

PRELIMINARY OFFICIAL STATEMENT DATED JUNE __, 2024**NEW ISSUE – BOOK-ENTRY-ONLY****RATING: See “RATING” herein.****INSURANCE: See “BOND INSURANCE” AND “RISK FACTORS RELATED TO BOND INSURANCE” herein.**

In the opinion of Greenberg Traurig, LLP, Bond Counsel, assuming the accuracy of certain representations and certifications and the continuing compliance with certain tax covenants, under existing statutes, regulations, rulings and court decisions, interest on the Bonds will be excludable from gross income for federal income tax purposes. Further, interest on the Bonds will not be an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals but in the case of the alternative minimum tax imposed by Section 55(b)(2) of the Internal Revenue Code of 1986, as amended (the “Code”), on applicable corporations (as defined in Section 59(k) of the Code), interest on the Bonds is not excluded from the determination of adjusted financial statement income. See “TAX EXEMPTION” herein for a description of certain other federal tax consequences of ownership of the Bonds. Bond Counsel is further of the opinion that interest on the Bonds will be exempt from income taxation under the laws of the State of Arizona.

The Bonds will be designated as “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended. See “QUALIFIED TAX-EXEMPT OBLIGATIONS” herein.

\$4,835,000*

**VISTANCIA NORTH COMMUNITY FACILITIES DISTRICT
(PEORIA, ARIZONA)
GENERAL OBLIGATION BONDS, SERIES 2024
(BANK QUALIFIED)**

*Dated: Date of Initial Delivery**Due: As shown on the inside front cover page*

The Vistancia North Community Facilities District (Peoria, Arizona) General Obligation Bonds, Series 2024 (the “Bonds”) will be issued by Vistancia North Community Facilities District (the “District”) in the form of 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 initially to ultimate purchasers through the book-entry-only system maintained by DTC in amounts of \$5,000 of principal and integral multiples in excess thereof due on specified maturity dates. Interest on the Bonds will be paid semiannually on January 15 and July 15 of each year, commencing January 15, 2025*. Payments of principal and interest will be paid by wire transfer to DTC for subsequent disbursements to DTC participants which will remit such payments to the beneficial owners of the Bonds. See APPENDIX C – “BOOK-ENTRY-ONLY SYSTEM” herein.

SEE INSIDE FRONT COVER PAGE FOR MATURITY SCHEDULE

The Bonds are authorized pursuant to Title 48, Chapter 4, Article 6, Arizona Revised Statutes, as amended, and an election held on October 13, 2020, in and for the District, a community facilities district formed within the boundaries of the City of Peoria, Arizona (the “City”), and will be issued pursuant to a resolution of the Board of Directors of the District adopted on June 11, 2024, and a Series 2024 Indenture of Trust and Security Agreement, to be dated as of July 1, 2024*. The Bonds will be payable as to both principal and interest from *ad valorem* taxes to be levied on all taxable property within the boundaries of the District, without limitation as to rate or amount. Debt service with respect to the Bonds will also be payable from amounts to be paid pursuant to a Series 2024 Standby Contribution Agreement, to be dated as of July 1, 2024* (the “Standby Contribution Agreement”), as described herein and may also be payable under certain circumstances from amounts to be held pursuant to a Series 2024 Letter of Credit Depository Agreement, to be dated as of July 1, 2024* (the “Depository Agreement”), which will not be subject to replenishment as described herein. See “SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS” herein. The Standby Contribution Agreement and the Depository Agreement will be terminated, in each case, under certain circumstances described under “SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS” and “RISK FACTORS” herein.

The Bonds will be subject to redemption by the District prior to maturity as described herein*. See “THE BONDS – Redemption Provisions” herein.

The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the Bonds by _____.

[Bond Insurer Logo]

Proceeds of the sale of the Bonds will be used to pay (i) costs of acquisition by the District of certain public infrastructure benefitting the District, (ii) a portion of the interest due on the Bonds through January 15, 2026, and (iii) costs of issuance of the Bonds.

Investment in the Bonds involves certain risks that each prospective investor should consider prior to investing. See “SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS” and “RISK FACTORS” herein.

NEITHER THE FULL FAITH AND CREDIT NOR THE GENERAL TAXING POWER OF THE CITY, THE STATE OF ARIZONA (THE “STATE”) OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE DISTRICT) IS PLEDGED TO THE PAYMENT OF THE BONDS. THE BONDS WILL BE OBLIGATIONS OF THE DISTRICT ONLY. NONE OF THE CITY, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE DISTRICT) WILL HAVE ANY OBLIGATION WITH RESPECT TO DEBT SERVICE FOR THE BONDS.

The Bonds will be offered when, as and if issued and subject to the approval of Greenberg Traurig, LLP, Phoenix, Arizona, Bond Counsel. Certain legal matters will be passed upon for the District by the District Counsel, for the Underwriter identified below by its counsel, Ballard Spahr LLP, Phoenix, Arizona, and for Vistancia Development LLC, by its counsel, Berens Blonstein PLC, Scottsdale, Arizona. It is expected that delivery of the Bonds will be made through the facilities of DTC on or about July __, 2024.

This cover page contains certain information for general reference only. It is not a summary of the issue of which the Bonds are a part. Investors are advised to read this Official Statement in its entirety to obtain information essential to the making of an informed investment decision with respect to the Bonds.

* Subject to change.

\$4,835,000*
VISTANCIA NORTH COMMUNITY FACILITIES DISTRICT
(PEORIA, ARIZONA)
GENERAL OBLIGATION BONDS, SERIES 2024
(BANK QUALIFIED)

MATURITY SCHEDULE*

Maturity Date (July 15)	Principal Amount	Interest Rate	Yield	CUSIP® ⁽¹⁾ No. _____
2027	\$ 115,000	%	%	
2028	125,000			
2029	130,000			
2030	135,000			
2031	140,000			
2032	150,000			
2033	155,000			
2034	165,000			
2035	170,000			
2036	180,000			
2037	190,000			
2038	200,000			
2039	210,000			
2040	220,000			
2041	230,000			
2042	245,000			
2043	255,000			
2044	270,000			
2045	280,000			
2046	295,000			
2047	310,000			
2048	325,000			
2049	340,000			

* Subject to change.

⁽¹⁾ 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 CGS. All rights reserved. CUSIP® data herein is provided by CGS. 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 District, the Financial Advisor, the Underwriter, the Owner or their agents or counsel assume responsibility for the accuracy of such numbers.

