial Owner’s basis in the applicable Bond. In the opinion of Bond Counsel, the amount of original issue discount that accrues to the Beneficial Owner of a Bond is excluded from the gross income of such Beneficial Owner for federal income tax purposes, is not an item of tax

preference for purposes of the federal alternative minimum tax imposed on individuals, and is exempt from State of California personal income tax.

Bond Counsel's opinion as to the exclusion from gross income of interest (and original issue discount) on the Bonds is based upon certain representations of fact and certifications made by the District, the City and others and is subject to the condition that the District, the City and others making such representations comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds to assure that interest (and original issue discount) on the Bonds will not become includable in gross income for federal income tax purposes. Failure to comply with such requirements of the Code might cause the interest (and original issue discount) on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. The District and the City will covenant to comply with all such requirements.

The amount by which a Beneficial Owner's original basis for determining loss on sale or exchange in the applicable Bond (generally, the purchase price) exceeds the amount payable on maturity (or on an earlier call date) constitutes amortizable Bond premium, which must be amortized under Section 171 of the Code; such amortizable Bond premium reduces the Beneficial Owner's basis in the applicable Bond (and the amount of tax exempt interest received), and is not deductible for federal income tax purposes. The basis reduction as a result of the amortization of Bond premium may result in a Beneficial Owner realizing a taxable gain when a Bond is sold by the Beneficial Owner for an amount equal to or less (under certain circumstances) than the original cost of the Bond to the Beneficial Owner. Purchasers of the Bonds should consult their own tax advisors as to the treatment, computation and collateral consequences of amortizable Bond premium.

The Internal Revenue Service (the "IRS") has initiated an expanded program for the auditing of tax-exempt bond issues, including both random and targeted audits. It is possible that the Bonds will be selected for audit by the IRS. It is also possible that the market value of the Bonds might be affected as a result of such an audit of the Bonds (or by an audit of other similar bonds). No assurance can be given that in the course of an audit, as a result of an audit, or otherwise, Congress or the IRS might not change the Code (or interpretation thereof) subsequent to the issuance of the Bonds to the extent that it adversely affects the exclusion from gross income of interest (and original issue discount) on the Bonds or their market value.

SUBSEQUENT TO THE ISSUANCE OF THE BONDS THERE MIGHT BE FEDERAL, STATE, OR LOCAL STATUTORY CHANGES (OR JUDICIAL OR REGULATORY CHANGES TO OR INTERPRETATIONS OF FEDERAL, STATE, OR LOCAL LAW) THAT AFFECT THE FEDERAL, STATE, OR LOCAL TAX TREATMENT OF THE BONDS, INCLUDING THE IMPOSITION OF ADDITIONAL FEDERAL INCOME OR STATE TAXES BEING IMPOSED ON OWNERS OF TAX-EXEMPT STATE OR LOCAL OBLIGATIONS, SUCH AS THE BONDS. THESE CHANGES COULD ADVERSELY AFFECT THE MARKET VALUE OR LIQUIDITY OF THE BONDS. NO ASSURANCE CAN BE GIVEN THAT SUBSEQUENT TO THE ISSUANCE OF THE BONDS STATUTORY CHANGES WILL NOT BE INTRODUCED OR ENACTED OR JUDICIAL OR REGULATORY INTERPRETATIONS WILL NOT OCCUR HAVING THE EFFECTS DESCRIBED ABOVE. BEFORE PURCHASING ANY OF THE BONDS, ALL POTENTIAL PURCHASERS SHOULD CONSULT THEIR TAX ADVISORS REGARDING POSSIBLE STATUTORY CHANGES OR JUDICIAL OR REGULATORY CHANGES OR INTERPRETATIONS, AND THEIR COLLATERAL TAX CONSEQUENCES RELATING TO THE BONDS.

Bond Counsel's opinions with respect to the Bonds may be affected by actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Bonds. Bond Counsel has not undertaken to determine, or to inform any person, whether any such actions or events are taken or do occur. The Indenture and the Tax Certificate relating to the Bonds, as applicable, permit certain actions to be taken or to be omitted if a favorable opinion of Bond Counsel is provided with respect thereto. Bond Counsel expresses no opinion as to the effect on the exclusion from gross income of interest (and original issue discount) on the Bonds for

federal income tax purposes with respect to any Bond if any such action is taken or omitted based upon the advice of counsel other than Stradling Yocca Carlson & Rauth LLP.

Although Bond Counsel will render an opinion that interest (and original issue discount) on the Bonds is excluded from gross income for federal income tax purposes provided that the District and the City continue to comply with certain requirements of the Code, the ownership of the Bonds and the accrual or receipt of interest (and original issue discount) with respect to the Bonds may otherwise affect the tax liability of certain persons. Bond Counsel expresses no opinion regarding any such tax consequences. Accordingly, before purchasing any of the Bonds, all potential purchasers should consult their tax advisors with respect to collateral tax consequences relating to the Bonds.

Should interest on the Bonds (including any original issue discount) become includable in gross income for federal income tax purposes, the Bonds are not subject to early redemption and will remain outstanding until maturity or until redeemed in accordance with the Indenture.

A copy of the proposed form of opinion of Bond Counsel is attached hereto as Appendix C.

LEGAL OPINION

The legal opinion of Bond Counsel approving the validity of the Bonds, in substantially the form set forth as Appendix C hereto, will be made available to purchasers of the Bonds at the time of original delivery of the Bonds. Certain legal matters will be passed upon for the City and the District by the City Attorney, and for the District by Stradling Yocca Carlson & Rauth LLP, Disclosure Counsel, for the Underwriter by Anzel Galvan LLP, San Francisco, California, and for the Trustee by its counsel. Bond Counsel undertakes no responsibility to the purchasers of the Bonds for the accuracy, completeness or fairness of this Official Statement.

ABSENCE OF LITIGATION

In connection with the issuance of the Bonds, the City Attorney will deliver an opinion to the effect that, to their actual knowledge, after due inquiry and investigation, there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body, pending or threatened, or any unfavorable decision, ruling or finding, against or affecting the District, which would adversely impact the District's ability to complete the transactions described in, or contemplated by, the Indenture or this Official Statement, restrain or enjoin the collection of the Special Taxes, or in any way contest or affect the validity of the Bonds, the Indenture, the Special Taxes, or the transactions described herein.

NO RATING

The District has not made, and does not contemplate making, an application to any rating organization for the assignment of a rating on the Bonds.

UNDERWRITING

The Bonds are being purchased by Stifel, Nicolaus & Company, Incorporated (the "Underwriter"). The Underwriter has agreed to purchase the Bonds at a price of \$_____ (being the \$_____ aggregate principal amount of the Bonds, less an Underwriter's discount of \$_____ and [plus/less] original issue [premium/discount] of \$_____). The Bond Purchase Agreement relating to the Bonds provides that the Underwriter will purchase all of the Bonds if any are purchased, the obligation to make such purchase being subject to certain terms and conditions set forth in the Bond Purchase Agreement, the approval of certain legal matters by counsel and certain other conditions. The Underwriter's compensation is contingent upon the successful issuance of the Bonds.

Under certain circumstances, the Underwriter may offer and sell the Bonds to certain dealers and others at prices lower or yields higher than those stated on the page immediately following the cover page of this Official Statement. The offering prices may be changed from time to time by the Underwriter.

FINANCIAL INTERESTS

The fees being paid to the Underwriter and its counsel, Bond Counsel, Disclosure Counsel and the Trustee are contingent upon the issuance and delivery of the Bonds. From time to time, Stradling Yocca Carlson & Rauth LLP, represents the Underwriter on matters unrelated to the Bonds.

MUNICIPAL ADVISOR

The District has retained CSG Advisors Incorporated, San Francisco, California, as Municipal Advisor for the sale of the Bonds. The Municipal Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or to assume any responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement.

CSG Advisors Incorporated, is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal or other public securities.

MISCELLANEOUS

So far as any statements made in this Official Statement involve matters of opinion, assumptions, projections, anticipated events or estimates, whether or not expressly stated, they are set forth as such and not as presentations of fact, and actual results may differ substantially from those set forth therein. Neither this Official Statement nor any statement that may have been made verbally or in writing is to be construed as a contract with the Owners of the Bonds.

The summaries of certain provisions of the Bonds, statutes and other documents or agreements referred to in this Official Statement do not purport to be complete, and reference is made to each of them for a complete statement of their provisions. Copies are available for review by making requests to the City.

The execution and delivery of this Official Statement by the City Manager of the City has been duly authorized by the City Council of the City acting in its capacity as the legislative body of the District.

COMMUNITY FACILITIES DISTRICT NO. 2022-1 OF
THE CITY OF ESCONDIDO (ECLIPSE/MOUNTAIN
HOUSE)

By: _____
City Manager of the City of Escondido

APPENDIX A

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

APPENDIX B**CERTAIN ECONOMIC AND DEMOGRAPHIC INFORMATION**

The following information relating to the City of Escondido (the "City") and the County of San Diego, California (the "County"), California (the "State") is supplied solely for purposes of information. Neither the City nor the County is obligated in any manner to pay principal of or interest on the Bonds or to cure any delinquency or default on the Bonds. The Bonds are payable solely from the sources described in the Official Statement.

General

Escondido is located in a vast valley of the coastal mountain ranges of Southern California. Meaning "hidden" in Spanish and surrounded by avocado and citrus groves, Escondido lies 18 miles inland from the coast, 30 miles northeast of San Diego and 100 miles south of the City of Los Angeles. Escondido was incorporated on October 8, 1888 and operates under general law government with five council members elected at large. The mayor presides over the city council.

Population

**POPULATION ESTIMATES
2019 through 2023
City of Escondido, San Diego County and State of California**

The following table offers population figures for the City, the County and the State for 2019 through 2023.

<i>Area</i>	<i>2019</i>	<i>2020</i>	<i>2021</i>	<i>2022</i>	<i>2023</i>
City of Escondido	151,311	151,803	150,872	150,059	149,799
County of San Diego	3,333,319	3,331,279	3,283,113	3,275,435	3,269,755
State of California	39,605,361	39,648,938	39,286,510	39,078,674	38,940,231

Source: California State Department of Finance, Demographic Research Unit. 2010 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 2018 through 2022.

BUILDING PERMITS AND VALUATIONS
2018 through 2022
City of Escondido
(Dollars in Thousands)

	<i>2018</i>	<i>2019</i>	<i>2020</i>	<i>2021</i>	<i>2022</i>
Valuation					
Residential	\$ 32,135	\$ 9,155	\$ 54,065	\$ 131,216	\$ 61,547
Non-Residential	<u>35,592</u>	<u>30,236</u>	<u>29,909</u>	<u>83,916</u>	<u>112,272</u>
Total	\$ 67,727	\$ 39,391	\$ 83,974	\$ 215,132	\$ 173,819
Units					
Single Family	22	24	237	338	183
Multi Family	<u>198</u>	<u>0</u>	<u>0</u>	<u>94</u>	<u>81</u>
Total	220	24	237	432	264

Note: Totals may not add to sum due to rounding.
Source: Construction Industry Research Board.

BUILDING PERMITS AND VALUATIONS
2018 through 2022
San Diego County
(Dollars in Thousands)

	<i>2018</i>	<i>2019</i>	<i>2020</i>	<i>2021</i>	<i>2022</i>
Valuation					
Residential	\$ 2,673,873	\$ 2,084,655	\$ 2,647,919	\$ 2,610,755	\$ 2,519,824
Non-Residential	<u>1,901,844</u>	<u>2,359,541</u>	<u>1,973,800</u>	<u>2,505,422</u>	<u>1,970,011</u>
Total	\$ 4,575,717	\$ 4,444,196	\$ 4,621,719	\$ 5,116,177	\$ 4,489,835
Units					
Single Family	3,438	3,045	3,160	3,546	3,477
Multi Family	<u>6,132</u>	<u>4,405</u>	<u>6,326</u>	<u>6,646</u>	<u>6,169</u>
Total	9,570	7,450	9,486	10,192	9,646

Note: Totals may not add to sum due to rounding.
Source: Construction Industry Research Board.

Employment

The following tables show the largest employers located in the City and County as of June 30, 2023.

LARGEST EMPLOYERS**City of Escondido
(as of June 30, 2023)**

<i>Rank</i>	<i>Employer</i>	<i>Employees</i>
1.	Palomar Medical Center	2,906
2.	Escondido Union School District	2,077
3.	City of Escondido ⁽¹⁾	959
4.	Escondido Union High School District	881
5.	Toyota of Escondido	368
6.	Bergelectric	354
7.	Home Depot	332
8.	Vons Grocery Stores	266
9.	The Classical Academies	225
10.	Ne-Mo's Bakery	216

⁽¹⁾ Includes full-time and part-time employees.

Source: City of Escondido Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2023.

LARGEST EMPLOYERS**County of San Diego
(as of June 30, 2023)**

<i>Rank</i>	<i>Employer</i>	<i>Employees</i>
1.	University of California, San Diego	35,802
2.	Sharp HealthCare	19,468
3.	County of San Diego	17,954
4.	City of San Diego	11,820
5.	General Atomics	6,745
6.	San Diego State University	6,454
7.	Rady Children's Hospital-San Diego	5,711
8.	San Diego Community College District	5,400
9.	Sempra Energy	5,063
10.	YMCA of San Diego County	5,057

Source: County of San Diego Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2023.

Employment and Industry

The City is included in the San Diego-Carlsbad Metropolitan Statistical Area (the "MSA"). The following table represents the Annual Average Labor Force and Industry Employment for the period from 2018 through 2022. These figures are multi county-wide statistics and may not necessarily accurately reflect employment trends within the communities served by the District.

INDUSTRY EMPLOYMENT & LABOR FORCE - BY ANNUAL AVERAGE San Diego-Carlsbad Metropolitan Statistical Area

	2018	2019	2020	2021	2022
Civilian Labor Force	1,579,800	1,583,600	1,547,300	1,547,800	1,589,600
Civilian Employment	1,526,600	1,532,200	1,401,900	1,447,500	1,534,800
Civilian Unemployment	53,200	51,400	145,400	100,300	54,700
Civilian Unemployment Rate	3.4%	3.2%	9.4%	6.5%	3.4%
Total Farm	9,300	9,700	9,200	9,000	9,500
Total Nonfarm	1,482,200	1,503,100	1,385,800	1,442,100	1,534,200
Total Private	1,234,100	1,254,500	1,148,700	1,204,200	1,287,300
Goods Producing	196,400	200,000	195,400	198,500	205,200
Mining and Logging	400	400	300	300	400
Construction	83,700	84,000	81,300	83,800	87,400
Manufacturing	112,300	115,700	113,800	114,400	117,400
Service Providing	1,285,800	1,303,100	1,190,400	1,243,600	1,329,000
Trade, Transportation and Utilities	225,000	224,000	207,800	216,800	222,400
Wholesale Trade	43,800	44,000	41,300	42,100	43,800
Retail Trade	147,900	145,600	133,200	137,600	138,300
Transportation, Warehousing and Utilities	33,300	34,300	33,300	37,100	40,200
Information	23,600	23,500	22,100	21,500	22,000
Financial Activities	76,000	76,500	74,800	76,200	77,000
Professional and Business Services	249,000	255,800	248,300	265,300	285,200
Educational and Health Services	208,900	216,600	210,900	216,700	227,600
Leisure and Hospitality	199,600	201,700	144,800	161,600	193,400
Other Services	55,500	56,400	44,800	47,500	54,500
Government	248,100	248,600	237,100	237,900	246,800
Total, All Industries	1,491,400	1,512,800	1,395,000	1,451,100	1,543,700

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 B.

Source: State of California, Employment Development Department, March 2022 Benchmark.

The following table summarizes the labor force, employment and unemployment figures for the period from 2018 through 2022 for the City, the County, the State and the nation as a whole.

AVERAGE ANNUAL CIVILIAN LABOR FORCE, EMPLOYMENT AND UNEMPLOYMENT
City Of Escondido, County Of San Diego,
State Of California And United States

<i>Year</i>	<i>Area</i>	<i>Labor Force</i>	<i>Employment⁽¹⁾</i>	<i>Unemployment⁽²⁾</i>	<i>Unemployment Rate (%)⁽³⁾</i>
2018	City of Escondido	69,100	66,900	2,200	3.2%
	San Diego County	1,579,800	1,526,600	53,200	3.4
	State of California	19,289,500	18,469,900	819,600	4.2
2019	City of Escondido	69,100	67,000	2,200	3.1%
	San Diego County	1,583,600	1,532,200	51,400	3.2
	State of California	19,413,200	18,617,900	795,300	4.1
2020	City of Escondido	66,800	60,700	6,100	9.2%
	San Diego County	1,547,300	1,401,900	145,400	9.4
	State of California	18,971,600	17,047,600	1,924,000	10.1
2021	City of Escondido	66,900	62,700	4,300	6.4%
	San Diego County	1,547,800	1,447,500	100,300	6.5
	State of California	18,973,400	17,586,300	1,387,100	7.3
2022	City of Escondido	68,700	66,400	2,200	3.2%
	San Diego County	1,589,600	1,534,800	54,700	3.4
	State of California	19,252,000	18,440,900	811,100	4.2

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. 2022 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 San Diego County increased by 51.28% between 2011 and 2020. The following tables summarize personal income for San Diego County for 2011 through 2020.

PERSONAL INCOME
San Diego County
2013-2022
(Dollars in Thousands)

<i>Year</i>	<i>San Diego County</i>	<i>Annual Percent Change</i>
2013	\$155,648,494	--
2014	164,691,400	5.81%
2015	174,081,824	5.70
2016	180,838,809	3.88
2017	187,630,531	3.76
2018	194,949,226	3.90
2019	204,586,175	4.94
2020	222,600,097	8.81
2021	240,216,669	7.91
2022	243,506,541	1.37

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

The following table summarizes 10 years of per capita personal income for the County, State and United States from 2013 through 2022. 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⁽¹⁾
2013 through 2022
San Diego County, State of California, and United States

<i>Year</i>	<i>San Diego County</i>	<i>State of California</i>	<i>United States</i>
2013	\$48,645	\$48,076	\$44,401
2014	50,915	50,619	46,287
2015	53,357	53,817	48,060
2016	55,074	55,863	48,971
2017	56,969	58,214	51,004
2018	59,014	60,984	53,309
2019	62,034	64,174	55,547
2020	67,536	70,061	59,153
2021	73,350	76,991	64,430
2022	74,326	77,036	65,470

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Taxable Sales

The following tables show a five-year history of taxable sales for the City and the County:

**TAXABLE SALES
2018 through 2022
City of Escondido
(Dollars in Thousands)**

<i>Year</i>	<i>Retail and Food Services Permits</i>	<i>Retail Stores and Food Services Taxable Transactions</i>	<i>Total Permits</i>	<i>Total Taxable Transactions</i>
2018	2,595	\$2,490,232	4,345	\$3,222,233
2019	2,594	2,515,560	4,410	3,247,673
2020	2,810	2,253,007	4,787	2,963,133
2021	2,559	2,863,248	4,394	3,723,877
2022	2,623	3,005,771	4,528	3,604,200

Source: Taxable Sales in California, California Department of Tax and Fee Administration ("CDTFA").

**TAXABLE SALES
2018 through 2022
San Diego County
(Dollars in Thousands)**

<i>Year</i>	<i>Retail and Food Services Permits</i>	<i>Retail Stores and Food Services Taxable Transactions</i>	<i>Total Permits</i>	<i>Total Taxable Transactions</i>
2018	59,836	41,886,825	100,674	59,041,042
2019	59,447	42,816,938	101,901	61,365,277
2020	62,897	41,336,898	109,428	58,814,528
2021	55,683	49,817,135	98,392	71,588,741
2022	56,988	55,405,594	101,259	80,699,961

Source: Taxable Sales in California, California Department of Tax and Fee Administration ("CDTFA").

Transportation

Interstate 15 serves the City, extending from San Diego through to Riverside and Las Vegas, Nevada. State Highway 78 runs west to east from the coastline between Oceanside and Carlsbad through the City to Interstate 10 and is one of the main east/west corridors through the County.

The Santa Fe Railroad has a freight service line serving the City, and Amtrak provides passenger service from Oceanside on the San Diego/Los Angeles line. The Sprinter provides commuter rail service from the City to Oceanside.

Two airports serve North County. San Diego International Airport (Lindbergh Field), 35 minutes from the City, provides access to fourteen major national and international commercial airlines and fourteen freight forwarding companies. The smaller McClellan-Palomar Airport, 15 minutes from downtown of the City, offers commercial service to Los Angeles, Las Vegas, Nevada and Phoenix, Arizona. McClellan Palomar also offers complete private aircraft service.

APPENDIX C

FORM OF OPINION OF BOND COUNSEL

Upon issuance of the Bonds, Stradling Yocca Carlson & Rauth LLP, Bond Counsel, proposes to render its final approving opinion in substantially the following form:

[Closing Date]

City of Escondido
Community Facilities District No. 2022-1 (Eclipse/Mountain House)
Escondido, California

Re: \$_____ *Community Facilities District No. 2022-1 of the City of Escondido
(Eclipse/Mountain House) Special Tax Bonds, Series 2024*

Ladies and Gentlemen:

We have examined the Constitution and the laws of the State of California, a certified record of the proceedings of the City of Escondido (the "City") taken in connection with the formation of Community Facilities District No. 2022-1 of the City of Escondido (Eclipse/Mountain House) (the "District") and the authorization and issuance of the District's Special Tax Bonds, Series 2024 in the aggregate principal amount of \$_____ (the "Bonds") and such other information and documents as we consider necessary to render this opinion. In rendering this opinion, we have relied upon certain representations of fact and certifications made by the District, the City, the initial purchasers of the Bonds and others. We have not undertaken to verify through independent investigation the accuracy of the representations and certifications relied upon by us.

The Bonds have been issued pursuant to the Mello-Roos Community Facilities Act of 1982, as amended (comprising Chapter 2.5 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California), a resolution adopted by the City Council of the City, acting in its capacity as the legislative body of the District (the "City Council") on April 10, 2024 (the "Resolution"), and a Bond Indenture (the "Indenture") dated as of May 1, 2024, by and between the District and The Bank of New York Mellon Trust Company, N.A, as trustee (the "Trustee"). All capitalized terms not defined herein shall have the meaning set forth in the Indenture.

Based upon our examination of the foregoing, and in reliance thereon and on all matters of fact as we deem relevant under the circumstances, and upon consideration of applicable laws, we are of the opinion that:

(1) The Bonds have been duly and validly authorized by the District and are legal, valid and binding limited obligations of the District, enforceable in accordance with their terms and the terms of the Indenture. The Bonds are limited obligations of the District but are not a debt of the City, the State of California or any other political subdivision thereof within the meaning of any constitutional or statutory limitation, and, except for the Net Taxes, neither the faith and credit nor the taxing power of the City, the State of California, or any of its political subdivisions is pledged for the payment thereof.

(2) The Indenture has been duly executed and delivered by the District. The Indenture creates a valid pledge of, and the Bonds are secured by, the Net Taxes and the amounts on deposit in certain funds and accounts established under the Indenture, as and to the extent provided in the Indenture. The Indenture is enforceable in accordance with its terms; provided, however, we express no opinion as to the enforceability of the covenant of the District contained in the Indenture to levy Special Taxes for the payment of Administrative

Expenses or as to indemnification, penalty, contribution, choice of law, choice of forum or waiver provisions contained therein.

(3) Under existing statutes, regulations, rulings and judicial decisions, interest (and original issue discount) on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals.

(4) Interest (and original issue discount) on the Bonds is exempt from State of California personal income tax.

(5) The difference between the issue price of a Bond (the first price at which a substantial amount of the Bonds of a maturity are to be sold to the public) and the stated redemption price at maturity with respect to such Bond constitutes original issue discount. Original issue discount accrues under a constant yield method, and original issue discount will accrue to a Bond Owner before receipt of cash attributable to such excludable income. The amount of original issue discount deemed received by a Bond Owner will increase the Bond Owner's basis in the applicable Bond. Original issue discount that accrues for the Bond Owner is excluded from the gross income of such Owner for federal income tax purposes, is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals (as described in paragraph (3) above) and is exempt from State of California personal income tax.

(6) The amount by which a Bond Owner's original basis for determining loss on sale or exchange in the applicable Bond (generally the purchase price) exceeds the amount payable on maturity (or on an earlier call date) constitutes amortizable Bond premium which must be amortized under Section 171 of the Internal Revenue Code of 1986, as amended (the "Code"); such amortizable Bond premium reduces the Bond Owner's basis in the applicable Bond (and the amount of tax-exempt interest received), and is not deductible for federal income tax purposes. The basis reduction as a result of the amortization of Bond premium may result in a Bond Owner realizing a taxable gain when a Bond is sold by the Owner for an amount equal to or less (under certain circumstances) than the original cost of the Bond to the Owner. Purchasers of the Bonds should consult their own tax advisors as to the treatment, computation and collateral consequences of amortizable Bond premium.

The opinions expressed in paragraphs (3) and (5) above as to the exclusion from gross income for federal income tax purposes of interest (and original issue discount) on the Bonds are based upon certain representations of fact and certifications made by the District, the City and others and are subject to the condition that the District and the City comply with all requirements of the Code, that must be satisfied subsequent to the issuance of the Bonds to assure that such interest (and original issue discount) will not become includable in gross income for federal income tax purposes. Failure to comply with such requirements of the Code might cause interest (and original issue discount) on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. The District and the City have covenanted to comply with all such requirements. Other provisions of the Code may give rise to adverse federal income tax consequences to particular Bond Owners. Except as set forth in paragraphs (3), (4), (5) and (6) above, we express no opinion as to any tax consequences related to the Bonds.

Certain agreements, requirements and procedures contained or referred to in the Indenture, the Tax Certificate executed by the District and the City and other documents related to the Bonds may be changed and certain actions may be taken or omitted, under the circumstances and subject to the terms and conditions set forth in such documents. We express no opinion as to the effect on the exclusion from gross income for federal income tax purposes of interest (and original issue discount) on any Bond if any such change occurs or action is taken or omitted upon advice or approval of bond counsel other than Stradling Yocca Carlson & Rauth LLP.

Our opinion is limited to matters governed by the laws of the State of California and federal law. We assume no responsibility with respect to the applicability or the effect of the laws of any other jurisdiction. We

call attention to the fact that the rights and obligations under the Bonds, the Indenture and the Tax Certificate may be limited by bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, by the application of equitable principles and the exercise of judicial discretion in appropriate cases and by the limitations on legal remedies against public agencies in the State of California.

We express no opinion herein as to the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Bonds and expressly disclaim any duty to advise the Owners of the Bonds with respect to matters contained in the Official Statement or other offering material.

The opinions expressed herein are based upon an analysis of existing statutes, regulations, rulings and judicial decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken (or not taken) or events occurring (or not occurring) after the date hereof. We have not undertaken to determine, or to inform any person, whether such actions or events are taken (or not taken) or do occur (or do not occur).

Respectfully submitted,

APPENDIX D
APPRAISAL REPORT

APPENDIX E
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APPENDIX F
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APPENDIX G

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APPENDIX H**BOOK-ENTRY ONLY SYSTEM**

The information in this Appendix concerning DTC and DTC's book-entry only system has been obtained from sources that the District and the Underwriter believe to be reliable, but neither the District nor the Underwriter takes any 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.

The Depository Trust Company ("DTC"), New York, NY, 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 annual maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a 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.

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 certificates representing their ownership interests in the 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 District 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 District 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 District 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 District 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 District 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.

THE TRUSTEE, AS LONG AS A BOOK-ENTRY ONLY SYSTEM IS USED FOR THE BONDS, WILL SEND ANY NOTICE OF REDEMPTION OR OTHER NOTICES TO OWNERS ONLY TO DTC. ANY FAILURE OF DTC TO ADVISE ANY DTC PARTICIPANT, OR OF ANY DTC PARTICIPANT TO NOTIFY ANY BENEFICIAL OWNER, OF ANY NOTICE AND ITS CONTENT OR EFFECT WILL NOT AFFECT THE VALIDITY OF SUFFICIENCY OF THE PROCEEDINGS RELATING TO THE REDEMPTION OF THE BONDS CALLED FOR REDEMPTION OR OF ANY OTHER ACTION PREMISED ON SUCH NOTICE.

DISTRICT CONTINUING DISCLOSURE CERTIFICATE

THIS CONTINUING DISCLOSURE CERTIFICATE (this “Disclosure Certificate”) dated as of July 21, 2022 is executed and delivered by Community Facilities District No. 2022-1 of the City of Escondido (Eclipse/Mountain House) (the “District”) in connection with the issuance and delivery by the District of its \$_____ Special Tax Bonds, Series 2024 (the “Bonds”). The Bonds are being issued pursuant to a Resolution of Issuance adopted on April 10, 2024, by the City Council of the City of Escondido, acting as the legislative body of the District, and the Bond Indenture, dated as of May 1, 2024 (the “Indenture”), by and between the District and The Bank of New York Mellon Trust Company, N.A, as trustee. The District covenants as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the District for the benefit of the Owners and Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with the Rule.

Section 2. Definitions. In addition to the definitions set forth in the Indenture and the Rate and Method of Apportionment, 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 District 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.

“City” shall mean the City of Escondido, California.

“Disclosure Representative” shall mean the City Manager or the Director of Finance of the City, or his or her designee, or such other officer or employee as the District shall designate in writing to the Dissemination Agent from time to time.

“Dissemination Agent” shall mean, initially, Special District Financing & Administration, LLC, or any successor Dissemination Agent designated in writing by the District and which has filed with the then current Dissemination Agent a written acceptance of such designation.

“District” shall mean Community Facilities District No. 2022-1 of the City of Escondido (Eclipse/Mountain House).

“EMMA” shall mean the Electronic Municipal Market Access System of the Municipal Securities Rulemaking Board, which can be found at www.emma.msrb.org, or any other repository of disclosure information that may be designated by the Securities and Exchange Commission in the future system of the MSRB.

“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.

“Listed Events” shall mean any of the events listed in Section 5 of this Disclosure Certificate.

“MSRB” shall mean the Municipal Securities Rulemaking Board or any other entity designated or authorized by the Securities and Exchange Commission to receive reports pursuant to the Rule. Until otherwise designated by the MSRB or the Securities and Exchange Commission, filings with the MSRB are to be made through the Electronic Municipal Market Access (EMMA) website of the MSRB, currently located at <http://emma.msrb.org>.

“Official Statement” shall mean that certain Official Statement for the Bonds dated_____, 2024.

“Owners” shall mean the registered owners of the Bonds as set forth in the registration books maintained by the Trustee.

“Participating Underwriter” shall mean Stifel, Nicolaus & Company, Incorporated.

“Rate and Method of Apportionment” shall mean that certain Rate and Method of Apportionment of Special Tax approved pursuant to the Resolution of Formation.

“Resolution of Formation” shall mean the resolutions adopted by the City Council pursuant to which the City Council formed the District.

“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.

“State” shall mean the State of California.

“Trustee” shall mean The Bank of New York Mellon Trust Company, N.A or such other entity appointed by the District pursuant to the Indenture to act as the trustee under the Indenture.

Section 3. Provision of Annual Reports.

(a) Not later than April 1 of each year commencing April 1, 2025, the District shall, or shall cause the Dissemination Agent to provide to EMMA and the Participating Underwriter an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate; provided, however, the initial Annual Report shall consist of the Official Statement. If the Dissemination Agent is other than the District, then not later than 15 business days prior to the date referred to in the prior sentence hereof, the District shall provide the Annual Report (in a form suitable for filing with EMMA) to the Dissemination Agent. 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 District, if any exist, may be submitted separately from and later than the balance of the Annual Report if they are not available by the date required above for the filing of the Annual Report.

(b) In the event that the Dissemination Agent is an entity other than the District, then the provisions of this Section 3(b) shall apply. Not later than fifteen (15) Business Days prior to the date specified in subsection (a) for providing the Annual Report, the District shall provide the Annual

Report to the Dissemination Agent. If by fifteen (15) Business Days prior to the due date for an Annual Report the Dissemination Agent has not received a copy of the Annual Report, the Dissemination Agent shall contact the District to determine if the District will be filing the Annual Report in compliance with subsection (a). The District shall provide a written certification with each Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished by it hereunder. The Dissemination Agent may conclusively rely upon such certification of the District and shall have no duty or obligation to review such Annual Report.

(c) If the Dissemination Agent is other than the District and if the Dissemination Agent is unable to verify that an Annual Report has been provided to EMMA by the date required in subsection (a), the Dissemination Agent shall send, in a timely manner, a notice to EMMA, in the form required by EMMA. If the District acts as its own Dissemination Agent, it shall file a notice with EMMA no later than the date specified in subsection (a) for filing an Annual Report if the District fails to file the Annual Report by that date.

(d) If the Dissemination Agent is other than the District, the Dissemination Agent shall:

(i) determine each year prior to the date for providing the Annual Report the name and address of the repository if other than the MSRB through EMMA; and

(ii) promptly after receipt of the Annual Report, file a report with the District certifying that the Annual Report has been provided to EMMA and the date it was provided.

(e) Notwithstanding any other provision of this Disclosure Certificate, all filings shall be made in accordance with the MSRB's EMMA system or in another manner approved under the Rule.

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

(a) Financial Statements. The audited financial statements of the 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 District's audited financial statements, if any are prepared, are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) Financial and Operating Data. The Annual Report shall contain or incorporate by reference the following information:

(i) the principal amount of the Bonds outstanding as of the September 2 preceding the filing of the Annual Report;

(ii) the balance in each fund under the Indenture as of the September 2 preceding the filing of the Annual Report;

(iii) the aggregate assessed valuation of the Taxable Property within the District;

(iv) any changes to the Rate and Method of Apportionment of Special Tax for the District approved or submitted to the qualified electors for approval prior to the filing of the Annual Report;

(v) a table setting forth the annual Special Tax delinquency rate within the District at June 30 of each fiscal year for which a delinquency exists, listing for each fiscal year, the total Special Tax levy, the amount delinquent and the percent delinquent;

(vi) an update of the value-to-lien of the property within the District based on the assessed value and the Special Tax levy for the then current fiscal year, which update may be provided in a form similar to Table 3 in the Official Statement; provided that such update need not include overlapping special tax, assessment or general obligation indebtedness; and

(vii) the status of any foreclosure actions being pursued by the District with respect to delinquent Special Taxes within the District.

(c) Any or all of the items listed in (a) or (b) above may be included by specific reference to other documents, including official statements of debt issues of the District or related public entities, which have been submitted to EMMA or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the MSRB through EMMA. The District shall clearly identify each such other document so included by reference.

Section 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the District shall give, or cause the Dissemination Agent to give, notice to EMMA in a timely manner not in excess of ten (10) business days after the occurrence of any of the following events with respect to the Bonds:

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, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds;
6. defeasances;
7. tender offers;
8. ratings changes; and
9. bankruptcy, insolvency, receivership or similar proceedings.

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) Additionally, the District shall give or cause the Dissemination Agent to give notice to EMMA in a timely manner not in excess of ten (10) business days after the occurrence of any of the following events with respect to the Bonds, if material:

1. mergers, consolidations, acquisitions, the sale of all or substantially all of the assets of the obligated persons or their termination;
2. appointment of a successor or additional fiscal agent or the change of the name of a fiscal agent;
3. nonpayment related defaults;
4. modifications to the rights of Bondholders;
5. bond calls;
6. release, substitution or sale of property securing repayment of the Bonds; and
7. 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 affect security holders.

(c) In the event that the District's fiscal year changes, the District shall report or shall instruct the Dissemination Agent to report such change in the same manner and to the same parties as Listed Events would be reported pursuant to this Section.

(d) The District hereby agrees that the undertaking set forth in this Disclosure Certificate is the responsibility of the District, and the Dissemination Agent, if other than the District, shall not be responsible for determining whether the District's instructions to the Dissemination Agent under this Section comply with the requirements of the Rule.

Section 6. Termination of Reporting Obligation. The obligations of the District and the Dissemination Agent under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the District shall give notice of such termination in the same manner as for a Listed Event under Section 5.

Section 7. Dissemination Agent. The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent, if other than the District, shall not be responsible in any manner for the content of any notice or report prepared by the District 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 Special District Financing & Administration, LLC. The Dissemination Agent may resign by providing (i) thirty (30) days written notice to the District and the Trustee and (ii) upon appointment of a new Dissemination Agent hereunder.

Section 8. Amendment; Waiver.

(a) This Disclosure Certificate may be amended, by written agreement of the parties, without the consent of the Owners, and any provision of this Disclosure Certificate may be waived, if all of the following conditions are satisfied: (1) such amendment or waiver is made in connection with a change in circumstances that arises from a change in legal (including regulatory) requirements, a change in law, or a change in the identity, nature or status of the District or the type of business conducted thereby, (2) the undertakings in this Disclosure Certificate as so amended or waived would, in the opinion of a nationally recognized bond counsel, have complied with the requirements of the Rule as of the date of this Disclosure Certificate, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances, and (3) 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 determination of the District, materially impair the interests of the Owners or Beneficial Owners of the Bonds.

(b) To the extent any amendment to this Disclosure Certificate results in a change in the type of financial information or operating data provided pursuant to this Disclosure Certificate, the first Annual Report provided thereafter shall include a narrative explanation of the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

(c) If an amendment is made to the basis on which financial statements are prepared, the Annual Report for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. Such comparison shall include a quantitative and, to the extent reasonably feasible, qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information.

Section 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other

information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the District shall have no obligation under this Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Default. In the event of a failure of the District or the Dissemination Agent to comply with any provision of this Disclosure Certificate, 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 District and/or the Dissemination Agent to comply with their respective obligations under this Disclosure Certificate. 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 in the event of any failure of the District or the Dissemination Agent to comply with this Disclosure Certificate shall be an action to compel performance.

Section 11. Duties, Immunities and Liabilities of Dissemination Agent. Where an entity other than the District is acting as the Dissemination Agent, the Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the District agrees to indemnify and save the Dissemination Agent and its officers, directors, employees and agents, harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of their 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. Any Dissemination Agent shall be paid (i) compensation by the District for its services provided hereunder in accordance with a schedule of fees to be mutually agreed to; and (ii) all expenses, legal fees and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder. The Dissemination Agent shall have no duty or obligation to review any information provided to it by the District pursuant to this Disclosure Certificate. The obligations of the District under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds. No person shall have any right to commence any action against the Dissemination Agent seeking any remedy other than to compel specific performance of this Disclosure Certificate. The Dissemination Agent shall not be liable under any circumstances for monetary damages to any person for any breach under this Disclosure Certificate.

Section 12. Notices. Any notices or communications to or among any of the parties to this Disclosure Certificate may be given as follows:

To the District:	Community Facilities District No. 2022-1 of the City of Escondido (Eclipse/Mountain House) c/o City of Escondido 201 North Broadway Escondido, California 92025 Attention: Director of Finance
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To the Fiscal Agent:	The Bank of New York Mellon Trust Company, N.A. 333 South Hope Street, Suite 2525 Los Angeles, California 90071 Attention: Corporate Trust Services
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To the Dissemination Agent: Special District Financing & Administration LLC
437 West Grand Avenue
Escondido, California 92025

To the Participating Underwriter: Stifel, Nicolaus & Company, Incorporated
One Montgomery Street, 35th Floor
San Francisco, California 94104
Attention: Municipal Research Department
Email: sbrown@stifel.com

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 13. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the District, 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 14. Merger. Any person succeeding to all or substantially all of the Dissemination Agent's corporate trust business shall be the successor Dissemination Agent without the filing of any paper or any further act.

This Disclosure Certificate is executed as of the date and year first set forth above.

COMMUNITY FACILITIES DISTRICT NO. 2022-1
OF THE CITY OF ESCONDIDO (THE VILLAGES)

By: _____
Disclosure Representative

SPECIAL DISTRICT FINANCING &
ADMINISTRATION LLC, as Dissemination Agent

By: _____
Authorized Officer

BOND INDENTURE

Between

**COMMUNITY FACILITIES DISTRICT NO. 2022-1
OF THE CITY OF ESCONDIDO (ECLIPSE/MOUNTAIN HOUSE)**

and

**THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,
as Trustee**

Relating to

**\$ _____
COMMUNITY FACILITIES DISTRICT NO. 2022-1 OF THE
CITY OF ESCONDIDO (ECLIPSE/MOUNTAIN HOUSE)
SPECIAL TAX BONDS, SERIES 2024**

Dated as of May 1, 2024

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BOND INDENTURE

THIS BOND INDENTURE dated as of May 1, 2024, by and between COMMUNITY FACILITIES DISTRICT NO. 2022-1 OF THE CITY OF ESCONDIDO (ECLIPSE/MOUNTAIN HOUSE) (the "District") and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., as trustee (the "Trustee"), governs the terms of the Community Facilities District No. 2022-1 of the City of Escondido (Eclipse/Mountain House) Special Tax Bonds, Series 2024 and any Parity Bonds issued in accordance herewith from time to time.