VISTANCIA NORTH COMMUNITY FACILITIES DISTRICT

BOARD OF DIRECTORS OF THE DISTRICT

Jason Beck, *Chairperson*

Denette Dunn, *Vice Chairperson*

Jennifer Crawford, *Member*

Bill Patena, *Member*

Brad Shafer, *Member*

Michael Finn, *Member*

Jon Edwards, *Member*

DISTRICT ADMINISTRATIVE STAFF

Henry Darwin
District Manager

Sean Kindell
District Chief Financial Officer

Emily Jurmu
District Counsel

Agnes Goodwine
District Clerk

FINANCIAL ADVISOR

PFM Financial Advisors LLC
Chandler, Arizona

BOND COUNSEL

Greenberg Traurig, LLP
Phoenix, Arizona

TRUSTEE

U.S. Bank Trust Company, National Association
Phoenix, Arizona

REGARDING THIS OFFICIAL STATEMENT

This Official Statement, which includes the cover page, the inside front cover page and the appendices hereto, should be considered in its entirety, and no one subject should be considered less important than another by reason of location in the text. Brief descriptions of the Bonds, the Bond Resolution, the Indenture, the Standby Contribution Agreement, the Depository Agreement, the security for the Bonds, the District, the Owner and the public infrastructure to be financed by the Bonds (as such terms are defined herein) and other information are included in this Official Statement. Such descriptions do not purport to be comprehensive or definitive. All references herein to the Bonds, the Bond Resolution and any documents are qualified in their entirety by reference to such documents, copies which may be obtained from Stifel, Nicolaus & Company, Incorporated (the “Underwriter”), at 2801 East Camelback Road, Suite 300, Phoenix, Arizona 85016.

No dealer, broker, salesperson or other person has been authorized by the District, the Underwriter or PFM Financial Advisors LLC (the “Financial Advisor”), to give information or to make any representations other than those contained in this Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by the District, the Underwriter, the Financial Advisor or the Owner.

The information set forth herein has been obtained from the District, the Owner and other sources that are considered to be accurate and reliable and customarily relied upon in the preparation of similar official statements, but such information has not been independently confirmed or verified by the District, the Underwriter, the Owner (except the section entitled “LAND DEVELOPMENT”) or the Financial Advisor, is not guaranteed as to accuracy or completeness, and is not to be construed as the promise or guarantee of the District, the Underwriter, the Owner (except the section entitled “LAND DEVELOPMENT”) or the Financial Advisor.

The Underwriter has provided the following sentence for inclusion in this Official Statement: “The Underwriter has reviewed the information in this Official Statement pursuant to its responsibilities to investors under the federal securities laws, but the Underwriter does not guarantee the accuracy or completeness of such information.”

The presentation of information, including tables of receipts from taxes and other sources, shows recent historical information and is not intended to indicate future or continuing trends in the financial position or other affairs of the District. All information, estimates and assumptions contained herein are based on past experience and on the latest information available and are believed to be reliable, but no representations are made that such information, estimates and assumptions are correct, will continue, will be realized or will be repeated in the future. To the extent that any statements made in this Official Statement involve matters of opinion or estimates, whether or not expressly stated to be such, they are made as such and not as representations of fact or certainty, and no representation is made that any of these statements have been or will be realized. All forecasts, projections, opinions, assumptions or estimates are “forward looking statements” that must be read with an abundance of caution and that may not be realized or may not occur in the future. Information other than that obtained from official records of the District has been identified by source and has not been independently confirmed or verified by the District, the Underwriter, the Financial Advisor or the Owner (except the section entitled “LAND DEVELOPMENT”) and its accuracy cannot be guaranteed. 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 pursuant hereto will, under any circumstances, create any implication that there has been no change in the affairs of the District or any of the other parties or matters described herein since the date hereof.

The Bonds will not be registered under the Securities Act of 1933, as amended, or any state securities law, and will not be listed on any stock or other securities exchange. Neither the Securities and Exchange Commission nor any other federal, state or other governmental entity or agency will have passed upon the accuracy or adequacy of this Official Statement or approved the Bonds for sale.

A wide variety of information, including financial information, concerning the District is available from publications and websites of the District and others. Any such information that is inconsistent with the information set forth in this Official Statement should be disregarded. References to web site addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader’s convenience. Unless specified otherwise, such web sites and the information nor links contained therein are not incorporated into, and are not part of, this Official Statement for purposes of Rule 15c2-12 of the Securities and Exchange Commission.

The District will undertake to provide continuing disclosure as described in this Official Statement under the heading “CONTINUING DISCLOSURE” and in APPENDIX D – “FORM OF CONTINUING DISCLOSURE UNDERTAKING” pursuant to Rule 15c2-12 of the Securities and Exchange Commission.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY ALLOW CONCESSIONS OR DISCOUNTS FROM THE INITIAL PUBLIC OFFERING PRICES TO DEALERS AND OTHERS, AND THE UNDERWRITER MAY OVERALLOT OR ENGAGE IN TRANSACTIONS INTENDED TO STABILIZE THE PRICES OF THE BONDS AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET IN ORDER TO FACILITATE THEIR DISTRIBUTION. SUCH STABILIZATION, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

[Bond insurer disclosure to come.]

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**MAP SHOWING LOCATION OF THE DISTRICT IN
THE CONTEXT OF THE SURROUNDING AREA**

**MAP SHOWING LOCATION OF THE DISTRICT IN
THE CONTEXT OF THE PHOENIX METROPOLITAN AREA**

AERIAL DEPICTION OF THE DISTRICT BOUNDARIES

OFFICIAL STATEMENT

\$4,835,000*

VISTANCIA NORTH COMMUNITY FACILITIES DISTRICT (PEORIA, ARIZONA) GENERAL OBLIGATION BONDS, SERIES 2024 (BANK QUALIFIED)

This Official Statement, which includes the cover page, the inside front cover page and the appendices hereto, provides certain information concerning the issuance of \$4,835,000* principal amount of Vistancia North Community Facilities District (Peoria, Arizona) General Obligation Bonds, Series 2024 (the “Bonds”). Certain capitalized terms not defined in the text of this Official Statement are defined in APPENDIX E – “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE - Definitions of Certain Terms.” Copies of any of the documents referenced herein are available upon request to the Underwriter (as defined herein) at 2801 East Camelback Road, Suite 300, Phoenix, Arizona 85016.

INTRODUCTORY STATEMENT

The Community Facilities District Act of 1988, constituting Title 48, Chapter 4, Article 6, Arizona Revised Statutes, as amended (the “Enabling Act”), was enacted to provide a method of financing (including through the issuance by a community facilities district of general obligation bonds) certain “public infrastructure purposes” (as such term is defined in the Enabling Act) relating to the community facilities district. As provided by, and with the limitations set forth in, the Enabling Act, once formed, a community facilities district is a legally constituted municipal corporation and political subdivision within defined boundaries, separate and apart from the municipality in which a community facilities district is formed.

The District

Pursuant to the Enabling Act and in response to a petition by the then owners of all interests in the real property therein, the Mayor and Council of the City of Peoria, Arizona (the “City”), formed Vistancia North Community Facilities District (the “District”) on June 16, 2020. See the maps and aerial on pages (vi), (vii) and (viii) for the location of the District. The Mayor and Council of the City serve, *ex officio*, as the Chairman and members of the Board of Directors of the District (the “Board”). Additionally, the Board has appointed Henry Darwin, the City Manager, as the District Manager; Sean Kindell, the City Chief Financial Officer, as the District Chief Financial Officer; Agnes Goodwine, the City Clerk, as the District Clerk; and Emily Jurmu, the City Attorney, as the District Counsel.

Among other things, pursuant to a District Development, Financing Participation and Intergovernmental Agreement (Vistancia North Community Facilities District), dated as of September 1, 2020 (as amended to date, the “Development Agreement”), among the City, the District and Vistancia Development LLC, a Delaware limited liability company (the “Owner”), the District is intended to provide the vehicle for financing certain public infrastructure purposes necessary for development of the land within the boundaries of the District. See APPENDIX A – “CITY OF PEORIA, ARIZONA” for certain information about the City, and “LAND DEVELOPMENT” for a description of the Owner.

NEITHER THE FULL FAITH AND CREDIT NOR THE GENERAL TAXING POWER OF THE CITY, THE STATE OF ARIZONA (THE “STATE” OR “ARIZONA”), OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE DISTRICT) IS PLEDGED TO THE PAYMENT OF THE BONDS. THE BONDS WILL BE OBLIGATIONS OF THE DISTRICT ONLY. NONE OF THE CITY, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE DISTRICT) WILL HAVE ANY OBLIGATION WITH RESPECT TO DEBT SERVICE FOR THE BONDS.

Pursuant to the results of a vote of the owners of land in the District at a special bond election held in and for the District on October 13, 2020 (the “Election”), the District has the authority to issue general obligation bonds in an aggregate principal amount of not to exceed \$50,000,000, in more than one series, in order to finance, among other

* *Subject to change.*

things, the costs of public infrastructure purposes within the District, including incidental costs and the costs of issuing bonds, payable from *ad valorem* taxes (without limitation as to rate or amount) levied on all taxable property within the boundaries of the District. On September 9, 2021, the District issued \$15,987.19 aggregate principal amount of such general obligation bonds, no portion of which remains outstanding or unpaid. In addition, on May 17, 2023, the District issued \$18,950.35 aggregate principal amount of such general obligation bonds, no portion of which remains outstanding or unpaid.

In addition to the levy of *ad valorem* property taxes for the payment of Debt Service on the Bonds, pursuant to the results of the Election, the District also is authorized to levy and collect an *ad valorem* tax at a tax rate of not to exceed \$0.30 per \$100 of Net Limited Assessed Property Value (as defined herein) on all taxable property within the boundaries of the District for operation and maintenance expenses of the District (the “Operation and Maintenance Tax”). The District has not levied, and currently does not intend to levy, the Operation and Maintenance Tax.

The First District

Pursuant to the Enabling Act and in response to a petition by the then owners of all interests in the real property therein, the City Council formed Vistancia Community Facilities District (the “First District”) on October 15, 2002.

Pursuant to the results of a vote of the owners of land in the First District at a special bond election held in and for the First District on November 12, 2002 (the “First District Election”), the First District has the authority to issue general obligation bonds in an aggregate principal amount of not to exceed \$100,000,000, in more than one series, in order to finance, among other things, the costs of public infrastructure purposes within the District, including incidental costs and the costs of issuing bonds, payable from *ad valorem* taxes (without limitation as to rate or amount) levied on all taxable property within the boundaries of the First District. The First District has issued multiple series of bonds, only one series of which remains outstanding: the District’s General Obligation Bonds, Series 2020, currently outstanding in the aggregate principal amount of \$11,890,000, with a final maturity date of July 15, 2026. Although the First District has \$30,393,912 remaining authorization from the First District Election, it is not expected that additional bonds from such authorization will be issued.

The boundaries of the District overlay the northern portion of the boundaries of the First District. Under the Development Agreement, bonds of the District may only be issued if the total debt service on all bonds of the District and any outstanding bonds of the First District (as of the date hereof, the First District Bonds) can be amortized with substantially equal amounts generated by a combined tax rate for both bonds of the District and bonds of the First District of not exceeding \$2.65 per \$100 of Net Limited Assessed Property Value, assuming a prescribed delinquency factor. Pursuant to the Development Agreement, the District’s target tax rate for Debt Service is \$2.65 per \$100 of Net Limited Assessed Property Value.

The District and the First District are separate and distinct legal entities, and neither entity is legally or otherwise liable for payment or the bonds or obligations of the other.

THE BONDS

Authorization and Purpose

The Bonds are authorized pursuant to the Election and the Enabling Act and will be issued pursuant to a resolution adopted by the Board on June 11, 2024 (the “Bond Resolution”), and the Series 2024 Indenture of Trust and Security Agreement, to be dated as of July 1, 2024* (the “Indenture”), from the District to U.S. Bank Trust Company, National Association, as trustee (the “Trustee”).

Proceeds from the sale of the Bonds will be used to pay (i) costs of acquisition by the District of certain “public infrastructure” (as such term is defined in the Enabling Act) benefitting the District, (ii) a portion of the interest due on the Bonds through January 15, 2026, and (iii) costs of issuance of the Bonds. The Bonds will be the third series of bonds issued pursuant to the authorization approved at the Election and, after the sale and delivery of the Bonds, the District will have \$ _____* remaining authorized, but unissued, general obligation bonds for future

* *Subject to change.*

issuance. See “SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS – *Ad Valorem* Property Taxation in the District” and “OVERLAPPING, ADDITIONAL AND ADDITIONAL OVERLAPPING INDEBTEDNESS – Overlapping General Obligation Bonded Indebtedness – Additional General Obligation Bonded Indebtedness of the District.” Additional bonds may be issued in the future pursuant to authority approved at the Election or at future elections held in and for the District. See “SOURCES AND USES OF FUNDS.”

General Description

The Bonds will be dated the date of their initial delivery and will mature and bear interest as set forth on the inside front cover page of this Official Statement. Interest on the Bonds will be paid semiannually on January 15 and July 15 of each year, commencing January 15, 2025* (each such date being referred to herein as an “Interest Payment Date”). The Bonds will bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, or, if no interest has been paid, from the date of their initial delivery, calculated on the basis of a 360-day year of twelve 30-day months.

The principal of, redemption price for and interest on the Bonds will be payable when due to Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”). The District has chosen the first (1st) day (whether or not a Business Day) of the calendar month of each Interest Payment Date as the record date. DTC will act as the securities depository of the Bonds for a book-entry-only system. The Bonds will be available in minimum denominations of \$5,000 of principal amount due on a specified maturity date and any integral multiple in excess thereof. See APPENDIX C – “BOOK-ENTRY-ONLY SYSTEM.”

Redemption Provisions*

Optional Redemption. The Bonds maturing before or on July 15, 20__ will not be subject to redemption prior to maturity. The Bonds maturing on and after July 15, 20__ will be subject to redemption at the option of the District as a whole or in part on July 15, 20__ or any date thereafter (each a “Redemption Date”) upon payment of the Redemption Price, which shall consist of the principal amount of the Bonds so redeemed plus accrued interest, if any, on the Bonds so redeemed from the most recent Interest Payment Date to the Redemption Date, without a premium.