RECITALS :

A. The City Council of the City of Escondido, located in the County of San Diego, California (the "City Council"), has undertaken proceedings and declared the necessity to issue bonds on behalf of the District pursuant to the terms and provisions of 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 "Act").

B. Based upon Resolution Nos. 2022-10 and 2022-11 adopted by the City Council on March 2, 2022 and an election held on March 2, 2022 authorizing the levy of a special tax and the issuance of bonds, the District is authorized to issue bonds in one or more series pursuant to the Act, in an aggregate principal amount not to exceed \$6,000,000.

C. The District intends to finance various Project Costs (as defined herein) through the issuance of bonds in an aggregate principal amount of \$_____designated as the "Community Facilities District No. 2022-1 of the City of Escondido (Eclipse/Mountain House) Special Tax Bonds, Series 2024" (the "Bonds"); and

D. The District has determined that all requirements of the Act for the issuance of the Bonds have been satisfied.

NOW, THEREFORE, in order to establish the terms and conditions upon and subject to which the Bonds are to be issued, and in consideration of the premises and of the mutual covenants contained herein and of the purchase and acceptance of the Bonds by the Owners thereof, and for other valuable consideration, the receipt of which is hereby acknowledged, the District does hereby covenant and agree, for the benefit of the Owners of the Bonds and any Parity Bonds (as defined herein) which may be issued hereunder from time to time, as follows:

ARTICLE I

DEFINITIONS

Section 1.1. Definitions. Unless the context otherwise requires, the following terms shall have the following meanings:

Account. The term "Account" means any account created pursuant to this Indenture.

Act. The term "Act" means the Mello-Roos Community Facilities Act of 1982, as amended, being Section 53311 *et seq.* of the California Government Code.

Acquisition and Construction Fund. The term “Acquisition and Construction Fund” means the fund by that name established pursuant to Section 3.1 hereof.

Acquisition and Funding Agreement. The term “Acquisition and Funding Agreement” means the Funding Agreement, dated as of March 1, 2022, by and among the City, acting for and on behalf of itself and the District, CWC Escondido 113, LLC, a Delaware limited liability company, and TTLC CalWest, LLC, a California limited liability company, as it may be amended.

Administrative Expense Account. The term “Administrative Expense Account” means the account by that name created and established in the Special Tax Fund pursuant to Section 3.1 hereof.

Administrative Expenses. The term “Administrative Expenses” means the administrative costs with respect to the calculation and collection of the Special Taxes, including all attorneys’ fees and other costs related thereto, the fees and expenses of the Trustee, any fees and related costs for credit enhancement for the Bonds or any Parity Bonds which are not otherwise paid as Costs of Issuance, any costs related to the District’s compliance with state and federal laws requiring continuing disclosure of information concerning the Bonds and the District, and any other costs otherwise incurred by City staff on behalf of the District in order to carry out the purposes of the District as set forth in the Resolution of Formation and any obligation of the District hereunder.

Administrative Expenses Cap. The term “Administrative Expenses Cap” means \$_____, which amount shall escalate at 2.00% per Fiscal Year, commencing July 1, 2024.

Alternate Penalty Account. The term “Alternate Penalty Account” means the account by that name created and established in the Rebate Fund pursuant to Section 3.1 hereof.

Annual Debt Service. The term “Annual Debt Service” means the principal amount of any Outstanding Bonds or Parity Bonds payable in a Bond Year either at maturity or pursuant to a Sinking Fund Payment and any interest payable on any Outstanding Bonds or Parity Bonds in such Bond Year, if the Bonds and any Parity Bonds are retired as scheduled.

Authorized Investments. The term “Authorized 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:

- (1) For all purposes, including defeasance investments in refunding escrow accounts:
 - (a) cash; or
 - (b) obligations of, or obligations guaranteed as to principal and interest by, the U.S. or any agency or instrumentality thereof, when such obligations are backed by the full faith and credit of the U.S., including U.S. treasury obligations, all direct or fully guaranteed obligations, Farmers Home Administration, General Services Administration, guaranteed Title XI financing, Government National Mortgage Association (GNMA) and State and Local Government Series; or
 - (c) obligations of government-sponsored agencies that are not backed by the full faith and credit of the U.S. Government: Federal Home Loan Mortgage Corporation (FHLMC) debt obligations, Farm Credit System (formerly: Federal Land Banks, Federal Intermediate Credit Banks and Banks for Cooperatives), Federal Home Loan Banks (FHL Banks), Federal National Mortgage Association (FNMA) debt obligations, Financing Corp. (FICO) debt obligations, Resolution Funding

Corp. (REFCORP) debt obligations and U.S. Agency for International Development (U.S.A.I.D.) guaranteed notes.

(2) For all purposes other than defeasance investments in refunding escrow accounts:

(a) obligations of any of the following federal agencies, which obligations represent the full faith and credit of the United States of America: Export-Import Bank, Rural Economic Community Development Administration, U.S. Maritime Administration, Small Business Administration, U.S. Department of Housing & Urban Development (PHAs), Federal Housing Administration and Federal Financing Bank;

(b) direct obligations of any of the following federal agencies, which obligations are not fully guaranteed by the full faith and credit of the United States of America: senior debt obligations issued by the Federal National Mortgage Association (FNMA) or Federal Home Loan Mortgage Corporation (FHLMC), obligations of the Resolution Funding Corporation (REFCORP) and senior debt obligations of the Federal Home Loan Bank System;

(c) U.S. dollar denominated deposit accounts, including demand deposits, time deposits, certificates of deposit (including those placed by a third party pursuant to a separate agreement between the District and the Trustee), other deposit products, trust funds, trust accounts, overnight bank deposits, interest bearing deposits, interest bearing money market accounts, federal funds and bankers' acceptances with domestic commercial banks (including those of the Trustee and its affiliates) (i) which have a rating on their short term certificates of deposit on the date of purchase of "A-1" or "A-1+" by S&P and "P-1" by Moody's and maturing no more than 360 days after the date of purchase (ratings on holding companies are not considered as the rating of the bank) or (ii) which are insured by the Federal Deposit Insurance Corporation;

(d) commercial paper which is rated at the time of purchase in the single highest classification "A-1+" by S&P and "P-1" by Moody's and which matures not more than 270 days after the date of purchase;

(e) investments in a money market mutual fund rated "AAm," "AAm G" or better by S&P, including funds for which the Trustee or its affiliates receive and retain a fee for services provided to the fund, including investment advisory, custodial, transfer agency or other management services;

(f) pre-refunded municipal obligations defined as follows: any bonds or other obligations of any state of the United States of America, or 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 irrevocable escrow account or fund (the "escrow"), in the highest rating category of S&P and Moody's or any successors thereto; or

(ii) (1) which are fully secured as to principal and interest and redemption premium, if any, by an escrow consisting only of cash or obligations described in paragraph (1)(b) above, 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 (2) 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;

(g) municipal obligations rated "Aaa/AAA" or general obligations of states with a rating of at least "Aa2/AA" or higher by both Moody's and S&P;

(h) Investment Agreements (supported by appropriate opinions of counsel that such Investment Agreement is legal, valid, binding and enforceable upon the provider in accordance with its terms); and

(i) the Local Agency Investment Fund of the State, created pursuant to Section 16429.1 of the California Government Code, to the extent the Trustee is authorized to register such investment in its name.

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

(a) for the purpose of determining the amount in any fund, all Authorized Investments credited to such fund shall be valued at market value. The Trustee shall determine the market value based on accepted industry standards, including the Trustee's internal systems, and from accepted industry providers. Accepted industry providers shall include, but are not limited to, pricing services provided by Financial Times Interactive Data Corporation, Bank of America Merrill Lynch or Salomon Smith Barney. Notwithstanding anything to the contrary herein, in making any valuation of investments hereunder, the Trustee may use and rely conclusively and without liability upon any generally recognized pricing information service (including brokers and dealers in securities) available to it; and

(b) as to certificates of deposit and bankers acceptances: the face amount thereof, plus accrued interest thereon.

Authorized Representative of the District. The term "Authorized Representative of the District" means the Mayor of the City, or the City Manager, any Deputy City Manager, or the Director of Finance of the City, or any other officer or employee authorized by the City Council of the City or by an Authorized Representative of the District to undertake the action referenced in this Agreement as required to be undertaken by an Authorized Representative of the District.

Bond Counsel. The term "Bond Counsel" means Stradling Yocca Carlson & Rauth, a Professional Corporation, or another attorney at law or a firm of attorneys selected by the District of nationally recognized standing in matters pertaining to the tax-exempt nature of interest on bonds issued by states and their political subdivisions duly admitted to the practice of law before the highest court of any state of the United States of America or the District of Columbia.

Bond Register. The term "Bond Register" means the books which the Trustee shall keep or cause to be kept on which the registration and transfer of the Bonds and any Parity Bonds shall be recorded.

Bonds. The term “Bonds” means the District’s Special Tax Bonds, Series 2024 issued on _____, 2024 in the aggregate principal amount of \$ _____.

Bond Year. The term “Bond Year” means the twelve month period commencing on September 2 of each year and ending on September 1 of the following year, except that the first Bond Year for the Bonds or an issue of Parity Bonds shall begin on the Delivery Date and end on the first September 1 which is not more than 12 months after the Delivery Date.

Business Day. The term “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, Los Angeles, California, or the city where the corporate trust office of the Trustee is located, are not required or authorized by law, regulation or executive order, to close or to remain closed.

Certificate of an Authorized Representative. The term “Certificate of an Authorized Representative” means a written certificate or warrant request executed by an Authorized Representative of the District.

City. The term “City” means the City of Escondido, California.

City Council. The term “City Council” means the City Council of the City.

City Improvements Account. The term “City Improvements Account” means the account by that name created and established in the Acquisition and Construction Fund pursuant to Section 3.1 hereof.

Code. The term “Code” means the Internal Revenue Code of 1986, as amended, and any Regulations, rulings, judicial decisions, and notices, announcements, and other releases of the United States Treasury Department or Internal Revenue Service interpreting and construing it.

Continuing Disclosure Certificate. The term “Continuing Disclosure Certificate” means that certain Continuing Disclosure Certificate dated as of __, 2024, as originally executed by the District and as it may be from time to time amended or supplemented in accordance with its terms.

Costs of Issuance. The term “Costs of Issuance” means the costs and expenses incurred in connection with the formation of the District and the issuance and sale of the Bonds or any Parity Bonds, including the acceptance and initial annual fees and expenses of the Trustee and its counsel, legal fees and expenses, costs of printing the Bonds and Parity Bonds and the preliminary and final official statements for the Bonds and Parity Bonds, fees of financial consultants, costs of the appraisal and all other related fees and expenses, including reimbursement to property owners within the District for design, engineering and legal costs, as set forth in a Certificate of an Authorized Representative of the District.

Costs of Issuance Account. The term “Costs of Issuance Account” means the account by that name created and established in the Acquisition and Construction Fund pursuant to Section 3.1 hereof.

Delivery Date. The term “Delivery Date” means, with respect to the Bonds and each issue of Parity Bonds, the date on which the bonds of such issue were issued and delivered to the initial purchasers thereof.

Depository. The term “Depository” means The Depository Trust Company, New York, New York, and its successors and assigns as securities depository for the Bonds, or any other securities depository acting as Depository under Article II hereof.

District. The term “District” means Community Facilities District No. 2022-1 of the City of Escondido (Eclipse/Mountain House) established pursuant to the Act and the Resolution of Formation.

Event of Default. The term “Event of Default” means an event described in Section 8.1 hereof.

Fiscal Year. The term “Fiscal Year” means the period beginning on July 1 of each year and ending on the next following June 30.

Gross Taxes. The term “Gross Taxes” means the amount of all Special Taxes received by the District together with the proceeds collected from the sale of property pursuant to foreclosure for the delinquency of such Special Taxes remaining after the payment of all costs related to such foreclosure actions.

Indenture. The term “Indenture” means this Bond Indenture, together with any Supplemental Indenture approved pursuant to Article VI hereof.

Independent Financial Consultant. The term “Independent Financial Consultant” means a financial consultant or firm of such consultants generally recognized to be well qualified in the financial consulting field, appointed and paid by the District, who, or each of whom: (1) is in fact independent and not under the domination of the District or the City; (2) does not have any substantial interest, direct or indirect, in the District or the City; and (3) is not connected with the District or the City as a member, officer or employee of the District or the City, but who may be regularly retained to make annual or other reports to the District or the City.

Interest Account. The term “Interest Account” means the account by that name created and established in the Special Tax Fund pursuant to Section 3.1 hereof.

Interest Payment Date. The term “Interest Payment Date” means September 1, 2024 and each March 1 and September 1 thereafter; provided, however, that, if any such day is not a Business Day, interest up to the Interest Payment Date will be paid on the Business Day next succeeding such date.

Investment Agreement. The term “Investment Agreement” means one or more agreements for the investment of funds of the District complying with the criteria therefor as set forth in subsection (2)(h) of the definition of Authorized Investments herein.

Maximum Annual Debt Service. The term "Maximum Annual Debt Service" means the maximum sum obtained for any Bond Year prior to the final maturity of the Bonds and any Parity Bonds by adding the following for each Bond Year: (1) the principal amount of all Outstanding Bonds and Parity Bonds payable in such Bond Year either at maturity or pursuant to a Sinking Fund Payment; and (2) the interest payable on the aggregate principal amount of all Bonds and Parity Bonds Outstanding in such Bond Year if the Bonds and Parity Bonds are retired as scheduled.

Moody's. The term "Moody's" means Moody's Investors Service, Inc., its successors and assigns.

Net Taxes. The term "Net Taxes" means Gross Taxes minus amounts set aside to pay Administrative Expenses.

Nominee. The term "Nominee" means the nominee of the Depository, which may be the Depository, as determined from time to time pursuant to Section 2.16 hereof.

Ordinance. The term "Ordinance" means Ordinance No. 2022-03 adopted by the City Council on March 16, 2022, providing for the levying of the Special Tax.

Outstanding. The terms "Outstanding" or "Outstanding Bonds and Parity Bonds" means all Bonds and Parity Bonds theretofore issued by the District, except: (i) Bonds and Parity Bonds theretofore cancelled or surrendered for cancellation in accordance with Section 10.1 hereof; (ii) Bonds and Parity Bonds for payment or redemption of which monies shall have been theretofore deposited in trust (whether upon or prior to the maturity or the redemption date of such Bonds or Parity Bonds), provided that, if such Bonds or Parity Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given as provided in this Indenture or any applicable Supplemental Indenture for Parity Bonds; and (iii) Bonds and Parity Bonds which have been surrendered to the Trustee for transfer or exchange pursuant to Section 2.9 hereof or for which a replacement has been issued pursuant to Section 2.10 hereof.

Owner. The term "Owner" means the person or persons in whose name or names any Bond or Parity Bond is registered.

Parity Bonds. The term "Parity Bonds" means all bonds, notes or other similar evidences of indebtedness hereafter issued, payable out of the Net Taxes and which, as provided in this Indenture or any Supplemental Indenture, rank on a parity with the Bonds.

Participants. The term "Participants" means those broker-dealers, banks and other financial institutions from time to time for which the Depository holds Bonds or Parity Bonds as securities depository.

Person. The term "Person" means natural persons, firms, corporations, partnerships, associations, trusts, public bodies and other entities.

Prepayments. The term "Prepayments" means any amounts paid by the District to the Trustee and designated by the District as a prepayment of Special Taxes for one or more parcels in the District made in accordance with the RMA.

Principal Account. The term "Principal Account" means the account by that name created and established in the Special Tax Fund pursuant to Section 3.1 hereof.

Principal Office of the Trustee. The term “Principal Office of the Trustee” means the office of the Trustee located in Los Angeles, California, or such other office or offices as the Trustee may designate from time to time provided, however, that solely for purposes of the surrender or presentation of Bonds for payment, transfer or exchange, the Principal Office of the Trustee shall be the designated corporate trust agency or operations office of the Trustee.

Project. The term “Project” means those public facilities described in the Resolution of Formation which are to be acquired or constructed within and outside of the District, including all engineering, planning and design services and other incidental expenses related to such facilities and other facilities, if any, authorized by the qualified electors within the District from time to time.

Project Costs. The term “Project Costs” means the amounts necessary to finance the Project, to create and replenish any necessary reserve funds, to pay the initial and annual costs associated with the Bonds or any Parity Bonds, including, but not limited to, remarketing, credit enhancement, Trustee and other fees and expenses relating to the issuance of the Bonds or any Parity Bonds and the formation of the District, and to pay any other “incidental expenses” of the District, as such term is defined in the Act.

Rating Agency. The term “Rating Agency” means Moody’s or S&P, or both, as the context requires.

Rebate Account. The term “Rebate Account” means the account by that name created and established in the Rebate Fund pursuant to Section 3.1 hereof.

Rebate Fund. The term “Rebate Fund” means the fund by that name established pursuant to Section 3.1 hereof in which there are established the Accounts described in Section 3.1 hereof.

Rebate Regulations. The term “Rebate Regulations” means any final, temporary or proposed Regulations promulgated under Section 148(f) of the Code.

Record Date. The term “Record Date” means the fifteenth day of the month preceding an Interest Payment Date, regardless of whether such day is a Business Day.

Redemption Account. The term “Redemption Account” means the account by that name created and established in the Special Tax Fund pursuant to Section 3.1 hereof.

Regulations. The term “Regulations” means the regulations adopted or proposed by the Department of Treasury from time to time with respect to obligations issued pursuant to Section 103 of the Code.

Representation Letter. The term “Representation Letter” means the Blanket Letter of Representations from the District to the Depository as described in Section 2.13 hereof.

Reserve Account. The term “Reserve Account” means the account by that name created and established in the Special Tax Fund pursuant to Section 3.1 hereof.

“Reserve Policy” means a letter of credit, insurance policy, surety bond or other such funding instrument issued by a municipal bond insurance company rated least “Aa2” or higher by Moody’s or “AA” or higher by S&P at the time of the delivery of such Reserve Policy, delivered to the Trustee for the purpose of providing all or a portion of the Reserve Requirement for Bonds and Parity Bonds.

Reserve Requirement. The term "Reserve Requirement" means that amount as of any date of calculation equal to the lesser of: (i) 10% of the initial principal amount of the Bonds and Parity Bonds, if any; (ii) Maximum Annual Debt Service on the then Outstanding Bonds and Parity Bonds, if any; (iii) 125% of average Annual Debt Service on the then Outstanding Bonds and Parity Bonds and (iv) \$_____ the initial Reserve Requirement.

Resolution of Formation. The term "Resolution of Formation" means Resolution No. 2022-10 adopted by the City Council on March 2, 2022, pursuant to which the City Council established the District.

RMA. The term "RMA" means the Rate and Method of Apportionment of Special Tax for the District approved by the qualified electors of the District at the March 2, 2022 election.

Sinking Fund Payment. The term "Sinking Fund Payment" means the annual payment to be deposited in the Redemption Account to redeem a portion of the Term Bonds in accordance with the schedules set forth in Section 4.1(b) hereof and any annual sinking fund payment schedule to retire any Parity Bonds which are designated as Term Bonds.

Six-Month Period. The term "Six-Month Period" means the period of time beginning on the Delivery Date of each issue of Bonds or Parity Bonds, as applicable, and ending six consecutive months thereafter, and each six-month period thereafter until the latest maturity date of the Bonds and the Parity Bonds (and any obligations that refund an issue of the Bonds or Parity Bonds).

Special Tax Administrator. The term "Special Tax Administrator" means the individual or entity appointed by the City to administer the calculation and collection of the Special Taxes.

Special Tax Requirement. The term "Special Tax Requirement" means that amount required in any Fiscal Year for the District to: (i) pay debt service on all Outstanding Bonds and Parity Bonds due in the calendar year commencing in such Fiscal Year; (ii) pay Administrative Expenses; (iii) pay any amounts required to establish or replenish any reserve funds on all Outstanding Bonds and Parity Bonds; (iv) pay for reasonable anticipated Special Tax delinquencies; (v) pay directly for acquisition or construction of facilities authorized under the Act and the RMA to the extent that the inclusion of such amount does not increase the Special Tax levy on Approved or Undeveloped Property (as such terms are defined in the RMA); (vi) pay any amounts required to establish or replenish any delinquency management funds established in association with the Special Taxes; less (vii) a credit for funds available to reduce the annual Special Tax levy, as determined by the District pursuant to this Indenture.

Special Tax Fund. The term "Special Tax Fund" means the fund by that name created and established pursuant to Section 3.1 hereof.

Special Taxes. The term "Special Taxes" means the taxes authorized to be levied by the District on property within the District in accordance with the Ordinance, the Resolution of Formation, the Act and the voter approval obtained at the March 2, 2022 election in the District, including any scheduled payments and any Prepayments thereof, the net 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 penalties and interest thereon; provided that any delinquent Special Tax sold to an independent third-party or to the City for 100% of the delinquent amount shall no longer be pledged hereunder to the payment of the Bonds or Parity Bonds.

S&P. The term “S&P” means S&P Global Ratings, a Standard & Poor’s Financial Services LLC business, its successors and assigns.

Subaccount. The term “Subaccount” means any subaccount created pursuant to this Indenture.

Supplemental Indenture. The term “Supplemental Indenture” means any supplemental indenture amending or supplementing this Indenture.

Surplus Fund. The term “Surplus Fund” means the fund by that name created and established pursuant to Section 3.1 hereof.

Tax Certificate. The term “Tax Certificate” means the certificate by that name to be executed by the District on a Delivery Date to establish certain facts and expectations and which contains certain covenants relevant to compliance with the Code.

Tax-Exempt. The term “Tax-Exempt” means, with reference to an Authorized Investment, an Authorized Investment the interest earnings on which are excludable from gross income for federal income tax purposes pursuant to Section 103(a) of the Code, other than one described in Section 57(a)(5)(C) of the Code.

Term Bonds. The term “Term Bonds” means the Bonds maturing on September 1, 20_, September 1, 20_, September 1, 20 and any term maturities of an issue of Parity Bonds as specified in a Supplemental Indenture.

Trustee. The term “Trustee” means The Bank of New York Mellon Trust Company, N.A., a national banking association duly organized and existing under the laws of the United States, at its principal corporate trust office in Los Angeles, California, and its successors or assigns, or any other bank or trust company which may at any time be substituted in its place as provided in Sections 7.2 or 7.3, and any successor thereto.

Underwriter. The term “Underwriter” means, with respect to the Bonds, Stifel, Nicolaus & Company, Incorporated, and with respect to each issue of Parity Bonds, the institution or institutions, if any, with whom the District enters into a purchase contract for the sale of such issue.

ARTICLE II

GENERAL AUTHORIZATION AND BOND TERMS

Section 2.1. Amount, Issuance, Purpose and Nature of Bonds and Parity Bonds. Under and pursuant to the Act, the Bonds in the aggregate principal amount of \$ _____, together with any Parity Bonds authorized by the City Council in accordance with Section 9.2 hereof, shall be issued for the purposes of financing the Project, paying Costs of Issuance, funding the Reserve Account and paying capitalized interest on the Bonds; provided that the aggregate principal amount of the Bonds and any Parity Bonds shall not exceed the total indebtedness presently authorized or subsequently authorized by the qualified electors within the District in accordance with the Act. The Bonds and any Parity Bonds shall be and are limited obligations of the District and shall be payable as to the principal thereof and interest thereon and any premiums upon the

redemption thereof solely from the Net Taxes and the other amounts in the Special Tax Fund (other than amounts in the Administrative Expense Account of the Special Tax Fund).

Section 2.2. Type and Nature of Bonds and Parity Bonds. Neither the faith and credit nor the taxing power of the City, the State of California, or any political subdivision thereof other than the District is pledged to the payment of the Bonds or any Parity Bonds. Except for the Net Taxes, no other taxes are pledged to the payment of the Bonds or any Parity Bonds. The Bonds and any Parity Bonds are not general or special obligations of the City nor general obligations of the District, but are limited obligations of the District payable solely from certain amounts deposited by the District in the Special Tax Fund (exclusive of the Administrative Expense Account), as more fully described herein. The District's limited obligation to pay the principal of, premium, if any, and interest on the Bonds and any Parity Bonds from amounts in the Special Tax Fund (exclusive of the Administrative Expense Account) is absolute and unconditional, free of deductions and without any abatement, offset, recoupment, diminution or set-off whatsoever. No Owner of the Bonds or any Parity Bonds may compel the exercise of the taxing power by the District (except as pertains to the Special Taxes) or the City or the forfeiture of any of their property. The principal of and interest on the Bonds and any Parity Bonds and premiums upon the redemption thereof, if any, are not a debt of the City, the State of California or any of its political subdivisions within the meaning of any constitutional or statutory limitation or restriction. The Bonds and any Parity Bonds are not a legal or equitable pledge, charge, lien, or encumbrance upon any of the District's property, or upon any of its income, receipts or revenues, except the Net Taxes and other amounts in the Special Tax Fund (exclusive of the Administrative Expense Account) which are, under the terms of this Indenture and the Act, set aside for the payment of the Bonds, any Parity Bonds and interest thereon, and neither the members of the legislative body of the District or the members of the City Council nor any persons executing the Bonds or any Parity Bonds are liable personally on the Bonds or any Parity Bonds, by reason of their issuance.

Notwithstanding anything to the contrary contained in this Indenture, the District shall not be required to advance any money derived from any source of income other than the Net Taxes for the payment of the interest on or the principal of the Bonds or any Parity Bonds, or for the performance of any covenants contained herein. The District may, however, advance funds for any such purpose, provided that such funds are derived from a source legally available for such purpose.

Section 2.3. Equality of Bonds and Parity Bonds and Pledge of Net Taxes. Pursuant to the Act and this Indenture, the Bonds and any Parity Bonds shall be equally payable from and secured by a first pledge of and lien on the Net Taxes and other amounts in the Special Tax Fund (exclusive of the Administrative Expense Account), without priority for number, date of the Bonds or Parity Bonds, date of sale, date of execution, or date of delivery, and the payment of the interest on and principal of the Bonds and any Parity Bonds and any premiums upon the redemption thereof, shall be exclusively paid from the Net Taxes and other amounts in the Special Tax Fund (exclusive of the Administrative Expense Account) which are hereby set aside for the payment of the Bonds and any Parity Bonds; provided that any delinquent Special Tax sold to an independent third-party or to the City for 100% of the delinquent amount shall no longer be pledged hereunder to the payment of the Bonds or Parity Bonds. Amounts in the Special Tax Fund (other than the Administrative Expense Account therein) shall constitute a trust fund held for the benefit of the Owners to be applied to the payment of the interest on and principal of the Bonds and any Parity Bonds and, so long as any of the Bonds and any Parity Bonds or interest thereon remain Outstanding, shall not be used for any other purpose, except as permitted by this Indenture or any Supplemental Indenture. Notwithstanding any provision contained in this Indenture to the contrary, Net Taxes deposited in the

Rebate Fund and the Surplus Fund shall no longer be considered to be pledged to the Bonds or any Parity Bonds, and none of the Rebate Fund, the Surplus Fund, the Acquisition and Construction Fund or the Administrative Expense Account of the Special Tax Fund shall be construed as a trust fund held for the benefit of the Owners.

Nothing in this Indenture or any Supplemental Indenture shall preclude: (i) subject to the limitations contained hereunder, the redemption prior to maturity of any Bonds or Parity Bonds subject to call and redemption and payment of said Bonds or Parity Bonds from proceeds of refunding bonds issued under the Act as the same now exists or as hereafter amended, or under any other law of the State of California; or (ii) the issuance, subject to the limitations contained herein, of Parity Bonds which shall be payable from Net Taxes.

Section 2.4. Description of Bonds; Interest Rates. The Bonds and any Parity Bonds shall be issued in fully registered form in denominations of \$5,000 or any integral multiple thereof. The Bonds and any Parity Bonds of each issue shall be numbered as desired by the underwriter of the Bonds or such Parity Bonds.

The Bonds shall be designated "Community Facilities District No. 2022-1 of the City of Escondido (Eclipse/Mountain House) Special Tax Bonds, Series 2024." The Bonds shall be dated as of their Delivery Date and shall mature and be payable on September 1 in the years and in the aggregate principal amounts and shall be subject to and shall bear interest at the rates set forth in the table below payable on September 1, 2024 and each Interest Payment Date thereafter:

<i>Maturity Date</i> <i>September 1</i>	<i>Principal</i> <i>Amount</i>	<i>Interest</i> <i>Rate</i>
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* Term Bond.

Interest shall be payable on each Bond and Parity Bond from the date established in accordance with Section 2.5 below on each Interest Payment Date thereafter until the principal sum of such Bond or Parity Bond has been paid; provided, however, that if at the maturity date of any Bond or Parity Bond (or if the same is redeemable and shall be duly called for redemption, then at the date fixed for redemption) funds are available for the payment or redemption thereof in full, in

accordance with the terms of this Indenture, such Bonds and Parity Bonds shall then cease to bear interest. Interest due on the Bonds and Parity Bonds shall be calculated on the basis of a 360-day year comprised of twelve 30-day months.

Section 2.5. Place and Form of Payment. The Bonds and Parity Bonds shall be payable both as to principal and interest, and as to any premiums upon the redemption thereof, in lawful money of the United States of America. The principal of the Bonds and Parity Bonds and any premiums due upon the redemption thereof shall be payable upon presentation and surrender thereof at the Principal Office of the Trustee, or at the designated office of any successor Trustee. If the Nominee of the Bonds is registered to Cede & Co., payment of principal and any premiums shall be made without presentment. Interest on any Bond or Parity Bond shall be payable from the Interest Payment Date next preceding the date of authentication of such Bond or Parity Bond, unless: (i) such date of authentication is an Interest Payment Date, in which event interest shall be payable from such date of authentication; (ii) the date of authentication is after a Record Date but prior to the immediately succeeding Interest Payment Date, in which event interest shall be payable from the Interest Payment Date immediately succeeding the date of authentication; or (iii) the date of authentication is prior to the close of business on the first Record Date occurring after the issuance of such Bond or Parity Bond, in which event interest shall be payable from the dated date of such Bond or Parity Bond, as applicable; provided, however, that if at the time of authentication of such Bond or Parity Bond, interest is in default, interest on such Bond or Parity Bond shall be payable from the last Interest Payment Date to which the interest has been paid or made available for payment or, if no interest has been paid or made available for payment on such Bond or Parity Bond, interest on such Bond or Parity Bond shall be payable from its dated date. Interest on any Bond or Parity Bond shall be paid to the person whose name shall appear in the Bond Register as the Owner of such Bond or Parity Bond as of the close of business on the Record Date. Such interest shall be paid by check of the Trustee mailed by first class mail, postage prepaid, to such Owner at his or her address as it appears on the Bond Register. In addition, upon a request in writing received by the Trustee on or before the applicable Record Date from an Owner of \$1,000,000 or more in principal amount of the Bonds or of any issue of Parity Bonds, payment shall be made on the Interest Payment Date by wire transfer in immediately available funds to an account within the United States of America designated by such Owner.

Section 2.6. Form of Bonds and Parity Bonds. The definitive Bonds may be printed from steel engraved or lithographic plates or may be typewritten. The Bonds and the certificate of authentication shall be substantially in the form attached hereto as Exhibit A, which form is hereby approved and adopted as the form of such Bonds and of the certificate of authentication. Each issue of Parity Bonds and the certificate of authentication therefor shall be in the form provided in the Supplemental Indenture for such issue of Parity Bonds.

Until definitive Bonds or Parity Bonds, as applicable, shall be prepared, the District may cause to be executed and delivered in lieu of such definitive Bonds or Parity Bonds temporary bonds in typed, printed, lithographed or engraved form and in fully registered form, subject to the same provisions, limitations and conditions as are applicable in the case of definitive Bonds or Parity Bonds, except that they may be in any denominations authorized by the District. Until exchanged for definitive Bonds or Parity Bonds, as applicable, any temporary bond shall be entitled and subject to the same benefits and provisions of this Indenture as definitive Bonds and Parity Bonds. If the District issues temporary bonds or Parity Bonds, it shall execute and furnish definitive Bonds or Parity Bonds, as applicable, without unnecessary delay and thereupon any temporary bond or Parity Bond may be surrendered to the Trustee at its office, without expense to the Owner, in exchange for

a definitive Bond or Parity Bond of the same issue, maturity, interest rate and principal amount in any authorized denomination. All temporary bonds or Parity Bonds so surrendered shall be cancelled by the Trustee and shall not be reissued.

Section 2.7. Execution and Authentication. The Bonds and Parity Bonds shall be signed on behalf of the District by the manual or facsimile signature of the Mayor of the City and countersigned by the manual or facsimile signature of the City Clerk, or any duly appointed Deputy City Clerk or Assistant City Clerk, in their capacity as officers of the District, and the seal of the City or the District (or a facsimile thereof) may be impressed, imprinted, engraved or otherwise reproduced thereon, and attested by the signature of the City Clerk. In case any one or more of the officers who shall have signed or sealed any of the Bonds or Parity Bonds shall cease to be such officer before the Bonds or Parity Bonds so signed and sealed have been authenticated and delivered by the Trustee (including new Bonds or Parity Bonds delivered pursuant to the provisions hereof with reference to the transfer and exchange of Bonds or Parity Bonds or lost, stolen, destroyed or mutilated Bonds or Parity Bonds), such Bonds and Parity Bonds shall nevertheless be valid and may be authenticated and delivered as herein provided, and may be issued as if the person who signed or sealed such Bonds or Parity Bonds had not ceased to hold such office.

Only the Bonds as shall bear thereon such certificate of authentication in the form set forth in Exhibit A attached hereto shall be entitled to any right or benefit under this Indenture, and no Bond shall be valid or obligatory for any purpose until such certificate of authentication shall have been duly executed by the Trustee.

Section 2.8. Bond Register. The Trustee will keep or cause to be kept, at its office, sufficient books for the registration and transfer of the Bonds and any Parity Bonds which shall upon reasonable prior notice be open to inspection by the District during all regular business hours, and, subject to the limitations set forth in Section 2.9 below, upon presentation for such purpose, the Trustee shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be transferred on said Bond Register, Bonds and any Parity Bonds as herein provided.

The District and the Trustee may treat the Owner of any Bond or Parity Bond whose name appears on the Bond Register as the absolute Owner of that Bond or Parity Bond for any and all purposes and the District and the Trustee shall not be affected by any notice to the contrary. The District and the Trustee may rely on the address of the Owner as it appears in the Bond Register for any and all purposes. It shall be the duty of the Owner to give written notice to the Trustee of any change in the Owner's address so that the Bond Register may be revised accordingly.

Section 2.9. Registration of Exchange or Transfer. Subject to the limitations set forth in the following paragraph, the registration of any Bond or Parity 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 or Parity Bond for cancellation at the office of the Trustee, accompanied by delivery of written instrument of transfer in a form acceptable to the Trustee and duly executed by the Owner or his or her duly authorized attorney.

Bonds or Parity Bonds may be exchanged at the office of the Trustee for a like aggregate principal amount of Bonds or Parity Bonds for other authorized denominations of the same maturity and issue. The Trustee shall not collect from the Owner any charge for any new Bond or Parity Bond issued upon any exchange or transfer, but shall require the Owner requesting such exchange or

transfer to pay any tax or other governmental charge required to be paid with respect to such exchange or transfer. Whenever any Bonds or Parity Bonds shall be surrendered for registration of transfer or exchange, the District shall execute and the Trustee shall authenticate and deliver a new Bond or Bonds or a new Parity Bond or Parity Bonds, as applicable, of the same issue and maturity, for a like aggregate principal amount; provided that the Trustee shall not be required to register transfers or make exchanges of: (i) Bonds or Parity Bonds for a period of 15 days next preceding any selection of the Bonds or Parity Bonds to be redeemed; or (ii) any Bonds or Parity Bonds chosen for redemption. Prior to any transfer of the Bonds or Parity Bonds outside the book-entry system (including, but not limited to, the initial transfer outside the book-entry system) the transferor shall provide or cause to be provided to the Trustee all information necessary to allow the Trustee to comply with any applicable tax reporting obligations, including without limitation any cost basis reporting obligations under Internal Revenue Code Section 6045, as amended. The Trustee shall conclusively rely on the information provided to it and shall have no responsibility to verify or ensure the accuracy of such information.

Section 2.10. Mutilated, Lost, Destroyed or Stolen Bonds or Parity Bonds. If any Bond or Parity Bond shall become mutilated, the District shall execute, and the Trustee shall authenticate and deliver, a new Bond or Parity Bond of like tenor, date, issue and maturity in exchange and substitution for the Bond or Parity Bond so mutilated, but only upon surrender to the Trustee of the Bond or Parity Bond so mutilated. Every mutilated Bond or Parity Bond so surrendered to the Trustee shall be cancelled by the Trustee pursuant to Section 10.1 hereof. If any Bond or Parity Bond shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee and, if such evidence is satisfactory to the Trustee and, if any indemnity satisfactory to the Trustee shall be given, the District shall execute and the Trustee shall authenticate and deliver a new Bond or Parity Bond, as applicable, of like tenor, maturity and issue, numbered and dated as the Trustee shall determine in lieu of and in substitution for the Bond or Parity Bond so lost, destroyed or stolen. Any Bond or Parity Bond issued in lieu of any Bond or Parity Bond alleged to be mutilated, lost, destroyed or stolen shall be equally and proportionately entitled to the benefits hereof with all other Bonds and Parity Bonds issued hereunder. The Trustee shall not treat both the original Bond or Parity Bond and any replacement Bond or Parity Bond as being Outstanding for the purpose of determining the principal amount of Bonds or Parity Bonds which may be executed, authenticated and delivered hereunder or for the purpose of determining any percentage of Bonds or Parity Bonds Outstanding hereunder, but both the original and replacement Bond or Parity Bond shall be treated as one and the same. Notwithstanding any other provision of this Section, in lieu of delivering a new Bond or Parity Bond which has been mutilated, lost, destroyed or stolen, and which has matured, the Trustee may make payment with respect to such Bonds or Parity Bonds.

Section 2.11. Validity of Bonds and Parity Bonds. The validity of the authorization and issuance of the Bonds and any Parity Bonds shall not be affected in any way by any defect in any proceedings taken by the District for the financing of the Project, or by the invalidity, in whole or in part, of any contracts made by the District in connection therewith, and shall not be dependent upon the completion of the financing of the Project or upon the performance by any Person of his obligation with respect to the Project, and the recital contained in the Bonds or any Parity Bonds that the same are issued pursuant to the Act and other applicable laws of the State shall be conclusive evidence of their validity and of the regularity of their issuance.

Section 2.12. Book-Entry System. The Bonds shall be initially delivered in the form of a separate single fully registered Bond (which may be typewritten) for each maturity of the Bonds. Upon initial delivery, the ownership of each such Bond shall be registered in the registration books

kept by the Trustee in the name of the Nominee as nominee of the Depository. Except as provided in Section 2.14 hereof, all of the Outstanding Bonds shall be registered in the registration books kept by the Trustee in the name of the Nominee. At the election of the District, any Parity Bonds may also be issued as book-entry bonds registered in the name of the Nominee as provided herein, in which case the references in Sections 2.12 through 2.15 to "Bonds" shall be applicable to such Parity Bonds.

With respect to Bonds registered in the registration books kept by the Trustee in the name of the Nominee, the District and the Trustee shall have no responsibility or obligation to any such Participant or to any Person on behalf of which such a Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the District and the Trustee shall have no responsibility or obligation with respect to: (i) the accuracy of the records of the Depository, the Nominee, or any Participant with respect to any ownership interest in the Bonds; (ii) the delivery to any Participant or any other Person, other than an Owner as shown in the registration books kept by the Trustee, of any notice with respect to the Bonds, including any notice of redemption; (iii) the selection by the Depository and its Participants of the beneficial interests in the Bonds to be redeemed in the event that the Bonds are redeemed in part; or (iv) the payment to any Participant or any other Person, other than an Owner as shown in the registration books kept by the Trustee, of any amount with respect to principal of, premium, if any, or interest due with respect to the Bonds. The District and the Trustee may treat and consider the Person in whose name each Bond is registered in the registration books kept by the Trustee as the holder and absolute owner of such Bond for the purpose of payment of the principal of, premium, if any, and interest on such Bond, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfers with respect to such Bond and for all other purposes whatsoever. The Trustee shall pay all principal of, premium, if any, and interest due on the Bonds only to or upon the order of the respective Owner, as shown in the registration books kept by the Trustee, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to satisfy and discharge fully the District's obligations with respect to payment of the principal, premium, if any, and interest due on the Bonds to the extent of the sum or sums so paid. No Person other than an Owner, as shown in the registration books kept by the Trustee, shall receive a Bond evidencing the obligation of the District to make payments of principal, premium, if any, and interest pursuant to this Indenture. Upon delivery by the Depository to the Trustee and the District of written notice to the effect that the Depository has determined to substitute a new nominee in place of the Nominee, and subject to the provisions herein with respect to Record Dates, the word Nominee in this Indenture shall refer to such new nominee of the Depository.

Section 2.13. Representation Letter. In order to qualify the Bonds and any Parity Bonds which the District elects to register in the name of the Nominee for the Depository's book-entry system, an Authorized Representative of the District is hereby authorized to execute from time to time and deliver to such Depository the Representation Letter. The execution and delivery of the Representation Letter shall not in any way limit the provisions of Section 2.12 or in any other way impose upon the District or the Trustee any obligation whatsoever with respect to persons having interests in the Bonds other than the Owners, as shown on the registration books kept by the Trustee. The District agrees to take all action necessary to continuously comply with all representations made by it in the Representation Letter. In addition to the execution and delivery of the Representation Letter, the Authorized Representatives of the District are hereby authorized to take any other actions, not inconsistent with this Indenture, to qualify the Bonds for the Depository's book-entry program.

Section 2.14. Transfers Outside Book-Entry System. In the event that: (i) the Depository determines not to continue to act as securities depository for the Bonds; or (ii) the District determines that the Depository shall no longer so act, then the District will discontinue the book-entry system with the Depository. If the District fails to identify another qualified securities depository to replace the Depository then the Bonds so designated shall no longer be restricted to being registered in the registration books kept by the Trustee in the name of the Nominee, but shall be registered in whatever name or names Persons transferring or exchanging Bonds shall designate, in accordance with the provisions of Section 2.9 hereof.

Section 2.15. Payments to the Nominee. Notwithstanding any other provisions of this Indenture to the contrary, so long as any Bond is registered in the name of the Nominee, all payments with respect to principal, premium, if any, and interest due with respect to such Bond and all notices with respect to such Bond shall be made and given, respectively, as provided in the Representation Letter or as otherwise instructed by the Depository.

Section 2.16. Initial Depository and Nominee. The initial Depository under this Indenture shall be The Depository Trust Company, New York, New York. The initial Nominee shall be Cede & Co., as Nominee of The Depository Trust Company, New York, New York.

ARTICLE III

CREATION OF FUNDS AND APPLICATION OF PROCEEDS

Section 3.1. Creation of Funds; Application of Proceeds.

(a) There are hereby created and established and shall be maintained by the Trustee the following funds and accounts:

(1) The Community Facilities District No. 2022-1 of the City of Escondido (Eclipse/Mountain House) Special Tax Fund (the "Special Tax Fund") (in which there shall be established and created an Interest Account, a Principal Account, a Redemption Account, a Reserve Account, and an Administrative Expense Account).

(2) The Community Facilities District No. 2022-1 of the City of Escondido (Eclipse/Mountain House) Rebate Fund (the "Rebate Fund") (in which there shall be established a Rebate Account and an Alternate Penalty Account).

(3) The Community Facilities District No. 2022-1 of the City of Escondido (Eclipse/Mountain House) Acquisition and Construction Fund (the "Acquisition and Construction Fund") (in which there shall be established a City Improvements Account and a Costs of Issuance Account). The moneys in the City Improvements Account of the Acquisition and Construction Fund shall be disbursed in accordance with the Acquisition and Funding Agreement.

(4) The Community Facilities District No. 2022-1 of the City of Escondido (Eclipse/Mountain House) Surplus Fund (the "Surplus Fund").

The amounts on deposit in the foregoing funds, accounts and subaccounts shall be held by the Trustee. The Trustee shall invest and disburse the amounts in such funds, accounts and subaccounts

in accordance with the provisions of this Article III and shall disburse investment earnings thereon in accordance with the provisions of Section 3.10 hereof.

In connection with the issuance of any Parity Bonds, which may be issued only for the purpose of refunding the Bonds as described in Section 9.2, the Trustee, at the direction of an Authorized Representative of the District, may create new funds, accounts or subaccounts, or may create additional accounts and subaccounts within any of the foregoing funds and accounts for the purpose of separately accounting for the proceeds of the Bonds and any Parity Bonds.

(b) The net proceeds of the sale of the Bonds shall be received by the Trustee on behalf of the District and deposited and transferred as follows:

- (1) \$_____ shall be transferred to the Costs of Issuance Account of the Acquisition and Construction Fund to pay the Costs of Issuance of the Bonds;
- (2) \$_____ shall be transferred to the Reserve Account of the Special Tax Fund to fund the Reserve Requirement; and
- (3) \$_____ shall be transferred to the Acquisition and Construction Fund, which shall be deposited in the City Improvements Account.

The Trustee may, in its discretion, establish temporary funds or accounts in its books and records to facilitate such transfers.

Section 3.2. Deposits to and Disbursements from Special Tax Fund.

(a) Except for Prepayments, which shall be deposited to the Redemption Account of the Special Tax Fund, the Trustee shall, on each date on which the Special Taxes are received from the District, deposit the Special Taxes in the Special Tax Fund to be held in trust for the Owners. The Trustee shall transfer the Special Taxes on deposit in the Special Tax Fund on the dates and in the amounts set forth in the following Sections, in the following order of priority, to:

- (1) the Administrative Expense Account of the Special Tax Fund up to the Administrative Expenses Cap;
- (2) the Interest Account of the Special Tax Fund;
- (3) the Principal Account of the Special Tax Fund;
- (4) the Redemption Account of the Special Tax Fund;
- (5) the Reserve Account of the Special Tax Fund;
- (6) the Administrative Expense Account of the Special Tax Fund to the extent that Administrative Expenses exceed or are expected to exceed the Administrative Expenses Cap;
- (7) the Rebate Fund; and
- (8) the Surplus Fund.

(b) At maturity of all of the Bonds and Parity Bonds and, after all principal and interest then due on the Bonds and Parity Bonds then Outstanding have been paid or provided for and any amounts owed to the Trustee have been paid in full, moneys in the Special Tax Fund and any accounts therein may be used by the District for any lawful purpose.

Section 3.3. Administrative Expense Account of the Special Tax Fund. The Trustee shall transfer from the Special Tax Fund and deposit in the Administrative Expense Account of the Special Tax Fund from time to time amounts necessary to make timely payment of Administrative Expenses as set forth in a Certificate of an Authorized Representative of the District; provided, however, that, except as set forth in the following sentence, the total amount transferred with respect to a Bond Year shall not exceed the Administrative Expenses Cap until such time as there has been deposited to the Interest Account and the Principal Account an amount, together with any amounts already on deposit therein, that is sufficient to pay the interest and principal on all Bonds and Parity Bonds due in such Bond Year and to restore the Reserve Account to the Reserve Requirement. Notwithstanding the foregoing, amounts in excess of the Administrative Expenses Cap may be transferred to the Administrative Expense Account to the extent necessary to collect delinquent Special Taxes. Moneys in the Administrative Expense Account of the Special Tax Fund may be invested in any Authorized Investments as directed in writing by an Authorized Representative of the District and shall be disbursed as directed in a Certificate of an Authorized Representative.

Section 3.4. Interest Account and Principal Account of the Special Tax Fund. The principal of and interest due on the Bonds and any Parity Bonds until maturity, other than principal due upon redemption, shall be paid by the Trustee from the Principal Account and the Interest Account of the Special Tax Fund, respectively.

For the purpose of assuring that the payment of principal of and interest on the Bonds and any Parity Bonds will be made when due, after making the transfer required by Section 3.3, at least one Business Day prior to each March 1 and September 1, the Trustee shall make the following transfers from the Special Tax Fund first to the Interest Account and then to the Principal Account; provided, however, that to the extent that deposits have been made in the Interest Account or the Principal Account from the proceeds of the sale of an issue of the Bonds or any Parity Bonds, or otherwise, the transfer from the Special Tax Fund need not be made; and provided, further, that, if amounts in the Special Tax Fund (exclusive of the Reserve Account and the Administrative Expense Account) are inadequate to make the foregoing transfers, then any deficiency shall be made up by transfers from the Reserve Account:

(a) To the Interest Account, an amount such that the balance in the Interest Account one Business Day prior to each Interest Payment Date shall be equal to the installment of interest due on the Bonds and any Parity Bonds on said Interest Payment Date and any installment of interest due on a previous Interest Payment Date which remains unpaid. Moneys in the Interest Account shall be used for the payment of interest on the Bonds and any Parity Bonds as the same become due.

(b) To the Principal Account, an amount such that the balance in the Principal Account one Business Day prior to September 1 of each year, commencing September 1, 2024, shall equal the principal payment due on the Bonds and any Parity Bonds maturing on such September 1 and any principal payment due on a previous September 1 which remains unpaid. Moneys in the Principal Account shall be used for the payment of the principal of such Bonds and any Parity Bonds as the same become due at maturity.

Section 3.5. Redemption Account of the Special Tax Fund.

(a) With respect to each September 1 on which a Sinking Fund Payment is due, after the deposits have been made to the Administrative Expense Account, the Interest Account and the Principal Account of the Special Tax Fund as required by Sections 3.3 and 3.4 hereof, the Trustee shall next transfer into the Redemption Account of the Special Tax Fund from the Special Tax Fund the amount needed to make the balance in the Redemption Account one Business Day prior to each September 1 on which a Sinking Fund Payment is due equal to the Sinking Fund Payment due on any Outstanding Bonds and Parity Bonds on such September 1; provided, however, that, if amounts in the Special Tax Fund are inadequate to make the foregoing transfers, then any deficiency shall be made up by an immediate transfer from the Reserve Account, if funded, pursuant to Section 3.6 below. Moneys so deposited in the Redemption Account shall be used and applied by the Trustee to call and redeem Term Bonds in accordance with the Sinking Fund Payment schedules set forth in Section 4.1(b) hereof, and to redeem Parity Bonds in accordance with any Sinking Fund Payment schedule in the Supplemental Indenture for such Parity Bonds.

(b) After making the deposits to the Administrative Expense Account, the Interest Account and the Principal Account of the Special Tax Fund pursuant to Sections 3.3 and 3.4 above and to the Redemption Account for Sinking Fund Payments then due pursuant to subparagraph (a) of this Section, and in accordance with the District's election to call Bonds for optional redemption as set forth in Section 4.1(a) hereof, or to call Parity Bonds for optional redemption as set forth in any Supplemental Indenture for Parity Bonds, the Trustee shall transfer from the Special Tax Fund and deposit in the Redemption Account moneys available for the purpose and sufficient to pay the principal and the premiums, if any, payable on the Bonds or Parity Bonds called for optional redemption; provided, however, that amounts in the Special Tax Fund (other than the Administrative Expense Account therein) may be applied to optionally redeem Bonds and Parity Bonds only if immediately following such redemption the amount in the Reserve Account will equal the Reserve Requirement.

(c) Prepayments deposited to the Redemption Account shall be applied on the redemption date established pursuant to Section 4.1(c) hereof to the payment of the principal of, premium, if any, and interest on the Bonds and Parity Bonds to be redeemed with such Prepayments.

(d) Moneys set aside in the Redemption Account shall be used solely for the purpose of redeeming Bonds and Parity Bonds and shall be applied on or after the redemption date to the payment of principal of and premium, if any, on the Bonds or Parity Bonds to be redeemed upon presentation and surrender of such Bonds or Parity Bonds, and, in the case of an optional redemption or a special mandatory redemption from Prepayments, to pay the interest thereon; provided, however, that in lieu or partially in lieu of such call and redemption, moneys deposited in the Redemption Account may be used to purchase Outstanding Bonds or Parity Bonds in the manner hereinafter provided. Purchases of Outstanding Bonds or Parity Bonds may be made by the District at public or private sale as and when and at such prices as the District may in its discretion determine but only at prices (including brokerage or other expenses) not more than par plus accrued interest, plus, in the case of moneys set aside for an optional redemption or a special mandatory redemption, the premium applicable at the next following call date according to the premium schedule established pursuant to Section 4.1(a) or 4.1(c) hereof, as applicable, or in the case of Parity Bonds the premium established in any Supplemental Indenture. Any accrued interest payable upon the purchase of Bonds or Parity Bonds may be paid from the amount reserved in the Interest Account of the Special Tax Fund for the payment of interest on the next following Interest Payment Date.

Section 3.6. Reserve Account of the Special Tax Fund. There shall be maintained in the Reserve Account of the Special Tax Fund an amount equal to the Reserve Requirement. The Reserve Requirement may be satisfied in whole or in part by cash, a Reserve Policy, or a combination thereof. The amounts in the Reserve Account shall be applied as follows:

(a) Moneys in the Reserve Account shall be used solely for the purpose of paying the principal of, including Sinking Fund Payments, and interest on the Bonds and any Parity Bonds when due in the event that the moneys in the Interest Account and the Principal Account of the Special Tax Fund are insufficient therefor or moneys in the Redemption Account of the Special Tax Fund are insufficient to make a Sinking Fund Payment when due and for the purpose of making any required transfer to the Rebate Fund pursuant to Section 3.7 hereof upon written direction from the District. If the amounts in the Interest Account, the Principal Account or the Redemption Account of the Special Tax Fund are insufficient to pay the principal of, including Sinking Fund Payments, or interest on any Parity Bonds when due, or amounts in the Special Tax Fund are insufficient to make transfers to the Rebate Fund when required, the Trustee shall withdraw from the Reserve Account, first from the cash on deposit therein, and second from a draw on the Reserve Policy, if any, for deposit in the Interest Account, the Principal Account or the Redemption Account of the Special Tax Fund or the Rebate Fund, as applicable, moneys necessary for such purposes.

(b) Whenever moneys are withdrawn from the Reserve Account, after making the required transfers referred to in Sections 3.3, 3.4 and 3.5 above, the Trustee shall transfer to the Reserve Account from available moneys in the Special Tax Fund, or from any other legally available funds which the District elects to apply to such purpose, the amount needed to restore the amount of such Reserve Account to the Reserve Requirement by first, repaying any amounts due under the Reserve Policy, and second to fund the Reserve Account to the Reserve Requirement. Moneys in the Special Tax Fund shall be deemed available for transfer to the Reserve Account only if the Trustee determines that such amounts will not be needed to make the deposits required to be made to the Administrative Expense Account, the Interest Account, the Principal Account or the Redemption Account of the Special Tax Fund on or before the next September 1. If amounts in the Special Tax Fund together with any other amounts transferred to replenish the Reserve Account are inadequate to restore the Reserve Account to the Reserve Requirement, including any amounts necessary to pay costs related to the Reserve Policy, if any, then the District shall include the amount necessary to restore the Reserve Account to the Reserve Requirement, in the next annual Special Tax levy to the extent of the maximum permitted Special Tax rates.

(c) In connection with a redemption of Bonds pursuant to Section 4.1(a) or 4.1(c) or Parity Bonds in accordance with any Supplemental Indenture, or a partial defeasance of Bonds or Parity Bonds in accordance with Section 9.1 hereof, amounts in the Reserve Account may be applied to such redemption or partial defeasance so long as the amount on deposit in the Reserve Account following such redemption or partial defeasance equals the Reserve Requirement. The District shall set forth in a Certificate of an Authorized Representative the amount in the Reserve Account to be transferred to the Redemption Account on a redemption date or to be transferred pursuant to the Indenture to partially defease Bonds or Parity Bonds, and the Trustee shall make such transfer on the applicable redemption or defeasance date, subject to the limitation in the preceding sentence.

(d) To the extent that the Reserve Account is at the Reserve Requirement as of the first day of the final Bond Year for the Bonds or an issue of Parity Bonds, amounts in the Reserve Account may be applied to pay the principal of and interest due on the Bonds and Parity Bonds, as applicable, in the final Bond Year for such issue. Moneys in the Reserve Account in excess of the

Reserve Requirement not transferred in accordance with the preceding provisions of this Section shall be withdrawn from the Reserve Account on the Business Day before each March 1 and September 1 and shall be transferred to the Acquisition and Construction Fund or an Account therein, as directed by an Authorized Representative of the District, until all amounts have been disbursed from the Acquisition and Construction Fund (or such fund is closed) and thereafter to the Interest Account of the Special Tax Fund.

Section 3.7. Rebate Fund.

(a) The Trustee shall establish and maintain a fund separate from any other fund established and maintained hereunder designated as the Rebate Fund and shall establish a separate Rebate Account and Alternate Penalty Account therein. All money at any time deposited in the Rebate Account or the Alternate Penalty Account of the Rebate Fund shall be held by the Trustee in trust, for payment to the United States Treasury. A separate subaccount of the Rebate Account and the Alternate Penalty Account shall be established for the Bonds and each issue of Parity Bonds the interest on which is excluded from gross income for federal income tax purposes. All amounts on deposit in the Rebate Fund with respect to the Bonds or an issue of Parity Bonds shall be governed by this Section 3.7 and the Tax Certificate for such issue, unless the District obtains an opinion of Bond Counsel that the exclusion from gross income for federal income tax purposes of interest payments on the Bonds and Parity Bonds will not be adversely affected if such requirements are not satisfied.

(1) Rebate Account. The following requirements shall be satisfied with respect to each subaccount of the Rebate Account:

(i) Annual Computation. Within 55 days of the end of each Bond Year, the District shall calculate or cause to be calculated the amount of rebatable arbitrage for the Bonds and each issue of Parity Bonds to which this Section 3.7 is applicable, in accordance with Section 148(f)(2) of the Code and Section 1.148-3 of the Rebate Regulations (taking into account any applicable exceptions with respect to the computation of the rebatable arbitrage described in the Tax Certificate for each issue (e.g., the temporary investments exceptions of Section 148(f)(4)(B) and (C) of the Code), and taking into account whether the election pursuant to Section 148(f)(4)(C)(vii) of the Code (the "1½% Penalty") has been made), for this purpose treating the last day of the applicable Bond Year as a computation date, within the meaning of Section 1.148-1(b) of the Rebate Regulations (the "Rebatable Arbitrage"). The District shall obtain expert advice as to the amount of the Rebatable Arbitrage to comply with this Section.

(ii) Annual Transfer. Within 55 days of the end of each Bond Year for which Rebatable Arbitrage must be calculated as required by the Tax Certificate for each issue, upon the written direction of an Authorized Representative of the District, an amount shall be deposited to each subaccount of the Rebate Account by the Trustee from any funds so designated by the District if and to the extent required, so that the balance in the Rebate Account shall equal the amount of Rebatable Arbitrage so calculated by or on behalf of the District in accordance with clause (i) of this subsection (a)(1) with respect to the Bonds and each issue of Parity Bonds to which this Section 3.7 is applicable. In the event that immediately following any transfer required by the previous sentence, or the date on which the District determines that no transfer is required for such Bond Year, the amount then on deposit to the credit of the applicable subaccount of the Rebate Account exceeds the amount required to be on deposit therein, upon written instructions from an Authorized

Representative of the District, the Trustee shall withdraw the excess from the appropriate subaccount of the Rebate Account and then credit the excess to the Special Tax Fund.

(iii) Payment to the Treasury. The Trustee shall pay, as directed in writing by an Authorized Representative of the District, to the United States Treasury, out of amounts in each subaccount of the Rebate Account:

(X) not later than 60 days after the end of: (A) the fifth Bond Year for the Bonds and each issue of Parity Bonds to which this Section 3.7 is applicable; and (B) each applicable fifth Bond Year thereafter, an amount equal to at least 90% of the Rebatable Arbitrage calculated as of the end of such Bond Year for the Bonds and each issue of Parity Bonds, as applicable; and

(Y) not later than 60 days after the payment or redemption of all of the Bonds or an issue of Parity Bonds, as applicable, an amount equal to 100% of the Rebatable Arbitrage calculated as of the end of such applicable Bond Year, and any income attributable to the Rebatable Arbitrage, computed in accordance with Section 148(f) of the Code.

In the event that, prior to the time of any payment required to be made from the Rebate Account, the amount in the Rebate Account is not sufficient to make such payment when such payment is due, the District shall calculate or cause to be calculated the amount of such deficiency and deposit an amount received from any legally available source equal to such deficiency prior to the time such payment is due. Each payment required to be made pursuant to this subsection (a)(1) shall be made to the Internal Revenue Service Center, Ogden, Utah 84201 on or before the date on which such payment is due, and shall be accompanied by Internal Revenue Service Form 8038-T, or shall be made in such other manner as provided under the Code.

(2) Alternate Penalty Account.

(i) Six-Month Computation. If the 1½% Penalty has been elected for the Bonds or an issue of Parity Bonds, within 85 days of each particular Six-Month Period, the District shall determine or cause to be determined whether the 1½% Penalty is payable (and the amount of such penalty) as of the close of the applicable Six-Month Period. The District shall obtain expert advice in making such determinations.

(ii) Six-Month Transfer. Within 85 days of the close of each Six-Month Period, the Trustee, at the written direction of an Authorized Representative of the District, shall deposit an amount in the appropriate subaccounts of the Alternate Penalty Account from any source of funds held by the Trustee pursuant to this Indenture and designated by the District in such written directions or provided to it by the District, if and to the extent required, so that the balance in each subaccount of the Alternate Penalty Account equals the amount of 1½% Penalty due and payable to the United States Treasury determined as provided in subsection (a)(2)(i) above. In the event that immediately following any transfer provided for in the previous sentence, or the date on which the District determines that no transfer is required for such Bond Year, the amount then on deposit in a subaccount of the Alternate Penalty Account exceeds the amount required to be on deposit therein to make the payments required by subsection (iii) below, the Trustee, at the written direction of an Authorized Representative of the District, may withdraw the excess from the applicable subaccount of the Alternate Penalty Account and credit the excess to the Special Tax Fund.

(iii) Payment to the Treasury. The Trustee shall pay, as directed in writing by an Authorized Representative of the District, to the United States Treasury, out of amounts in a subaccount of the Alternate Penalty Account, not later than 90 days after the close of each Six-Month Period the 1½% Penalty, if applicable and payable, computed with respect to the Bonds and any issue of Parity Bonds in accordance with Section 148(f)(4) of the Code. In the event that, prior to the time of any payment required to be made from a subaccount of the Alternate Penalty Account, the amount in such subaccount is not sufficient to make such payment when such payment is due, the District shall calculate the amount of such deficiency and direct the Trustee, in writing, to deposit an amount equal to such deficiency into such subaccount of the Alternate Penalty Account from any funds held by the Trustee pursuant to this Indenture and designated by the District in such written directions prior to the time such payment is due. Each payment required to be made pursuant to this subsection (a)(2) shall be made to the Internal Revenue Service, Ogden, Utah 84201 on or before the date on which such payment is due, and shall be accompanied by Internal Revenue Service Form 8038-T or shall be made in such other manner as provided under the Code.

(b) Disposition of Unexpended Funds. Any funds remaining in the Accounts of the Rebate Fund with respect to the Bonds or an issue of Parity Bonds after redemption and payment of such issue and after making the payments described in subsections (a)(1)(iii) or (a)(2)(iii) (whichever is applicable), may be withdrawn by the Trustee at the written direction of the District and utilized in any manner by the District.

(c) Survival of Defeasance and Final Payment. Notwithstanding anything in this Section or this Indenture to the contrary, the obligation to comply with the requirements of this Section shall survive the defeasance and final payment of the Bonds and any Parity Bonds with respect to which an Account has been created in the Rebate Fund.

(d) Amendment Without Consent of Owners. This Section 3.7 may be deleted or amended in any manner without the consent of the Owners, provided that prior to such event there is delivered to the District an opinion of Bond Counsel to the effect that such deletion or amendment will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Bonds and any issue of Parity Bonds issued on a tax-exempt basis.

(e) Trustee. The Trustee shall have no responsibility to monitor or calculate any amounts payable to the U.S. Treasury pursuant to this Section and shall be deemed constructively to have complied with its obligations hereunder if it follows the written instructions of the District given pursuant to this Section.

Section 3.8. Surplus Fund. After making the transfers required by Sections 3.3, 3.4, 3.5, 3.6 and 3.7 hereof, as soon as practicable after each September 1, the Trustee shall transfer all remaining amounts in the Special Tax Fund to the Surplus Fund, unless on or prior to such date, it has received a Certificate of an Authorized Representative directing that certain amounts be retained in the Special Tax Fund because the District has included such amounts as being available in the Special Tax Fund in calculating the amount of the levy of Special Taxes for such Fiscal Year pursuant to Section 5.2(b) hereof. Moneys deposited in the Surplus Fund will be transferred by the Trustee at the direction of an Authorized Representative of the District: (i) to the Interest Account, the Principal Account or the Redemption Account of the Special Tax Fund to pay the principal of, including Sinking Fund Payments, premium, if any, and interest on the Bonds and any Parity Bonds when due in the event that moneys in the Special Tax Fund and the Reserve Account of the Special Tax Fund are insufficient therefor; (ii) to the Reserve Account in order to replenish the Reserve

Account to the Reserve Requirement; (iii) to the Administrative Expense Account of the Special Tax Fund to pay Administrative Expenses to the extent that the amounts on deposit in the Administrative Expense Account of the Special Tax Fund are insufficient to pay Administrative Expenses; (iv) to the Acquisition and Construction Fund to pay Project Costs; or (v) after all Project Costs have been paid, to the District, for any other lawful purpose of the District.

The amounts in the Surplus Fund are not pledged to the repayment of the Bonds or the Parity Bonds and may be used by the District for any lawful purpose. In the event that the District reasonably expects to use any portion of the moneys in the Surplus Fund to pay debt service on any Outstanding Bonds or Parity Bonds, the District shall notify the Trustee in a Certificate of an Authorized Representative and the Trustee shall segregate such amount into a separate subaccount and the moneys on deposit in such subaccount of the Surplus Fund shall be invested at the written direction of the District in Authorized Investments the interest on which is excludable from gross income under Section 103 of the Code (other than bonds the interest on which is a tax preference item for purposes of computing the alternative minimum tax of individuals under the Code) or in Authorized Investments at a yield not in excess of the yield on the issue of Bonds or Parity Bonds to which such amounts are to be applied, unless, in the opinion of Bond Counsel, investment at a higher yield will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Bonds or any Parity Bonds which were issued on a tax-exempt basis for federal income tax purposes. Such amounts shall be disbursed as directed by an Authorized Representative of the District.

Section 3.9. Acquisition and Construction Fund.

(a) The moneys in the Costs of Issuance Account shall be disbursed by the Trustee pursuant to a Certificate of an Authorized Representative of the District, and any balance remaining therein after 180 days shall be transferred by the Trustee to the City Improvements Account of the Acquisition and Construction Fund as directed in writing by an Authorized Representative of the District. Following such transfer to the Acquisition and Construction Fund, the Costs of Issuance Account shall be closed.

(b) The moneys in the City Improvements Account of the Acquisition and Construction Fund shall be applied exclusively to pay the Project Costs. Amounts for Project Costs shall be disbursed by the Trustee from the City Improvements Account of the Acquisition and Construction Fund, as specified in a Request for Disbursement of Project Costs, substantially in the form of Exhibit B-1 attached hereto. A properly executed Request for Disbursement of Project Costs must be submitted in connection with each requested disbursement and the Trustee may rely thereon without investigating the accuracy thereof.

(c) Upon receipt of a Certificate of an Authorized Representative of the District stating that all or a specified portion of the amount remaining in the City Improvements Account of the Acquisition and Construction Fund is no longer needed to pay Project Costs, the Trustee shall: (i) transfer all or such specified portion, as applicable, of the moneys remaining on deposit in the City Improvements Account of the Acquisition and Construction Fund to the Interest Account, the Principal Account or Redemption Account of the Special Tax Fund, or to the Surplus Fund, as directed in such certificate, provided that in connection with any direction to transfer amounts to the Surplus Fund there shall have been delivered to the Trustee with such certificate an opinion of Bond Counsel to the effect that such transfer to the Surplus Fund will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Bonds or any Parity Bonds

which were issued on a tax-exempt basis for federal income tax purposes; and (ii) thereafter, close the Acquisition and Construction Fund.

Section 3.10. Investments. Moneys held in any of the Funds, Accounts and Subaccounts under this Indenture shall be invested at the written direction of the District upon at least two (2) Business Days' notice in accordance with the limitations set forth below only in Authorized Investments which shall be deemed at all times to be a part of such Funds, Accounts and Subaccounts. Any loss resulting from such Authorized Investments shall be credited or charged to the Fund, Account or Subaccount from which such investment was made, and any investment earnings on a Fund, Account or Subaccount shall be applied as follows: (i) investment earnings on all amounts deposited in the Acquisition and Construction Fund (including the Accounts therein), the Special Tax Fund, the Surplus Fund and the Rebate Fund and each Account therein (other than the Reserve Account of the Special Tax Fund) shall be deposited in those respective Funds, Accounts and Subaccounts; and (ii) investment earnings on all amounts deposited in the Reserve Account shall be deposited therein to be applied as set forth in Section 3.6. Ratings of Authorized Investments referred to herein shall be determined at the time of purchase of such Authorized Investments and without regard to rating subcategories. The Trustee shall have no responsibility to monitor the ratings of Authorized Investments after the initial purchase of such Authorized Investments or the responsibility to validate the ratings of Authorized Investments prior to the initial purchase. Moneys in the Funds, Accounts and Subaccounts held under this Indenture may be invested by the Trustee as directed in writing by the District, from time to time, in Authorized Investments subject to the following restrictions (provided that the Trustee is not required to verify compliance with such restrictions and may rely on the District's written instructions as evidence of such compliance):

(a) Moneys in the Acquisition and Construction Fund and the Accounts therein shall be invested in Authorized Investments which will by their terms mature, or in the case of an Investment Agreement are available without penalty, as close as practicable to the date the District estimates the moneys represented by the particular investment will be needed for withdrawal from the Acquisition and Construction Fund or the Accounts therein. Notwithstanding anything herein to the contrary, amounts in the Acquisition and Construction Fund or the Accounts therein three years after the Delivery Date for the Bonds and the proceeds of each issue of Parity Bonds issued on a tax-exempt basis which are remaining on deposit in the Acquisition and Construction Fund on the date which is three years following the date of issuance of such issue of Parity Bonds shall be invested by the District only in Authorized Investments the interest on which is excluded from gross income under Section 103 of the Code (other than bonds the interest on which is a tax preference item for purposes of computing the alternative minimum tax of individuals under the Code) or in Authorized Investments at a yield not in excess of the yield on the issue of Bonds or Parity Bonds from which such proceeds were derived, unless in the opinion of Bond Counsel such restriction is not necessary to prevent interest on the Bonds or any Parity Bonds which were issued on a tax-exempt basis for federal income tax purposes from being included in gross income for federal income tax purposes.

(b) Moneys in the Interest Account, the Principal Account, and the Redemption Account of the Special Tax Fund shall be invested only in Authorized Investments which will by their terms mature, or in the case of an Investment Agreement are available for withdrawal without penalty, on such dates so as to ensure the payment of principal of, premium, if any, and interest on the Bonds and any Parity Bonds as the same become due.

(c) Moneys in the Reserve Account of the Special Tax Fund may be invested only in Authorized Investments (other than the Authorized Investment described in clause (2)(i) of the

definition thereof) which, taken together, have a weighted average maturity not in excess of five years; provided that such amounts may be invested in an Investment Agreement to the later of the final maturity of the Bonds or any Parity Bonds so long as such amounts may be withdrawn at any time, without penalty, for application in accordance with Section 3.6 hereof; and provided that no such Authorized Investment of amounts in the Reserve Account allocable to the Bonds or an issue of Parity Bonds shall mature later than the respective final maturity date of the Bonds or the issue of Parity Bonds, as applicable.

(d) Moneys in the Rebate Fund shall be invested only in Authorized Investments of the type described in clause (1) of the definition thereof which by their terms will mature, as nearly as practicable, on the dates such amounts are needed to be paid to the United States Government pursuant to Section 3.7 hereof or in Authorized Investments of the type described in clause (2)(e) of the definition thereof.

(e) In the absence of written investment directions from the District, the Trustee shall invest solely in Authorized Investments specified in clause (2)(e) of the definition thereof, as directed in a separate standing written investment direction by the District. If no such written investment direction from the District is received, the funds shall be uninvested. The Trustee may rely conclusively on the written investment directions of the District as to the suitability and legality of the directed investment.

The Trustee shall sell, or present for redemption, any Authorized Investment whenever it may be necessary to do so in order to provide moneys to meet any payment or transfer to such funds and accounts or from such funds and accounts. Notwithstanding anything herein to the contrary, the Trustee shall not be responsible for any loss from investments, sales or transfers undertaken in accordance with the provisions of this Indenture. Any Authorized Investments that are registrable securities shall be registered in the name of the Trustee.

The Trustee may act as principal or agent in the making or disposing of any investment and shall be entitled to its customary fee for making such investment. The Trustee may sell at the best market price obtainable, or present for redemption, any Authorized Investment so purchased whenever it shall be necessary to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the fund or account to which such Authorized Investment is credited, and, subject to the provisions of Section 7.4, the Trustee shall not be liable or responsible for any loss resulting from such investment. For investment purposes, the Trustee may commingle the funds and accounts established hereunder, but shall account for each separately. 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 which 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.

The District acknowledges that, to the extent that regulations of the Comptroller of the Currency or other applicable regulatory entity grant the District the right to receive brokerage confirmations of security transactions as they occur, at no additional cost, the District specifically waives receipt of such confirmations to the extent permitted by law. The Trustee will furnish the District periodic cash transaction statements which include detail for all investment transactions made by the Trustee hereunder.

ARTICLE IV

REDEMPTION OF BONDS AND PARITY BONDS**Section 4.1. Redemption of Bonds.**

(a) Optional Redemption. The Bonds may be redeemed at the option of the District from any source of funds on any Interest Payment Date on or after September 1, 20 , in whole or in part, from such maturities as are selected by the District and by lot within a maturity, at the following redemption prices, expressed as a percentage of the principal amount to be redeemed, together with accrued interest to the date of redemption:

<i>Redemption Date</i>	<i>Redemption Price</i>
September 1, 20__ and March 1, 20__	103%
September 1, 20__ and March 1, 20__	102
September 1, 20__ and March 1, 20__	101
September 1, 20__ and any Interest Payment Date Thereafter	100

In the event that the District elects to redeem Bonds as provided above, the District shall give written notice to the Trustee of its election to so redeem, the redemption date and the principal amount of the Bonds of each maturity to be redeemed. The notice to the Trustee shall be given at least 30 but no more than 60 days prior to the redemption date, or by such later date as is acceptable to the Trustee.

(b) Mandatory Sinking Fund Redemption. The Bonds maturing on September 1, 20____ (the "20__ Term Bonds") shall be called before maturity and redeemed, from the Sinking Fund Payments that have been deposited into the Redemption Account established hereunder, on September 1, 20 , and on each September 1 thereafter prior to maturity, in accordance with the schedule of Sinking Fund Payments set forth below. The 20__ Term Bonds so called for redemption shall be selected by the Trustee by lot and shall be redeemed at a redemption price for each redeemed 20__ Term Bond equal to the principal amount thereof, plus accrued interest to the redemption date, without premium, as follows:

Term Bonds Maturing September 1, 20__

Sinking Fund Redemption Date
(September 1)

Sinking Fund Payments

* Maturity.

The Bonds maturing on September 1, 20 (the "20 Term Bonds") shall be called before maturity and redeemed, from the Sinking Fund Payments that have been deposited into the Redemption Account established hereunder, on September 1, 20_, and on each September 1 thereafter prior to maturity, in accordance with the schedule of Sinking Fund Payments set forth below. The 20 Term Bonds so called for redemption shall be selected by the Trustee by lot and

shall be redeemed at a redemption price for each redeemed 20__Term Bond equal to the principal amount thereof, plus accrued interest to the redemption date, without premium, as follows:

Term Bonds Maturing September 1, 20__

*Sinking Fund Redemption Date
(September 1)*

Sinking Fund Payments

* Maturity.

The Bonds maturing on September 1, 20 (the "20 Term Bonds") shall be called before maturity and redeemed, from the Sinking Fund Payments that have been deposited into the Redemption Account established hereunder, on September 1, 20_, and on each September 1 thereafter prior to maturity, in accordance with the schedule of Sinking Fund Payments set forth below. The 20_ Term Bonds so called for redemption shall be selected by the Trustee by lot and shall be redeemed at a redemption price for each redeemed 20 Term Bond equal to the principal amount thereof, plus accrued interest to the redemption date, without premium, as follows:

Term Bonds Maturing September 1, 20__

*Sinking Fund Redemption Date
(September 1)*

Sinking Fund Payments

* Maturity.

If the District purchases Term Bonds during the Fiscal Year immediately preceding one of the sinking fund redemption dates specified above, the District shall notify the Trustee at least 45 days prior to the redemption date as to the principal amount purchased, and the amount purchased shall be credited at the time of purchase to the next Sinking Fund Payment for the Term Bond so purchased, to the extent of the full principal amount of the purchase. All Bonds purchased pursuant to this subsection shall be cancelled pursuant to Section 10.1 hereof.

In the event of a partial optional redemption or special mandatory redemption of the Term Bonds, each of the remaining Sinking Fund Payments for such Term Bonds shall be reduced, as nearly as practicable, on a pro rata basis, as set forth in a revised sinking fund schedule delivered by the District to the Trustee.

(c) Special Mandatory Redemption. The Bonds are subject to special mandatory redemption as a whole or in part on a pro rata basis among maturities and by lot within a maturity, on any Interest Payment Date on or after September 1, 2024 and shall be redeemed by the Trustee, from Prepayments deposited to the Redemption Account pursuant to Section 3.2, plus amounts transferred from the Reserve Account pursuant to Section 3.6(c), at the following redemption prices, expressed

as a percentage of the principal amount to be redeemed, together with accrued interest to the redemption date:

<i>Redemption Date</i>	<i>Redemption Price</i>
Any Interest Payment Date from September 1, 2024 through March 1, 20__	103%
September 1, 20__ and March 1, 20__	102
September 1, 20__ and March 1, 20__	101
September 1, 20__ and any Interest Payment Date thereafter	100

(d) The redemption provisions for Parity Bonds shall be set forth in a Supplemental Indenture.

Section 4.2. Selection of Bonds and Parity Bonds for Redemption. If less than all of the Bonds or Parity Bonds Outstanding are to be redeemed, the portion of any Bond or Parity Bond of a denomination of more than \$5,000 to be redeemed shall be in the principal amount of \$5,000 or an integral multiple thereof. In selecting portions of such Bonds or Parity Bonds for redemption, the Trustee shall treat such Bonds or Parity Bonds, as applicable, as representing that number of Bonds or Parity Bonds of \$5,000 denominations which is obtained by dividing the principal amount of such Bonds or Parity Bonds to be redeemed in part by \$5,000. The procedure for the selection of Parity Bonds for redemption may be modified as set forth in the Supplemental Indenture for such Parity Bonds. The Trustee shall promptly notify the District in writing of the Bonds or Parity Bonds, or portions thereof, selected for redemption.

Section 4.3. Notice of Redemption. When Bonds or Parity Bonds are due for redemption under Section 4.1 above or under another redemption provision set forth in a Supplemental Indenture relating to any Parity Bonds, the Trustee shall give notice, in the name of the District, of the redemption of such Bonds or Parity Bonds. Such notice of redemption shall: (i) specify the CUSIP numbers (if any), the bond numbers and the maturity date or dates of the Bonds or Parity Bonds selected for redemption, except that where all of the Bonds or all of an issue of Parity Bonds are subject to redemption, or all of the Bonds or Parity Bonds of one maturity are to be redeemed, the bond numbers of such issue need not be specified; (ii) state the date fixed for redemption and surrender of the Bonds or Parity Bonds to be redeemed; (iii) state the redemption price; (iv) state the place or places where the Bonds or Parity Bonds are to be redeemed; (v) in the case of Bonds or Parity Bonds to be redeemed only in part, state the portion of such Bond or Parity Bond which is to be redeemed; (vi) state the date of issue of the Bonds or Parity Bonds as originally issued; (vii) state the rate of interest borne by each Bond or Parity Bond being redeemed; and (viii) state any other descriptive information needed to identify accurately the Bonds or Parity Bonds being redeemed as shall be specified by the Trustee. Such notice shall further state that on the date fixed for redemption, there shall become due and payable on each Bond, Parity Bond or portion thereof called for redemption, the principal thereof, together with any premium, and interest accrued to the redemption date, and that from and after such date, interest thereon shall cease to accrue and be payable. At least 30 days but no more than 45 days prior to the redemption date, the Trustee shall mail a copy of such notice of redemption, by first class mail, postage prepaid, to the respective Owners thereof at their addresses appearing on the Bond Register, and to the original purchaser of any Bonds or Parity Bonds; provided, however, so long as the Bonds and Parity Bonds are registered in the name of the Nominee, such notice shall be given in such manner as complies with the requirements of the Depository. The actual receipt by the Owner of any Bond or Parity Bond of notice of such redemption shall not be a condition precedent to redemption, and neither the failure to

receive nor any defect in such notice shall affect the validity of the proceedings for the redemption of such Bonds or Parity Bonds, or the cessation of interest on the redemption date. A certificate by the Trustee that notice of such redemption has been given as herein provided shall be conclusive as against all parties and the Owner shall not be entitled to show that he or she failed to receive notice of such redemption.