Mandatory Redemption. The Bonds maturing on July 15 of the following years (the “Term Bonds”) will be subject to mandatory redemption and will be redeemed on July 15 of the respective years and in the principal amounts set forth below, by payment of the principal amount of each Bond redeemed, plus interest accrued to the date fixed for redemption, but without premium:

Term Bond Maturing July 15, 20__

Year	Principal Amount
20__	\$
20__	
20__	
20__ (maturity)	

Term Bond Maturing July 15, 20__

Year	Principal Amount
20__	\$
20__	
20__	
20__ (maturity)	

* *Subject to change.*

Term Bond Maturing July 15, 20__

<u>Year</u>	<u>Principal Amount</u>
20__	\$
20__	
20__	
20__ (maturity)	

Whenever Term Bonds are redeemed (other than pursuant to mandatory redemption) or are delivered to the Trustee for cancellation, the principal amount of the Term Bonds of such maturity so retired shall satisfy and be credited against the mandatory redemption requirements for such maturity on a pro rata basis, to the extent practicable provided, however, that each remaining mandatory payment shall be in an amount of at least \$5,000 of principal.

Selection of Bonds for Redemption. In case of any redemption at the election of the District of less than all of the Bonds Outstanding, the District will, at least 60 days prior to the Redemption Date (unless a shorter notice shall be satisfactory to the Trustee), notify the Trustee in writing of such Redemption Date and of the Stated Maturities and principal amounts of Bonds to be redeemed. If less than all the Bonds Outstanding of a Stated Maturity of the Bonds are to be redeemed, the particular Bonds of such Stated Maturity of the Bonds to be redeemed will be selected not more than 45 days prior to the Redemption Date by the Trustee from the Bonds Outstanding that have not previously been called for redemption, by such random method as the Trustee shall in its sole discretion deem appropriate and that may provide for the selection for redemption of portions (equal to \$5,000 of principal amount or an integral multiple thereof) of the principal of Bonds of a denomination larger than the authorized denomination of that Bond.

Notice of Redemption. Notice of redemption will be given by the Trustee, not less than 30 days nor more than 60 days prior to the Redemption Date, to DTC. Neither the failure to mail any such notice, nor any defect in any notice so mailed, will affect the sufficiency of such notice or the redemption otherwise effected by such notice. Notice of any redemption will also be sent to the Municipal Securities Rulemaking Board (the "MSRB"), currently through the MSRB's Electronic Municipal Market Access system ("EMMA"), in the manner required by the MSRB. Neither the failure to provide such notice via EMMA, nor any defect in any notice so provided to EMMA, will affect the sufficiency of such notice or the redemption otherwise effected by such notice.

If moneys for the payment of the Redemption Price are not held by the Trustee prior to sending the notice of redemption, such redemption shall be conditional on such moneys being so held on or prior to the Redemption Date and if not so held by the Redemption Date the redemption shall be cancelled and be of no force and effect. The notice of redemption shall describe the conditional nature of the redemption.

Effect of Redemption. Notice of redemption having been given as aforesaid, the Bonds so to be redeemed will, on the Redemption Date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the District shall default in the payment of the Redemption Price) such Bonds will cease to bear interest.

SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS

General

After the Bonds are issued, State law requires that the Board annually levy and cause an *ad valorem* property tax to be collected on all taxable property in the boundaries of the District sufficient, together with moneys from the sources described in the Enabling Act and which may be available pursuant to the Indenture including pursuant to the terms of the hereinafter described Standby Contribution Agreement and the hereinafter described Depository Agreement, to pay Debt Service when due. Such taxes are to be levied, assessed and collected at the same time and in the same manner as other taxes are levied, assessed and collected. The proceeds of the taxes and any payments pursuant to the Standby Contribution Agreement and the Depository Agreement will be kept in the Series 2024 Tax Account of the Bond Fund established pursuant to the Indenture (the "Tax Account"). Following collection and deposit of the taxes in the Tax Account, moneys credited to the Tax Account will be invested in accordance with the provisions of State law.

For each year until the Bonds are paid or otherwise provided for, the Board will levy and cause to be collected an *ad valorem* property tax on all taxable property within the boundaries of the District (which does not include the Operation and Maintenance Tax), sufficient, with moneys, if any, available pursuant to the Series 2024 Standby Contribution Agreement, to be dated as of July 1, 2024* (“Standby Contribution Agreement”), by and among the District, the Owner and the Trustee, to pay Debt Service. The Standby Contribution Agreement will be terminated under certain circumstances. It is expected that, based on anticipated development as described herein under the heading “LAND DEVELOPMENT – Land Development,” the amount of *ad valorem* taxes expected to be collected from year to year at a tax rate of up to \$2.65 per \$100 of Net Limited Assessed Property Value on all taxable property within the boundaries of the District will, each year, pay an increasing amount of Debt Service and ultimately will be sufficient alone to pay Debt Service.

Simultaneously with the delivery of the Bonds, the Owner will cause the Letter of Credit Bank to issue the initial Letter of Credit (the “Letter of Credit”) for the benefit of the District and in favor of U.S. Bank Trust Company, National Association, as depository (the “Depository”), in the stated amount of \$_____* (an amount equal to two times the Maximum Annual Debt Service with respect to the Bonds in accordance with the requirements of the Development Agreement) to be held pursuant to the Series 2024 Letter of Credit Depository Agreement, to be dated as of July 1, 2024* (the “Depository Agreement”), by and between the District and the Depository. The Draw (as defined herein) upon the Letter of Credit in the total stated amount may be available under certain circumstances to pay Debt Service (but not debt service with respect to any subsequently issued bonds of the District) if there has been levied and assessed an *ad valorem* tax rate in the District such that the tax rate levied by the District plus the tax rate levied by the First District is at least equal to \$2.65 per \$100 of Net Limited Assessed Property Value (which does not include the Operation and Maintenance Tax) on all taxable property within the boundaries of the District and amounts to pay Debt Service are not available pursuant to the Standby Contribution Agreement. See “INTRODUCTORY STATEMENT – The First District.” The amount to be held pursuant to the Depository Agreement as a result of the Draw upon the Letter of Credit will not be subject to replenishment if applied as described hereinabove, and the Depository Agreement will be subject to termination under certain circumstances.

The District and the Trustee will acknowledge pursuant to the Indenture that the Bonds and any other general obligation and general obligation refunding bonds of the District hereafter issued will be payable on a parity basis with respect to the collection and application of property tax revenues of the District and that such property taxes will be allocated to each series of general obligation and general obligation refunding bonds in accordance with any debt service then due and, in either case, taking into account other funds held by the District for such payment.

Property tax revenues allocated for any series of bonds will be deposited into the applicable fund or account set aside for such series.

Investment in the Bonds involves certain risks that each prospective investor should consider prior to investing. See “RISK FACTORS.”

NEITHER THE FULL FAITH AND CREDIT NOR THE GENERAL TAXING POWER OF THE CITY, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE DISTRICT) IS PLEDGED TO THE PAYMENT OF THE BONDS. THE BONDS ARE OBLIGATIONS OF THE DISTRICT ONLY. NONE OF THE CITY, THE STATE, OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE DISTRICT) WILL HAVE ANY OBLIGATION WITH RESPECT TO THE PAYMENT OF DEBT SERVICE FOR THE BONDS.