In addition to the foregoing notice, further notice shall be given by the Trustee as set out below, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as above prescribed.

Each further notice of redemption shall be sent not later than the date that notice of redemption is given to the Owners pursuant to the first paragraph of this Section by first class mail or facsimile to the Depository and posted on the Municipal Securities Rulemaking Board's Electronic Municipal Market Access system ("EMMA"). The sole remedy for the Trustee's failure to post such redemption notices on EMMA shall be an action in mandamus by the holders of the Bonds and the Parity Bonds for specific performance or a similar remedy to compel performance.

Upon the payment of the redemption price of any Bonds and Parity Bonds being redeemed, each check or other transfer of funds issued for such purpose shall to the extent practicable bear the CUSIP number identifying, by issue and maturity, the Bonds and Parity Bonds being redeemed with the proceeds of such check or other transfer. Redemption notices may state that no representation is made as to the accuracy or correctness of the CUSIP numbers printed therein or on the Bonds or Parity Bonds.

With respect to any notice of optional redemption of Bonds or Parity Bonds, such notice may state that such redemption shall be conditional upon the receipt by the Trustee on or prior to the date fixed for such redemption of moneys sufficient to pay the principal of, premium, if any, and interest on such Bonds or Parity Bonds to be redeemed and that, if the District determines that such moneys will not be so received on or prior to the redemption date, said notice shall be of no force and effect and the Trustee shall not be required to redeem such Bonds or Parity Bonds. In the event that such notice of redemption contains such a condition and the District determines that such moneys will not be so received, the redemption shall not be made, and the Trustee shall within a reasonable time thereafter give notice, in the manner in which the notice of redemption was given, that such moneys were not so received.

Section 4.4. Partial Redemption of Bonds or Parity Bonds. Upon surrender of any Bond or Parity Bond to be redeemed in part only, the District shall execute and the Trustee shall authenticate and deliver to the Owner, at the expense of the District, a new Bond or Bonds or a new Parity Bond or Parity Bonds of authorized denominations equal in aggregate principal amount to the unredeemed portion of the Bonds surrendered, with the same interest rate and the same maturity or, in the case of surrender of a Parity Bond, a new Parity Bond or Parity Bonds subject to the foregoing limitations.

Section 4.5. Effect of Notice and Availability of Redemption Money. Notice of redemption having been duly given, as provided in Section 4.3 hereof, and the amount necessary for the redemption having been made available for that purpose and being available therefor on the date fixed for such redemption:

(a) the Bonds and Parity Bonds, or portions thereof, designated for redemption shall, on the date fixed for redemption, become due and payable at the redemption price thereof as provided in this Indenture or in any Supplemental Indenture with respect to any Parity Bonds, anything in this Indenture or in the Bonds or the Parity Bonds to the contrary notwithstanding;

(b) upon presentation and surrender thereof at the office of the Trustee, the redemption price of such Bonds and Parity Bonds shall be paid to the Owners thereof;

(c) as of the redemption date the Bonds or the Parity Bonds, or portions thereof so designated for redemption shall be deemed to be no longer Outstanding and such Bonds or Parity Bonds, or portions thereof, shall cease to bear further interest; and

(d) as of the date fixed for redemption no Owner of any of the Bonds, Parity Bonds or portions thereof so designated for redemption shall be entitled to any of the benefits of this Indenture or any Supplemental Indenture, or to any other rights, except with respect to payment of the redemption price and interest accrued to the redemption date from the amounts so made available.

ARTICLE V

COVENANTS AND WARRANTY

Section 5.1. Warranty. The District shall preserve and protect the security pledged hereunder to the Bonds and any Parity Bonds against all claims and demands of all persons.

Section 5.2. Covenants. So long as any of the Bonds or Parity Bonds issued hereunder are Outstanding and unpaid, the District makes the following covenants with the Owners under the provisions of the Act and this Indenture (to be performed by the District or its proper officers, agents or employees), which covenants are necessary and desirable to secure the Bonds and Parity Bonds and tend to make them more marketable; provided, however, that said covenants do not require the District to expend any funds or moneys other than the Special Taxes and other amounts deposited to the Special Tax Fund:

(a) Punctual Payment; Against Encumbrances. The District covenants that it will receive all Special Taxes in trust for the Owners and will deposit all Special Taxes with the Trustee immediately upon their apportionment to the District, and the District shall have no beneficial right or interest in the amounts so deposited except as provided by this Indenture. All such Special Taxes shall be disbursed, allocated and applied solely to the uses and purposes set forth herein, and shall be accounted for separately and apart from all other money, funds, accounts or other resources of the District.

The District covenants that it will duly and punctually pay or cause to be paid the principal of and interest on every Bond and Parity Bond issued hereunder, together with the premium, if any, thereon on the date, at the place and in the manner set forth in the Bonds and the Parity Bonds and in accordance with this Indenture to the extent that Net Taxes and other amounts pledged hereunder are available therefor, and that the payments into the Funds and Accounts created hereunder will be made, all in strict conformity with the terms of the Bonds, any Parity Bonds, and this Indenture, and that it will faithfully observe and perform all of the conditions, covenants and requirements of this Indenture and all Supplemental Indentures and of the Bonds and any Parity Bonds issued hereunder.

The District will not mortgage or otherwise encumber, pledge or place any charge upon any of the Net Taxes except as provided in this Indenture, and will not issue any obligation or security having a lien or charge upon the Net Taxes superior to or on a parity with the Bonds, other than Parity Bonds. Nothing herein shall prevent the District from issuing or incurring indebtedness which is payable from a pledge of Net Taxes which is subordinate in all respects to the pledge of Net Taxes to repay the Bonds and the Parity Bonds, subject to compliance with the District's bonded indebtedness limit.

(b) Levy of Special Tax. Beginning in Fiscal Year 2024 and so long as any Bonds or Parity Bonds issued under this Indenture are Outstanding, the District covenants to levy the Special Tax in an amount sufficient, together with other amounts on deposit in the Special Tax Fund, to pay: (1) the principal of and interest on the Bonds and any Parity Bonds when due; (2) the Administrative Expenses; and (3) any amounts required to replenish the Reserve Account of the Special Tax Fund to the Reserve Requirement, including any amounts to pay costs related to the Reserve Policy, if any. The District further covenants that it will take no actions that would discontinue or cause the discontinuance of the Special Tax levy or the District's authority to levy the Special Tax for so long as the Bonds and any Parity Bonds are Outstanding.

(c) Commence Foreclosure Proceedings. The District covenants for the benefit of the Owners of the Bonds and any Parity Bonds that it will: (i) commence judicial foreclosure proceedings against parcels with delinquent Special Taxes in excess of \$5,000 by the October 1 following the close of each Fiscal Year in which such Special Taxes were due; and (ii) commence judicial foreclosure proceedings against all parcels with delinquent Special Taxes by the October 1 following the close of each Fiscal Year in which it receives Special Taxes in an amount which is less than 95% of the total Special Tax levied; and (iii) diligently pursue such foreclosure proceedings until the delinquent Special Taxes are paid; provided that, notwithstanding the foregoing, the District may elect to defer foreclosure proceedings on any parcel so long as the amount in the Reserve Account is at least equal to the Reserve Requirement. The District may, but shall not be obligated to, advance funds from any source of legally available funds in order to maintain the Reserve Account. The District may treat any delinquent Special Tax sold to an independent third-party or to the City for at least 100% of the delinquent amount as having been paid. Proceeds of any such sale up to 100% of the delinquent amount will be deposited in the Special Tax Fund.

The District covenants that it will deposit the net proceeds of any foreclosure in the Special Tax Fund and will apply such proceeds remaining after the payment of Administrative Expenses to make current payments of principal and interest on the Bonds and any Parity Bonds, to bring the amount on deposit in the Reserve Account up to the Reserve Requirement and to pay any delinquent installments of principal or interest due on the Bonds and any Parity Bonds.

(d) Payment of Claims. The District will pay and discharge any and all lawful claims for labor, materials or supplies which, if unpaid, might become a lien or charge upon the Net Taxes or other funds in the Special Tax Fund (other than the Administrative Expense Account therein), or which might impair the security of the Bonds or any Parity Bonds then Outstanding; provided, however, that nothing herein contained shall require the District to make any such payments so long as the District in good faith shall contest the validity of any such claims.

(e) Books and Accounts. The District will keep proper books of records 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 to the Project, the levy of the Special Tax and the deposits

to the Special Tax Fund. Such books of records and accounts shall at all times during business hours be subject to the inspection of the Trustee or of the Owners or the Owners of any issue of Parity Bonds then Outstanding or their representatives authorized in writing.

(f) Federal Tax Covenants. Notwithstanding any other provision of this Indenture, absent an opinion of Bond Counsel that the exclusion from gross income of interest on the Bonds and any Parity Bonds issued on a tax-exempt basis for federal income tax purposes will not be adversely affected for federal income tax purposes, the District covenants to comply with all applicable requirements of the Code necessary to preserve such exclusion from gross income and specifically covenants, without limiting the generality of the foregoing, as follows:

(1) Private Activity. The District will take no action or refrain from taking any action or make any use of the proceeds of the Bonds or any Parity Bonds or of any other monies or property which would cause the Bonds or any Parity Bonds issued on a tax-exempt basis for federal income tax purposes to be "private activity bonds" within the meaning of Section 141 of the Code.

(2) Arbitrage. The District will make no use of the proceeds of the Bonds or any Parity Bonds or of any other amounts or property, regardless of the source, or take any action or refrain from taking any action which will cause the Bonds or any Parity Bonds issued on a tax-exempt basis for federal income tax purposes to be "arbitrage bonds" within the meaning of Section 148 of the Code.

(3) Federal Guaranty. The District will make no use of the proceeds of the Bonds or any Parity Bonds or take or omit to take any action that would cause the Bonds or any Parity Bonds issued on a tax-exempt basis for federal income tax purposes to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

(4) Information Reporting. The District will take or cause to be taken all necessary action to comply with the informational reporting requirement of Section 149(e) of the Code.

(5) Hedge Bonds. The District will make no use of the proceeds of the Bonds or any Parity Bonds or any other amounts or property, regardless of the source, or take any action or refrain from taking any action that would cause the Bonds or any Parity Bonds issued on a tax-exempt basis for federal income tax purposes to be considered "hedge bonds" within the meaning of Section 149(g) of the Code unless the District takes all necessary action to assure compliance with the requirements of Section 149(g) of the Code to maintain the exclusion from gross income for federal income tax purposes of interest on the Bonds and any applicable Parity Bonds.

(6) Miscellaneous. The District will take no action or refrain from taking any action inconsistent with its expectations stated in the Tax Certificate executed on the Delivery Date by the District in connection with the Bonds and any issue of Parity Bonds and will comply with the covenants and requirements stated therein and incorporated by reference herein.

(7) Other Tax-Exempt Issues. The District will not use proceeds of other tax-exempt securities to redeem any Bonds or Parity Bonds without first obtaining the written opinion of Bond Counsel that doing so will not impair the exclusion from gross income for federal income tax purposes of interest on the Bonds and any Parity Bonds issued on a tax-exempt basis.

(8) Subsequent Opinions. If the District obtains a subsequent opinion of Bond Counsel other than Stradling Yocca Carlson & Rauth, a Professional Corporation, where such opinion is required in connection with a change or amendment to this Indenture or the procedures set forth in the Tax Certificate, it will obtain an opinion substantially to the effect originally delivered by Stradling Yocca Carlson & Rauth, a Professional Corporation, that interest on the Bonds is excluded from gross income for federal income tax purposes.

(g) Reduction of Maximum Special Taxes. The District hereby finds and determines that, historically, delinquencies in the payment of special taxes authorized pursuant to the Act in community facilities districts in Southern California have from time to time been at levels requiring the levy of special taxes at the maximum authorized rates in order to make timely payment of principal of and interest on the outstanding indebtedness of such community facilities districts. For this reason, the District hereby determines that a reduction in the maximum Special Tax rates authorized to be levied on parcels in the District below the levels provided in this Section 5.2(g) would interfere with the timely retirement of the Bonds and Parity Bonds. The District determines it to be necessary in order to preserve the security for the Bonds and Parity Bonds to covenant, and, to the maximum extent that the law permits it to do so, the District hereby does covenant, that it shall not initiate proceedings to reduce the maximum Special Tax rates for the District, unless, in connection therewith, the District receives a certificate from one or more Independent Financial Consultants which, when taken together, certify that: (i) such changes do not reduce the maximum Special Taxes that may be levied in each year on property within the District to an amount which is less than the Administrative Expenses Cap plus 110% of the Annual Debt Service due in each corresponding future Bond Year with respect to the Bonds and Parity Bonds Outstanding as of the date of such proposed reduction; and (ii) the District is not delinquent in the payment of the principal of or interest on the Bonds or any Parity Bonds.

(h) Covenants to Defend. The District covenants that, in the event that any initiative is adopted by the qualified electors in the District which purports to reduce the maximum Special Tax below the levels specified in Section 5.2(g) above or to limit the power of the District to levy the Special Taxes for the purposes set forth in Section 5.2(b) above, it will commence and pursue legal action in order to preserve its ability to comply with such covenants.

(i) Limitation on Right to Tender Bonds. The District hereby covenants that it will not adopt any policy pursuant to Section 53344.1 of the Act permitting the tender of Bonds or Parity Bonds in full payment or partial payment of any Special Taxes unless the District shall have first received a certificate from an Independent Financial Consultant that the acceptance of such a tender will not result in the District having insufficient Net Taxes to pay the principal of and interest on the Bonds and Parity Bonds when due.

(j) Continuing Disclosure. The District covenants to comply with the terms of the Continuing Disclosure Certificate and with the terms of any agreement executed by the District with respect to any Parity Bonds to assist the Underwriter in complying with Rule 15c2-12 adopted by the Securities and Exchange Commission; provided, however, that a failure to comply shall not be considered an event of default hereunder and the Owners shall be limited to enforcing the terms thereof in accordance with the terms of the Continuing Disclosure Certificate.

(k) Further Assurances. The District shall make, execute and deliver any and all such further agreements, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Indenture and for the better assuring and

confirming unto the Owners of the Bonds and any Parity Bonds of the rights and benefits provided in this Indenture.

ARTICLE VI

AMENDMENTS TO INDENTURE

Section 6.1. Supplemental Indentures or Orders Not Requiring Owner Consent. The District may from time to time, and at any time, without notice to or consent of any of the Owners, adopt Supplemental Indentures for any of the following purposes:

(a) to cure any ambiguity, to correct or supplement any provisions herein which may be inconsistent with any other provision herein, or to make any other provision with respect to matters or questions arising under this Indenture or in any additional resolution or order, provided that such action is not materially adverse to the interests of the Owners;

(b) to add to the covenants and agreements of and the limitations and the restrictions upon the District contained in this Indenture other covenants, agreements, limitations and restrictions to be observed by the District which are not contrary to or inconsistent with this Indenture as theretofore in effect or which further secure Bond or Parity Bond payments;

(c) to provide for the issuance of any Parity Bonds, and to provide the terms and conditions under which such Parity Bonds may be issued, subject to and in accordance with the provisions of this Indenture;

(d) to modify, amend or supplement this Indenture in such manner as to permit the qualification hereof under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereafter in effect, or to comply with the Code or regulations issued thereunder, and to add such other terms, conditions and provisions as may be permitted by said act or similar federal statute, and which shall not materially adversely affect the interests of the Owners of the Bonds or any Parity Bonds then Outstanding, as evidenced by the opinion of counsel delivered pursuant to Section 6.3 hereof;

(e) to modify, alter or amend the RMA in any manner, so long as the Trustee receives a certificate of an Independent Financial Consultant stating that: (i) such changes do not reduce the maximum Special Taxes that may be levied in each year on property within the District to an amount which is less than the Administrative Expenses Cap plus 110% of the Annual Debt Service due in each corresponding future Bond Year with respect to the Bonds and Parity Bonds Outstanding as of the date of such amendment and (ii) based on the current development plan for parcels within the District, do not reduce the maximum Special Taxes which could be levied upon taxable property within the District to an amount which is less than the Administrative Expenses Cap plus 110% of the Annual Debt Service due in each corresponding future Bond Year with respect to the Bonds and Parity Bonds Outstanding as of the date of such amendment;

(f) to modify, alter, amend or supplement this Indenture in any other respect which is not materially adverse to the Owners, as evidenced by the opinion of counsel delivered pursuant to Section 6.3 hereof; or

(g) to modify, alter, amend or supplement this Indenture in any other respect, as may be required to fund all or a portion of the Reserve Requirement with a Reserve Policy.

Section 6.2. Supplemental Indentures or Orders Requiring Owner Consent.

Exclusive of the Supplemental Indentures described in Section 6.1, the Owners of not less than a majority in aggregate principal amount of the Bonds and Parity Bonds Outstanding shall have the right to consent to and approve the adoption by the District of such Supplemental Indentures as shall be deemed necessary or desirable by the District for the purpose of waiving, modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Indenture; provided, however, that nothing herein shall permit, or be construed as permitting: (a) an extension of the maturity date of the principal, or the payment date of interest on, any Bond or Parity Bond; (b) a reduction in the principal amount of, or redemption premium on, any Bond or Parity Bond or the rate of interest thereon; (c) a preference or priority of any Bond or Parity Bond over any other Bond or Parity Bond; or (d) a reduction in the aggregate principal amount of the Bonds and Parity Bonds the Owners of which are required to consent to such Supplemental Indenture, without the consent of the Owners of all Bonds and Parity Bonds then Outstanding.

If at any time the District shall desire to adopt a Supplemental Indenture, which pursuant to the terms of this Section shall require the consent of the Owners, the District shall so notify the Trustee and shall deliver to the Trustee a copy of the proposed Supplemental Indenture. The Trustee shall, at the expense of the District, cause notice of the proposed Supplemental Indenture to be mailed, by first class mail, postage prepaid, to all Owners at their addresses as they appear in the Bond Register. Such notice shall briefly set forth the nature of the proposed Supplemental Indenture and shall state that a copy thereof is on file at the office of the Trustee for inspection by all Owners. The failure of any Owners to receive such notice shall not affect the validity of such Supplemental Indenture when consented to and approved by the Owners of not less than a majority in aggregate principal amount of the Bonds and Parity Bonds Outstanding as required by this Section. Whenever at any time within one year after the date of the first mailing of such notice, the Trustee shall receive an instrument or instruments purporting to be executed by the Owners of not less than a majority in aggregate principal amount of the Bonds and Parity Bonds Outstanding, which instrument or instruments shall refer to the proposed Supplemental Indenture described in such notice, and shall specifically consent to and approve the adoption thereof by the District substantially in the form of the copy referred to in such notice as on file with the Trustee, such proposed Supplemental Indenture, when duly adopted by the District, shall thereafter become a part of the proceedings for the issuance of the Bonds and any Parity Bonds. In determining whether the Owners of a majority of the aggregate principal amount of the Bonds and Parity Bonds have consented to the adoption of any Supplemental Indenture, Bonds or Parity Bonds which are owned by the District or by any person directly or indirectly controlling or controlled by or under the direct or indirect common control with the District, shall be disregarded and shall be treated as though they were not Outstanding for the purpose of any such determination; except that in determining whether the Trustee shall be protected in relying upon any such demand, request, direction, consent or waiver of an Owner, only Bonds or Parity Bonds which the Trustee actually knows to be owned or held by or for the account of the District or by any person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the District, shall be disregarded unless all Bonds or Parity Bonds are so owned or held, in which case such Bonds or Parity Bonds shall be considered Outstanding for the purpose of such determination.

Upon the adoption of any Supplemental Indenture and the receipt of consent to any such Supplemental Indenture from the Owners of not less than a majority in aggregate principal amount of the Outstanding Bonds and Parity Bonds in instances where such consent is required pursuant to the provisions of this Section, this Indenture shall be, and shall be deemed to be, modified and amended in accordance therewith, and the respective rights, duties and obligations under this Indenture of the

District and all Owners of Outstanding Bonds and Parity Bonds shall thereafter be determined, exercised and enforced hereunder, subject in all respects to such modifications and amendments.

Section 6.3. Notation of Bonds or Parity Bonds; Delivery of Amended Bonds or Parity Bonds. After the effective date of any action taken as hereinabove provided, the District may determine that the Bonds or any Parity Bonds may bear a notation, by endorsement in form approved by the District, as to such action, and in that case upon demand of the Owner of any Outstanding Bond or Parity Bond at such effective date and presentation of such Owner's Bond or Parity Bond for the purpose at the office of the Trustee or at such additional offices as the Trustee may select and designate for that purpose, a suitable notation as to such action shall be made on such Bonds or Parity Bonds. If the District shall so determine, new Bonds or Parity Bonds so modified as, in the opinion of the District, shall be necessary to conform to such action shall be prepared and executed, and in that case upon demand of the Owner of any Outstanding Bond or Parity Bond at such effective date such new Bonds or Parity Bonds shall be exchanged at the office of the Trustee or at such additional offices as the Trustee may select and designate for that purpose, without cost to each Owner of Outstanding Bonds or Parity Bonds, upon surrender of such Outstanding Bonds or Parity Bonds.

The Trustee shall have the right to require such opinions of counsel as it deems necessary concerning: (i) the lack of material adverse effect of the amendment on Owners; (ii) that such amendment is authorized or permitted hereunder and complies with the terms hereof; and (iii) the fact that the amendment will not affect the tax status of interest with respect to the Bonds.

ARTICLE VII

TRUSTEE

Section 7.1. Trustee. The Bank of New York Mellon Trust Company, N.A. shall be the Trustee for the Bonds and any Parity Bonds unless and until another Trustee is appointed by the District hereunder. The Trustee represents that it has (or is a member of a bank holding company system whose bank holding company has) a combined capital (exclusive of borrowed capital) and surplus of at least \$50,000,000. The District may, at any time, appoint a successor Trustee satisfying the requirements of Section 7.2 below for the purpose of receiving all money which the District is required to deposit with the Trustee hereunder and to allocate, use and apply the same as provided in this Indenture.

The Trustee is hereby authorized to and shall mail by first class mail, postage prepaid, or wire transfer in accordance with Section 2.5 above, interest payments to the Owners, to select Bonds and Parity Bonds for redemption, and to maintain the Bond Register. The Trustee is hereby authorized to pay the principal of and premium, if any, on the Bonds and Parity Bonds when the same are duly presented to it for payment at maturity or on call and redemption, to provide for the registration of transfer and exchange of Bonds and Parity Bonds presented to it for such purposes, to provide for the cancellation of Bonds and Parity Bonds all as provided in this Indenture, and to provide for the authentication of Bonds and Parity Bonds, and shall perform all other duties assigned to or imposed on it as provided in this Indenture. The Trustee shall keep accurate records of all funds administered by it and all Bonds and Parity Bonds paid, discharged and cancelled by it.

The Trustee is hereby authorized to redeem the Bonds and Parity Bonds when duly presented for payment at maturity, or on redemption prior to maturity. The Trustee shall cancel all Bonds and Parity Bonds upon payment thereof in accordance with the provisions of Section 10.1 hereof.

The District shall from time to time, subject to any agreement between the District and the Trustee then in force, timely pay to the Trustee following demand therefor compensation for its services, reimburse the Trustee for all its advances and expenditures, including, but not limited to, advances to and fees, costs and expenses of independent accountants or counsel employed by it in the exercise and performance of its powers and duties hereunder, and indemnify and save the Trustee, its officers, directors, employees and agents, harmless against costs, claims, expenses and liabilities, including, without limitation, fees, costs and expenses of its attorneys (not arising from its own gross negligence or willful misconduct) which it may incur in the exercise and performance of its powers and duties hereunder or under any document or transaction executed or contemplated in connection herewith. The foregoing obligation of the District to indemnify the Trustee shall survive the removal or resignation of the Trustee or the discharge of the Bonds and Parity Bonds. When the Trustee incurs expenses or renders services after the occurrence of an Event of Default, such expenses and the compensation for such services are intended to constitute expenses of administration under any federal or state bankruptcy, insolvency, arrangement, moratorium, reorganization or other debtor relief law. Upon an Event of Default, and only upon an Event of Default, the Trustee shall have a first lien with right of payment prior to payment on account of principal of and premium, if any, and interest on any Bond or Parity Bond, upon the trust estate for the foregoing fees, charges and expenses incurred by it.

Section 7.2. Removal of Trustee. The District may at any time, upon 30 days' notice, remove the Trustee initially appointed, and any successor thereto, by delivering to the Trustee a written notice of its decision to remove the Trustee and may appoint a successor or successors thereto; provided that any such successor shall be a bank or trust company having (or whose parent bank holding company has) a combined capital (exclusive of borrowed capital) and surplus of at least \$50,000,000, and subject to supervision or examination by federal or state authority. Any removal shall become effective only upon acceptance of appointment by the successor Trustee. If any bank or trust company appointed as a successor publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purposes of this Section the combined capital and surplus of such bank or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. Any removal of the Trustee and appointment of a successor Trustee shall become effective only upon acceptance of appointment by the successor Trustee and notice of the successor Trustee's identity and address being sent by the successor Trustee to the Owners.

Section 7.3. Resignation of Trustee. The Trustee may at any time resign and be discharged from its duties and obligations hereunder by giving written notice to the District. Upon receiving such notice of resignation, the District shall promptly appoint a successor Trustee satisfying the criteria in Section 7.2 above by an instrument in writing. Any resignation or removal of the Trustee and appointment of a successor Trustee shall become effective only upon acceptance of appointment by the successor Trustee. If no successor Trustee shall have been appointed by the District within thirty (30) days of giving such notice of removal or resignation, then the Trustee, or any Owner may petition, at the sole expense of the District, a court of competent jurisdiction for the appointment of a successor Trustee, and such court may thereupon, after such notice (if any) as it may deem proper, appoint a successor Trustee under the Indenture.

Section 7.4. Liability of Trustee. The recitals of fact and all promises, covenants and agreements contained herein and in the Bonds and any Parity Bonds shall be taken as statements, promises, covenants and agreements of the District, and the Trustee assumes no responsibility or liability for the correctness of the same and makes no representations whatsoever as to the validity or

sufficiency of this Indenture, the Bonds or any Parity Bonds, and shall incur no responsibility or liability in respect thereof, other than in connection with its express duties or obligations specifically set forth herein, in the Bonds and any Parity Bonds, or in the certificate of authentication assigned to or imposed upon the Trustee. The Trustee shall not have nor be under any responsibility or duty with respect to the issuance of the Bonds or any Parity Bonds for value. The Trustee shall not be liable in connection with the performance of its duties hereunder, except for its own gross negligence or willful misconduct. The Trustee shall not be liable for any action taken or omitted by it or any of its officers, employees or agents in good faith and believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Indenture. The Trustee shall not be liable for any error of judgment made in good faith by a responsible officer, unless it shall be proved that the Trustee was grossly negligent in ascertaining the pertinent facts. The Trustee may consult with counsel and the advice or any opinion of counsel shall be full and complete authorization and protection in respect of any action taken or omitted by it hereunder in good faith and in accordance with such advice or opinion of counsel. The Trustee shall not be accountable for the use or application by the District of any of the Bonds or Parity Bonds or the proceeds thereof or for the use or application of any money paid over by the Trustee in accordance with the provisions of this Indenture or for the use and application of money received by any paying agent. The Trustee may become the owner of Bonds or Parity Bonds secured hereby with the same rights it would have if not Trustee.

The Trustee shall be entitled to request and receive written instructions from the District and/or Owners and shall have no responsibility or liability for any losses or damages of any nature that may arise from any action taken or not taken by the Trustee in accordance with the written direction of any such party. The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in accordance with the written direction of the Owners of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee under this Indenture.

The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of an Owner and/or the District, pursuant to the provisions of this Indenture, unless such party shall have offered to the Trustee security or indemnity (satisfactory to the Trustee in its sole and absolute discretion) against the costs, expenses and liabilities which may be incurred by it in compliance with such request or direction.

Neither the Trustee nor any of its directors, officers, employees, agents or affiliates shall be responsible for nor have any duty to monitor the performance or any action of the District or any of its directors, members, officers, agents, affiliates or employee, nor shall it have any liability in connection with the malfeasance or nonfeasance by such party. The Trustee may assume performance by all such persons of their respective obligations. The Trustee shall have no enforcement or notification obligations relating to breaches of representations or warranties of any other person. The Trustee shall be conclusively protected in acting upon any notice, resolution, request, consent, order, certificate, report, Bond, Parity Bond or other paper or document signed or presented by the proper party or parties as provided hereunder. The Trustee may, at the expense of the District, request, rely on and act in accordance with officer's certificates and/or opinions of counsel, and shall incur no liability and shall be fully protected in acting or refraining from acting in accordance with such officer's certificates and opinions of counsel.

The Trustee shall not be bound to recognize any person as the Owner of a Bond or Parity Bond unless and until such Bond or Parity Bond is submitted for inspection, if required, and his title thereto is satisfactorily established to the Trustee, if disputed.

Whenever in the administration of its express obligations under this Indenture the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a written certificate of the District, and such certificate shall be full warrant to the Trustee for any action taken or suffered under the provisions of this Indenture upon the faith thereof, but in its discretion the Trustee may but shall not be obligated to accept other evidence of such matter or may require such additional evidence as to it may seem reasonable. It is understood and agreed that no such act shall broaden or imply the Trustee's acceptance of a broadening of the scope of the Trustee's duties and obligations hereunder unless the Trustee shall provide written acceptance thereof.

The Trustee shall have no duty or obligation whatsoever to enforce the collection of Special Taxes or other funds to be deposited with it hereunder, or as to the correctness of any amounts received, but its liability shall be limited to the proper accounting for such funds as it actually receives. No provision in this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of its rights or powers.

The Trustee shall not be deemed to have knowledge of any default or event of default under this Indenture until an officer at the Trustee's corporate trust office responsible for the administration of its duties hereunder shall have actual knowledge thereof or the Trustee shall have received written notice thereof at its corporate trust office.

The Trustee shall have no responsibility with respect to any information, statement, or recital in any official statement, offering memorandum or any other disclosure material prepared or distributed with respect to the Bonds.

Before taking any action under Article VIII hereof the Trustee may require indemnity and security satisfactory to the Trustee be furnished to it for and from any expenses and liabilities and to protect it against any liability it may incur hereunder.

The immunities extended to the Trustee also extend to its directors, officers, employees and agents (including its counsel).

The Trustee shall not be liable for any action taken or not taken by it in accordance with the direction of the Owners of 25% (or other percentage provided for herein) in aggregate principal amount of Bonds and Parity Bonds Outstanding relating to the exercise of any right, power or remedy available to the Trustee. In the event of conflicting instructions hereunder, the Trustee shall follow the direction of the group of holders holding the largest aggregate principal amount of the Bonds and Parity Bonds and will be protected in so doing.

The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty or in any way expand or impliedly expand the scope of the Trustee's duties hereunder, and, with respect to such permissive rights, the Trustee shall not be answerable for other than its gross negligence or willful misconduct.

The Trustee may execute any of the trusts or powers hereof and perform any of its duties through attorneys, agents and receivers and shall not be answerable for the conduct of the same if appointed by it with reasonable care.

The Trustee may become the Owner or pledgee of the Bonds and Parity Bonds with the same rights it would have if it were not Trustee.

The Trustee shall perform such duties and only such duties as are specifically set forth in this Indenture and no implied duties or obligations shall be read into this Indenture against the Trustee. These duties shall be deemed purely ministerial in nature, and the Trustee shall not be liable except for the performance of such duties, and no implied covenants or obligations shall be read into this Indenture against the Trustee.

If an Event of Default has occurred and is continuing, the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent person.

The District shall, to the extent permitted by law, indemnify and save the Trustee and its officers, directors, agents, and employees harmless from and against (whether or not litigated) all claims, losses, costs, expenses, liability and damages, including legal fees and expenses, arising out of: (i) the use, maintenance, condition or management of, or from any work or thing done on, the Project; (ii) any breach or default on the part of the District in the performance of any of its obligations under this Indenture and any other agreement made and entered into for purposes of the Bonds and Parity Bonds; (iii) any act of the City, the District or of any of its agents, contractors, servants, employees or licensees with respect to the Project; (iv) any act of any assignee of, or purchaser from, the City, the District or of any of its or their agents, contractors, servants, employees or licensees with respect to the Project; (v) the construction or acquisition of the Project or the expenditure of Project Costs; (vi) the exercise and performance by the Trustee of its powers and duties hereunder or any related document; (vii) the sale of the Bonds and Parity Bonds and the carrying out of any of the transactions contemplated by the Bonds and Parity Bonds or this Indenture; or (viii) any untrue statement or alleged untrue statement of any material fact or omission or alleged omission to state a material fact necessary to make the statements made in light of the circumstances in which they were made, not misleading in any official statement or other disclosure document utilized in connection with the sale or marketing of the Bonds and Parity Bonds. The indemnification set forth in this Section shall extend to the Trustee's officers, agents, employees, successors and assigns. No indemnification will be made under this Section or elsewhere in this Indenture or other agreements for willful misconduct or negligence by the Trustee, its officers, agents, employees, successors or assigns. The District's obligations hereunder shall remain valid and binding notwithstanding maturity and payment of the Bonds and Parity Bonds, or the resignation or removal of the Trustee. The foregoing indemnity shall survive the termination of this Indenture and the earlier removal or resignation of the Trustee.

In accepting the trust hereby created, the Trustee acts solely as Trustee for the Owners and not in its individual capacity, and all persons, including, without limitation, the Owners, the District and the City, having any claim against the Trustee arising from this Indenture shall look only to the funds and accounts held by the Trustee hereunder for payment, except as otherwise provided herein. Under no circumstances shall the Trustee be liable in its individual capacity for the obligations evidenced by the Bonds.

THE TRUSTEE MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR FITNESS FOR THE USE CONTEMPLATED BY THE DISTRICT OF THE PROJECT, OR ANY PORTION THEREOF. In no event shall the Trustee be liable for incidental, indirect, punitive, special or consequential loss or damage of any kind whatsoever (including, but not limited to, loss of profit), in connection with or arising out of the Project or this Indenture for the existence, furnishing, functioning or use and possession of the Project, irrespective of whether the Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action.

The Trustee shall not be liable to the parties hereto or deemed in breach or default hereunder if and to the extent its performance hereunder is prevented by reason of *force majeure*. The term "*force majeure*" means an occurrence that is beyond the control of the Trustee and could not have been avoided by exercising due care. *Force majeure* shall include, but not limited to, acts of God, terrorism, war, riots, strikes, fire, floods, earthquakes, epidemics, pandemics, quarantine restrictions, acts of civil or military authority or other similar occurrences.

The Trustee shall have the right to accept and act upon directions given pursuant to this Indenture and delivered using Electronic Means ("Electronic Means" means the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee, or another method or system specified by the Trustee as available for use in connection with its services hereunder); provided, however, that the District shall provide to the Trustee an incumbency certificate listing each Authorized Representative of the District with the authority to provide such directions and containing specimen signatures of such authorized officers, which incumbency certificate shall be amended whenever a person is to be added or deleted from the listing. If the District elects to give the Trustee directions using Electronic Means and the Trustee in its discretion elects to act upon such directions, the Trustee's understanding of such directions shall be deemed controlling. The District understands and agrees that the Trustee cannot determine the identity of the actual sender of such directions and that the Trustee shall conclusively presume that directions that purport to have been sent by an authorized officer listed on the incumbency certificate provided to the Trustee have been sent by such Authorized Representative of the District. The District shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Trustee and that the District and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the District. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and a compliance with such directions, notwithstanding such directions conflict or are inconsistent with a subsequent written direction. The District agrees (i) to assume all risks arising out of the use of Electronic Means to submit directions to the Trustee, including, without limitation, the risk of the Trustee acting on unauthorized directions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting directions to the Trustee and that there may be more secure methods of transmitting directions than the method(s) selected by the District; and (iii) that the security procedures (if any) to be followed in connection with its transmission of directions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances.

Section 7.5. Merger or Consolidation. Any company into which the Trustee may be merged or converted or with which it may be consolidated or any company resulting from any

merger, conversion or consolidation to which it shall be a party or any company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, shall be the successor to the Trustee without the execution or filing of any paper or further act, anything herein to the contrary notwithstanding.

ARTICLE VIII

EVENTS OF DEFAULT: REMEDIES

Section 8.1. Events of Default. Any one or more of the following events shall constitute an "Event of Default":

(a) default in the due and punctual payment of the principal of or redemption premium, if any, on any Bond or Parity Bond when and as the same shall become due and payable, whether at maturity as therein expressed, by declaration or otherwise;

(b) default in the due and punctual payment of the interest on any Bond or Parity Bond when and as the same shall become due and payable; or

(c) except as described in subsections (a) or (b), default by the District in the observance of any of the agreements, conditions or covenants on its part contained in this Indenture, the Bonds or any Parity Bonds, which default continues for a period of 30 days after the District has been given notice in writing of such default by the Trustee or the Owners of twenty-five percent (25%) in aggregate principal amount of the Outstanding Bonds and Parity Bonds.

The Trustee agrees to give notice to the Owners as soon as practicable upon the occurrence of an Event of Default under subsections (a) or (b) above and within 30 days of the Trustee's actual knowledge of an Event of Default under subsection (c) above.

Section 8.2. Remedies of Owners. Upon the occurrence of an Event of Default, any Owner 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 Parity Bonds, and to enforce any rights of the Trustee under or with respect to this Indenture, including:

(a) by mandamus or other suit or proceeding at law or in equity to enforce his rights against the District and any of the members, officers and employees of the District, and to compel the District or any such members, officers or employees to perform and carry out their duties under the Act and their agreements with the Owners as provided in this Indenture;

(b) by suit in equity to enjoin any actions or things which are unlawful or violate the rights of the Owners; or

(c) by a suit in equity to require the District and its members, officers and employees to account as the trustee of an express trust.

If an Event of Default shall have occurred and be continuing and if requested and directed so to do by the Owners of at least twenty-five percent (25%) in aggregate principal amount of Outstanding Bonds and Parity Bonds and if indemnified to its satisfaction, the Trustee shall be obligated to exercise such one or more of the rights and powers conferred by this Article VIII, as the

Trustee, being advised by counsel, shall deem most expedient in the interests of the Owners of the Bonds and Parity Bonds.

No remedy herein conferred upon or reserved to the Owners is intended to be exclusive of any other remedy. Every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing, at law or in equity or by statute or otherwise, and may be exercised without exhausting and without regard to any other remedy conferred by the Act or any other law.

Section 8.3. Application of Revenues and Other Funds After Default. All amounts received by the Trustee pursuant to any right given or action taken by the Owners under the provisions of this Indenture relating to the Bonds and Parity Bonds shall be applied by the Trustee in the following order:

First, to the payment of the costs, fees and expenses of the Trustee in declaring such Event of Default and in performing its duties and obligations hereunder, including reasonable compensation to its agents, attorneys and counsel;

Second, upon presentation of the several Bonds and Parity Bonds, to the payment of the fees, costs and expenses of the Owners in declaring such Event of Default and in carrying out the provisions of this Article VIII, including reasonable compensation to its agents, attorneys and counsel, and to the payment of all other outstanding fees and expenses of the Trustee; and

Third, to the payment of the whole amount of interest on and principal of the Bonds and Parity Bonds then due and unpaid, with interest on overdue installments of principal and interest to the extent permitted by law at the net effective rate of interest then borne by the Outstanding Bonds and Parity Bonds; provided, however, that in the event that such amounts shall be insufficient to pay the full amount of such interest and principal, then such amounts shall be applied in the following order of priority:

(a) first to the payment of all installments of interest on the Bonds and Parity Bonds then due and unpaid on a pro rata basis based on the total amount then due and owing;

(b) second, to the payment of all installments of principal, including Sinking Fund Payments, of the Bonds and Parity Bonds then due and unpaid on a pro rata basis based on the total amount then due and owing; and

(c) third, to the payment of interest on overdue installments of principal and interest on the Bonds and Parity Bonds on a pro rata basis based on the total amount then due and owing.

Section 8.4. Power of Trustee to Control Proceedings. In the event that the Trustee, upon the happening of an Event of Default, shall have taken any action, by judicial proceedings or otherwise, pursuant to its obligations hereunder, whether upon its own discretion or upon the request of the Owners of twenty-five percent (25%) in aggregate principal amount of the Bonds and Parity Bonds then Outstanding, it shall have full power, in the exercise of its discretion for the best interests of the Owners of the Bonds and Parity 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 a majority in aggregate principal amount of the Outstanding Bonds and Parity Bonds hereunder opposing such discontinuance, withdrawal, compromise, settlement or other such litigation. Any suit, action or proceeding which any Owner of Bonds or Parity Bonds shall have the right to bring to enforce any right or remedy hereunder may be brought by the Trustee for the equal benefit and protection of all Owners of Bonds and Parity Bonds similarly situated and the Trustee is hereby appointed (and the successive respective Owners of the Bonds and Parity Bonds issued hereunder, 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 and Parity 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 and Parity Bonds as a class or classes, as may be necessary or advisable in the opinion of the Trustee as such attorney-in-fact. Nothing herein shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Owner any plan of reorganization, arrangement, adjustment, or composition affecting the Bonds or Parity Bonds or the rights of any Owner thereof, or to authorize the Trustee to vote in respect of the claim of any Owner in any such proceeding without the approval of the Owners so affected.

Section 8.5. Appointment of Receivers. Upon the occurrence of an Event of Default hereunder, and upon the filing of a suit or other commencement of judicial proceedings to enforce the rights and of the Owners of the Bonds and Parity Bonds under this Indenture, the Trustee shall be entitled, as a matter of right to which the District expressly agrees, to the appointment of a receiver or receivers of the Net Taxes and other amounts pledged hereunder, pending such proceedings, with such powers as the court making such appointment shall confer.

Section 8.6. Non-Waiver. Nothing in this Article VIII or in any other provision of this Indenture, or in the Bonds or the Parity Bonds, shall affect or impair the obligation of the District, which is absolute and unconditional, to pay the interest on and principal of the Bonds and Parity Bonds to the respective Owners of the Bonds and Parity Bonds at the respective dates of maturity, as herein provided, or to pay the Trustee its fees and expenses as provided in Section 8.3 hereof, out of the Net Taxes and other moneys herein pledged for such payment.

A waiver of any default or breach of duty or contract by the Trustee or any 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 or Parity 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 the Owners by the Act or by this Article VIII may be enforced and exercised from time to time and as often as shall be deemed expedient by the Trustee or the Owners, as the case may be.

Section 8.7. Limitations on Rights and Remedies of Owners. No Owner of any Bond or Parity Bond issued hereunder shall have the right to institute any suit, action or proceeding at law or in equity, for any remedy under or upon this Indenture, unless: (a) such Owner shall have previously given to the Trustee written notice of the occurrence of an Event of Default; (b) the Owners of a majority in aggregate principal amount of all the Bonds and Parity 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 shall have tendered to the Trustee indemnity and security reasonably acceptable to the Trustee against the costs, expenses and liabilities to be incurred in compliance with such request; and (d) the Trustee shall have

refused or omitted to comply with such request for a period of sixty (60) days after such written request shall have been received by, and said tender of indemnity and security shall have been made to, the Trustee.

Such notification, request, tender of indemnity and security and refusal or omission are hereby declared, in every case, to be conditions precedent to the exercise by any Owner of Bonds and Parity Bonds of any remedy hereunder; it being understood and intended that no one or more Owners of Bonds and Parity Bonds shall have any right in any manner whatever by his or their action to enforce any right under this Indenture, except in the manner herein provided, and that all proceedings at law or in equity to enforce any provision of this Indenture shall be instituted, had and maintained in the manner herein provided and for the equal benefit of all Owners of the Outstanding Bonds and Parity Bonds.

The right of any Owner of any Bond and Parity Bond to receive payment of the principal of and interest and premium (if any) on such Bond and Parity Bond as herein provided 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 Section or any other provision of this Indenture.

Section 8.8. Termination of Proceedings. In case any Owner shall have proceeded to enforce any right under this Indenture by the appointment of a receiver or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely, then and in every such case, the District, the Trustee and the Owners shall be restored to their former positions and rights hereunder, respectively, with regard to the property subject to this Indenture, and all rights, remedies and powers of the Owners shall continue as if no such proceedings had been taken.

ARTICLE IX

DEFEASANCE AND PARITY BONDS

Section 9.1. Defeasance. If the District shall pay or cause to be paid, or there shall otherwise be paid, to the Owner of an Outstanding Bond or Parity Bond the interest due thereon and the principal thereof, at the times and in the manner stipulated in this Indenture or any Supplemental Indenture, then the Owner of such Bond or Parity Bond shall cease to be entitled to the pledge of Net Taxes, and, other than as set forth below, all covenants, agreements and other obligations of the District to the Owner of such Bond or Parity Bond under this Indenture and any Supplemental Indenture relating to such Parity Bond shall thereupon cease, terminate and become void and be discharged and satisfied, except for the District's indemnification obligations under Sections 7.1 and 7.4 hereunder, which shall survive. In the event of a defeasance of all Outstanding Bonds and Parity Bonds pursuant to this Section, the Trustee shall execute and deliver to the District all such instruments as may be desirable to evidence such discharge and satisfaction, and the Trustee shall pay over or deliver to the District's general fund all money or securities held by it pursuant to this Indenture which are not required for the payment of the principal of, premium, if any, and interest due on such Bonds and Parity Bonds.

Any Outstanding Bond or Parity Bond shall be deemed to have been paid within the meaning expressed in the first paragraph of this Section if such Bond or Parity Bond is paid in any one or more of the following ways:

(a) by paying or causing to be paid the principal of, premium, if any, and interest on such Bond or Parity Bond, as and when the same become due and payable;

(b) by depositing with the Trustee, in trust, at or before maturity, money which, together with the amounts then on deposit in the Special Tax Fund (exclusive of the Administrative Expense Account) and available for such purpose, is fully sufficient to pay the principal of, premium, if any, and interest on such Bond or Parity Bond, as and when the same shall become due and payable; or

(c) by depositing with the Trustee or another escrow bank appointed by the District, in trust, federal securities described in subparagraph (1) of the definition of Authorized Investments, in which the District may lawfully invest its money, in such amount as will be sufficient, together with the interest to accrue thereon and moneys then on deposit in the Special Tax Fund (exclusive of the Administrative Expense Account) and available for such purpose, together with the interest to accrue thereon, to pay and discharge the principal of, premium, if any, and interest on such Bond or Parity Bond, as and when the same shall become due and payable.

If paid as provided above, then, at the election of the District, and notwithstanding that any Outstanding Bonds and Parity Bonds shall not have been surrendered for payment, all obligations of the District under this Indenture and any Supplemental Indenture with respect to such Bond or Parity Bond shall cease and terminate, except for the obligation of the Trustee to pay or cause to be paid to the Owners of any such Bond or Parity Bond not so surrendered and paid all sums due thereon, and except for the covenants of the District contained in Section 5.2(f) or any covenants in a Supplemental Indenture relating to compliance with the Code. Notice of such election shall be filed with the Trustee not less than ten days prior to the proposed defeasance date, or such shorter period of time as may be acceptable to the Trustee. In connection with a defeasance under (c) above, there shall be provided to the District and the Trustee a verification report from an independent nationally recognized certified public accountant stating its opinion as to the sufficiency of the moneys or securities deposited with the Trustee or the escrow bank to pay and discharge the principal of, premium, if any, and interest on all Outstanding Bonds and Parity Bonds to be defeased in accordance with this Section, as and when the same shall become due and payable, and an opinion of Bond Counsel (which may rely upon the opinion of the certified public accountant) to the effect that the Bonds or Parity Bonds being defeased have been legally defeased in accordance with this Indenture and any applicable Supplemental Indenture.

Upon a defeasance, the Trustee, upon request of the District, shall release the rights of the Owners of such Bonds and Parity Bonds which have been defeased under this Indenture and any Supplemental Indenture and execute and deliver to the District all such instruments as may be desirable to evidence such release, discharge and satisfaction. In the case of a defeasance hereunder of all Outstanding Bonds and Parity Bonds, the Trustee shall pay over or deliver to the District any funds held by the Trustee at the time of a defeasance, which are not required for the purpose of paying and discharging the principal of or interest on the Bonds and Parity Bonds when due. The Trustee shall, at the written direction of the District, mail, first class, postage prepaid, a notice to the Owners whose Bonds or Parity Bonds have been defeased, in the form directed by the District, stating that the defeasance has occurred.

Section 9.2. Conditions for the Issuance of Parity Bonds and Other Additional Indebtedness. The District may at any time after the issuance and delivery of the Bonds hereunder issue Parity Bonds payable from the Net Taxes and other amounts deposited in the Special Tax Fund (other than in the Administrative Expense Account therein) and secured by a lien and charge upon such amounts equal to the lien and charge securing the Outstanding Bonds and any other Parity Bonds theretofore issued hereunder or under any Supplemental Indenture; provided, however, that Parity Bonds may only be issued only for the purposes of refunding all or a portion of the Bonds or Parity Bonds then Outstanding subject to the following specific conditions, which are hereby made conditions precedent to the issuance of any such Parity Bonds:

(a) The District shall be in compliance with all covenants set forth in this Indenture and any Supplemental Indenture then in effect and a certificate of the District to that effect shall have been filed with the Trustee; provided, however, that Parity Bonds may be issued notwithstanding that the District is not in compliance with all such covenants so long as immediately following the issuance of such Parity Bonds the District will be in compliance with all such covenants.

(b) The issuance of such Parity Bonds shall have been duly authorized pursuant to the Act and all applicable laws, and the issuance of such Parity Bonds shall have been provided for by a Supplemental Indenture duly adopted by the District which shall specify the following:

(1) the purpose for which such Parity Bonds are to be issued and the fund or funds into which the proceeds thereof are to be deposited;

(2) the authorized principal amount of such Parity Bonds;

(3) the date and the maturity date or dates of such Parity Bonds; provided that: (i) each maturity date shall fall on a September 1; (ii) all such Parity Bonds of like maturity shall be identical in all respects, except as to number; (iii) fixed serial maturities or Sinking Fund Payments, or any combination thereof, shall be established to provide for the retirement of all such Parity Bonds on or before their respective maturity dates; and (iv) the maturity of such Parity Bonds shall not exceed the maturity of the Bonds being refunded;

(4) the description of the Parity Bonds, the place of payment thereof and the procedure for execution and authentication;

(5) the denominations and method of numbering of such Parity Bonds;

(6) the amount and due date of each mandatory Sinking Fund Payment, if any, for such Parity Bonds;

(7) the amount, if any, to be deposited from the proceeds of such Parity Bonds in the Reserve Account of the Special Tax Fund to increase the amount therein to the Reserve Requirement;

(8) the form of such Parity Bonds; and

(9) such other provisions as are necessary or appropriate and not inconsistent with this Indenture.

(c) The District shall have received the following documents or money or securities, all of such documents dated or certified, as the case may be, as of the date of delivery of such Parity Bonds by the Trustee (unless the Trustee shall be directed by the District to accept any of such documents bearing a prior date):

(1) a certified resolution of the City Council, acting as the legislative body of the District, authorizing the issuance of such Parity Bonds;

(2) a written request of the District as to the delivery of such Parity Bonds;

(3) an opinion of Bond Counsel and/or general counsel to the District to the effect that: (i) the District has the right and power under the Act to execute and deliver the Supplemental Indenture relating to such Parity Bonds, and such Supplemental Indenture has been duly and lawfully executed by the District, and the Indenture and such Supplemental Indenture are in full force and effect and are valid and binding upon the District and enforceable in accordance with their terms (except as enforcement may be limited by bankruptcy, insolvency, reorganization and other similar laws relating to the enforcement of creditors' rights); (ii) this Indenture creates the valid pledge which it purports to create of the Net Taxes and other amounts as provided in this Indenture, subject to the application thereof to the purposes and on the conditions permitted by this Indenture; and (iii) such Parity Bonds are valid and binding limited obligations of the District, enforceable in accordance with their terms (except as enforcement may be limited by bankruptcy, insolvency, reorganization and other similar laws relating to the enforcement of creditors' rights) and the terms of this Indenture and the Supplemental Indenture executed and delivered in connection with such Parity Bonds and are entitled to the benefits of this Indenture and such Supplemental Indenture, and such Parity Bonds have been duly and validly authorized and issued in accordance with the Act (or other applicable laws) and this Indenture and such Supplemental Indenture; and a further opinion of Bond Counsel to the effect that, assuming compliance by the District with certain tax covenants, the issuance of the Parity Bonds will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Bonds and any Parity Bonds theretofore issued on a tax-exempt basis, or the exemption from State of California personal income taxation of interest on any Outstanding Bonds and Parity Bonds theretofore issued;

(4) a certificate of the District containing such statements as may be reasonably necessary to show compliance with the requirements of this Indenture;

(5) a certificate of an Independent Financial Consultant certifying that in each Bond Year the Annual Debt Service on the Bonds and Parity Bonds to remain Outstanding following the issuance of the Parity Bonds proposed to be issued is less than the Annual Debt Service on the Bonds and Parity Bonds Outstanding prior to the issuance of such Parity Bonds; and

(6) such further documents, money and securities as are required by the provisions of this Indenture and the Supplemental Indenture providing for the issuance of such Parity Bonds.

ARTICLE X

MISCELLANEOUS

Section 10.1. Cancellation of Bonds and Parity Bonds. All Bonds and Parity Bonds surrendered to the Trustee for payment upon maturity or for redemption shall be upon payment therefor, and any Bond or Parity Bond purchased by the District as authorized herein and delivered to the Trustee for such purpose shall be, cancelled forthwith and shall not be reissued. The Trustee shall destroy such Bonds and Parity Bonds, as provided by law, and, upon request of the District, furnish to the District a certificate of such destruction.

Section 10.2. Execution of Documents and Proof of Ownership. Any request, direction, consent, revocation of consent, or other instrument in writing required or permitted by this Indenture to be signed or executed by Owners may be in any number of concurrent instruments of similar tenor and may be signed or executed by such Owners in person or by their attorneys appointed by an instrument in writing for that purpose, or by the bank, trust company or other depository for such Bonds. Proof of the execution of any such instrument, or of any instrument appointing any such attorney, and of the ownership of Bonds or Parity Bonds shall be sufficient for the purposes of this Indenture (except as otherwise herein provided), if made in the following manner:

(a) The fact and date of the execution by any Owner or his or her attorney of any such instrument, and of any instrument appointing any such attorney, may be proved by a signature guarantee of any bank or trust company located within the United States of America. Where any such instrument is executed by an officer of a corporation or association or a member of a partnership on behalf of such corporation, association or partnership, such signature guarantee shall also constitute sufficient proof of his authority.

(b) As to any Bond or Parity Bond, the person in whose name the same shall be registered in the Bond Register shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of the principal of any such Bond or Parity Bond, and the interest thereon, shall be made only to or upon the order of the registered Owner thereof or his or her legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond or Parity Bond and the interest thereon to the extent of the sum or sums to be paid. Neither the District nor the Trustee shall be affected by any notice to the contrary.

Nothing contained in this Indenture shall be construed as limiting the Trustee or the District to such proof, it being intended that the Trustee or the District may accept any other evidence of the matters herein stated which the Trustee or the District may deem sufficient. Any request or consent of the Owner of any Bond or Parity Bond shall bind every future Owner of the same Bond or Parity Bond in respect of anything done or suffered to be done by the Trustee or the District in pursuance of such request or consent.

Section 10.3. Unclaimed Moneys. Anything in this Indenture to the contrary notwithstanding, any money held by the Trustee in trust for the payment and discharge of any of the Outstanding Bonds and Parity Bonds which remain unclaimed for two years after the date when such Outstanding Bonds or Parity Bonds have become due and payable, if such money was held by the Trustee at such date, or for two years after the date of deposit of such money if deposited with the Trustee after the date when such Outstanding Bonds or Parity Bonds become due and payable, shall be repaid by the Trustee (without liability for interest) to the District, as its absolute property and free

from trust, and the Trustee shall thereupon be released and discharged with respect thereto and the Owners shall look only to the District for the payment of such Outstanding Bonds or Parity Bonds; provided, however, that, before being required to make any such payment to the District, the Trustee, at the expense of the District, shall cause to be mailed by first-class mail, postage prepaid, to the registered Owners of such Outstanding Bonds or Parity Bonds at their addresses as they appear on the registration books of the Trustee a notice that said money remains unclaimed and that, after a date named in said notice, which date shall not be less than 30 days after the date of the mailing of such notice, the balance of such money then unclaimed will be returned to the District.

Section 10.4. Provisions Constitute Contract. The provisions of this Indenture shall constitute a contract between the District and the Owners and the provisions hereof shall be construed in accordance with the laws of the State of California.

In case any suit, action or proceeding to enforce any right or exercise any remedy shall be brought or taken and, should said suit, action or proceeding be abandoned, or be determined adversely to the Owners or the Trustee, then the District, the Trustee and the Owners shall be restored to their former positions, rights and remedies as if such suit, action or proceeding had not been brought or taken.

After the issuance and delivery of the Bonds, this Indenture shall be irrevocable, but shall be subject to modifications to the extent and in the manner provided in this Indenture, but to no greater extent and in no other manner.

Section 10.5. Future Contracts. Nothing herein contained shall be deemed to restrict or prohibit the District from making contracts or creating bonded or other indebtedness payable from a pledge of the Net Taxes which is subordinate to the pledge hereunder, or which is payable from the general fund of the District or from taxes or any source other than the Net Taxes and other amounts pledged hereunder.

Section 10.6. Further Assurances. The District will adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Indenture, and for the better assuring and confirming unto the Owners of the Bonds or any Parity Bonds the rights and benefits provided in this Indenture.

Section 10.7. Entire Agreement; Severability. This Indenture and the exhibits hereto set forth the entire agreement and understanding of the parties related to this transaction and supersedes all prior agreements and understandings, oral or written. If any covenant, agreement or provision, or any portion thereof, contained in this Indenture, or the application thereof to any person or circumstance, is held to be unconstitutional, invalid or unenforceable, the remainder of this Indenture and the application of any such covenant, agreement or provision, or portion thereof, to other persons or circumstances, shall be deemed severable and shall not be affected thereby, and this Indenture, the Bonds and any Parity Bonds issued pursuant hereto shall remain valid and the Owners shall retain all valid rights and benefits accorded to them under the laws of the State of California.

Section 10.8. Notices. Any notices required to be given to the District with respect to the Bonds or this Indenture shall be mailed, first class, postage prepaid, or personally delivered to the City Manager of the City of Escondido, 201 North Broadway, Escondido, CA 92025, all notices to the Trustee in its capacity as Trustee shall be mailed, first class, postage prepaid, or personally

delivered to the Trustee, The Bank of New York Mellon Trust Company, N.A., 333 South Hope Street, Suite 2525, Los Angeles, California 90071.

IN WITNESS WHEREOF, COMMUNITY FACILITIES DISTRICT NO. 2022-1 OF THE CITY OF ESCONDIDO (ECLIPSE/MOUNTAIN HOUSE) has caused this Indenture to be signed by an Authorized Representative of the District and The Bank of New York Mellon Trust Company, N.A. in token of its acceptance of the trust created hereunder, has caused this Indenture to be signed in its corporate name by its officers identified below, all as of the day and year first above written.

COMMUNITY FACILITIES DISTRICT NO. 2022-1
OF THE CITY OF ESCONDIDO
(ECLIPSE/MOUNTAIN HOUSE)

By: _____
Mayor of the City of Escondido, acting as the
legislative body of Community Facilities
District No. 2022-1 of the City of Escondido
(Eclipse/Mountain House)

ATTEST:

City Clerk of the City of Escondido,
acting as the legislative body of
Community Facilities District No. 2022-1
of the City of Escondido
(Eclipse/Mountain House)

THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A., as Trustee

By: _____
Authorized Signatory

EXHIBIT A**FORM OF SPECIAL TAX BOND**

UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE DISTRICT OR TRUSTEE FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY BOND ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

R- _____

\$ _____

**UNITED STATES OF AMERICA
STATE OF CALIFORNIA
COUNTY OF SAN DIEGO**

**COMMUNITY FACILITIES DISTRICT NO. 2022-1 OF THE
CITY OF ESCONDIDO (ECLIPSE/MOUNTAIN HOUSE)
SPECIAL TAX BOND, SERIES 2024**

INTEREST RATE: MATURITY DATE: DATED DATE: CUSIP:
_____ % September 1, 20____ _____, 2024 29634S ____

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____ DOLLARS

COMMUNITY FACILITIES DISTRICT NO. 2022-1 OF THE CITY OF ESCONDIDO (ECLIPSE/MOUNTAIN HOUSE) (the "District") which was formed by the City of Escondido (the "City") and is situated in the County of San Diego, State of California, FOR VALUE RECEIVED, hereby promises to pay, solely from certain amounts held under the Indenture (as hereinafter defined), to the Owner named above, or registered assigns, on the Maturity Date set forth above, unless redeemed prior thereto as hereinafter provided, the Principal Amount set forth above, and to pay interest on such Principal Amount from the Interest Payment Date (as hereinafter defined) next preceding the date of authentication hereof, unless: (i) the date of authentication is an Interest Payment Date, in which event interest shall be payable from such date of authentication; (ii) the date of authentication is after a Record Date (as hereinafter defined) but prior to the immediately succeeding Interest Payment Date, in which event interest shall be payable from the Interest Payment Date immediately succeeding the date of authentication; or (iii) the date of authentication is prior to the close of business on the first Record Date, in which event interest shall be payable from the Dated Date set forth above. Notwithstanding the foregoing, if at the time of authentication of this Bond

interest is in default, interest on this Bond shall be payable from the last Interest Payment Date to which the interest has been paid or made available for payment or, if no interest has been paid or made available for payment, interest on this Bond shall be payable from the Dated Date set forth above. Interest will be paid semiannually on September 1, 2024 and each March 1 and September 1 thereafter (each an "Interest Payment Date"), at the Interest Rate set forth above, until the Principal Amount hereof is paid or made available for payment.

The principal of and premium, if any, on this Bond are payable to the Owner hereof in lawful money of the United States of America upon presentation and surrender of this Bond at the Principal Office of the Trustee (as such term is defined in the Indenture), initially The Bank of New York Mellon Trust Company, N.A. (the "Trustee"). Interest on this Bond shall be paid by check of the Trustee mailed, by first class mail, postage prepaid, or in certain circumstances described in the Indenture by wire transfer to an account within the United States of America, to the Owner hereof as of the close of business on the fifteenth day of the month preceding the month in which the Interest Payment Date occurs (the "Record Date") at such Owner's address as it appears on the registration books maintained by the Trustee.

This Bond is one of a duly authorized issue of "Community Facilities District No. 2022-1 of the City of Escondido (Eclipse/Mountain House) Special Tax Bonds, Series 2024" (the "Bonds") issued in the aggregate principal amount of \$_____ pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, being Section 53311 *et seq.* of the California Government Code (the "Act") for the purpose of financing public improvements, funding a reserve account, funding a portion of the interest due on the Bonds through September 1, 2022, and paying certain costs related to the issuance of the Bonds. The issuance of the Bonds and the terms and conditions thereof are provided for by a resolution adopted by the City Council of the City, acting in its capacity as the legislative body of the District (the "Legislative Body"), on April 10, 2024, and a Bond Indenture executed in connection therewith dated as of May 1, 2024 (the "Indenture"), by and between the District and the Trustee, and this reference incorporates the Indenture herein, and by acceptance hereof the Owner of this Bond assents to said terms and conditions. The Indenture is adopted under and this Bond is issued under, and both are to be construed in accordance with, the laws of the State of California.

Pursuant to the Act and the Indenture, the principal of, premium, if any, and interest on this Bond are payable solely from the portion of the annual special taxes authorized under the Act to be levied and collected within the District (the "Special Taxes") and certain other amounts pledged to the repayment of the Bonds as set forth in the Indenture. Any amounts for the payment hereof shall be limited to the Net Taxes pledged and collected or foreclosure proceeds received following a default in payment of the Special Taxes and other amounts deposited to the Special Tax Fund (other than the Administrative Expense Account therein) established under the Indenture, except to the extent that other provision for payment has been made by the Legislative Body, as may be permitted by law. The District has covenanted for the benefit of the owners of the Bonds that under certain circumstances described in the Indenture it will commence and diligently pursue to completion appropriate foreclosure proceedings in the event of delinquencies of Special Tax installments levied for payment of principal and interest on the Bonds.

The Bonds may be redeemed at the option of the District from any source of funds on any Interest Payment Date on or after September 1, 20_, in whole or in part, from such maturities as are selected by the District and by lot within a maturity, at the following redemption prices, expressed as

a percentage of the principal amount to be redeemed, together with accrued interest to the date of redemption:

<i>Redemption Date</i>	<i>Redemption Price</i>
September 1, 20__ and March 1, 20__	103%
September 1, 20__ and March 1, 20__	102
September 1, 20__ and March 1, 20__	101
September 1, 20__ and any Interest Payment Date Thereafter	100

The Bonds maturing on September 1, 20 (the "20 Term Bonds") shall be called before maturity and redeemed, from the Sinking Fund Payments that have been deposited into the Redemption Account established by the Indenture, on September 1, 20_, and on each September 1 thereafter prior to maturity, in accordance with the schedule of Sinking Fund Payments set forth below. The 20_ Term Bonds so called for redemption shall be selected by the Trustee by lot and shall be redeemed at a redemption price for each redeemed 20 Term Bond equal to the principal amount thereof, plus accrued interest to the redemption date, without premium, as follows:

Term Bonds Maturing September 1, 20__

*Sinking Fund Redemption Date
(September 1)*

Sinking Fund Payments

* Maturity.

The Bonds maturing on September 1, 20 (the "20 Term Bonds") shall be called before maturity and redeemed, from the Sinking Fund Payments that have been deposited into the Redemption Account established by the Indenture, on September 1, 20_, and on each September 1 thereafter prior to maturity, in accordance with the schedule of Sinking Fund Payments set forth below. The 20_ Term Bonds so called for redemption shall be selected by the Trustee by lot and shall be redeemed at a redemption price for each redeemed 20 Term Bond equal to the principal amount thereof, plus accrued interest to the redemption date, without premium, as follows:

Term Bonds Maturing September 1, 20__

*Sinking Fund Redemption Date
(September 1)*

Sinking Fund Payments

* Maturity.

The Bonds maturing on September 1, 20 (the "20 Term Bonds") shall be called before maturity and redeemed, from the Sinking Fund Payments that have been deposited into the Redemption Account established by the Indenture, on September 1, 20_, and on each September 1

thereafter prior to maturity, in accordance with the schedule of Sinking Fund Payments set forth below. The 20_ Term Bonds so called for redemption shall be selected by the Trustee by lot and shall be redeemed at a redemption price for each redeemed 20 Term Bond equal to the principal amount thereof, plus accrued interest to the redemption date, without premium, as follows:

Term Bonds Maturing September 1, 20__

*Sinking Fund Redemption Date
(September 1)*

Sinking Fund Payments

* Maturity.

The Bonds are subject to special mandatory redemption as a whole, or in part on a pro rata basis among maturities and by lot within a maturity, on any Interest Payment Date on or after September 1, 2024, and shall be redeemed by the Trustee, from Prepayments deposited to the Redemption Account plus amounts transferred from the Reserve Account in connection with such transfers, at the following redemption prices, expressed as a percentage of the principal amount to be redeemed, together with accrued interest to the redemption date:

<i>Redemption Date</i>	<i>Redemption Price</i>
Any Interest Payment Date from September 1, 2024 through March 1, 20__	103%
September 1, 20__ and March 1, 20__	102
September 1, 20__ and March 1, 20__	101
September 1, 20__ and any Interest Payment Date thereafter	100

Notice of redemption with respect to the Bonds to be redeemed shall be mailed to the registered owners thereof not less than 30 nor more than 45 days prior to the redemption date by first class mail, postage prepaid, to the addresses set forth in the registration books; provided, however, so long as the Bonds are registered in the name of the Nominee, such notice shall be given in such manner as complies with the requirements of the Depository. Neither a failure of the Owner hereof to receive such notice nor any defect therein will affect the validity of the proceedings for redemption. All Bonds or portions thereof so called for redemption will cease to accrue interest on the specified redemption date, provided that funds for the redemption are on deposit with the Trustee on the redemption date. Thereafter, the registered owners of such Bonds shall have no rights except to receive payment of the redemption price upon the surrender of the Bonds.

This Bond shall be registered in the name of the Owner hereof, as to both principal and interest, and the District and the Trustee may treat the Owner hereof as the absolute owner for all purposes and shall not be affected by any notice to the contrary.

The Bonds are issuable only in fully registered form in the denomination of \$5,000 or any integral multiple thereof and may be exchanged for a like aggregate principal amount of Bonds of other authorized denominations of the same issue and maturity, all as more fully set forth in the Indenture. This Bond is transferable by the Owner hereof, in person or by his attorney duly authorized in writing, at the Principal Office of the Trustee, but only in the manner, subject to the

limitations and upon payment of the charges provided in the Indenture, upon surrender and cancellation of this Bond. Upon such transfer, a new registered Bond of authorized denomination or denominations for the same aggregate principal amount of the same issue and maturity will be issued to the transferee in exchange therefor.

The Trustee shall not be required to register transfers or make exchanges of: (i) any Bonds for a period of 15 days next preceding any selection of the Bonds to be redeemed; or (ii) any Bonds chosen for redemption.

The rights and obligations of the District and of the registered owners of the Bonds may be amended at any time, and in certain cases without notice to or the consent of the registered owners, to the extent and upon the terms provided in the Indenture.

THE BONDS DO NOT CONSTITUTE GENERAL OBLIGATIONS OF THE CITY OR OF THE DISTRICT. NEITHER THE CITY NOR THE DISTRICT IS OBLIGATED TO LEVY OR PLEDGE, OR HAS LEVIED OR PLEDGED, GENERAL OR SPECIAL TAXES, OTHER THAN THE SPECIAL TAXES REFERENCED HEREIN. THE BONDS ARE LIMITED OBLIGATIONS OF THE DISTRICT PAYABLE FROM THE PORTION OF THE SPECIAL TAXES AND OTHER AMOUNTS PLEDGED UNDER THE INDENTURE BUT ARE NOT A DEBT OF THE CITY, THE STATE OF CALIFORNIA OR ANY OF ITS POLITICAL SUBDIVISIONS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY LIMITATION OR RESTRICTION.

This Bond shall not become valid or obligatory for any purpose until the certificate of authentication and registration hereon endorsed shall have been dated and signed by the Trustee.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required by law to exist, happen and be performed precedent to and in the issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other indebtedness of the District, does not exceed any debt limit prescribed by the laws or Constitution of the State of California.

IN WITNESS WHEREOF, Community Facilities District No. 2022-1 of the City of Escondido (Eclipse/Mountain House) has caused this Bond to be dated the Dated Date, to be signed on behalf of the District by the Mayor of the City by his facsimile signature and attested by the facsimile signature of the City Clerk of the City.

Mayor of the City of Escondido, acting as the legislative body of Community Facilities District No. 2022-1 of the City of Escondido (Eclipse/Mountain House)

ATTEST:

City Clerk of the City of Escondido, acting as the legislative body of Community Facilities District No. 2022-1 of the City of Escondido (Eclipse/Mountain House)

[FORM OF TRUSTEE'S CERTIFICATE
OF AUTHENTICATION AND REGISTRATION]

This is one of the Bonds described in the within-defined Indenture.

Dated: _____, 2024

THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A. as Trustee

By: _____
Authorized Signatory

[FORM OF LEGAL OPINION]

The following is a true copy of the opinion rendered by Stradling Yocca Carlson & Rauth, a Professional Corporation, in connection with the issuance of, and dated as of the date of the original delivery of, the Bonds. A signed copy is on file in my office.

City Clerk of the City

[FORM OF ASSIGNMENT]

For value received the undersigned do(es) hereby sell, assign and transfer unto

whose tax identification number is _____,
the within-mentioned registered Bond and hereby irrevocably constitute(s) and appoint(s)
attorney to transfer the same on the books of the Trustee with full power of substitution in the
premises.

Dated: _____

Signature guaranteed:

NOTE: Signature(s) must be guaranteed by an
eligible guarantor institution.

NOTE: The signatures(s) on this Assignment
must correspond with the name(s) as written on
the face of the within Bond in every particular
without alteration or enlargement or any change
whatsoever.

EXHIBIT B-1

FORM OF REQUISITION FOR DISBURSEMENT OF PROJECT COSTS

\$ _____
**COMMUNITY FACILITIES DISTRICT NO. 2022-1 OF THE
CITY OF ESCONDIDO (ECLIPSE/MOUNTAIN HOUSE)
SPECIAL TAX BONDS, SERIES 2024**

The Bank of New York Mellon Trust Company, N.A. (the "Trustee"), is hereby requested to pay from the City Improvements Account of the Community Facilities District No. 2022-1 of the City of Escondido (Eclipse/Mountain House) Acquisition and Construction Fund, established by the Bond Indenture, dated as of May 1, 2024, by and between the Trustee and Community Facilities District No. 2022-1 of the City of Escondido (Eclipse/Mountain House) (the "District"), the amount specified to the payee named below for payment of the Project Costs set forth in Attachment No. 1 hereto.

Payee:
Address:
Purpose:
Amount: \$

The amount is due and payable under purchase order, contract or other authorization and has not formed the basis of any prior request for payment. The conditions for the release of this amount from the City Improvements Account, including those conditions in Section 3.9(b) of the Indenture have been satisfied.

There has not been filed with nor served upon the District notice of any lien, right to lien or attachment upon, or stop notice or claim affecting the right to receive payment of the amount specified above which has not been released or will not be released simultaneously with the payment of such amount, other than materialmen's or mechanic's liens accruing by mere operation of law.

Dated: _____

**COMMUNITY FACILITIES DISTRICT NO. 2022-1
OF THE CITY OF ESCONDIDO
(ECLIPSE/MOUNTAIN HOUSE)**

By: _____
Name: _____
Title: _____

[\$[PAR]]
COMMUNITY FACILITIES DISTRICT NO. 2022-1 OF THE
CITY OF ESCONDIDO (ECLIPSE/MOUNTAIN HOUSE)
SPECIAL TAX BONDS, SERIES 2024

BOND PURCHASE AGREEMENT

[Pricing Date]

Community Facilities District No. 2022-1
of the City of Escondido (Eclipse/Mountain House)
201 North Broadway
Escondido, California 92025

Ladies and Gentlemen:

Stifel, Nicolaus & Company, Incorporated, as underwriter (the "Underwriter"), acting not as a fiduciary or agent for you, but on behalf of itself, offers to enter into this Bond Purchase Agreement (this "Purchase Agreement") with Community Facilities District No. 2022-1 of the City of Escondido (Eclipse/Mountain House) (the "Community Facilities District"), which upon acceptance will be binding upon the Underwriter and the Community Facilities District. The agreement of the Underwriter to purchase the Bonds (as hereinafter defined) is contingent upon the Community Facilities District satisfying all of the obligations imposed upon it under this Purchase Agreement. This offer is made subject to the Community Facilities District's acceptance by the execution of this Purchase Agreement and its delivery to the Underwriter at or before 11:59 p.m., local time, on the date hereof, and, if not so accepted, will be subject to withdrawal by the Underwriter upon notice delivered to the Community Facilities District at any time prior to the acceptance hereof by the Community Facilities District. All capitalized terms used herein, which are not otherwise defined, shall have the meaning provided for such terms in the Bond Indenture, dated as of May 1, 2024 (the "Indenture"), by and between the Community Facilities District and The Bank of New York Mellon Company, N.A., as trustee (the "Trustee").

1. Purchase, Sale and Delivery of the Bonds.

Subject to the terms and conditions and in reliance upon the representations, warranties and agreements set forth herein, the Underwriter hereby agrees to purchase from the Community Facilities District and the Community Facilities District hereby agrees to sell to the Underwriter all (but not less than all) of the \$[PAR] aggregate principal amount of Community Facilities District No. 2022-1 of the City of Escondido (Eclipse/Mountain House) Special Tax Bonds, Series 2024 (the "Bonds"), dated the Closing Date (as hereinafter defined), bearing interest at the rates and maturing on the dates and in the principal amounts set forth in Exhibit A hereto. The purchase price for the Bonds shall be \$_____ (being 100% of the aggregate principal amount thereof, plus original issue premium of \$_____ and less an Underwriter's discount of \$_____).

The Underwriter agrees to make a bona fide public offering of all of the Bonds initially at the public offering prices (or yields) set forth in Exhibit A attached hereto and incorporated herein by

reference. Subsequent to the initial public offering, the Underwriter reserves the right to change the public offering prices (or yields) as it deems necessary in connection with the marketing of the Bonds subject to Section 4 hereof, provided that the Underwriter shall not change the interest rates set forth in Exhibit A. The Bonds will be offered and sold to certain dealers at prices lower than such initial offering prices.

The Bonds shall be substantially in the form described in, shall be issued and secured under the provisions of, and shall be payable from the Net Taxes and certain other funds pledged therefor as provided in, the Indenture, the Preliminary Official Statement (as hereinafter defined), and the Mello-Roos Community Facilities Act of 1982, as amended (Section 53311 *et seq.* of the Government Code of the State of California (the "State")) (the "Community Facilities District Act"). The issuance of the Bonds has been duly authorized by the City Council of the City of Escondido (the "City"), as the legislative body for the Community Facilities District, pursuant to a resolution (the "Community Facilities District Resolution of Issuance") adopted on April 10, 2024.

The net proceeds of the Bonds will be used to (i) finance certain public improvements needed with respect to the development of property located within the Community Facilities District, including public improvements to be owned by the City, (ii) fund a reserve account for the Bonds, and (iii) pay the costs of issuance with respect to the Bonds.

A. The Community Facilities District hereby acknowledges that the Underwriter is entering into this Purchase Agreement in reliance on the representations, warranties and agreements made by the Community Facilities District herein, and the Community Facilities District shall take all action necessary to enforce its rights hereunder for the benefit of the Underwriter and shall immediately notify the Underwriter if it becomes aware that any representation, warranty or agreement made by the Community Facilities District herein is incorrect in any material respect.

The Community Facilities District acknowledges and agrees that (i) the purchase and sale of the Bonds pursuant to this Purchase Agreement is an arm's-length commercial transaction between the Community Facilities District and the Underwriter, (ii) in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of such transaction, the Underwriter is and has been acting solely as principal and is not acting as the agent or fiduciary of, or a municipal or financial advisor of, the Community Facilities District and has not assumed any advisory or fiduciary responsibility to the Community Facilities District with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriter has provided or is currently providing other services to the Community Facilities District on other matters), (iv) the Underwriter has financial interests that differ from those of the Community Facilities District, (v) the only obligations the Underwriter has to the Community Facilities District with respect to the transaction contemplated hereby are expressly set forth in this Purchase Agreement, except as otherwise provided by applicable rules and regulations of the Securities and Exchange Commission or the rules of the MSRB (as defined below) or other law, and (vi) the Community Facilities District has consulted its own legal, financial, accounting, tax, and other advisors to the extent they have deemed appropriate in connection with this transaction. The Community Facilities District acknowledges that it has previously provided the Underwriter with an acknowledgement of receipt of the required Underwriter disclosure under Rule G-17 of the Municipal Securities Rulemaking Board ("MSRB"). The Community Facilities District acknowledges and represents that it has engaged CSG Advisors Incorporated (the "Municipal Advisor") as its municipal advisor (as defined in Securities and Exchange Commission Rule 15Ba1) and will rely solely on the financial advice of the Municipal Advisor with respect to the Bonds.