The Standby Contribution Agreement

Pursuant to the Standby Contribution Agreement, in any Fiscal Year prior to termination of the Standby Contribution Agreement, so long as the District has, with respect to any Interest Payment Date occurring on January 15, levied for Debt Service for that Fiscal Year a tax rate such that the tax rate levied by the District plus the tax rate levied by the First District is at least equal to \$2.65 per \$100 of Net Limited Assessed Property Value (which does not include the Operation and Maintenance Tax) and, with respect to any Interest Payment Date occurring on July

* *Subject to change.*

15, levied such tax rate for the immediately preceding Fiscal Year (provided, however, that the tax rate in any such Fiscal Year for such purpose may be less than such rate if the Board expects that such lower rate would produce secondary *ad valorem* property tax revenues sufficient to pay in full Debt Service and the Depository Agreement has been, or is in the process of being, terminated pursuant to its terms), the Owner will be obligated to pay to the Trustee on each October 12 prior to a January 15 Interest Payment Date and on each April 11 prior to a July 15 Interest Payment Date the amount equal to the amount estimated by the Trustee to be the difference between one-half of the aggregate amount due as Debt Service on the next January 15 and July 15 and one-half of the tax revenues for such year expected to be produced at such tax rate based on the then current Net Limited Assessed Property Value of taxable property in the District (assuming a five percent delinquency factor) less the amount then held in the Tax Account of the Bond Fund for such purpose. See “INTRODUCTORY STATEMENT – The First District.” As provided in the Indenture, the Trustee will submit a request for payment under the Standby Contribution Agreement for such moneys to be used to pay Debt Service. See APPENDIX E – “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Bond Fund.” The Standby Contribution Agreement allows for submission of an additional request for payment under the Standby Contribution Agreement immediately before payment of Debt Service if any shortfall arises after the initial request.

The Standby Contribution Agreement will terminate upon the earlier of (i) the payment of or the provision for the payment in full of all of the Bonds Outstanding or (ii) the first day of the first Fiscal Year after all of the following are satisfied (as evidenced by receipt by the District Chief Financial Officer of evidence satisfactory to the District Chief Financial Officer of the satisfaction of the following conditions in the form described in the next sentence of this paragraph): (A) for three (3) consecutive tax years (the first of which shall be no sooner than the tax year ending on December 31, 2025), a tax rate with respect to the Bonds and any other outstanding general obligation bonds or general obligation refunding bonds of the District heretofore or hereafter issued of no more than \$2.65 per \$100 of Net Limited Assessed Property Value of property within the boundaries of the District was sufficient to pay the Maximum Annual Debt Service, based upon the application of such limited tax rate in light of the actual Net Limited Assessed Property Value of such property not including property owned by the Owner or any entity owned or controlled by, or which owns or controls, the Owner, assuming a delinquency factor equal to the greater of five percent and the historic, average, annual percentage delinquency factor for the District as of such tax year and no credit for any fund balances or investment income accruing during such tax year, and (B) in the last of such years, a tax rate with respect to the Bonds and any other outstanding general obligation bonds or general obligation refunding bonds of the District heretofore or hereafter issued of \$2.65 per \$100 of Net Limited Assessed Property Value of property within the boundaries of the District is sufficient to pay 130% of the Maximum Annual Debt Service, based upon the application of such limited tax rate in light of the actual Net Limited Assessed Property Value of such property not including property owned by the Owner or any entity owned or controlled by, or which owns or controls, the Owner, assuming a delinquency factor equal to the greater of five percent and the historic, average, annual percentage delinquency factor for the District as of such tax year and no credit for any fund balances or investment income accruing during such tax year. Evidence of the satisfaction of such conditions shall consist of a written projection, prepared by the District Chief Financial Officer upon a written request of the Owner, that is based upon the application of such secondary tax rate in light of the actual Net Limited Assessed Property Value of the property within the boundaries of the Issuer for each such tax year, assuming a delinquency factor equal to the greater of five percent and the historic, average, annual percentage delinquency factor for the District as of such tax year and no credit for any fund balances or investment income accruing during such tax year. After receipt of proof of satisfaction of the conditions described in clause (ii) above satisfactory to the District Chief Financial Officer in his sole and absolute discretion, the Board will approve in writing the termination of the Standby Contribution Agreement, such approval not to be withheld unreasonably. See “**RISK FACTORS – Availability of Standby Contribution Agreement and Depository Agreement Amounts.**”

Upon the occurrence of any failure to pay amounts due pursuant to the Standby Contribution Agreement, the Trustee will proceed directly against the Owner under the Standby Contribution Agreement without proceeding against or exhausting any other remedies which it may have against the District, or any other person, firm or corporation and without resorting to any other security held by the District or the Trustee for the amounts so due. Before taking any such action, the Trustee may require that a satisfactory indemnity bond be furnished for the reimbursement of all expenses and to protect against all liability, except liability that is adjudicated to have resulted from its negligence or willful default by reason of any action so taken.

The Depository Agreement

The Letter of Credit will be issued for the benefit of the District and in favor of the Depository. To the extent described in and pursuant to the terms of the Depository Agreement, the draw upon the Letter of Credit in the total stated amount (the “Draw”) will be made by the Depository and held pursuant to the Depository Agreement and may be paid over to the Trustee in amounts necessary to supplement *ad valorem* property tax revenues of the District for the payment of Debt Service if amounts are not available for such purpose pursuant to the Standby Contribution Agreement. See “The Standby Contribution Agreement” above. To be able to make the Draw to have such amounts available pursuant to the Depository Agreement for the payment of such Debt Service before the Depository Agreement is terminated according to its terms, the Board must have levied the tax rates required by the Standby Contribution Agreement.

If such taxes have been so levied, the Draw also will be made and held pursuant to the Depository Agreement and paid for such purpose upon (a) the failure by the Owner to obtain and deliver to the Depository an Alternate Letter of Credit pursuant to the Depository Agreement as hereinafter described, (b) the Letter of Credit Bank (i) commencing a proceeding under any federal or state insolvency, reorganization or similar law, or having such a proceeding commenced against it and either having an order of insolvency or reorganization entered against it or having the proceeding remain undismissed and unstayed for 90 days or (ii) having a receiver, conservator, liquidator or trustee appointed for it or for the whole or any substantial part of its property, and the Owner fails to obtain and deliver to the Depository an Alternate Letter of Credit within the 90 day period in clause (i). The Owner may, at its option, provide for the delivery to the Depository of an Alternate Letter of Credit to take effect on the Letter of Credit Termination Date of the then effective Letter of Credit. For an Alternate Letter of Credit to be effective, 60 Business Days prior to the Letter of Credit Termination Date, the Depository and the District must have received the following, in form and substance acceptable to the District Chief Financial Officer: evidence that the rating of the issuer of the Alternate Letter of Credit is as indicated in the definition of “Alternate Letter of Credit”; an opinion of counsel for the issuer of the Alternate Letter of Credit that it constitutes a legal, valid and binding obligation of the issuer in accordance with its terms; an opinion of nationally recognized bond counsel that such replacement is authorized pursuant to the Depository Agreement and will not cause interest on the Bonds to become includable in gross income for federal income tax purposes; and the Alternate Letter of Credit, meeting all of the other requirements provided in the definition of “Alternate Letter of Credit” and being unconditionally binding and effective as of the Letter of Credit Termination Date.