B. Pursuant to the authorization of the Community Facilities District, the Underwriter has distributed copies of the Preliminary Official Statement dated [POS Date], relating to the Bonds, which, together with the cover page, inside cover page and appendices thereto is herein called the "Preliminary Official Statement." By its acceptance of this Purchase Agreement, the Community Facilities District hereby ratifies the use by the Underwriter of the Preliminary Official Statement, and the Community Facilities District agrees to execute a final official statement relating to the Bonds (the "Official Statement") which will consist of the Preliminary Official Statement with such changes as may be made thereto, with the approval of Stradling Yocca Carlson & Rauth LLP, as Bond Counsel ("Bond Counsel"), and as Disclosure Counsel ("Disclosure Counsel"), and the Underwriter, and to provide copies thereof to the Underwriter as set forth herein. The Community Facilities District hereby authorizes the Underwriter to use and promptly distribute, in connection with the offer and sale of the Bonds, the Preliminary Official Statement, the Official Statement and any supplement or amendment thereto. The Community Facilities District further authorizes the Underwriter to use and distribute, in connection with the offer and sale of the Bonds, the Indenture, the Continuing Disclosure Certificate executed by the Community Facilities District in connection with the Bonds (the "Continuing Disclosure Certificate"), this Purchase Agreement and all information contained herein, and all other documents, certificates and statements furnished by or on behalf of the Community Facilities District to the Underwriter in connection with the transactions contemplated by this Purchase Agreement. This Purchase Agreement, the Indenture, the Bonds, and the Continuing Disclosure Certificate are collectively referred to herein as the "Community Facilities District Documents."

C. To assist the Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b)(5) (the "Rule"), the Community Facilities District will undertake pursuant to the Continuing Disclosure Certificate, in the form attached as Appendix G to the Official Statement, to provide annual reports and notices of certain enumerated events. A description of this undertaking is set forth in the Preliminary Official Statement and will also be set forth in the Official Statement.

D. Except as the Underwriter and the Community Facilities District may otherwise agree, the Community Facilities District will deliver to the Underwriter, at the offices of Bond Counsel in Newport Beach, California, or at such other location as may be mutually agreed upon by the Underwriter and the Community Facilities District, the documents hereinafter mentioned; and the Community Facilities District will deliver to the Underwriter through the facilities of The Depository Trust Company ("DTC"), the Bonds, in definitive form (all Bonds bearing CUSIP numbers), duly executed by the Community Facilities District and authenticated by the Trustee in the manner provided for in the Indenture and the Community Facilities District Act at 8:30 a.m. California time, on [Closing Date] (the "Closing Date"), and the Underwriter will accept such delivery and pay the purchase price of the Bonds as set forth in paragraph (A) of this Section by wire transfer, payable in federal or other immediately available funds (such delivery and payment being herein referred to as the "Closing"). The Bonds shall be in fully registered book-entry form (which may be typewritten) and shall be registered in the name of Cede & Co., as nominee of DTC.

2. Representations, Warranties and Covenants of the Community Facilities District. The Community Facilities District represents, warrants and covenants to the Underwriter on behalf of itself and the City that:

A. The City is duly organized and validly existing as a general law city under the Constitution and laws of the State and has duly authorized the formation of the Community Facilities

District and the incurring of bonded indebtedness thereby pursuant to resolutions duly adopted by the City Council (collectively, the "Community Facilities District Formation Resolutions" and, together with the Community Facilities District Resolution of Issuance, the "Community Facilities District Resolutions") and the Community Facilities District Act. The City Council, as the legislative body of the City and the Community Facilities District, has duly adopted the Community Facilities District Formation Resolutions and an ordinance of the City Council levying Special Taxes within the Community Facilities District (the "Ordinance"), and has caused to be recorded in the real property records of the County of San Diego, a notice of special tax lien, and any required amendments thereof (collectively, the "Notice of Special Tax Lien" and, together with the Community Facilities District Formation Resolutions and the Ordinance, the "Formation Documents"), and has duly adopted the Community Facilities District Resolution of Issuance. Each of its Formation Documents remains in full force and effect as of the date hereof and has not been amended or rescinded. The Community Facilities District is duly organized and validly existing as a community facilities district under the laws of the State. The Community Facilities District has, and at the Closing Date will have, as the case may be, full legal right, power and authority: (i) to execute, deliver and perform its obligations under the Community Facilities District Documents, and to carry out all transactions contemplated by each of such agreements; (ii) to issue, sell and deliver the Bonds as provided herein; and (iii) to carry out, give effect to and consummate the transactions contemplated by the Formation Documents, the Community Facilities District Documents, the Acquisition and Funding Agreement dated as of March 1, 2022 (the "Acquisition Agreement"), by and among the City, acting for and on behalf of itself and the Community Facilities District, CWC Escondido 113, LLC, a Delaware limited liability company (the "Developer"), and TTLC CalWest, LLC, a California limited liability company, and the Official Statement.

B. The Community Facilities District and the City, as applicable, have each complied, and will at the Closing Date be in compliance in all material respects, with the Formation Documents and the Community Facilities District Documents, and any immaterial noncompliance by the Community Facilities District and the City, if any, will not impair the ability of the Community Facilities District and the City, as applicable, to carry out, give effect to or consummate the transactions contemplated by the foregoing. From and after the date of issuance of the Bonds, the Community Facilities District will continue to comply with the covenants of the Community Facilities District contained in the Community Facilities District Documents.

C. The information in the Preliminary Official Statement and in the Official Statement relating to the Community Facilities District, the City and the Bonds (other than statements pertaining to the book-entry system, as to which no view is expressed), is true and correct in all material respects and does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; and, upon delivery and up to and including 25 days after the End of the Underwriting Period (as defined in paragraph (D) below), the Official Statement will be amended and supplemented so as to contain no misstatement of any material fact or omission of any statement necessary to make the statements contained therein, in the light of the circumstances in which such statements were made, not misleading.

D. Up to and including 25 days after the End of the Underwriting Period, the Community Facilities District will advise the Underwriter promptly of any proposal to amend or supplement the Official Statement and will not affect or consent to any such amendment or supplement without the consent of the Underwriter, which consent will not be unreasonably withheld. The Community Facilities District will advise the Underwriter promptly of the institution

of any proceedings known to it by any governmental agency prohibiting or otherwise materially affecting the use of the Official Statement in connection with the offering, sale or distribution of the Bonds. As used herein, the term "End of the Underwriting Period" means the later of such time as:

(i) the Bonds are delivered to the Underwriter; or (ii) the Underwriter does not retain, directly or as a member of an underwriting syndicate, an unsold balance of the Bonds for sale to the public. Unless the Underwriter gives notice to the contrary, the End of the Underwriting Period shall be deemed to be the Closing Date. Any notice delivered pursuant to this provision shall be written notice delivered to the Community Facilities District at or prior to the Closing Date, and shall specify a date (other than the Closing Date) to be deemed the "End of the Underwriting Period."

E. Except as described in the Preliminary Official Statement, the Community Facilities District is not, in any respect material to the transactions referred to herein or contemplated hereby, in breach of or in default under, any law or administrative rule or regulation of the State, the United States of America, or of any department, division, agency or instrumentality of either thereof, or under any applicable court or administrative decree or order, or under any loan agreement, note, resolution, indenture, contract, agreement or other instrument to which the Community Facilities District is a party or is otherwise subject or bound, and the performance of its obligations under the Community Facilities District Documents and compliance with the provisions of each thereof, or the performance of the conditions precedent to be performed by the Community Facilities District pursuant to this Purchase Agreement, will not conflict with or constitute a breach of or default under any applicable law or administrative rule or regulation of the State, the United States of America, or of any department, division, agency or instrumentality of either thereof, or under any applicable court or administrative decree or order, or under any loan agreement, note, resolution, indenture, contract, agreement or other instrument to which the Community Facilities District is a party or is otherwise subject or bound, in any manner which would materially and adversely affect the performance by the Community Facilities District of its obligations under the Community Facilities District Documents or the performance of the conditions precedent to be performed by the Community Facilities District pursuant to this Purchase Agreement.

F. Except as may be required under the "blue sky" or other securities laws of any jurisdiction, all approvals, consents, authorizations, elections and orders of, or filings or registrations with, any governmental authority, board, agency or commission having jurisdiction which would constitute a condition precedent to, or the absence of which would materially adversely affect, the performance by the Community Facilities District of its obligations under the Community Facilities District Documents, and the performance of the conditions precedent to be performed by the Community Facilities District pursuant to this Purchase Agreement, have been or will be obtained at the Closing Date and are or will be in full force and effect at the Closing Date.

G. The Community Facilities District Documents conform as to form and tenor to the descriptions thereof contained in the Official Statement.

H. The Bonds are payable from the Net Taxes of the Community Facilities District, as set forth in the Indenture, the levy of which has been duly and validly authorized pursuant to the Community Facilities District Act and the Special Taxes within the Community Facilities District will be fixed and levied in an amount which, together with other available funds, is required for the payment of the principal of, and interest on, the Bonds when due and payable, all as provided in the Indenture. The Community Facilities District has covenanted to cause the Special Taxes to be levied and collected at the same time and in the same manner as ordinary *ad valorem* property taxes or in such other manner as the City Council shall determine.

I. The Indenture creates a valid first pledge of and lien on the Net Taxes of the Community Facilities District, and in the moneys in the Special Tax Fund, including the Reserve Account therein (the "Reserve Account") but exclusive of the Administrative Expense Account, established pursuant to the Indenture, on the terms and conditions set forth in the Indenture.

J. Except as disclosed in the Preliminary Official Statement, there are, to the best of the Community Facilities District's knowledge, no entities with outstanding assessment liens against any of the properties within the Community Facilities District or which are senior to or on a parity with the Special Taxes of the Community Facilities District.

K. The information contained in the Preliminary Official Statement and in the Official Statement (other than statements therein pertaining to the DTC and its book-entry system, as to which no view is expressed) is true and correct in all material respects and such information does not and shall not contain any untrue or misleading statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

L. The Preliminary Official Statement was deemed final by a duly authorized officer of the Community Facilities District prior to its delivery to the Underwriter, except for the omission of such information as is permitted to be omitted in accordance with paragraph (b)(1) of the Rule. The Community Facilities District hereby covenants and agrees that, within seven (7) business days from the date hereof, or upon reasonable written notice from the Underwriter within sufficient time to accompany any confirmation requesting payment from any customers of the Underwriter, the Community Facilities District shall cause a final printed form of the Official Statement to be delivered to the Underwriter in sufficient quantity to comply with paragraph (b)(4) of the Rule and Rules G-12, G-15, G-32 and G-36 of the MSRB.

M. At the time of acceptance hereof there is and as of the Closing there will be no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body (collectively and individually, an "Action") pending (notice of which has been served on the City or the Community Facilities District) or to the best knowledge of the Community Facilities District or the City threatened, in which any such Action: (i) in any way questions the existence of the Community Facilities District or the titles of the officers of the Community Facilities District to their respective offices; (ii) affects, contests or seeks to prohibit, restrain or enjoin the issuance or delivery of the Bonds or the payment or collection of Special Taxes or any amounts pledged or to be pledged to pay the principal of and interest on the Bonds, or in any way contests or affects the validity of the Community Facilities District Documents or the consummation of the transactions on the part of the Community Facilities District contemplated thereby; (iii) contests the exemption of interest on the Bonds from federal or State income taxation or contests the powers of the Community Facilities District which may result in any material adverse change relating to the financial condition of the Community Facilities District; or (iv) contests the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto or asserts that the Preliminary Official Statement or the Official Statement contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; and as of the time of acceptance hereof there is and, as of the Closing Date, there will be no basis for any action, suit, proceeding, inquiry or investigation of the nature described in clauses (i) through (iv) of this sentence.

N. Any certificate signed on behalf of the Community Facilities District by any officer or employee of the Community Facilities District authorized to do so shall be deemed a representation and warranty by the Community Facilities District to the Underwriter on behalf of itself and the Community Facilities District as to the statements made therein.

O. At or prior to the Closing, the Community Facilities District will have duly authorized, executed and delivered the Continuing Disclosure Certificate in substantially the form attached as Appendix G to the Official Statement. Based upon a review of its previous undertakings, and except as disclosed in the Preliminary Official Statement, the City and its related entities have not failed to comply in all material respects with any previous undertakings with regard to the Rule to provide annual reports or notices of enumerated events in the last five years.

P. The Community Facilities District will apply the proceeds of the Bonds in accordance with the Indenture and as described in the Preliminary Official Statement and Official Statement.

Q. Until such time as moneys have been set aside in an amount sufficient to pay all then outstanding Bonds at maturity or to the date of redemption if redeemed prior to maturity, plus unpaid interest thereon and premium, if any, to maturity or to the date of redemption if redeemed prior to maturity, the Community Facilities District will faithfully perform and abide by all of the covenants, undertakings and provisions contained in the Indenture.

R. Between the date of this Purchase Agreement and the date of Closing, the Community Facilities District will not offer or issue any bonds, notes or other obligations for borrowed money not previously disclosed to the Underwriter.

S. The City, on behalf of the Community Facilities District, has adopted local debt policies in accordance with Section 8855(i) of the California Government Code.

The Community Facilities District hereby approves the preparation and distribution of the Official Statement, consisting of the Preliminary Official Statement with such changes as are noted thereon and as may be made thereto, with the approval of Bond Counsel, Disclosure Counsel and the Underwriter, from time to time prior to the Closing Date.

The Community Facilities District hereby ratifies any prior use of and authorizes the future use by the Underwriter, in connection with the offering and sale of the Bonds, of the Preliminary Official Statement, the Official Statement, this Purchase Agreement and all information contained herein, and all other documents, certificates and written statements furnished by the City or the Community Facilities District to the Underwriter in connection with the transactions contemplated by this Purchase Agreement.

The execution and delivery of this Purchase Agreement by the Community Facilities District shall constitute a representation by the Community Facilities District to the Underwriter that the representations and warranties contained in this Section 2 with respect to the Community Facilities District and the City are true as of the date hereof.

3. Conditions to the Obligations of the Underwriter. The obligation of the Underwriter to accept delivery of and pay for the Bonds on the Closing Date shall be subject, at the option of the Underwriter, to the accuracy in all material respects of the representations and warranties on the part

of the Community Facilities District contained herein, to the accuracy in all material respects of the statements of the officers and other officials of the Community Facilities District made in any certificates or other documents furnished pursuant to the provisions hereof, to the performance by the Community Facilities District of their obligations to be performed hereunder at or prior to the Closing Date, and in reliance upon the representations and covenants of the Developer contained in the certificate(s) delivered as of the Closing Date, and to the following additional conditions:

A. At the Closing Date, the Community Facilities District Resolutions and the Community Facilities District Documents shall be in full force and effect, and shall not have been amended, modified or supplemented, except as may have been agreed to in writing by the Underwriter, and there shall have been taken in connection therewith, with the issuance of the Bonds and with the Bonds, and with the transactions contemplated thereby, and by this Purchase Agreement, all such actions as, in the opinion of Bond Counsel, shall be necessary and appropriate.

B. At the Closing Date, except as described in the Preliminary Official Statement, the City shall not be, in any respect material to the transactions referred to herein or contemplated hereby, in breach of or in default under, any law or administrative rule or regulation of the State, the United States of America, or of any department, division, agency or instrumentality of either thereof, or under any applicable court or administrative decree or order, or under any loan agreement, note, resolution, indenture, contract, agreement or other instrument to which the City is a party or is otherwise subject or bound, and the performance of the conditions precedent to be performed hereunder will not conflict with or constitute a breach of or default under any applicable law or administrative rule or regulation of the State, the United States of America, or of any department, division, agency or instrumentality of either thereof, or under any applicable court or administrative decree or order, or under any loan agreement, note, resolution, indenture, contract, agreement or other instrument to which the City is a party or is otherwise subject or bound, in any manner which would materially and adversely affect the performance of the conditions precedent to be performed by the City hereunder.

C. At the Closing Date, except as described in the Preliminary Official Statement, the Community Facilities District shall not be, in any respect material to the transactions referred to herein or contemplated hereby, in breach of or in default under, any law or administrative rule or regulation of the State, the United States of America, or of any department, division, agency or instrumentality of either thereof, or under any applicable court or administrative decree or order, or under any loan agreement, note, resolution, indenture, contract, agreement or other instrument to which the Community Facilities District is a party or is otherwise subject or bound, and the performance by the Community Facilities District of its obligations under the Bonds, the Community Facilities District Resolutions, the Community Facilities District Documents, and any other instruments contemplated by any of such documents, and compliance with the provisions of each thereof, or the performance of the conditions precedent to be performed hereunder, will not conflict with or constitute a breach of or default under any applicable law or administrative rule or regulation of the State, the United States of America, or of any department, division, agency or instrumentality of either thereof, or under any applicable court or administrative decree or order, or under any loan agreement, note, resolution, indenture, contract, agreement or other instrument to which the Community Facilities District is a party or is otherwise subject or bound, in any manner which would materially and adversely affect the performance by the Community Facilities District of its obligations under the Community Facilities District Documents or the performance of the conditions precedent to be performed by the Community Facilities District hereunder.

D. The information contained in the Official Statement is, as of the Closing Date and as of the date of any supplement or amendment thereto pursuant hereto, true and correct in all material respects and does not, as of the Closing Date or as of the date of any supplement or amendment thereto, contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

E. Between the date hereof and the Closing Date, the market price or marketability, at the initial offering prices set forth on the cover page of the Official Statement, of the Bonds or the ability of the Underwriter to enforce contracts for the sale of the Bonds, shall not have been materially adversely affected, in the reasonable judgment of the Underwriter (evidenced by a written notice to the Community Facilities District terminating the obligation of the Underwriter to accept delivery of and pay for the Bonds), by reason of any of the following:

1. Legislation introduced in or enacted (or resolution passed) by the Congress of the United States of America or recommended to the Congress by the President of the United States, the Department of the Treasury, the Internal Revenue Service, or any member of Congress, or favorably reported for passage to either House of Congress by any committee of such House to which such legislation had been referred for consideration, or a decision rendered by a court established under Article III of the Constitution of the United States of America or by the Tax Court of the United States of America, or an order, ruling, regulation (final, temporary or proposed), press release or other form of notice issued or made by or on behalf of the Treasury Department of the United States of America or the Internal Revenue Service, with the purpose or effect, directly or indirectly, of imposing federal income taxation upon such interest as would be received by any owners of the Bonds beyond the extent to which such interest is subject to taxation as of the date hereof;

2. Legislation introduced in or enacted (or resolution passed) by the Congress or an order, decree or injunction issued by any court of competent jurisdiction, or an order, ruling, regulation (final, temporary or proposed), press release or other form of notice issued or made by or on behalf of the Securities and Exchange Commission ("SEC"), or any other governmental agency having jurisdiction of the subject matter, to the effect that obligations of the general character of the Bonds, including any or all underlying arrangements, are not exempt from registration under or other requirements of the Securities Act of 1933, as amended, or that the Indenture is not exempt from qualification under or other requirements of the Trust Indenture Act of 1939, as amended, or that the issuance, offering or sale of obligations of the general character of the Bonds, including any or all underlying arrangements, as contemplated hereby or by the Official Statement or otherwise is or would be in violation of the federal securities laws as amended and then in effect;

3. A general suspension of trading on the New York Stock Exchange or other major exchange shall be in force, or minimum or maximum prices for trading shall have been fixed and be in force, or maximum ranges for prices for securities shall have been required and be in force on any such exchange, whether by virtue of determination by that exchange or by order of the SEC or any other governmental authority having jurisdiction;

4. The introduction, proposal or enactment of any amendment to the federal or California Constitution or any action by any federal or California court, legislative body, regulatory body or other authority materially adversely affecting the tax status of the Community Facilities District, its property, income, securities (or interest thereon), the validity or enforceability

of Special Taxes, or the ability of the Community Facilities District to construct or acquire the improvements as contemplated by the Formation Documents, the Community Facilities District Documents or the Official Statement or the right of any owner of the property within the Community Facilities District to develop such property in the manner described in the Official Statement, or the ability of the Community Facilities District to issue the Bonds as contemplated by the Indenture and the Official Statement;

5. There shall have occurred (1) an outbreak or escalation of hostilities or the declaration by the United States of a national emergency or war, (2) any other calamity or crisis in the financial markets of the United States or elsewhere, or (3) the sovereign debt rating of the United States is downgraded by any major credit rating agency or a payment default occurs on United States Treasury obligations;

6. Except as disclosed in or contemplated by the Official Statement, any material adverse change in the affairs of the City or Community Facilities District shall have occurred;

7. Any event or circumstance shall exist that either makes untrue or incorrect in any material respect any statement or information in the Official Statement (other than any statement provided by the Underwriter) or is not reflected in the Official Statement but should be reflected therein in order to make the statements therein, in the light of the circumstances under which they were made, not misleading and, in either such event, the City or the Community Facilities District refuses to permit the Official Statement to be supplemented to supply such statement or information, or the effect of the Official Statement as so supplemented is to materially adversely affect the market price or marketability of the Bonds or the ability of the Underwriter to enforce contracts for the sale of the Bonds;

8. A general banking moratorium shall have been declared by federal or State authorities having jurisdiction and be in force;

9. A material disruption in securities settlement, payment or clearance services affecting the Bonds shall have occurred;

10. Any new restriction on transactions in securities materially affecting the market for securities (including the imposition of any limitation on interest rates) or the extension of credit by, or a charge to the net capital requirements of, underwriters shall have been established by any national securities exchange, the Comptroller of the Currency, , the SEC, any other federal or State agency or the Congress of the United States, or by Executive Order;

11. Any proceeding shall have been commenced or be threatened in writing by the Securities and Exchange Commission against the City or the Community Facilities District; or

12. The commencement of any Action.

F. At or prior to the Closing Date, the Underwriter shall have received a counterpart original or certified copy of the following documents, in each case satisfactory in form and substance to the Underwriter:

1. The Official Statement, executed on behalf of the Community Facilities District by an authorized officer;

2. The Community Facilities District Documents, each duly executed and delivered by the respective parties thereto, with only such amendments, modifications or supplements as may have been agreed to in writing by the Underwriter;

3. The Community Facilities District Resolutions and the Formation Documents, and the Community Facilities District Documents, together with a certificate dated as of the Closing Date of the City Clerk to the effect that resolutions and documents are true, correct and complete copies of the ones duly adopted by the City Council;

4. An unqualified approving opinion for the Bonds, dated the Closing Date and addressed to the Community Facilities District, of Bond Counsel, to the effect that the Bonds are the valid, legal and binding obligations of the Community Facilities District and that the interest thereon is excluded from gross income for federal income tax purposes and exempt from personal income taxes of the State, in substantially the form included as Appendix C to the Official Statement, together with a letter of Bond Counsel, dated the Closing Date and addressed to the Underwriter and the Trustee, to the effect that such opinion addressed to the Community Facilities District may be relied upon by the Underwriter and the Trustee to the same extent as if such opinion was addressed to it;

5. A supplemental opinion or opinions of Bond Counsel dated the Closing Date and addressed to the Underwriter to the effect that:

(i) this Purchase Agreement and the Continuing Disclosure Certificate have been duly executed and delivered by the Community Facilities District and, assuming due authorization, execution and delivery by the other parties thereto, constitute the valid and binding obligations of the Community Facilities District, except to the extent that enforceability may be limited by moratorium, bankruptcy, reorganization, insolvency or other similar laws affecting creditors' rights generally or by the exercise of judicial discretion in accordance with general principles of equity or otherwise in appropriate cases and by limitations on legal remedies against public agencies in the State;

(ii) the Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Indenture is exempt from qualification under the Trust Indenture Act of 1939, as amended; and

(iii) the statements contained in the Official Statement under the captions "INTRODUCTION – Source of Payment for the Bonds," "INTRODUCTION – Description of the Bonds," "INTRODUCTION – Tax Exemption," "INTRODUCTION – Parity Bonds for Refunding Purposes Only," "THE BONDS," "SOURCES OF PAYMENT FOR THE BONDS," (except information under the caption "– Special Taxes" as to which no opinion is expressed), "TAX EXEMPTION," Appendix C – "FORM OF OPINION OF BOND COUNSEL" and Appendix F – "SUMMARY OF THE INDENTURE," excluding any material that may be treated as included under such captions by cross-reference or reference to other documents or sources, insofar as such statements expressly summarize certain provisions of the Indenture and Bond Counsel's final approving opinion, are accurate in all material respects.

6. A letter, dated the Closing Date and addressed to the Underwriter, of Disclosure Counsel, to the effect that such counsel is not passing upon and has not undertaken to determine independently or to verify the accuracy or completeness of the statements contained in the Preliminary Official Statement or in the Official Statement, and is, therefore, unable to make any representation to the Underwriter in that regard, but on the basis of its participation in conferences with representatives of the City, the City Attorney, as issuer's counsel ("Issuer's Counsel"), Bond Counsel, the appraisal of the taxable properties within the Community Facilities District with a date of value as of February 9, 2024 (the "Appraisal Report"), prepared by Kitty Siino & Associates, Inc. (the "Appraiser"), Empire Economics, Inc., Special District Financing & Administration, LLC (the "Special Tax Consultant"), the Municipal Advisor, representatives of the Underwriter and others, during which conferences the content of the Preliminary Official Statement and the Official Statement and related matters were discussed, and its examination of certain documents, and, in reliance thereon and based on the information made available to it in its role as Disclosure Counsel and its understanding of applicable law, Disclosure Counsel advises the Underwriter as a matter of fact, but not opinion, that no information has come to the attention of the attorneys in the firm working on such matter which has led them to believe that the Preliminary Official Statement as of its date and the date hereof and the Official Statement as of its date and as of the Closing Date (in each case excluding therefrom the financial and statistical data, forecasts, charts, numbers, estimates, projections, assumptions and expressions of opinion included in the Preliminary Official Statement and the Official Statement, information regarding DTC and its book entry system and the information set forth in Appendices A, B, C, D, E, F, G and H, as to all of which no opinion is expressed) contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

7. A certificate dated the Closing Date and signed by an authorized representative of the Community Facilities District or an authorized designee, on behalf of the Community Facilities District to the effect that: (i) the representations and warranties made by the Community Facilities District contained herein are true and correct in all material respects on and as of the Closing Date with the same effect as if made on the Closing Date; (ii) to the best knowledge of such officer, no event has occurred since the date of the Official Statement which should be disclosed in the Official Statement for the purpose for which it is to be used or which it is necessary to disclose therein in order to make the statements and information therein not misleading in any material respect; (iii) the Community Facilities District has complied with all the agreements and satisfied all the conditions on its part to be satisfied under this Purchase Agreement, the Community Facilities District Resolutions, the Community Facilities District Documents and the Official Statement at or prior to the Closing Date; and (iv) all information in the Official Statement relating to the Community Facilities District (other than information therein provided by the Special Tax Consultant) is true and correct in all material respects as of the date of the Official Statement and as of the Closing Date;

8. An opinion of the Issuer's Counsel dated the date of Closing and addressed to the Underwriter, the Trustee and the City, substantially in the form attached hereto as Exhibit D;

9. A certificate dated the Closing Date from the Appraiser addressed to the Community Facilities District and the Underwriter substantially to the effect that (i) the assumptions made in the Appraisal Report are reasonable; the Appraisal Report fairly and accurately described, as of the stated date of value, the market values of the properties in the Community

Facilities District that are subject to the Special Taxes, (ii) the Appraiser is not aware of any event or act which occurred since the date of value of the Appraisal Report which, in its opinion, would materially and adversely affect the conclusions as to the market value of the appraised property in the Community Facilities District, (iii) the Appraiser consents to the reproduction of the Appraisal Report as Appendix D to the Preliminary Official Statement and the final Official Statement, each with respect to the Bonds, and to the references to the Appraiser and the Appraisal Report made in the Preliminary Official Statement and the Official Statement, (iv) the Appraisal Report complies with the Appraisal Standards for Land-Secured Financings issued by the California Debt and Investment Advisory Commission dated July, 2004, (v) a true and correct copy of the Appraisal Report is attached as Appendix D to the Preliminary Official Statement and the Official Statement; and (vi) neither the Appraisal Report nor the information in the Preliminary Official Statement or the Official Statement referring to it contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading;

10. A certificate dated the Closing Date from the Special Tax Consultant addressed to the Community Facilities District and the Underwriter to the effect that: (i) the Special Tax, if levied and collected in the maximum amounts permitted pursuant to the Rate and Method of Apportionment of Special Taxes of the Community Facilities District, as of the Closing Date, would generate at least 110% of the annual debt service payable with respect to the related issue of Bonds plus the Administrative Expenses Cap, based on such assumptions and qualifications as shall be acceptable to the Underwriter; (ii) the statements in the Preliminary Official Statement and the Official Statement provided by the Special Tax Consultant concerning Special Taxes in the Community Facilities District and all information supplied by it for use in the Official Statement were as of the date of the Preliminary Official Statement, the date of the Official Statement and are as of the Closing Date true and correct, and do not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading; (iii) all information supplied by the Special Tax Consultant to the Appraiser is true and correct as of the date of the Preliminary Official Statement and the date of the Official Statement and as of the Closing Date, based on such assumptions as may have been supplied by it; (iv) the information contained in the Appraisal Report with respect to taxes and tax rates applicable, and projected to be applicable, to the property in the Community Facilities District is consistent with such information provided by the Special Tax Consultant to the Appraiser, which information so provided was based on information obtained by the Special Tax Consultant from the Community Facilities District, the Developer and the City; and (v) the Special Tax Consultant is duly authorized to execute and deliver the Continuing Disclosure Certificate in its capacity as dissemination agent thereunder, and the Special Tax Consultant has duly executed and delivered the Continuing Disclosure Certificate;

11. Certified copies of the general resolution of the Trustee authorizing the execution and delivery of certain documents by certain officers of the Trustee, which resolution authorizes the execution of the Indenture and the authentication of the Bonds;

12. A certificate of the Trustee, addressed to the Underwriter, and the Community Facilities District dated the Closing Date, to the effect that: (i) the Trustee is authorized to carry out corporate trust powers, and has full power and authority to perform its duties under the Indenture; (ii) the Trustee is duly authorized to execute and deliver the Indenture, to accept the obligations created by the Indenture and to authenticate the Bonds pursuant to the terms of the Indenture; (iii) no consent, approval, authorization or other action by any governmental or regulatory

authority having jurisdiction over the Trustee that has not been obtained is or will be required for the authentication of the Bonds or the consummation by the Trustee of the other transactions contemplated to be performed by the Trustee in connection with the authentication of the Bonds and the acceptance and performance of the obligations created by the Indenture; and (iv) to the best of its knowledge, compliance with the terms of the Indenture will not conflict with, or result in a violation or breach of, or constitute a default under, any material agreement or material instrument to which the Trustee is a party or by which it is bound, or any law or any rule, regulation, order or decree of any court or governmental agency or body having jurisdiction over the Trustee or any of its activities or properties;

13. An opinion of counsel to the Trustee dated the Closing Date, addressed to the Underwriter, and the Community Facilities District to the effect that (i) the Trustee is a national banking association duly organized and validly existing under the laws of the jurisdiction of its organization and has the corporate power to execute and deliver the Indenture, and any other documentation relating to the Indenture, (ii) the execution and delivery by the Trustee of the Indenture and any other documentation relating to the Indenture, and its performance of its obligations under the Indenture, have been and are as of the date hereof duly authorized by all necessary corporate action, (iii) the Indenture has been duly executed and delivered and constitutes the valid and legally binding obligation of the Trustee enforceable against it in accordance with its terms except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general principles of equity (regardless of whether enforcement is sought as a proceeding in equity or at law), and (iv) the Bonds have been duly authenticated and delivered by the Trustee;

14. A certificate of the Community Facilities District dated the Closing Date, in a form acceptable to Bond Counsel and the Underwriter, that the Bonds are not arbitrage bonds within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended;

15. A negative assurance letter of counsel to the Developer, dated the date of the Closing, in form and substance acceptable to the Underwriter and Bond Counsel;

16. A Letter of Representations from the Developer dated the date of printing the Preliminary Official Statement, substantially in the form attached hereto as Exhibit B;

17. A Closing Certificate from the Developer dated the Closing Date, substantially in the form attached hereto as Exhibit C or as such Closing Certificate may be modified with the approval of the Underwriter and Disclosure Counsel;

18. A certificate dated the Closing Date from Empire Economics, Inc. addressed to the Community Facilities District and the Underwriter to the effect that the statements in the Official Statement provided by Empire Economics, Inc. and all information supplied by it for use in the Official Statement were as of the date of the Official Statement and are as of the Closing Date true and correct, and do not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading;

19. An opinion of Anzel Galvan LLP, San Francisco, California, counsel to the Underwriter, dated the date of Closing and addressed to the Underwriter in form and substance acceptable to the Underwriter;

20. A certificate of the Municipal Advisor to the effect that the Municipal Advisor has participated in the preparation of the Preliminary Official Statement and the Official Statement and nothing has come to the attention of the Municipal Advisor which would lead it to believe that the Preliminary Official Statement or the Official Statement contain any untrue statement of a material fact or omits to state a fact necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading; and

21. Such additional legal opinions, certificates, instruments and other documents as the Underwriter may reasonably request to evidence the truth and accuracy, as of the date hereof and as of the Closing Date, of the material representations and warranties of the Community Facilities District contained herein, and of the statements and information contained in the Official Statement and the due performance or satisfaction by the Community Facilities District at or prior to the Closing of all agreements then to be performed and all conditions then to be satisfied by the Community Facilities District in connection with the transactions contemplated hereby and by the Indenture and the Official Statement.

If the Community Facilities District shall be unable to satisfy the conditions to the obligations of the Underwriter to purchase, accept delivery of and pay for the Bonds contained in this Purchase Agreement, or if the obligations of the Underwriter to purchase, accept delivery of and pay for the Bonds shall be terminated for any reason permitted by this Purchase Agreement, this Purchase Agreement shall terminate and neither the Community Facilities District nor the Underwriter shall be under any further obligation hereunder, except that the respective obligations of the Underwriter and the Community Facilities District set forth in Section 5 hereof shall continue in full force and effect.

4. Establishment of Issue Price.

A. The Underwriter agrees to assist the Community Facilities District in establishing the issue price of the Bonds and shall execute and deliver to the Community Facilities District at Closing an "issue price" or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit E, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the Community Facilities District and Bond Counsel (as defined herein), to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Bonds. All actions to be taken by the Community Facilities District under this section to establish the issue price of the Bonds may be taken on behalf of the Community Facilities District by the Municipal Advisor and any notice or report to be provided to the Community Facilities District may be provided to the Community Facilities District's Municipal Advisor.

B. Except as otherwise set forth in Exhibit A attached hereto, the Community Facilities District will treat the first price at which 10% of each maturity of the Bonds (the "10% test") is sold to the public as the issue price of that maturity. At or promptly after the execution of this Purchase Agreement, the Underwriter shall report to the Community Facilities District the price or prices at which it has sold to the public each maturity of Bonds. If at that time the 10% test has not been satisfied as to any maturity of the Bonds, the Underwriter agrees to promptly report to the Community Facilities District the prices at which it sells the unsold Bonds of that maturity to the public. That reporting obligation shall continue, whether or not the Closing Date (as defined herein) has occurred, until the 10% test has been satisfied as to the Bonds of that maturity or until all Bonds of that maturity have been sold to the public, provided that the Underwriter's reporting obligation after the date of the Closing may be at reasonable periodic intervals or otherwise upon request of the

Community Facilities District or Bond Counsel. For purposes of this Section, if Bonds mature on the same date but have different interest rates, each separate CUSIP number within that maturity will be treated as a separate maturity of the Bonds. For clarity, and notwithstanding any other condition to Closing set forth in this Purchase Agreement, the sale of 10% of each maturity of the Bonds to the public prior to the Closing Date shall not be a condition to Closing.

C. The Underwriter confirms that it has offered the Bonds to the public on or before the date of this Purchase Agreement at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth in Exhibit A attached hereto, except as otherwise set forth therein. Exhibit A also sets forth, as of the date of this Purchase Agreement, the maturities, if any, of the Bonds for which the 10% test has not been satisfied and for which the Community Facilities District and the Underwriter agree that the restrictions set forth in the next sentence shall apply, which will allow the Community Facilities District to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the "hold-the-offering-price rule"). So long as the hold-the-offering-price rule remains applicable to any maturity of the Bonds, the Underwriter will neither offer nor sell unsold Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (1) the close of the fifth (5th) business day after the sale date; or
- (2) the date on which the Underwriter has sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The Underwriter will advise the Community Facilities District promptly after the close of the fifth (5th) business day after the sale date whether it has sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

D. The Underwriter confirms that:

- (1) any selling group agreement and any third-party distribution agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer who is a member of the selling group and each broker-dealer that is a party to such third-party distribution agreement, as applicable:
 - (a)(i) to report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the Underwriter that the 10% test has been satisfied as to the Bonds of that maturity, provided that the reporting obligation after the date of the Closing may be at reasonable periodic intervals or otherwise upon request of the Underwriter, and (ii) to comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Underwriter,
 - (b) to promptly notify the Underwriter of any sales of Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter

participating in the initial sale of the Bonds to the public (each such term being used as defined below), and

(c) to acknowledge that, unless otherwise advised by the dealer or broker-dealer, the Underwriter shall assume that each order submitted by the dealer or broker-dealer is a sale to the public.

(2) any selling group agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the Underwriter or the dealer that the 10% test has been satisfied as to the Bonds of that maturity, provided that the reporting obligation after the date of the Closing may be at reasonable periodic intervals or otherwise upon request of the Underwriter or the dealer, and (B) comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Underwriter or the dealer and as set forth in the related pricing wires.

E. The Community Facilities District acknowledges that, in making the representations set forth in this subsection, the Underwriter will rely on (i) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in a selling group agreement and the related pricing wires, and (ii) in the event that a third-party distribution agreement was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in the third-party distribution agreement and the related pricing wires. The Community Facilities District further acknowledges that the Underwriter shall not be liable for the failure of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement, to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule if applicable to the Bonds.

F. The Underwriter acknowledges that sales of any Bonds to any person that is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below) shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

(1) “public” means any person other than an underwriter or a related party;

(2) “underwriter” means (A) any person that agrees pursuant to a written contract with the Community Facilities District (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public

and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the public);

(3) a purchaser of any of the Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other); and

(4) “sale date” means the date of execution of this Purchase Agreement by all parties.

5. Expenses. Whether or not the Bonds are delivered to the Underwriter as set forth herein:

A. The Underwriter shall be under no obligation to pay, and the Community Facilities District shall pay or cause to be paid (out of any legally available funds of the Community Facilities District) all expenses incident to the performance of the Community Facilities District’s obligations hereunder, including, but not limited to, the cost of printing, engraving and delivering the Bonds to DTC, the cost of preparation, printing, distributing and delivering of the Indenture, the Preliminary Official Statement, the Official Statement, any amendment or supplement to the Preliminary Official Statement or the Official Statement and this Purchase Agreement, and all other agreements and documents contemplated hereby (and drafts of any thereof) in such reasonable quantities as requested by the Underwriter; and the fees and disbursements of the Trustee, Bond Counsel, Disclosure Counsel and any financial advisors, special tax consultants, appraisers, accountants, engineers or any other experts or consultants the City or the Community Facilities District may have retained in connection with the Bonds; and

B. The Community Facilities District shall be under no obligation to pay, and the Underwriter shall pay, any fees of the California Debt and Investment Advisory Commission, the cost of preparation of any “blue sky” or legal investment memoranda and this Purchase Agreement; expenses to qualify the Bonds for sale under any “blue sky” or other state securities laws; and all other expenses incurred by the Underwriter in connection with its public offering and distribution of the Bonds (except those specifically enumerated in paragraph (a) of this section), including the fees and disbursements of its counsel, meals, transportation and lodging (but not entertainment expenses), and any advertising expenses in connection with the public offering of the Bonds.

6. Notices. Any notice or other communication to be given to the Community Facilities District or the Community Facilities District under this Purchase Agreement may be given by delivering the same in writing to the City of Escondido, 201 North Broadway, Escondido, California 92025, Attention: City Manager; any notice or other communication to be given to the Underwriter

under this Purchase Agreement may be given by delivering the same in writing to Stifel, Nicolaus & Company, Incorporated, 2121 Avenue of the Stars, Suite 2150, Los Angeles, California 90067, Attention: Sara Brown.

7. Parties In Interest. This Purchase Agreement is made solely for the benefit of the Community Facilities District and Underwriter (including any successors or assignees of the Underwriter) and no other person shall acquire or have any right hereunder or by virtue hereof.

8. Survival of Representations and Warranties. The representations and warranties of the Community Facilities District under this Purchase Agreement shall not be deemed to have been discharged, satisfied or otherwise rendered void by reason of the Closing and regardless of any investigations made by or on behalf of the Underwriter (or statements as to the results of such investigations) concerning such representations and statements of the Community Facilities District and regardless of delivery of and payment for the Bonds.

9. Execution in Counterparts. This Purchase Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

10. Effective. This Purchase Agreement shall become effective and binding upon the respective parties hereto upon the execution of the acceptance hereof by the Community Facilities District and shall be valid and enforceable as of the time of such acceptance.

11. No Prior Agreements. This Purchase Agreement contains the entire agreement between the parties relating to the subject matter hereof and supersedes all oral statements, prior writings and representations with respect thereto.