If the Draw has occurred because of the events described in clauses (a) or (b) in the preceding paragraph, the District Chief Financial Officer may, in his sole and absolute discretion and pursuant to the same terms and conditions for provision of an Alternate Letter of Credit and whatever additional terms and conditions the District Chief Financial Officer deems appropriate, instruct the Depository to exchange the proceeds of the Draw for a new letter of credit meeting the qualifications in the definition of “Alternate Letter of Credit.” After such exchange, such new letter of credit will be treated as the Letter of Credit for all purposes of the Depository Agreement.

After the Draw, on each July 2 and January 2, the Trustee will notify the Depository of the Debt Service coming due on the next succeeding July 15 or January 15, as the case may be, and state the amounts then on deposit in the Bond Fund and the accounts therein under the Indenture including amounts received pursuant to the Standby Contribution Agreement. Based on the amounts indicated to the Depository but subject to the next sentence, the Depository will pay to the Trustee for deposit in the Bond Fund, as described in APPENDIX E – “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Bond Fund,” an amount sufficient to pay the remaining amount of Debt Service due on the Bonds on the next succeeding July 15 or January 15, as the case may be, such amount to be paid on July 8 and January 8, respectively. **Notwithstanding the foregoing, amounts held pursuant to the Depository Agreement shall be paid as otherwise directed in a request by the District Chief Financial Officer to enforce performance of the obligations of the parties to the Standby Contribution Agreement.**

Amounts held pursuant to the Depository Agreement after a Draw will be invested in certain Permitted Investments. Earnings on amounts held by the Depository pursuant to the Depository Agreement will be deposited with the Depository and held pursuant to the Depository Agreement.

The Depository Agreement will terminate upon the earlier of (i) termination of the Standby Contribution Agreement or (ii) the payment of all of the Draw for purposes of the Depository Agreement. After receipt of proof of

satisfaction of such condition, the Board will approve in writing the termination of the Depository Agreement, such approval not to be withheld unreasonably.

Ad Valorem Property Taxation in the District

Taxes levied for the maintenance and operation of counties, cities, towns, school districts, community college districts and the State are “primary taxes.” Taxes levied for payment of bonds like the Bonds, voter-approved budget overrides, and the maintenance and operation of special service districts such as sanitary, fire, road improvement and career technical education districts are “secondary taxes.” See “Primary Taxes” and “Secondary Taxes” below.

Taxable Property. Real property and improvements and personal property are either valued by the Assessor of Maricopa County, Arizona (the “County”) or the Arizona Department of Revenue (the “Department of Revenue”). Property valued by the Assessor of the County is referred to as “locally assessed” property and generally encompasses residential, agricultural and traditional commercial and industrial property. Property valued by the Department of Revenue is referred to as “centrally valued” property and generally includes large mine and utility entities.

Locally assessed property is assigned two values: Full Cash Value and Limited Property Value (both as defined herein). Centrally valued property is assigned one value: Full Cash Value.

Full Cash Value. In the context of a specific property parcel, full cash value (“Full Cash Value”) is statutorily defined to mean “the value determined as prescribed by statute” or if a statutory method is not prescribed it is “synonymous with market value, which means the estimate of value that is derived annually by using standard appraisal methods and techniques,” which generally include the market approach, the cost approach and the income approach. In valuing locally assessed property, the Assessor of the County generally uses a cost approach to value commercial/industrial property and a market approach to value residential property. In valuing centrally valued property, the Department of Revenue begins generally with information provided by taxpayers and then applies procedures provided by State law. State law allows taxpayers to appeal such Full Cash Values by providing evidence of a lower value, which may be based upon another valuation approach. Full Cash Value is used as the ceiling for determining Limited Property Value. Unlike Limited Property Value, increases in Full Cash Value are not limited.

Limited Property Value. In the context of a specific property parcel, limited property value (“Limited Property Value”) is a property value determined pursuant to the Arizona Constitution and the Arizona Revised Statutes. Except as described in the next sentence, for locally assessed property in existence in the prior year, Limited Property Value is limited to the lesser of Full Cash Value or an amount 5% greater than Limited Property Value determined for the prior year for such specific property parcel. In the following circumstances, Limited Property Value is established at a level or percentage of Full Cash Value that is comparable to that of other properties of the same or a similar use or classification: property that was erroneously totally or partially omitted from the property tax rolls in the preceding tax year, except as a result of the matters described in this sentence; property for which a change in use has occurred since the preceding tax year and property that has been modified by construction, destruction, or demolition since the preceding valuation year such that the total value of the modification is equal to or greater than 15% of the Full Cash Value. (Limited Property Value of property that has been split, subdivided or consolidated varies depending on when the change occurred.) A separate Limited Property Value is not provided for centrally valued property.

Full Cash Value and Limited Property Value for Taxing Jurisdictions. The Full Cash Value in the context of a taxing jurisdiction is the sum of the Full Cash Value associated with each parcel of property in the jurisdiction. Full Cash Value of the jurisdiction is the basis for determining constitutional and statutory debt limits for certain political subdivisions in Arizona, including the District.

The Limited Property Value in the context of a taxing jurisdiction is the sum of the Limited Property Value associated with each parcel of locally assessed property within the jurisdiction plus the sum of the Full Cash Value associated with each parcel of centrally valued property within the jurisdiction. Limited Property Value of the

jurisdiction is used as the basis for levying both primary and secondary taxes. See “Primary Taxes” and “Secondary Taxes” below.

Property Classification and Assessment Ratios. All property, both real and personal, is assigned a classification (defined by property use) and related assessment ratio that is multiplied by the Limited Property Value or Full Cash Value of the property, as applicable, to obtain the “Limited Assessed Property Value” and the “Full Cash Assessed Value,” respectively.

The assessment ratios for each property classification are set forth by tax year in the following table.

TABLE 1

Property Tax Assessment Ratios (Tax Year)

Property Classification (a)	2020	2021	2022	2023	2024
Mining, utilities, commercial and industrial (b)	18%	18%	17.5%	17%	16.5%
Agricultural and vacant land	15	15	15	15	15
Owner occupied residential	10	10	10	10	10
Leased or rented residential	10	10	10	10	10
Railroad, private car company and airline flight property (c)	15	15	15	14	14

- (a) *Additional property classifications exist, but seldom amount to a significant portion of a municipal body’s total valuation.*
- (b) *The assessment ratio for this property classification will decrease to 16% for tax year 2025, 15.5% for tax year 2026 and 15% for each tax year thereafter.*
- (c) *This percentage is determined annually pursuant to Section 42-15005, Arizona Revised Statutes.*

Source: *State and County Abstract of the Assessment Roll, Arizona Department of Revenue, 2024 Final Property Class Summary, Arizona Department of Revenue.*

Primary Taxes. Per State statute, taxes levied for the maintenance and operation of counties, cities, towns, school districts, community college districts and the State are “primary taxes.” Primary taxes are levied against Net Limited Assessed Property Value. “Net Limited Assessed Property Value” is determined by excluding the value of property exempt from taxation from Limited Assessed Property Value of locally assessed property and from Full Cash Assessed Value of centrally valued property and combining the resulting two amounts.

The primary taxes levied by each county, city, town and community college district are constitutionally limited to a maximum increase of 2% over the maximum allowable prior year’s levy limit plus any taxes on property not subject to taxation in the preceding year (e.g., new construction and property brought into the jurisdiction because of annexation). The 2% limitation does not apply to primary taxes levied on behalf of school districts.

The combined taxes on owner occupied residential property only, for purposes other than voter-approved bonded indebtedness and overrides and certain special district assessments, are constitutionally limited to 1% of the Limited Property Value of such property. This constitutional limitation on the combined tax levies for owner occupied residential property is implemented by reducing the school district’s taxes. To offset the effects of reduced school district property taxes, the State compensates the school district by providing additional State aid.

Secondary Taxes. Per State statute, taxes levied for payment of bonds like the Bonds, voter-approved budget overrides, and the maintenance and operation of special purpose districts such as sanitary, fire, road improvement, and career technical education districts, and the taxes levied by school districts for qualified desegregation expenditures, are “secondary taxes.” Like primary taxes, secondary taxes are also levied against Net Limited Assessed Property Value. There is no constitutional or statutory limitation on annual levies for voter-approved bond indebtedness and overrides and certain special district assessments.

Tax Procedures. The State tax year has been defined as the calendar year, notwithstanding the fact that tax procedures begin prior to January 1 of the tax year and continue through May of the succeeding calendar year.

On or before the third Monday in August each year the Board of Supervisors of the County prepares the tax roll setting forth certain valuations by taxing district of all property in the County subject to taxation. The tax roll is then forwarded to the Treasurer of the County. (The Assessor of the County is required to have completed the assessment roll by December 15th of the year prior to the levy. This roll identifies the valuation and classification of each parcel located within the County for the tax year.)

With the various budgetary procedures having been completed by the governmental entities, the appropriate tax rate for each jurisdiction is then levied upon each non-exempt parcel of property in order to determine the total tax owed by each property owner. Any subsequent decrease in the value of the tax roll due to appeals or other reasons reduces the amount of taxes received by each jurisdiction.

The property tax lien on real property attaches on January 1 of the year the tax is levied. Such lien is prior and superior to all other liens and encumbrances on the property subject to such tax except liens or encumbrances held by the State or liens for taxes accruing in any other years and liens imposed by the United States. Set forth in TABLE 2 is a record of property taxes levied and collected in the District for a portion of the current Fiscal Year and the previous Fiscal Years indicated.

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TABLE 2

**Property Taxes Levied and Collected (a)
Vistancia North Community Facilities District**

Fiscal Year	District Tax Rate	Adopted District Tax Levy	Adjusted District Tax Levy as of June 30th	Collected to June 30th of Initial Fiscal Year		Adjusted District Tax Levy as of 3/31/2024	Cumulative Collections to March 31, 2024	
				Amount	% of Adj. Levy		Amount	% of Adj. Levy
2023/24	\$ 0.7600	\$ 82,380	N/A	N/A	N/A	\$ 82,143	\$47,743	58.12%
2022/23	0.5500	20,147	\$ 20,147	\$ 20,075	99.64 %	20,147	20,147	100.00
2021/22	0.5500	17,079	17,079	17,079	100.00	17,079	17,079	100.00

(a) *Taxes are collected by the Treasurer of the County. Taxes in support of debt service are levied by the Board of Supervisors of the County as required by Arizona Revised Statutes. Interest and penalty collections for delinquent taxes are not included in TABLE 2, but are deposited in the County’s General Fund.*

(b) *2023/24 taxes in course of collection:
First installment due 10-01-23; delinquent 11-01-23;
Second installment due 03-01-24; delinquent 05-01-24.*

Source: Office of the Treasurer of the County.

Delinquent Tax Procedures. The property taxes due the District are billed, along with State and other taxes, each September, are due and payable in two installments on October 1 and March 1 and become delinquent on November 1 and May 1, respectively. Delinquent taxes are subject to an interest penalty of 16% per annum, prorated monthly at a rate of 1.33% as of the first day of each subsequent month. (Interest and penalties for delinquent taxes are waived if a taxpayer, delinquent as to the November 1 payment, pays the entire year’s tax bill by December 31.) After the close of the tax collection period, the Treasurer of the County prepares a delinquent property tax list and the property so listed is subject to a tax lien sale in February of the succeeding year. In the event that there is no purchaser for the tax lien at the sale, the tax lien is assigned to the State, and the property is reoffered for sale from time to time until such time as it is sold, subject to redemption, for an amount sufficient to cover all delinquent taxes.

After three years from the sale of the tax lien, the tax lien certificate holder may bring an action in a court of competent jurisdiction to foreclose the right of redemption and, if the delinquent taxes plus accrued interest are not paid by the owner of record or any entity having a right to redeem, a judgment is entered ordering the Treasurer of the County to deliver a treasurer’s deed to the certificate holder as prescribed by law.

In the event of bankruptcy of a taxpayer pursuant to the United States Bankruptcy Code (the “Bankruptcy Code”), the law is currently unsettled as to whether a lien can attach against the taxpayer’s property for property taxes levied during the pendency of bankruptcy. Such taxes might constitute an unsecured and possibly non-interest bearing administrative expense payable only to the extent that the secured creditors of a taxpayer are oversecured, and then possibly only on the prorated basis with other allowed administrative claims. It cannot be determined, therefore, what adverse impact bankruptcy might have on the ability to collect *ad valorem* taxes on property of a taxpayer within the District. Proceeds to pay such taxes come only from the taxpayer or from a sale of the tax lien on delinquent property.

When a debtor files or is forced into bankruptcy, any act to obtain possession of the debtor’s estate, any act to create or perfect any lien against the property of the debtor or any act to collect, assess or recover a claim against the debtor that arose before the commencement of the bankruptcy is stayed pursuant to the Bankruptcy Code. While the automatic stay of a bankruptcy court may not prevent the sale of tax liens against the real property of a bankrupt taxpayer, the judicial or administrative foreclosure of a tax lien against the real property of a debtor would be subject

to the stay of bankruptcy court. It is reasonable to conclude that “tax sale investors” may be reluctant to purchase tax liens under such circumstances, and, therefore, the timeliness of the payment of post-bankruptcy petition tax collections becomes uncertain.