12. Governing Law. This Purchase Agreement shall be governed by the laws of the State.

13. Effective Date. This Purchase Agreement shall become effective and binding upon the respective parties hereto upon the execution of the acceptance hereof by the Community Facilities District and shall be valid and enforceable as of the time of such acceptance.

Very truly yours,

STIFEL, NICOLAUS & COMPANY,
INCORPORATED

By: _____
Its: Managing Director

The foregoing is hereby agreed to and accepted as of the date first above written:

COMMUNITY FACILITIES DISTRICT NO. 2022-1
OF THE CITY OF ESCONDIDO (ECLIPSE/MOUNTAIN HOUSE)

By: _____
Authorized Officer

Time of Execution: _____ California time

EXHIBIT A**COMMUNITY FACILITIES DISTRICT NO. 2022-1 OF THE
CITY OF ESCONDIDO (ECLIPSE/MOUNTAIN HOUSE)
SPECIAL TAX BONDS, SERIES 2024****MATURITY SCHEDULE**

<u>Maturity (September 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Price</u>	<u>10% Test Satisfied*</u>	<u>10% Test Not Satisfied</u>	<u>Subject to Hold- The-Offering- Price Rule</u>
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T: Term Bond.

C: Priced to optional redemption date of September 1, 20_{..}, at par.

* At the time of execution of this Purchase Agreement and assuming orders are confirmed immediately after the execution of this Purchase Agreement.

REDEMPTION PROVISIONS

Optional Redemption. The Bonds may be redeemed at the option of the District from any source of funds on any Interest Payment Date on or after September 1, 20__, in whole or in part, from such maturities as are selected by the District and by lot within a maturity, at the following redemption prices, expressed as a percentage of the principal amount to be redeemed, together with accrued interest to the date of redemption:

<i>Redemption Date</i>	<i>Redemption Price</i>
September 1, 20__ and March 1, 20__	103%
September 1, 20__ and March 1, 20__	102
September 1, 20__ and March 1, 20__	101
September 1, 20__ and any Interest Payment Date Thereafter	100

In the event that the District elects to redeem Bonds as provided above, the District will give written notice to the Trustee of its election to so redeem, the redemption date and the principal amount of the Bonds of each maturity to be redeemed. The notice to the Trustee will be given at least 30 but no more than 60 days prior to the redemption date, or by such later date as is acceptable to the Trustee.

Mandatory Sinking Fund Redemption. The Bonds maturing on September 1, 20_ (the "20_Term Bonds") will be called before maturity and redeemed, from the Sinking Fund Payments that have been deposited into the Redemption Account established under the Indenture, on September 1, 20_, and on each September 1 thereafter prior to maturity, in accordance with the schedule of Sinking Fund Payments set forth below. The 20_Term Bonds so called for redemption will be selected by the Trustee by lot and will be redeemed at a redemption price for each redeemed 20_ Term Bond equal to the principal amount thereof, plus accrued interest to the redemption date, without premium, as follows:

Term Bonds Maturing September 1, 20__

*Sinking Fund Redemption Date
(September 1)*

Sinking Fund Payments

* Maturity.

The Bonds maturing on September 1, 20 (the "20 Term Bonds") will be called before maturity and redeemed, from the Sinking Fund Payments that have been deposited into the Redemption Account established under the Indenture, on September 1, 20__, and on each September 1 thereafter prior to maturity, in accordance with the schedule of Sinking Fund Payments set forth below. The 20_Term Bonds so called for redemption will be selected by the Trustee by lot and will be redeemed at a redemption price for each redeemed 20_ Term Bond equal to the principal amount thereof, plus accrued interest to the redemption date, without premium, as follows:

Term Bonds Maturing September 1, 20__***Sinking Fund Redemption Date
(September 1)******Sinking Fund Payments***

* Maturity.

If the District purchases Term Bonds during the Fiscal Year immediately preceding one of the sinking fund redemption dates specified above, the District will notify the Trustee at least 45 days prior to the redemption date as to the principal amount purchased, and the amount purchased will be credited at the time of purchase to the next Sinking Fund Payment for the Term Bond so purchased, to the extent of the full principal amount of the purchase. All Term Bonds purchased will be cancelled pursuant to the Indenture.

In the event of a partial optional redemption or special mandatory redemption of the Term Bonds, each of the remaining Sinking Fund Payments for such Term Bonds will be reduced, as nearly as practicable, on a pro rata basis.

Special Mandatory Redemption from Special Tax Prepayments. The Bonds are subject to special mandatory redemption as a whole or in part on a pro rata basis among maturities and by lot within a maturity, on any Interest Payment Date on or after September 1, 20_, and will be redeemed by the Trustee, from any amounts paid by the District to the Trustee and designated by the District as a prepayment of Special Taxes for one or more parcels in the District made in accordance with the Rate and Method (the "Prepayments") deposited to the Redemption Account pursuant to the Indenture, plus amounts transferred from the Reserve Account pursuant to the Indenture, at the following redemption prices, expressed as a percentage of the principal amount to be redeemed, together with accrued interest to the redemption date:

<i>Redemption Date</i>	<i>Redemption Price</i>
Any Interest Payment Date from September 1, 20__ through March 1, 20__	103%
September 1, 20__ and March 1, 20__	102
September 1, 20__ and March 1, 20__	101
September 1, 20__ and any Interest Payment Date thereafter	100

EXHIBIT B**COMMUNITY FACILITIES DISTRICT NO. 2022-1 OF THE
CITY OF ESCONDIDO (ECLIPSE/MOUNTAIN HOUSE)
SPECIAL TAX BONDS, SERIES 2024****LETTER OF REPRESENTATIONS OF
CWC ESCONDIDO 113, LLC**

[POS Date]

Community Facilities District No. 2022-1
of the City of Escondido (Eclipse/Mountain House)
201 North Broadway
Escondido, California 92025

Stifel, Nicolaus & Company, Incorporated
2121 Avenue of the Stars, Suite 2150
Los Angeles, California 90067

Ladies and Gentlemen:

Reference is made to the Community Facilities District No. 2022-1 of the City of Escondido (Eclipse/Mountain House) Special Tax Bonds, Series 2024 (the "Bonds") and to the Bond Purchase Agreement to be entered into in connection therewith (the "Bond Purchase Agreement"). This Letter of Representations of CWC Escondido 113, LLC (the "Letter of Representations") is delivered pursuant to and in satisfaction of Section 3(F)(16) of the Bond Purchase Agreement. Capitalized terms used herein and not otherwise defined have the meanings ascribed to them in the Bond Purchase Agreement.

The undersigned certifies that he or she is familiar with the facts herein certified and is authorized and qualified to certify the same as an authorized officer or representative of CWC Escondido 113, LLC, a Delaware limited liability company (the "Developer"), and the undersigned, on behalf of the Developer, further certifies as follows:

1. The Developer is duly organized and validly existing under the laws of the State of Delaware and has all requisite right, power and authority (i) to execute and deliver this Letter of Representations, and (ii) to develop property in the Community Facilities District No. 2022-1 of the City of Escondido (Eclipse/Mountain House) (the "Community Facilities District") as described in the Preliminary Official Statement.

2. As set forth in the Preliminary Official Statement, title to a certain portion of the property within the Community Facilities District was previously held in the name of the Developer (herein, the "Property"). The undersigned, on behalf of the Developer, makes the representations herein with respect to all the Property.

3. Except as set forth in the Preliminary Official Statement, no action, suit, proceeding, inquiry or investigation at law or in equity, before or by any court, regulatory agency, public board or body is pending against the Developer (with proper service of process to the Developer having been accomplished) or, to the Actual Knowledge of the Undersigned¹, is pending against any current Affiliate² (with proper service of process to such Affiliate having been accomplished) or to the Actual Knowledge of the Undersigned is threatened in writing against the Developer or any such Affiliate (a) to restrain or enjoin the collection of special taxes levied on the Property by the Community Facilities District (the “**Special Taxes**”) or other sums pledged or to be pledged to pay the principal of and interest on the Bonds (e.g., the reserve fund established under the Indenture (herein, the “**Reserve Account**”)), or (b) in any way contesting or affecting the validity of the Special Taxes,.

4. As of the date of the Preliminary Official Statement, to the Actual Knowledge of the Undersigned, the information contained therein solely with respect to the Developer, its Affiliates, and the Property (including, without limitation, the development of the Property and the ownership of the Property) as set forth under the sections of the Preliminary Official Statement captioned “INTRODUCTION – The District – *General*,” “THE DISTRICT – General Description of the District,” “PROPERTY OWNERSHIP AND THE DEVELOPMENT” (but in all cases under all captions excluding therefrom (i) information regarding the Appraisal Report (as defined herein), market value ratios and annual special tax ratios, and (ii) information which is identified as having been provided by a source other than the Developer), is true and correct in all material respects and did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

5. To the Actual Knowledge of the Undersigned, other than as disclosed in the Preliminary Official Statement, the Developer is not aware that any of the Property has a current liability with respect to the presence of a substance presently classified as hazardous under the federal Comprehensive Environmental Response, Compensation and Liability Act of 1980 or

¹ “**Actual Knowledge of the Undersigned**” means, as of the date of this Letter of Representations, the knowledge (as opposed to constructive) that the individual signing on behalf of the Developer currently has or has obtained through (i) interviews with such current officers and responsible employees of the Developer and its Affiliates as the undersigned has determined are reasonably likely, in the ordinary course of their respective duties, to have knowledge of the matters set forth in this Letter of Representations, and/or (ii) review of documents that were reasonably available to the undersigned and which the undersigned has reasonably deemed necessary for the undersigned to obtain knowledge of the matters set forth in this Letter of Representations. The undersigned has not conducted any extraordinary inspection or inquiry other than such inspections or inquiries as are prudent and customary in connection with the ordinary course of the Developer’s current business and operations. Individuals who are no longer employees of the Developer and its Affiliates have not been contacted.

² “**Affiliate**” means, with respect to the Developer, any other Person (i) who directly, or indirectly through one or more intermediaries, is currently controlling, controlled by or under common control with the Developer, and (ii) for whom information, including financial information or operating data, concerning such Person is material to potential investors in their evaluation of the Community Facilities District and investment decision regarding the Bonds (i.e., information relevant to (a) the Developer’s development plans with respect to the Property and ability to pay its Special Taxes on the Property (to the extent the responsibility of the Developer) prior to delinquency, or (b) such Person’s assets or funds that would materially affect the Developer’s ability to develop the Property as described in the Preliminary Official Statement or to pay its Special Taxes on the Property (to the extent the responsibility of the Developer) prior to delinquency. “Person” means an individual, a corporation, a partnership, a limited liability company, an association, a joint stock company, a trust, any unincorporated organization or a government or political subdivision thereof. For purposes hereof, the term “control” (including the terms “controlling,” “controlled by” or “under common control with”) means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

applicable California law or is adversely affected by the presence of endangered or threatened species or habitat for endangered or threatened species.

6. The Developer covenants that, while the Bonds or any refunding obligations related thereto are outstanding, the Developer and its Affiliates which it controls will not bring any action, suit, proceeding, inquiry or investigation at law or in equity, before any court, regulatory agency, public board or body, that in any way seeks to challenge or overturn the formation of the Community Facilities District, to challenge the adoption of the ordinance of the Community Facilities District levying Special Taxes within the Community Facilities District, to invalidate the Community Facilities District or any of the Bonds or any refunding bonds related thereto, or to invalidate the special tax liens imposed under Section 3115.5 of the Streets and Highways Code based on recordation of the notices of special tax lien relating thereto. The foregoing covenant shall not prevent the Developer in any way from bringing any other action, suit, proceeding, inquiry or investigation at law or in equity, before any court, regulatory agency, public board or body including, without limitation, (a) an action or suit contending that the Special Tax has not been levied in accordance with the methodologies contained in the Rate and Method of Apportionment of Special Taxes pursuant to which Special Taxes are levied, (b) an action or suit with respect to the application or use of the Special Taxes levied and collected, or (c) an action or suit to enforce the obligations of the City and/or the Community Facilities District under the Community Facilities District Resolutions, the Ordinance, the Indenture, or any other agreements among the Developer, an Affiliate, the City and/or the Community Facilities District or to which the Developer or an Affiliate is a party or beneficiary.

7. The Developer consents to the issuance of the Bonds. The Developer acknowledges and agrees that the proceeds of the Bonds will be used as described in the Preliminary Official Statement.

8. The Developer has not filed for the reassessment of the assessed value of any portions of the Property, other than in connection with the sale of homes to individual homebuyers.

9. An appraisal of the taxable properties within the Community Facilities District (the "Appraisal Report"), was prepared by Kitty Siino & Associates, Inc. (the "Appraiser"). The Appraisal Report estimates the market value of the taxable properties within the Community Facilities District as of February 9, 2024 (the "Date of Value"). To the Actual Knowledge of the Undersigned, all information submitted by, or on behalf of and authorized by, the Developer to the Appraiser and contained in the sections of the Appraisal Report highlighted in yellow or circled in Exhibit A attached hereto, was true and correct in all material respects as of the Date of Value.

10. Solely as to the limited information described in the sections of the Preliminary Official Statement indicated in Paragraph 4 herein (and subject to the limitations and exclusions set forth in Paragraph 4), the Developer agrees to indemnify and hold harmless, to the extent permitted by law, the City, the Community Facilities District, and their officials and employees, and each Person, if any, who controls any of the foregoing within the meaning of Section 15 of the Securities Act of 1933, as amended, or of Section 20 of the Securities Exchange Act of 1934, as amended (each, an "**Indemnified Party**" and, collectively, the "**Indemnified Parties**"), against any and all losses, claims, damages or liabilities, joint or several, to which such Indemnified Party may become subject under any statute or at law or in equity and shall reimburse any such Indemnified Party for any reasonable legal or other expense incurred by it in

connection with investigating any such claim against it and defending any such action, insofar as and solely to the extent such losses, claims, damages, liabilities or actions, or legal or other expenses, arise out of or are based upon any untrue statement or alleged untrue statement of a material fact or the omission or alleged omission of a material fact by the Developer in the above-referenced information in the Preliminary Official Statement, as of its date, necessary to make the statements made by the Developer contained therein, in light of the circumstances under which they were made not misleading. This indemnity provision shall not be construed as a limitation on any other liability which the Developer may otherwise have to any Indemnified Party, *provided* that in no event shall the Developer be obligated for double indemnification, or for the negligence or willful misconduct of an Indemnified Party.

If any suit, action, proceeding (including any governmental or regulatory investigation), claim or demand shall be brought or asserted against any Indemnified Party in respect of which indemnification may be sought pursuant to the above paragraph, such Indemnified Party shall promptly notify the Developer in writing; provided that the failure to notify the Developer shall not relieve it from any liability that it may have hereunder except to the extent that it has been prejudiced by such failure; and provided, further, that the failure to notify the Developer shall not relieve it from any liability that it may have to an Indemnified Party otherwise than under the above paragraph unless such liability was also conditioned upon such notice. If any such proceeding shall be brought or asserted against an Indemnified Party and it shall have notified the Developer thereof, the Developer shall retain counsel reasonably satisfactory to the Indemnified Party and approved thereby to represent the Indemnified Party in such proceeding and shall pay the fees and expenses of such counsel related to such proceeding, as incurred. In any such proceeding, any Indemnified Party shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at the expense of such Indemnified Party unless (i) the Developer and the Indemnified Party shall have mutually agreed to the contrary; (ii) the Developer has failed within a reasonable time to retain counsel reasonably satisfactory to the Indemnified Party; (iii) the Indemnified Party shall have reasonably concluded that there may be legal defenses available to it that are different from or in addition to those available to the Developer such that a material conflict of interest exists for such counsel; or (iv) the named parties in any such proceeding (including any impleaded parties) include the Developer and the Indemnified Party and representation of both parties by the same counsel would be inappropriate due to actual or potential differing interest between them. It is understood and agreed that the Developer shall not, in connection with any proceeding or related proceedings in the same jurisdiction, be liable for the fees and expenses of more than one separate firm (in addition to any local counsel) for all Indemnified Parties, and that all such fees and expenses, to the extent reasonable, shall be paid or reimbursed as they are incurred. Any such separate firm shall be designated in writing by such Indemnified Parties. The Developer shall not be liable for any settlement of any proceeding effected without its written consent, but if settled with such consent or if there be a final judgment for the plaintiff, the Developer agrees, subject to the exceptions set forth hereinabove, to indemnify each Indemnified Party from and against any loss or liability by reason of such settlement or judgment. If the Developer shall, after receiving written notice of the indemnification obligation of the Developer and within a period of time necessary to preserve any and all defenses to any claim asserted, fails to assume the defense or to retain counsel for that purpose satisfactory to the Indemnified Party, the Indemnified Party shall have the right, but not the obligation, to undertake the defense of, and to compromise or settle the claim or other matter on behalf of, for the account of and at the risk of, the Developer. The Developer shall not, without the written consent of the Indemnified Party, effect any settlement of any pending or threatened proceeding in respect of which any Indemnified Party is a party and indemnification

could have been sought hereunder by such Indemnified Party, unless such settlement (x) includes an unconditional release of such Indemnified Party, in form and substance reasonably satisfactory to such Indemnified Party, from all liability on claims that are the subject matter of such proceeding and (y) does not include any statement as to or any admission of fault, culpability or a failure to act by or on behalf of any Indemnified Party.

11. If between the date hereof and the Closing Date any event relating to or affecting the Developer, its Affiliates, or the Property (including, without limitation, the development of the Property and the ownership of the Property) shall occur of which the undersigned has actual knowledge which would cause the information under the sections of the Preliminary Official Statement indicated in Paragraph 4 hereof, to contain an untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the Developer shall notify the City, the Community Facilities District and the Underwriter and if in the opinion of counsel to the City or the Underwriter such event requires the preparation and publication of a supplement or amendment to the Preliminary Official Statement, the Developer shall reasonably cooperate with the City and the Community Facilities District in the preparation of an amendment or supplement to the Preliminary Official Statement in form and substance satisfactory to counsel to the City, the Community Facilities District and to the Underwriter.

12. The Developer agrees to deliver a Closing Certificate dated the date of issuance of the Bonds at the time of issuance of the Bonds in substantially the form attached as Exhibit C to the Bond Purchase Agreement. If any event related to or affecting the Developer, its Affiliates, or the ownership, development, or sale of the Property occurs, as a result of which it is necessary to modify the Closing Certificate, the Developer agrees to deliver a new Closing Certificate revised to reflect such event.

13. On behalf of the Developer, I have reviewed the contents of this Letter of Representations and have had the opportunity to discuss with counsel to the Developer the meaning of the contents of this Letter of Representations. The Developer acknowledges and understands that a variety of state and federal securities laws, including, but not limited to the Securities Act of 1933, as amended, and Rule 10b-5 promulgated under the Securities Exchange Act of 1934, as amended, may apply to the Developer and that under some circumstances, certification as to the matters set forth in this Letter of Representations, without additional disclosures or other action, may not fully discharge all duties and obligations of the Developer under such securities laws.

[Remainder of Page Intentionally Left Blank; Signature Page Follows]

The undersigned has executed this Letter of Representations solely in his or her capacity as an authorized officer or representative of the Developer and he or she will have no personal liability arising from or relating to this Letter of Representations. Any liability arising from or relating to this Letter of Representations may only be asserted against the Developer.

CWC ESCONDIDO 113, LLC,
a Delaware limited liability company

By: _____
Name: _____
Title: _____

[EXECUTION PAGE OF LETTER OF REPRESENTATIONS OF
CWC ESCONDIDO 113, LLC]

EXHIBIT A

To

DEVELOPER LETTER OF REPRESENTATIONS

DEVELOPER PROVIDED INFORMATION IN APPRAISAL REPORT

See attached.

EXHIBIT C

FORM OF CLOSING CERTIFICATE

**\$(PAR)
COMMUNITY FACILITIES DISTRICT NO. 2022-1 OF THE
CITY OF ESCONDIDO (ECLIPSE/MOUNTAIN HOUSE)
SPECIAL TAX BONDS, SERIES 2024**

**CLOSING CERTIFICATE OF
CWC ESCONDIDO 113, LLC**

[Closing Date]

Community Facilities District No. 2022-1
of the City of Escondido (Eclipse/Mountain House)
201 North Broadway
Escondido, California 92025
Attn: City Manager

Stifel, Nicolaus & Company, Incorporated
2121 Avenue of the Stars, Suite 2150
Los Angeles, California 90067

Ladies and Gentlemen:

Reference is made to the above-captioned bonds (the “**Bonds**”) and to the Bond Purchase Agreement, dated [Pricing Date] (the “**Bond Purchase Agreement**”), entered into in connection therewith. This Closing Certificate of CWC Escondido 113, LLC (the “**Closing Certificate**”) is delivered pursuant to Section 3(F)(17) of the Bond Purchase Agreement. Capitalized terms used herein and not otherwise defined have the meanings ascribed to them in the Letter of Representations of CWC Escondido 113, LLC (the “**Letter of Representations**”), dated [POS Date], delivered by CWC Escondido 113, LLC, a Delaware limited liability company (the “**Developer**”).

The undersigned certifies that he or she is familiar with the facts herein certified and is authorized and qualified to certify the same as an authorized officer or representative of the Developer, and the undersigned, on behalf of the Developer, further certifies as follows:

1. The Developer has received the final Official Statement dated [Pricing Date] relating to the Bonds (the “**Official Statement**”). To the Actual Knowledge of the Undersigned, each statement, representation and warranty made in the Letter of Representations is true and correct in all material respects on and as of the date hereof with the same effect as if made on the date hereof, except that all references therein to the Preliminary Official Statement shall be deemed to be references to the Official Statement.

2. To the Actual Knowledge of the Undersigned, no event has occurred since the date of the Preliminary Official Statement affecting the statements and information described in Paragraph 4 of the Letter of Representations (and subject to the limitations and exclusions contained in Paragraph 4 of the Letter of Representations) relating to the Developer, its Affiliates, or the Property (including, without limitation, the development of the Property and the ownership of the Property), which should be disclosed in the Official Statement for the purposes for which it is to be used in order to make such statements and information contained in the Official Statement not misleading in any material respect.

3. For the period through 25 days after the “**End of the Underwriting Period**” as defined in the Bond Purchase Agreement (provided the Developer may assume the End of the Underwriting Period is the Closing Date (as defined in the Bond Purchase Agreement), unless it receives written notice from the Underwriter that the End of the Underwriting Period is later than the Closing Date), if any event relating to or affecting the Developer, its Affiliates, or the Property (including, without limitation, the development of the Property and the ownership of the Property) shall occur as a result of which it is necessary, in the opinion of the Underwriter or counsel to the City or the Community Facilities District, to amend or supplement the Official Statement in order to make the information under the sections of the Official Statement indicated in Paragraph 4 of the Letter of Representations not misleading in the light of the circumstances under which they were made, the Developer shall reasonably cooperate with the City, the Community Facilities District and the Underwriter in the preparation and publication of a supplement or amendment to the information under the sections of the Official Statement indicated in Paragraph 4 of the Letter of Representations, in form and substance satisfactory to the Underwriter and counsel to the City and the Community Facilities District which will amend or supplement the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

[Remainder of Page Intentionally Left Blank; Signature Page Follows]

The undersigned has executed this Closing Certificate solely in his or her capacity as an authorized officer or representative of the Developer and he or she will have no personal liability arising from or relating to this Closing Certificate. Any liability arising from or relating to this Closing Certificate may only be asserted against the Developer.

CWC ESCONDIDO 113, LLC,
a Delaware limited liability company

By: _____
Name: _____
Title: _____

[EXECUTION PAGE OF CLOSING CERTIFICATE OF
CWC ESCONDIDO 113, LLC]

EXHIBIT D**FORM OF OPINION OF THE ISSUER'S COUNSEL**

[Closing Date]

Community Facilities District No. 2022-1 of the
City of Escondido (Eclipse/Mountain House)
Escondido, California

Stifel, Nicolaus & Company, Incorporated
Los Angeles, California

The Bank of New York Mellon Company, N.A.,
as Trustee
Los Angeles, California

ISSUER'S COUNSEL OPINION

Re: \$[PAR] Community Facilities District No. 2022-1 of the City of Escondido
(Eclipse/Mountain House) Special Tax Bonds, Series 2024

Ladies and Gentlemen:

I am the City Attorney of the City of Escondido (the "City"), and in such capacity I have acted as issuer's counsel ("Issuer's Counsel") Community Facilities District No. 2022-1 of the City of Escondido (Eclipse/Mountain House) (the "Community Facilities District") in connection with the issuance of the above-referenced bonds (the "Bonds"). In such capacity, I have been asked to render this opinion in connection with Section 3(F)(8) of that certain Bond Purchase Agreement, dated [Pricing Date] (the "Bond Purchase Agreement"), by and between Stifel, Nicolaus & Company, Incorporated, as underwriter, and the Community Facilities District, relating to the Bonds. All capitalized terms used herein but not otherwise defined shall have the meanings ascribed to them in the Bond Purchase Agreement.

In rendering this opinion, I have examined and relied upon originals or copies of the following upon which, with your permission, I am relying, without further inquiry or investigation (although I advise you that I have no actual knowledge to the contrary of any matters related thereto): (i) the Community Facilities District Resolution of Issuance, (ii) the Formation Documents, including Resolution No. 2022-02, Resolution No. 2022-08, Resolution No. 2022-10, Resolution No. 2022-11, Resolution No. 2022-12, Ordinance No. 2022-03, (iii) the Community Facilities District Documents, and (iv) the Official Statement, relating to the Bonds, and I have made such other investigations of law and facts as I have deemed necessary to render the following opinions.

The opinions expressed herein are based on an analysis of existing statutes, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. I have not undertaken to determine, or to inform any person, whether any such actions or events are taken or do occur.

In our examination, I have assumed, without independent investigation, the authenticity of all documents submitted to us as originals, of all documents submitted to us as certified or photostatic copies and the authenticity of the originals of such latter documents and the accuracy of the statements and representations contained in such documents. In addition, I have assumed the authority of and due execution by each of the parties to the documents other than the City and the Community Facilities District.

Based on the foregoing, I hereby advise you that, as of the date hereof, I am of the opinion that:

(i) the City is a municipal corporation and general law city, duly organized and existing under the Constitution and the laws of the State of California;

(ii) the Community Facilities District is duly organized and validly existing as a community facilities district under and by virtue of the Constitution and laws of the State of California (including the Community Facilities District Act);

(iii) the Community Facilities District Resolution of Issuance and the Formation Documents have been duly adopted at meetings of the City Council of the City, which were called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout, and the Community Facilities District Resolution of Issuance and the Formation Documents are in full force and effect and have not been modified, amended, rescinded or repealed since the respective dates of their adoption;

(iv) the Community Facilities District Documents and the Official Statement have been duly authorized, executed and delivered by the Community Facilities District and constitute the legal, valid and binding obligations of the Community Facilities District enforceable against the Community Facilities District in accordance with their terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights, to the application of equitable principles where equitable remedies are sought and to the exercise of judicial discretion in appropriate cases or seeks to restrain or to enjoin the development of property within the Community Facilities District;

(v) except as may be stated in the Official Statement, to the best of my knowledge, there is no action, suit, proceeding or investigation before or by any court, public board or body pending (notice of which has been served on the City or the Community Facilities District) or threatened wherein an unfavorable decision, ruling or finding would: (a) affect the creation, organization, existence or powers of the City or the Community Facilities District, or the titles of their members and officers to their respective offices; or (b) affect the validity of the Community Facilities District Documents or restrain or enjoin the repayment of the Bonds or in any way contest or affect the validity of the Community Facilities District Documents or contest the authority of the Community Facilities District to enter into or perform its obligations under any of the Community Facilities District Documents or under which a determination adverse to the City or Community Facilities District would have a material adverse effect upon the financial condition or the revenues of the City or Community Facilities District, questions the right of the Community Facilities District to use Special Taxes levied within the Community Facilities District for the repayment of the Bonds or affects in any manner the right or ability of the Community Facilities District to collect or pledge the Special Taxes levied within the Community Facilities District for the repayment of the Bonds;

(vi) the execution and delivery of the Bonds and the Community Facilities District Documents, and compliance with the provisions of each, will not conflict with or constitute a breach of or default under any loan agreement, note, ordinance, resolution, indenture, contract, agreement or other instrument of which the Community Facilities District is a party or is otherwise subject or bound, a consequence of which could be to materially and adversely affect the ability of the Community Facilities District to perform its obligations under the Bonds or the Community Facilities District Documents; and

(vii) all approvals, consents, authorization, elections and orders of or filings or registrations with any governmental authority, board, agency or commission having jurisdiction which would constitute a condition precedent to, or the absence of which would materially adversely affect, the ability of the Community Facilities District, to perform its obligations under the Bonds or the Community Facilities District Documents, have been obtained or made, as the case may be, and are in full force and effect.

This letter is furnished by us as Issuer's Counsel. Other than the City and the Community Facilities District, no attorney-client relationship has existed or exists between the City Attorney and you in connection with the Bonds or by virtue of this letter. I disclaim any obligation to update this letter. This letter is delivered to you, is solely for your benefit and is not to be used, circulated, quoted or otherwise referred to or relied upon for any other purpose or by any other person; provided, however, a copy may be included in the transcript of the proceedings for the Bonds. This letter is not intended to, and may not, be relied upon by owners of the Bonds.

I bring to your attention the fact that my conclusions are an expression of professional judgment and are not a guarantee of a result.

City Attorney

EXHIBIT E

[\$[PAR]
COMMUNITY FACILITIES DISTRICT NO. 2022-1 OF THE
CITY OF ESCONDIDO (ECLIPSE/MOUNTAIN HOUSE)
SPECIAL TAX BONDS, SERIES 2024

FORM OF ISSUE PRICE CERTIFICATE

The undersigned, Stifel, Nicolaus & Company, Incorporated (“Stifel”), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the “Bonds”).

1. ***Bond Purchase Agreement.*** On [Pricing Date] (the “Sale Date”), Stifel and the Issuer executed a Bond Purchase Agreement (the “Purchase Agreement”) in connection with the sale of the Bonds. Stifel has not modified the Purchase Agreement since its execution on the Sale Date.
2. ***Price.***
 - (a) As of the date of this Certificate, for each [Maturity] [[of the General Rule Maturities] of the Bonds, the first price at which at least 10% of each such Maturity of the Bonds was sold to the Public (the “10% Test”) was the respective price for such Maturity listed in **Schedule A** attached hereto.
 - (b) [Stifel offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in **Schedule A** (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as **Schedule B**.
 - (c) As set forth in the Bond Purchase Agreement, Stifel has agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “hold-the-offering-price rule”), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.]
 - (d) [** With respect to each of the General Rule Maturities of the Bonds:
 - (1) As of the date of this Certificate, Stifel has not sold at least 10% of the Bonds of these Maturities at any single price.
 - (2) As of the date of this Certificate, Stifel reasonably expects that the first sale to the Public of Bonds of these Maturities will be at or below the respective price or prices

listed on the attached **Schedule A** as the “Reasonably Expected Sale Prices for Undersold Maturities.”

- (3) Stifel will provide actual sales information (substantially similar to the information contained on **Schedule B**) as to the price at which the first 10% of each such Maturity (i.e., the Undersold Maturity or Maturities) is sold to the Public.
- (4) On the date the 10% Test is satisfied with respect to all Maturities of the Bonds, Stifel will execute a supplemental certificate substantially in the form attached hereto as **Schedule C** with respect to any remaining Maturities for which the 10% Test has not been satisfied as of the Closing Date.**]

2. *Defined Terms.*

- (a) “*General Rule Maturities*” means those Maturities of the Bonds listed in Schedule A hereto as the “General Rule Maturities.”
- (b) “*Hold-the-Offering-Price Maturities*” means those Maturities of the Bonds listed in Schedule A hereto as the “Hold-the-Offering-Price Maturities.”
- (c) “*Holding Period*” means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date, or (ii) the date on which Stifel has sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.
- (d) “*Issuer*” means Community Facilities District No. 2022-1 of the City of Escondido (Eclipse/Mountain House).
- (e) “*Maturity*” means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.
- (f) “*Public*” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.
- (g) “*Underwriter*” means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead Underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

3. **Reserve Account.** The funding of the Reserve Account under the Indenture, and as provided in the Tax Certificate, is reasonably required, was a vital factor in marketing the Bonds, facilitated

the marketing of the Bonds at an interest rate comparable to that of bonds and other tax-exempt obligations of a similar type, and is not in excess of the amount necessary for such purpose.

4. The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents Stifel's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate of the Issuer dated [Closing Date] and with respect to compliance with the federal income tax rules affecting the Bonds, and by Bond Counsel, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

**STIFEL, NICOLAUS & COMPANY,
INCORPORATED**

By: _____
Managing Director

By: _____
Director

Dated: [Closing Date]

SCHEDULE A
TO
ISSUE PRICE CERTIFICATE

[Schedules to be updated at pricing in the event there are Hold-the-Offering-Price-Maturities]

Actual Sales Information as of Closing Date

<u>Maturity/CUSIP</u>	<u>Coupon</u>	<u>Date Sold</u>	<u>Time Sold</u>	<u>Par Amount</u>	<u>Sale Price</u>
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**Reasonably Expected Sales Prices for Undersold Maturities as of Closing Date

<u>Maturity/CUSIP</u>	<u>Coupon</u>	<u>Par Amount</u>	<u>Offering Prices</u>
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[**SCHEDULE B
TO
ISSUE PRICE CERTIFICATE

Actual Sales for Undersold Maturities as of the Closing Date

<u>Maturity/CUSIP</u>	<u>Date Sold</u>	<u>Time Sold</u>	<u>Par Amount</u>	<u>Sale Price</u>
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[**SCHEDULE C
TO
ISSUE PRICE CERTIFICATE

SUPPLEMENTAL ISSUE PRICE CERTIFICATE OF UNDERWRITER

**[\$[PAR]
COMMUNITY FACILITIES DISTRICT NO. 2022-1 OF THE
CITY OF ESCONDIDO (ECLIPSE/MOUNTAIN HOUSE)
SPECIAL TAX BONDS, SERIES 2024**

The undersigned, Stifel, Nicolaus & Company, Incorporated (“Stifel”), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the “Bonds”).

1. *Issue Price.*

- (a) Stifel sold at least 10% of the _____ Maturities of the Bonds to the Public at the price or prices shown on the Issue Price Certificate dated as of the Closing Date (the “10% Test”). With respect to each of the _____ Maturities of the Bonds, Stifel had not satisfied the 10% Test as of the Closing Date (the “Undersold Maturities”).
- (b) As of the date of this Supplemental Certificate, Stifel has satisfied the 10% Test with respect to the Undersold Maturities. The first price or prices at which at least 10% of each such Undersold Maturity was sold to the Public are the respective prices listed on **Exhibit A** attached hereto.

2. *Defined Terms.*

- (a) “*Issuer*” means Community Facilities District No. 2022-1 of the City of Escondido (Eclipse/Mountain House).
- (b) “*Maturity*” means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.
- (c) “*Public*” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.
- (d) “*Underwriter*” means (1) any person that agrees pursuant to a written contract with the Issuer (or with the lead Underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (2) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (1) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

3. The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents Stifel's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate of the Issuer dated [Closing Date] and with respect to compliance with the federal income tax rules affecting the Bonds, and by Bond Counsel, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

**STIFEL, NICOLAUS & COMPANY,
INCORPORATED**

By: _____
[Title]

By: _____
[Title]

Dated: [Closing Date]

EXHIBIT A
TO
SUPPLEMENTAL ISSUE PRICE CERTIFICATE**]



STAFF REPORT

April 10, 2024
File Number 0650-40

SUBJECT

DESIGNATION OF ENFORCEMENT AUTHORITY FOR THE ESCONDIDO CAMPAIGN CONTROL ORDINANCE

DEPARTMENT

City Attorney's Office

RECOMMENDATION

It is requested that the City Council adopt Resolution No. 2024-31 designating Christina M. Cameron, Esq. and the law firm of Devaney Pate Morris & Cameron, LLP ("Law Firm") as the enforcement authority for the Escondido Campaign Control Ordinance for the 2024 Municipal Election ("Special Counsel"), as required by Escondido Municipal Code Section 2- 110.5(c).

Staff Recommendation: Approval (City Attorney's Office: Michael McGuinness, City Attorney)

Presenter: Michael R. McGuinness, City Attorney

ESSENTIAL SERVICE – Yes, internal requirement required by the Municipal Code.

COUNCIL PRIORITY –

FISCAL ANALYSIS

The costs associated with this engagement will depend on the number and complexity of referrals made to the Special Counsel pursuant to the Escondido Municipal Code.

PREVIOUS ACTION

On April 8, 2020, the City Council adopted Resolution No. 2020-41 appointing the City Attorney's nominee, Gary Schons, Esq., with the law firm of Best Best & Krieger, LLP, as the enforcement authority for the 2020 municipal election. Mr. Schons thereafter retired from the practice of law.

On April 6, 2022, the City Council adopted Resolution No. 2022-33 appointing the City Attorney's nominee, Christina Cameron, Esq., and the law firm Devaney Pate Morris and Cameron, LLP, as the enforcement authority for the 2022 municipal election.



CITY of ESCONDIDO

STAFF REPORT

BACKGROUND

Pursuant to Escondido Municipal Code Section 2-110.5(c), special counsel shall be selected as the enforcement authority for the Campaign Control Ordinance by the City Attorney and appointed by the City Council at least one hundred and eighty (180) days prior to a city election. The next regularly scheduled municipal election will be held on November 5, 2024.

Under the California Government Code and the Escondido Municipal Code, the appointed City Attorney acts under the direction of the mayor and four elected councilmembers. When candidates and incumbents compete against each other for local offices, campaign issues, including possible Campaign Control Ordinance violations, should be handled by outside counsel. Therefore, Escondido Municipal Code Section 2-110.5 provides for outside or special counsel to review campaign-related complaints.

The City Attorney’s Office recommends that the City Council appoint Christina M. Cameron, Esq. as the City’s Special Counsel for enforcement of the Campaign Control Ordinance based on her exemplary prior service in 2022 as the City’s Special Counsel, as well as her extensive experience and knowledge of municipal law, election matters and public integrity compliance. Ms. Cameron is a founding member and partner of the Law Firm and has over 30 years of local government experience. Ms. Cameron currently serves as General Counsel to the San Diego Ethics Commission providing advisory, administrative enforcement and litigation services. She and the Law Firm provide regular training to local agencies and government officials in government ethics laws. Ms. Cameron has also served as special counsel to the Los Angeles City Ethics Commission and Oakland Public Ethics Commission.

In addition to Ms. Cameron, the Law Firm includes as a founding partner Leslie E. Devaney, Esq. Her relevant experience includes serving in the San Diego City Attorney’s Office for approximately 20 years, including service as a prosecutor with jury trial experience, as a legal advisor to the city council and city departments on elections issues. Ms. Devaney has comprehensive experience with campaigns and elections, and Brown Act and open government issues in her role as City Attorney for the cities of Murrieta, Del Mar, and Encinitas. She has served as Special Counsel to the Chula Vista Board of Ethics since 2012 working as an enforcement authority to manage complaints of violations of the City’s Code of Ethics, a role very similar to the City of Escondido’s Campaign Control Ordinance special counsel.

Based on the above, it is recommended that the City Council adopt Resolution No. 2024-31 designating Christina M. Cameron, Esq. and the law firm of Devaney Pate Morris & Cameron, LLP as the enforcement authority for the Escondido Campaign Control Ordinance for the 2024 Municipal Election, as required by Escondido Municipal Code Section 2-110.5(c).

RESOLUTIONS

- A. Resolution No. 2024-31

RESOLUTION NO. 2024-31

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, AUTHORIZING THE RETENTION OF CHRISTINA M. CAMERON, ESQ., AND THE LAW FIRM OF DEVANEY PATE MORRIS & CAMERON, LLP, AS SPECIAL COUNSEL FOR THE ENFORCEMENT OF THE ESCONDIDO CAMPAIGN CONTROL ORDINANCE FOR THE 2024 MUNICIPAL ELECTION

WHEREAS, Escondido Municipal Code Section 2-110.5 (c) requires the City of Escondido (“City”) to retain special counsel at least one hundred and eighty (180) days prior to a City election to enforce the Escondido Municipal Code pertaining to campaign related matters; and

WHEREAS, the law firm of Devaney Pate Morris & Cameron, LLP (“Law Firm”), including partner Christina M. Cameron, Esq., has attorneys specialized in local government campaign and elections ethics, and has served as contract City Attorneys for local public agencies, as general counsel to public agency ethics commissions, and previously served as the City’s Campaign Enforcement Authority pursuant to the designation adopted in Resolution No. 2022-33 in April 2022; and

WHEREAS, the Law Firm attorneys have the highest credentials, knowledge, experience, ethics and independence and would be well suited to continue serving as the City’s campaign enforcement authority; and

WHEREAS, the City Attorney recommends the retention of Christina M. Cameron, Esq. and the Law Firm as special counsel to enforce the provisions of the Escondido Campaign Control Ordinance for the 2024 municipal election.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Escondido, California, as follows:

1. That the above recitations are true.
2. That the City Council accepts and adopts the recommendation of the City Attorney, appoints Christina M. Cameron, Esq. and the Law Firm as the Enforcement Authority for the Escondido Campaign Control Ordinance, and authorizes the City Attorney to execute such documents as may be

required to retain the Law Firm as special counsel to enforce the provisions of the Escondido Campaign Control Ordinance.



STAFF REPORT

April 10, 2024
File Number 0120-10

SUBJECT

BOARD AND COMMISSION APPOINTMENTS

DEPARTMENT

City Clerk's Office

RECOMMENDATION

Request the City Council ratify the Mayor's appointments to serve on the following Boards and Commissions:

Building and Advisory Appeals Board – Barry Speer, Mirek Gorny, Shir Cornblum, George Khoury, Scott McColl

Library Board of Trustees – Virginia Segarra Bunnell

Planning Commission – Marc Correll, Jeff Jester, Dustin Steeve, Stan Weiler

Public Art Commission – Jacqueline Kelleher, Nathalie Martinez, Heidi Paul, Patricia Spann

Transportation and Community Safety Commission – Bill Durney, Lon Grothen, Beth Kassebaum,

Staff Recommendation: Approval (City Clerk's Office: Zack Beck)

Presenter: Mayor Dane White

PREVIOUS ACTION

On March 6, 2024 and March 20, 2024 the City Council conducted interviews of candidates that applied to serve on the City's Boards and Commissions.

BACKGROUND

All Board and Commission appointments will be for a term of two (2) years with the exception of the Library Board of Trustees, who serve three (3) year terms, and the Planning Commission, who serve four (4) year terms. In accordance with State law, the Mayor will nominate members for each Board or Commission and the City Council will vote to ratify those nominations.



CITY *of* ESCONDIDO

STAFF REPORT

ATTACHMENTS

- a. Attachment "1" – Candidate Applications

**BARRY SPEER
BUILDING ADVISORY & APPEALS
BOARD**

Name Barry Speer

Address [REDACTED]

Do you live in the City of Escondido Limits? yes

Do you live in the General Plan Area? yes

Home Phone [REDACTED]

Email Address [REDACTED]

Length of time you lived in the area 16 years

Employer Donan Engineering

Occupation Regional Engineering Manager

Business Address [REDACTED]

Business Phone [REDACTED]

Board of Commission for which you are applying? Building Advisory and Appeals Board

If you have filed additional applications for other boards or commissions, please list them in order of preference
Planning Commission

If you are an incumbent, how long have you served in your current position 4 years

Have you ever been a member of any City board or Commission, or employed by the City of Escondido yes

If so what capacity? Building Advisory and Appeals Board

Are any persons now employed by the City of Escondido related to you by blood or by marriage? no

If so, list name and relationship? none

Personal References (Name/Address/Business Address/Occupation) Michael Morasco/[REDACTED]
[REDACTED]/Physical Therapist/Escondido City Councilman

Community Involvement: List present membership in any community service or civic organizations, if any? Escondido Building Advisory and Appeals Board, Escondido Homelessness and Housing Public Advisory Committee

Name Mirek Krzysztof Gorny

Address [REDACTED]

Do you live in the City of Escondido Limits? yes

Do you live in the General Plan Area? yes

Home Phone [REDACTED]

Email Address [REDACTED]

Length of time you lived in the area 22 yrs

Employer C2 Financial Corporation

Occupation Real Estate and Mortgage Broker

Business Address [REDACTED]

Business Phone [REDACTED]

Board of Commission for which you are applying? Building and Advisory Appeals Board

If you have filed additional applications for other boards or commissions, please list them in order of preference Transportation and Community Safety Commission

If you are an incumbent, how long have you served in your current position 12 yrs

Have you ever been a member of any City board or Commission, or employed by the City of Escondido
LBOT

If so what capacity? Trustee

Are any persons now employed by the City of Escondido related to you by blood or by marriage? Yes

If so, list name and relationship? Monika Gorny , Spouse

Personal References (Name/Address/Business Address/Occupation) Ryan Ortega – Ortega & Associates
San Diego [REDACTED] Ed Gallo - Escondido [REDACTED] Raul Fuchs Escondido [REDACTED]

Community Involvement: List present membership in any community service or civic organizations, if any? President - Polish American Congress of Southern California Member - Polish American Association
Member - House Of Poland Balboa Park (past president) Coach for Escondido Soccer Club

**SHIR CORNBLUM, Esq.
BUILDING ADVISORY & APPEALS
BOARD**

Name Shir Cornblum, Esq.

Address [REDACTED]

Do you live in the City of Escondido Limits? N/A

Do you live in the General Plan Area? N/A

Home Phone [REDACTED]

Email Address [REDACTED]

Length of time you lived in the area N/A

Employer Macdonald & Cody, Legal, Irvine, California

Occupation Associate Attorney

Business Address N/A

Business Phone N/A

Board of Commission for which you are applying? Building Advisory & Appeals Board

If you have filed additional applications for other boards or commissions, please list them in order of preference N/A

If you are an incumbent, how long have you served in your current position N/A

Have you ever been a member of any City board or Commission, or employed by the City of Escondido N/A

If so what capacity? N/A

Are any persons now employed by the City of Escondido related to you by blood or by marriage? N/A

If so, list name and relationship? N/A

Personal References (Name/Address/Business Address/Occupation) N/A

Community Involvement: List present membership in any community service or civic organizations, if any? What skills and abilities will you bring to the City of Escondido? I recently moved from Huntington Beach to Escondido. I am highly motivated individual, currently working as an insurance defense attorney, and interested in finding solutions to constructions issues. I am able to bring a legal perspective with regards to insurance and contract as well assist with reaching resolutions due to my negotiation skills or case settlements from the legal field. Upon moving to Escondido, I have found the city has great potential for development and would greatly appreciate to be a part of its developmental process. I believe a balance should be created between environment and construction growth as well as ensuring great habitability in buildings according to code. I have great communication skills and believe this would be helpful to such position. What are your objectives for participating in this program? I would like to contribute to the city I have moved to. I believe Escondido has great potential and a lot to offer to new residents. I believe assisting with facilitating the constructional growth, habitability of the residents and ensuring protection of the environment while retaining "green areas" is important. What type of work would you like to do during your time with us? I would like to participate in city council committee and/or being a Board Member of the Building Advisory or planning communion. I could also assist volunteering in legal positions assisting the city or its residents. Please list any restrictions that may impact your ability to volunteer Availability regarding working hours. If performing legal job, conflict check proceedings will need to be put in place. Availability Monday - Friday (after 6:00PM), availability could potentially be modified depending on the volunteering requirements.

Shir Cornblum Esq.**PROFESSIONAL SUMMARY**

Highly motivated and resourceful associate attorney with extensive background in contracts reviewing, litigation, insurance defense and international law. A member of the California and D.C. Bar in good standing currently seeking an employment opportunity to expand my skills, knowledge, and experience in the legal field.

EDUCATION

University of Connecticut School of Law, Hartford, CT, completed May 2017

U.S. Legal Studies LL.M. Program, Hartford, CT – *Awarded Dean's Scholarship*

Extensive, flexible, and individually specialized program preparing foreign law graduates to sit a U.S. bar exam.

Activities: LL.M. Student Representative to the Student Bar Association, Secretary of the Jewish Law Students' Association, Member of Connecticut Alliance of International Lawyers

Tilburg University, Tilburg, the Netherlands

Global Law LL.B. Program - Graduated with distinction, 2016

A Multidisciplinary study of law from a global perspective through exploration of legal systems throughout the world across legal disciplines. Relevant to the promotion of global development of law.

European Honors Certificate, 2016

Four-course optional interdisciplinary program focusing on the interrelations between European nations.

MEMBERSHIPS & CERTIFICATES

Bar Memberships: California, 2021 ; District Columbia, 2017

Certificates: Immigration Law, Legal Research LexisNexis, Professional Research LexisNexis, Foundations of U.S. Law, US Civil and Criminal Justice.

SKILLS

Microsoft Office

Legal Document Drafting

Time & Records Management

Adaptability

Legal Research & Writing

Contract Law

Public Speaking

Immigration Law

EXPERIENCE

Macdonald & Cody, Legal, Irvine, California

Associate Attorney, January, 2021 – Current

- Meet demands for policy limits, negotiate personal contributions on client's behalf, complete minor's compromise petitions and attend hearings and globally settle cases with multiple claimants
- Conduct necessary and appropriate discovery, hearings, depositions, mediations, and similar proceeding
- Research the law applicable to cases or matters; drafts legal documents, pleadings, motions, briefs and opinions as required. If requested, conduct settlement negotiations
- Advise, communicate and confer with Claims Representatives and Insured Clients, rendering clear, unambiguous legal opinions and advice

Macdonald & Cody, Legal, Irvine, California*Law Clerk, November, 2020 – December, 2020*

- Review, analyze and summarize reports and other pre-litigation materials such as medical records, discovery, billings and other legal documents
- Communicate closely with clients and provide initial case analysis and defense strategies
- Collaborate with opposing counsel in facilitating settlements on clients' behalf
- Draft settlement agreements, declarations, tender letters and legal correspondence

Hadco Metal Trading LLC, Legal, Bensalem, Pennsylvania*Legal Administrator, October, 2017 - July, 2020*

- Review contracts with customers and suppliers for compliance with state, federal and international law
- Analyze, prepare and edit existing contracts or other documents such as legal correspondence, as well as organize and maintain documents in paper or electronic filing system
- Examine, evaluate and discuss potential contract with customers
- Prepare HR documents such as: employment contracts, new hire guides and disciplinary actions
- Liaise with external partners (such as insurance vendors) and ensure legal compliance
- Participate in HR projects such as joining a PEO, shelter volunteering, composing sexual harassment prevention trainings, ensuring compliance with safety & health programs and assisting in recruitment innovation
- Meet with customers and suppliers to discuss details of contracts

UConn LL.M. Admissions Office, Assistant*University Employment*

Spring 2017

- Contacted prospective students, production of alumni newsletter and creating profiles for graduate students **Global Law Program, Promotion Team**, Tilburg, the Netherlands

University Employment, April 2014 – April 2016

- Contacted prospective students, answering questions and organizing campus tours

Danya Cebus, Internship, Bucharest, Romania*In-House Counsel Legal Assistant, Summer 2015*

- Assisted with analyzing, drafting and examining current and potential construction contracts
- Cooperated with financial, tax and bidding departments to understand terms of agreements and draft agreements.
- Supported Communication with Israeli headquarters and developed knowledge of the civil law procedure and court's hierarchy through attending court sessions

Military Service in the Israeli Defense Forces (IDF), Israel*Casualty Department Administrative, Lieutenant, April 2011 – July 2013*

- Managed an adjutancy office of 8 soldiers, maintaining daily responsibility for multiple sectors of the department
- Maintained communication with 800 reservists and executed related administrative tasks
- Received award for outstanding officer performance

International Relations Department, Israel

Soldier, October 2010 – March 2011

- Carried responsibility for scheduling expedition visits of U.S. Military personnel who shared combat training with Israeli soldiers and military reservists for operations in time of an emergency

LANGUAGES**English and Hebrew** – Native/bilingual proficiency • **Romanian and Spanish** –Elementary proficiency

**GEORGE KHOURY
BUILDING ADVISORY & APPEALS
BOARD**

Name Mr. George Khoury

Address [REDACTED]

Do you live in the City of Escondido Limits? Yes

Do you live in the General Plan Area? N/A

Home Phone N/A

Email Address [REDACTED]

Length of time you lived in the area 6+ Years

Employer Retired

Occupation Civil/Environmental Engineer

Business Address N/A

Business Phone N/A

Board of Commission for which you are applying? Building Advisory & Appeals Board

If you have filed additional applications for other boards or commissions, please list them in order of preference

Planning Commission/Transportation & Community Safety Commission

If you are an incumbent, how long have you served in your current position No

Have you ever been a member of any City board or Commission, or employed by the City of Escondido N/A

If so what capacity? N/A

Are any persons now employed by the City of Escondido related to you by blood or by marriage? N/A

If so, list name and relationship? N/A

Personal References (Name/Address/Business Address/Occupation) Mr. Sam Abed Home Address: [REDACTED]

[REDACTED] Business Address: Brush & Associates, 520 W. Valley Parkway Ste. A,

Escondido (760- 745-6700 Real Estate Mr. Mitchel Berner Home Address: [REDACTED]

[REDACTED] Retired Ms. Sandy Eichen Home Address: [REDACTED]

Keller Williams, Escondido - Real Estate

Community Involvement: List present membership in any community service or civic organizations, if any? Ex-board member of Rancho Bernardo MPlanning Group, City of San Diego (2002-2006) Ex-board member of Bernado Santa Fe HOA, Escondido (2017-2021) Presently Commissioner on the SD County Leon L. Williams Human Relations Commission

George Majeed Khoury, P.E.

Experience Summary: George Khoury has 50 years of professional civil and environmental engineering experience in project and program management and administration of multi-disciplinary professional teams, design, construction management, construction of civil and environmental engineering projects and business development and marketing. George's construction and construction management experience is extensive. For many years, he held valid and active General Contractor A license, Building Contractor B License, and the Hazmat Contracting license in the State of California, USA.

Education:

- BsC in Civil Engineering, American University of Beirut, Lebanon, 1971
- MsC in Civil Engineering, University of California at Berkeley, Ca, USA, 1972

Registrations:

- Professional Engineer No. 713, Hashemite Kingdom of Jordan 1973 - Present
- Professional Engineer No. C042382, State of California, USA, 1987-present
- Building Contractor License B, CA, USA (No Longer Active)
- General Engineering Contractor License A, CA, USA (No longer active)
- Hazmat Contractor, State of California, USA 1995-2009 (No Longer Active)

Experience: **GMK Consulting Inc., California, USA**
September 2015 – 2021 - President/Owner. Providing Engineering Consulting, Technical support services, and Quality Assurance and Control support services to clients. Project Manager of the Subcontracts with AECOM Technical Services, and KEH & Associates where GMK was subcontracted to both companies to provide Technical Support and Quality Assurance and Control on the Morena Pump Station and Conveyance Systems Project for the City of San Diego's PURE Program.

BinAjinah Group, Al-Khobar, Kingdom of Saudi Arabia

February 2006 to April 2015- Executive Director of Engineering, Construction and Construction Management Operations.

Brown and Caldwell, Walnut Creek, California, USA

January 1990 to February 2006.

Office Manager, San Diego Office operation (Jan 1990-1993), Vice President (1993-1996), Senior Vice President (1996 to 2006).

Started the San Diego, California, USA office operation in January 1990. Grew that office to 35 by 1993 and 55 by the year 1995. In 1991, started the Brown and Caldwell Federal Program, which grew to multi-million dollars revenue per year. Promoted to Vice President in 1993, and became the Environmental Services Western Business Unit (ES-WBU) regional manager in 1996. Was promoted to Senior Vice President in 1995 and became the assistant Western Business Unit (WBU) manager in 1998. Since 2000, became the National Federal Program Director, while retaining several other roles as Program Manager, Quality Assurance and Confirmation Manager, and Client Service Manager (CSM) for City of San Diego, San Diego County Water Authority, County of San Diego, General Dynamics (Convair Division), City of San Buenaventura, City of Oxnard,

County of Ventura, and Navy's NAVFAC Southwest Division.

During those years managed several large projects and programs for clients such as the City of San Diego, the SWDIV of NAVFAC, The City of Ventura and others. As project/program manager, George's duties included financial, technical, quality and client management

George also was the Registered Managing Executive director (RME) of Brown and Caldwell Constructors (BCC), and did personally carry the required California Contracting Licenses, namely, the General Contractors Licenses A and B, as well as the California Hazmat Contractors' License

County of San Diego, Department of Public Works, Liquid Waste Division, California, USA

Senior Civil Engineer 1988-1989

Principal Engineer 1989-1990

Duties included program management for the Capital Improvement Program (CIP), project management of several key projects, coordination with County Board of Supervisors, Sanitation Districts' Board of Supervisors, and management of consultants and general contractors of Department of Public Works (DPW) in public works related issues. Responsibilities included technical, financial, quality and client management roles.

Bin Ajinah Group, Al-Khobar, Kingdom of Saudi Arabia

Project Manager/Construction Manager, 1975-1978

Executive Vice President, Engineering and Construction, 1978-1986

Self Employed Consultant, 1986-1988

Associated Consulting Engineers (ACE), Beirut, Lebanon

Project Engineer/Project Manager, 1973-1975

Joined ACE as project engineer. Although stationed in Beirut, Lebanon, George worked on public works and infrastructure design projects in Kuwait, Abu Dhabi, Dubai, Yemen, and Saudi Arabia.

John Carollo Engineers, Walnut Creek, California, USA

Project Engineer, 1972- October, 1973

Worked on design of civil and environmental water and wastewater projects.

Memberships

:

Jordanian Professional Engineering Society 1973-Present

American Academy of Environmental Engineers (AAEE) till 2006,

American Society of Civil Engineers (ASCE) Till 2006

American Water Works Association (AWWA) – Life Time Member

American Public Works Association (APWA) Till 2006

Society of American Military Engineers (SAME) Till 2006

**SCOTT MCCOLL
BUILDING ADVISORY & APPEALS
BOARD**

Name Scott McColl

Address [REDACTED]

Do you live in the City of Escondido Limits? Yes

Do you live in the General Plan Area? Yes

Home Phone [REDACTED]

Email Address [REDACTED]

Length of time you lived in the area 6 Months

Employer domusstudio architecture

Occupation Architect

Business Address 2800 Third Ave, San Diego

Business Phone 619-692-9393

Board of Commission for which you are applying? Building Advisory and Appeals

If you have filed additional applications for other boards or commissions, please list them in order of preference N/A

If you are an incumbent, how long have you served in your current position N/A

Have you ever been a member of any City board or Commission, or employed by the City of Escondido No

If so what capacity? N/A

Are any persons now employed by the City of Escondido related to you by blood or by marriage? No

If so, list name and relationship? N/A

Personal References (Name/Address/Business Address/Occupation) David Keitel AIA / [REDACTED] / 2022 AIA President San Diego, 2022 AIA California Board of Directors / Architect Diane Zoura, Principal / Senses & Spaces / [REDACTED] / Interior Designer Jon Dominy AIA / Principal domusstudio architecture / [REDACTED] / 2800 Third Ave San Diego, CA / Architect

Community Involvement: List present membership in any community service or civic organizations, if any? N/A

Name Virginia Segarra Bunnell

Address [REDACTED]

Do you live in the City of Escondido Limits? Yes

Do you live in the General Plan Area? Yes

Home Phone [REDACTED]

Email Address [REDACTED]

Length of time you lived in the area 9 years

Employer Excellos, Inc.

Occupation Vice President of People & Administration

Business Address 1155 Island Ave, Suite 400, San Diego, CA 92101

Business Phone [REDACTED]

Board of Commission for which you are applying? Library

If you have filed additional applications for other boards or commissions, please list them in order of preference N/A

If you are an incumbent, how long have you served in your current position 3 years

Have you ever been a member of any City board or Commission, or employed by the City of Escondido
Yes

If so what capacity? Library Board

Are any persons now employed by the City of Escondido related to you by blood or by marriage? No

If so, list name and relationship? N/A

Personal References (Name/Address/Business Address/Occupation) John Schwab, retired, [REDACTED]
[REDACTED] Pauline Gourdie, CEO, CSL Staffing, [REDACTED]

Community Involvement: List present membership in any community service or civic organizations, if any? Library Board of Trustees Escondido Chamber of Commerce Charitable Foundation

Name Marc Correll

Address [REDACTED]

Do you live in the City of Escondido Limits? Escondido

Do you live in the General Plan Area? yes

Home Phone [REDACTED]

Email Address [REDACTED]

Length of time you lived in the area 14 years

Employer Sundancer Pools

Occupation Project manager

Business Address 1048 Metcalf St Escondido 92026

Business Phone [REDACTED]

Board of Commission for which you are applying? Planning Commission

If you have filed additional applications for other boards or commissions, please list them in order of preference I'm on the HPC, vice chair

If you are an incumbent, how long have you served in your current position 9

Have you ever been a member of any City board or Commission, or employed by the City of Escondido
yes

If so what capacity? HPC

Are any persons now employed by the City of Escondido related to you by blood or by marriage? no

If so, list name and relationship? none

Personal References (Name/Address/Business Address/Occupation) Robby Williams, [REDACTED]
[REDACTED] Battalion Chief, Encinitas Fire. [REDACTED] Troy Watson, New Mexico, Doctor. [REDACTED]

Community Involvement: List present membership in any community service or civic organizations, if any? Assistant coach, Classical Academy High School Baseball and Football. Pastor, The Movement Church

Name Jeff Jester

Address [REDACTED]

Do you live in the City of Escondido Limits? Yes

Do you live in the General Plan Area? Yes

Home Phone [REDACTED]

Email Address [REDACTED]

Length of time you lived in the area 25 years

Employer Self-employed

Occupation GC/RE Developer

Business Address 1835A S. Centre City Parkway #436

Business Phone 7607471207

Board of Commission for which you are applying? Planning

If you have filed additional applications for other boards or commissions, please list them in order of preference no

If you are an incumbent, how long have you served in your current position no

Have you ever been a member of any City board or Commission, or employed by the City of Escondido no

If so what capacity? n/a

Are any persons now employed by the City of Escondido related to you by blood or by marriage? no

If so, list name and relationship? none

Personal References (Name/Address/Business Address/Occupation) Steve Austin / 10602 Esmeralda Dr. San Diego CA / Retired / Port of San Diego, Engineer Ron Hanson / 2001 Felicita Rd. Escondido, CA / Retired / Business Owner Ray Nolan / 2817 E. Paseo Laredo, Anaheim, CA / Nolan Excavating, Business Owner

Community Involvement: List present membership in any community service or civic organizations, if any? none

Name Dustin Steeve

Address [REDACTED]

Do you live in the City of Escondido Limits? No

Do you live in the General Plan Area? Yes

Home Phone [REDACTED]

Email Address [REDACTED]

Length of time you lived in the area 22 years

Employer Self-Employed

Occupation Business Owner / Executive

Business Address 2355 Main Street, Irvine 92014

Business Phone 8007571550

Board of Commission for which you are applying? Planning Commission

If you have filed additional applications for other boards or commissions, please list them in order of preference N/A

If you are an incumbent, how long have you served in your current position N/A

Have you ever been a member of any City board or Commission, or employed by the City of Escondido
No

If so what capacity? N/A

Are any persons now employed by the City of Escondido related to you by blood or by marriage? No

If so, list name and relationship? N/A

Personal References (Name/Address/Business Address/Occupation) Todd Hoyt - Former business owner (North County Camera, ChristianAudio.com) Jason Mancino - Vice Principal, Escondido Charter High School Bill Bradford - Senior Advisor, Sutton Capital Partners, former SVP of Digital Media, FOX Broadcasting Company Blake Lawson - Director Retail Store Product Strategy at SAP Angela Cook - Sr. Escrow Officer, Principle at Lighthouse Escrow, Inc.

Community Involvement: List present membership in any community service or civic organizations, if any? Board member and Secretary - Hildegard College, Costa Mesa CA Founder and President - Lighthouse Escrow Charitable Former board member - Seneca Family of Agencies in Orange County Former marketing advisory member - Pretend City Children's Museum, Irvine CA Former volunteer sound technician - Resurrection OC, Ladera Ranch, CA Former volunteer sound technician - Emmanuel Faith Community Church, Escondido CA

Name Stan Weiler

Address [REDACTED]

Do you live in the City of Escondido Limits? No

Do you live in the General Plan Area? Yes

Home Phone [REDACTED]

Email Address [REDACTED]

Length of time you lived in the area 52 years

Employer HWL

Occupation Land Use Planning

Business Address 2888 Loker Avenue East, Ste. 217, Carlsbad, CA 92010

Business Phone 760.929.2288

Board of Commission for which you are applying? Planning Commission

If you have filed additional applications for other boards or commissions, please list them in order of preference No other Boards or Commissions

If you are an incumbent, how long have you served in your current position 8 years on Planning Commission

Have you ever been a member of any City board or Commission, or employed by the City of Escondido No

If so what capacity? N/A

Are any persons now employed by the City of Escondido related to you by blood or by marriage? No

If so, list name and relationship? N/A

Personal References (Name/Address/Business Address/Occupation) Sam Abed - [REDACTED] - President - Pacific West Consulting - Former Escondido Mayor John Conley - [REDACTED] - City Manager - City of Vista David Ferguson - [REDACTED] - Partner at Lounsbery Ferguson Altona & Peak - Attorney

Community Involvement: List present membership in any community service or civic organizations, if any? Currently - Planning Commission Formerly - Board Member at Greater Escondido Chamber of Commerce, Chair of Government Affairs Committee

Name Jacqueline Kelleher

Address [REDACTED]

Do you live in the City of Escondido Limits? yes

Do you live in the General Plan Area? I don't know

Home Phone [REDACTED]

Email Address [REDACTED]

Length of time you lived in the area 6 years

Employer Helen Woodward animal center

Occupation Technology manager

Business Address 6523 Helen Woodward Way

Business Phone 858-756-4117 ext 359

Board of Commission for which you are applying? Public Art Commission

If you have filed additional applications for other boards or commissions, please list them in order of preference No

If you are an incumbent, how long have you served in your current position No

Have you ever been a member of any City board or Commission, or employed by the City of Escondido
No

If so what capacity? No

Are any persons now employed by the City of Escondido related to you by blood or by marriage? No

If so, list name and relationship? No

Personal References (Name/Address/Business Address/Occupation) Fernanda Lopez - [REDACTED]

- Works for the San Diego County Health and Human Services Department as a Communications Officer

Sara Adame - [REDACTED] Graphic Designer for IMG Group

Community Involvement: List present membership in any community service or civic organizations, if any? Volunteer at the San Diego Zoo Safari Park for 5+ years Volunteer with MANA San Diego Hermanitas program for 2 years

Name Nathalie Martinez

Address [REDACTED]

Do you live in the City of Escondido Limits? Yes

Do you live in the General Plan Area? Yes

Home Phone [REDACTED]

Email Address [REDACTED]

Length of time you lived in the area 25 years

Employer Universidad Popular

Occupation Community Educator

Business Address 261 Autumn Dr

Business Phone N/A

Board of Commission for which you are applying? Public Art Commission

If you have filed additional applications for other boards or commissions, please list them in order of preference N/A

If you are an incumbent, how long have you served in your current position almost 2 years

Have you ever been a member of any City board or Commission, or employed by the City of Escondido
Yes

If so what capacity? Current Public Art commissioner

Are any persons now employed by the City of Escondido related to you by blood or by marriage? No

If so, list name and relationship? N/A

Personal References (Name/Address/Business Address/Occupation) Dr. Arcela Nuñez-Alvarez, [REDACTED]
[REDACTED] Co-Director of Universidad Popular Maria Nuñez, San Marcos City Council Member

Community Involvement: List present membership in any community service or civic organizations, if any? Member of the Southern Border Coalition, San Diego County Economic Development Agencies Sector

Name Heidi Paul

Address [REDACTED]

Do you live in the City of Escondido Limits? Yes

Do you live in the General Plan Area? Yes

Home Phone [REDACTED]

Email Address [REDACTED]

Length of time you lived in the area 27 years

Employer Retired from SMUSD (SMHS & Mission Hills High)

Occupation English/AVID/History Teacher

Business Address N/A

Business Phone N/A

Board of Commission for which you are applying? Public Art Commission

If you have filed additional applications for other boards or commissions, please list them in order of preference N/A

If you are an incumbent, how long have you served in your current position 2 Years

Have you ever been a member of any City board or Commission, or employed by the City of Escondido Public Art Commission

If so what capacity? Commissioner

Are any persons now employed by the City of Escondido related to you by blood or by marriage? No.

If so, list name and relationship? N/A

Personal References (Name/Address/Business Address/Occupation) Melinda Finn Home Address: [REDACTED]

[REDACTED] Business Address: Palomar College, San Marcos (760) 803-4284

Photography Teacher Cheri Barbour Home Address: [REDACTED]

[REDACTED] Artist, Retired RN Nancy Herzfeld-Pipkin Home Address: [REDACTED]

[REDACTED] Retired Grossmont College Teacher

Community Involvement: List present membership in any community service or civic organizations, if any? Qualifications: I would like to continue to serve my community on the Public Art Commission.

Name Patricia Spann

Address [REDACTED]

Do you live in the City of Escondido Limits? 46 plus years

Do you live in the General Plan Area? yes

Home Phone [REDACTED]

Email Address [REDACTED]

Length of time you lived in the area 46 plus years

Employer Expressions Design/Correct Carpet

Occupation Designer and Sales

Business Address 218 East Grand Ave.

Business Phone 760-7414047

Board of Commission for which you are applying? Public Art Commission

If you have filed additional applications for other boards or commissions, please list them in order of preference N/A

If you are an incumbent, how long have you served in your current position 2 Terms 4 years

Have you ever been a member of any City board or Commission, or employed by the City of Escondido
No

If so what capacity? N/A

Are any persons now employed by the City of Escondido related to you by blood or by marriage? [REDACTED]

If so, list name and relationship? [REDACTED]

Personal References (Name/Address/Business Address/Occupation) Dr. Matt Hubbard Awaken Church
Pastor and Chiropractor [REDACTED] Dan and Heather Moe Design Moe Kitchen [REDACTED]
[REDACTED] Board of DBA Escondido Traci Bass Caldwell BankerRealtor [REDACTED]
President of Old Escondido Historic District Urban

Community Involvement: List present membership in any community service or civic organizations, if any? Current Public Arts Commission Past Board Member of DBA and Old Escondido Historic District

Name Bill Durney

Address [REDACTED]

Do you live in the City of Escondido Limits? Yes

Do you live in the General Plan Area? Yes

Home Phone [REDACTED]

Email Address [REDACTED]

Length of time you lived in the area 22 years

Employer Retired

Occupation Former Business Owner

Business Address None

Business Phone [REDACTED]

Board of Commission for which you are applying? Transportation

If you have filed additional applications for other boards or commissions, please list them in order of preference None

If you are an incumbent, how long have you served in your current position 14 years

Have you ever been a member of any City board or Commission, or employed by the City of Escondido
No

If so what capacity? None

Are any persons now employed by the City of Escondido related to you by blood or by marriage? No

If so, list name and relationship? None

Personal References (Name/Address/Business Address/Occupation) Mayor Dane White EUHSD
Superintendent Jon Peterson Tina Pope, Neighborhood Healthcare

Community Involvement: List present membership in any community service or civic organizations, if any? Member Escondido High School Board Member Escondido Transportation and Safety Commission

Name Lon R Grothen

Address [REDACTED]

Do you live in the City of Escondido Limits? yes

Do you live in the General Plan Area? yes

Home Phone [REDACTED]

Email Address [REDACTED]

Length of time you lived in the area 10 years

Employer retired from GEICO

Occupation Auto Claims

Business Address 14111 Danielson Poway

Business Phone [REDACTED]

Board of Commission for which you are applying? Traffic

If you have filed additional applications for other boards or commissions, please list them in order of preference No

If you are an incumbent, how long have you served in your current position No

Have you ever been a member of any City board or Commission, or employed by the City of Escondido
No

If so what capacity? N/A

Are any persons now employed by the City of Escondido related to you by blood or by marriage? No

If so, list name and relationship? N/A

Personal References (Name/Address/Business Address/Occupation) Robert Thompson [REDACTED]
[REDACTED] Claims Supervisor GEICO Lynne Anderson [REDACTED]
[REDACTED] Retired Auto Claims Supervisor/Regional Liability Administrator GEICO
Chris Hedden Address to be provided, [REDACTED] Regional Liability Administrator.

Community Involvement: List present membership in any community service or civic organizations, if any? Intern: San Diego Police Department Chair GEICO Grassroots Committee; Distributed Corporate donations to the local charities. Board Member and Manager; La Mesa Little League

Name Beth Kassebaum

Address [REDACTED]

Do you live in the City of Escondido Limits? Yes

Do you live in the General Plan Area? Yes

Home Phone [REDACTED]

Email Address [REDACTED]

Length of time you lived in the area 10 years

Employer Self-employed

Occupation Homeschool mom, jam maker, sometimes traffic engineer

Business Address [REDACTED]

Business Phone [REDACTED]

Board of Commission for which you are applying? Transportation and Community Safety Commission

If you have filed additional applications for other boards or commissions, please list them in order of preference None

If you are an incumbent, how long have you served in your current position 6 years

Have you ever been a member of any City board or Commission, or employed by the City of Escondido
Yes

If so what capacity? I worked as a Traffic Engineer for the City from 2011-2015

Are any persons now employed by the City of Escondido related to you by blood or by marriage? No

If so, list name and relationship? N/A

Personal References (Name/Address/Business Address/Occupation) Ray Laigo, [REDACTED]
[REDACTED] Traffic Engineer Ted Hamilton, [REDACTED] Pastor Jeff
& Jenny Morgan, [REDACTED] structural engineer & homemaker, close friends

Community Involvement: List present membership in any community service or civic organizations, if any? Active member of the Old Escondido neighborhood group and Homes Tour host



CITY of ESCONDIDO

FUTURE AGENDA

4/17/2024

PROCLAMATION - MARINE CAPTAIN RICHARD J. GANNON II
PROCLAMATION/PRESENTATION: NATIONAL VOLUNTEER WEEK
PRESENTATION: CERTIFICATES OF RECOGNITION - OUTGOING COMMISSIONERS

CONSENT CALENDAR - (C. MCKINNEY) - EL CABALLO PARK RFP PROJECT - It is requested that the City Council approve the selection of Michael Baker Inc. as the environmental consultant, and award the bid contract fee of \$190,545 with the option to include four (4) additional task, totaling \$48,390 for an aggregate of \$238,935. The budget approved for the Request for Proposal (RFP) was \$200,000, and staff is presenting the item before City Council as required per Article 6, Section 10-133(a)(1) to approve Staff's ability to award the consultant any additional fees beyond \$200,000, and not to exceed the contract fee of \$238,935. The awarded consultant for the Project will provide the City with environmental review services including an environmental determination and the optional task are dependent on the findings within the environmental studies. The document determined to be appropriate will be prepared in accordance with the California Environmental Quality Act ("CEQA") and the CEQA Guidelines.

ESSENTIAL SERVICE: YES, LAND USE/DEVELOPMENT
COUNCIL PRIORITY: Encourage Housing Development

CONSENT CALENDAR - (C. MCKINNEY) - CONSULTING AGREEMENT FOR DESIGN OF MOUNTAIN VIEW PARK PICKLEBALL COURTS PROJECT - It is recommended that the City Council adopt Resolution No. 2024-23 awarding a consulting agreement to David Volz Design Landscape Architects, Inc. (DVD) in the amount of \$235,009 to provide engineering design services for the Mountain View Park Pickleball Courts Project ("Project").

ESSENTIAL SERVICE: YES, MAINTENANCE OF PARKS FACILITIES/OPEN SPACES
COUNCIL PRIORITY: INCREASE RETENTION AND ATTRACTION OF PEOPLE AND BUSINESSES TO ESCONDIDO

CONSENT CALENDAR - (C. MCKINNEY) - APPROVE BUDGET ADJUSTMENT, CHANGE ORDER AND CONTRACT AMENDMENT FOR THE CITRACADO PARKWAY EXTENSION PROJECT - It is requested that the City Council adopt Resolution No. 2024-43 authorizing a budget adjustment to receive reimbursement in the amount of \$2,033,103.50 from Rincon Del Diablo Municipal Water District, Resolution 2024-44 for a change order in the amount of \$994,407.97 to the construction contract with Flatiron West, Inc., and Resolution 2024-45 authorizing Amendment 4 to the consultant contract with TY Lin International in the amount of \$389,823 for the Citracado Parkway Extension Project ("Project").

ESSENTIAL SERVICE: YES, PUBLIC WORKS/INFRASTRUCTURE
COUNCIL PRIORITY: IMPROVE PUBLIC SAFETY; INCREASE RETENTION AND ATTRACTION OF PEOPLE AND BUSINESSES TO ESCONDIDO

PUBLIC HEARING - (C. MCKINNEY) - ARTICLE 40 REVISIONS (PL24-0017) - It is requested that the City Council amend Article 40 (Historical Resources) of the Escondido Zoning Code to delegate historic preservation responsibilities to the Planning Commission and/or City staff.

ESSENTIAL SERVICE: YES - LAND USE/DEVELOPMENT
COUNCIL PRIORITY: ELIMINATE STRUCTURAL DEFICIT; IMPROVE PUBLIC SAFETY; INCREASE RETENTION AND ATTRACTION OF PEOPLE AND BUSINESSES TO ESCONDIDO

PUBLIC HEARING - (E. VARSO) - APPROVAL OF RENEWAL OF THE ESCONDIDO POLICE DEPARTMENT MILITARY ORDINANCE NO. 2024-04 APPROVING DEPARTMENT INSTRUCTION 1.55, MILITARY EQUIPMENT USE POLICY, IN ACCORDANCE WITH NEWLY ESTABLISHED STATE LAW REQUIREMENTS AS SET FORTH IN ASSEMBLY BILL NO. 481.

ESSENTIAL SERVICE: YES - INTERNAL REQUIREMENT IN SUPPORT OF POLICE SERVICES
COUNCIL PRIORITY: IMPROVE PUBLIC SAFETY

CURRENT BUSINESS - (J. GOULART) - AUTHORIZE THE PURCHASE OF PLAYGROUND EQUIPMENT FOR THE COMMUNITY DEVELOPMENT BLOCK GRANT PLAYGROUND EQUIPMENT REPLACEMENT PROJECT AT WASHINGTON PARK, JESMOND DENE PARK, AND WESTSIDE PARK - Request the City Council adopt Resolution No. 2024-39, authorizing the Mayor to execute, on behalf of the City, a cooperative Purchase Agreement through Sourcewell with Miracle Recreation Equipment Company, in the amount of \$520,928.97 for the purchase of playground equipment for children 2-5 years, 5-12 years, and integrated shade structures for the Community Development Block Grant ("CDBG") Playground Equipment Replacement Project at Washington Park, Jesmond Dene Park, and Westside Park.

ESSENTIAL SERVICE: Maintenance of Parks facilities/Open Spaces
COUNCIL PRIORTY: Increase Retention and Attraction of People and Businesses to Escondido;

KEY-

CONSENT CALENDAR CURRENT BUSINESS

PUBLIC HEARING WORKSHOP

Item 8.

CURRENT BUSINESS - (J. GOULART) - AUTHORIZE THE PURCHASE AND INSTALLATION OF PLAYGROUND EQUIPMENT FOR THE SAN DIEGO COUNTY PARK IMPROVEMENTS PROJECT AT MOUNTAIN VIEW PARK AND KIT CARSON PARK - Request the City Council adopt Resolution No. 2024-40, authorizing the Mayor to execute, on behalf of the City, a cooperative Purchase Agreement through Sourcewell with Miracle Recreation Equipment Company, in the amount of \$892,217.53 for the purchase and installation of playground equipment for children 2-5 years, 5-12 years, and integrated shade structures for the San Diego County Park Improvements Project at Mountain View Park and Kit Carson Park.

ESSENTIAL SERVICE: Maintenance of Parks facilities/Open Spaces

COUNCIL PRIORITY: Increase Retention and Attraction of People and Businesses to Escondido;

CURRENT BUSINESS - (C.MCKINNEY) - HOUSING ELEMENT PROGRESS REPORT - Request the City Council to review and receive the 2023 calendar year annual progress report for the Housing Element of the General Plan ("Housing Element APR") and authorize submittal of the report to the State Office of Planning and Research ("OPR"), the State Department of Housing and Community Development ("HCD"), and the San Diego Association of Governments ("SANDAG").

ESSENTIAL SERVICE: YES - LAND USE/DEVELOPMENT

COUNCIL PRIORITY: ELIMINATE STRUCTURAL DEFICIT; IMPROVE PUBLIC SAFETY; INCREASE RETENTION AND ATTRACTION OF PEOPLE AND BUSINESSES TO ESCONDIDO

5/1/2024 - NO MEETING (SPRING BREAK)