It cannot be determined what impact any deterioration of the financial conditions of any taxpayer, whether or not protection under the Bankruptcy Code is sought, may have on payment of or the secondary market for the Bonds. None of the District, the Underwriter, PFM Financial Advisors LLC (the “Financial Advisor”), the Owner or their respective agents or consultants has undertaken any independent investigation of the operations and financial condition of any taxpayer, nor have they assumed responsibility for the same.

In the event the County is expressly enjoined or prohibited by law from collecting taxes due from any taxpayer, such as may result from the bankruptcy of a taxpayer, any resulting deficiency could be collected in subsequent tax years by adjusting the District’s tax rate charged to non-bankrupt taxpayers during such subsequent tax years. **See “RISK FACTORS – Bankruptcy and Foreclosure Delays.”**

TABLE 3

**Net Limited Assessed Property Value by Property Classification
Vistancia North Community Facilities District**

Legal Class	Description	2024/25 (a)	2023/24	2022/23	2021/22
1	Commercial, industrial, utilities & mines	\$ 183,405	\$ 30,899	\$ 827	\$ -
2	Agricultural and vacant	3,607,137	4,203,553	3,392,239	3,105,222
3	Residential (owner occupied)	8,706,785	4,360,687	210,644	-
4	Residential (rental)	1,846,963	2,245,371	59,670	-
	Total (b)	\$ 14,344,290	\$ 10,840,511	\$ 3,663,381	\$ 3,105,222

(a) Fiscal Year 2024/25 values are subject to adjustment until approved by the Board of Supervisors of the County before or on August 19, 2024.

(b) Totals may not add up due to rounding.

Source: The Assessor of the County.

See also in this respect the discussion under “LAND DEVELOPMENT – Land Development.”

TABLE 4A

**Net Limited Assessed Property Value of Major Taxpayers for Fiscal Year 2023/24
Vistancia North Community Facilities District**

Major Taxpayer (a)	2023/24 Net Limited Assessed Property Value	As % of 2023/24 Net Limited Assessed Property Value
Pulte Home Company LLC	\$ 1,978,401	18.25%
Jen Arizona 61 LLC	798,485	7.37
Weekley Homes LLC	723,108	6.67
Jen Arizona 62 LLC	413,930	3.82
CND-NP LLC	122,467	1.13
Beazer Homes Holdings LLC	96,465	0.89
Residential Taxpayer A	47,527	0.44
Residential Taxpayer B	36,719	0.34
Residential Taxpayer C	35,200	0.32
Residential Taxpayer D	34,716	0.32
	\$ 4,287,018	39.23%

(a) *Some of such taxpayers or their parent corporations are subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and in accordance therewith file reports, proxy statements and other information with the Securities and Exchange Commission (the “Commission”). Such reports, proxy statements and other information (collectively, the “Filings”) may be inspected, copied and obtained at prescribed rates at the Commission’s public reference facilities at 100 F Street, N.E., Washington, D.C. 20549-2736. In addition, the Filings may also be inspected at the offices of the New York Stock Exchange at 20 Broad Street, New York, New York 10005. The Filings may also be obtained through the Internet on the Commission’s EDGAR database at <http://www.sec.gov>. No representative of the District, the Financial Advisor, the Underwriter or the Owner or counsel to any of them has examined the information set forth in the Filings for accuracy or completeness, nor do they assume responsibility for the same.*

Source: The Assessor of the County.

See “RISK FACTORS – General Risks of Real Estate Investment and Development; Certain Factors Which May Adversely Affect Development; Consequences” and “RISK FACTORS – Concentration of Ownership; Subsequent Transfer.”

TABLE 4B

**Net Limited Assessed Property Value of Major Taxpayers for Fiscal Year 2024/25
Vistancia North Community Facilities District**

Major Taxpayer (a)	Estimated 2024/25 Net Limited Assessed Property Value	As % of Estimated 2024/25 Net Limited Assessed Property Value
Pulte Home Company LLC	\$ 1,926,479	13.43%
Jen Arizona 61 LLC	629,908	4.39
Weekley Homes LLC	624,519	4.35
Beazer Homes Holdings LLC	383,205	2.67
Arizona Public Service	240,865	1.68
Jen Arizona 62 LLC	152,721	1.06
Residential Taxpayer A	49,903	0.35
Residential Taxpayer B	39,107	0.27
Residential Taxpayer C	38,555	0.27
Residential Taxpayer D	38,505	0.27
	\$ 4,123,767	28.75%

(a) *Some of such taxpayers or their parent corporations are subject to the informational requirements of the Exchange Act and in accordance therewith file the Filings with the Commission. The Filings may be inspected, copied and obtained at prescribed rates at the Commission’s public reference facilities at 100 F Street, N.E., Washington, D.C. 20549-2736. In addition, the Filings may also be inspected at the offices of the New York Stock Exchange at 20 Broad Street, New York, New York 10005. The Filings may also be obtained through the Internet on the Commission’s EDGAR database at <http://www.sec.gov>. No representative of the District, the Financial Advisor, the Underwriter or the Owner or counsel to any of them has examined the information set forth in the Filings for accuracy or completeness, nor do they assume responsibility for the same.*

(b) *Fiscal Year 2024/25 values are subject to adjustment until approved by the Board of Supervisors of the County before or on August 19, 2024.*

Source: The Assessor of the County.

See “RISK FACTORS – General Risks of Real Estate Investment and Development; Certain Factors Which May Adversely Affect Development; Consequences” and “RISK FACTORS – Concentration of Ownership; Subsequent Transfer.”

TABLE 5

**Comparative Net Limited Assessed Property Values
Vistancia North Community Facilities District**

<u>Fiscal Year</u>	<u>Vistancia North Community Facilities District</u>	<u>City of Peoria</u>	<u>Maricopa County</u>	<u>State of Arizona</u>
2024/25(a)	\$ 14,344,290	\$ 2,141,798,619	\$ 58,328,686,360	\$ 88,425,611,337
2023/24	10,840,511	2,014,370,856	54,722,310,149	83,026,514,349
2022/23	3,663,381	1,890,915,664	51,575,018,185	78,415,651,030
2021/22	3,105,222	1,781,041,363	48,724,126,672	74,200,360,570

(a) *Fiscal Year 2024/25 values are subject to adjustment until approved by the Board of Supervisors of the County before or on August 19, 2024.*

Source: *Property Tax Rates Assessed Values, Arizona Tax Research Association and State and County Abstract of the Assessment Roll, Arizona Department of Revenue and the Assessor of the County.*

TABLE 6

**Estimated Net Full Cash Value History
Vistancia North Community Facilities District**

<u>Fiscal Year</u>	<u>Estimated Net Full Cash Value (a)</u>
2024/25(a)	\$ 279,650,350
2023/24	172,873,239
2022/23	48,851,843
2021/22	36,330,196

(a) *Estimated Net Full Cash Value is the total market value of the property within the District less the estimated Full Cash Value of property exempt from taxation within the District.*

(b) *Fiscal Year 2024/25 values are subject to adjustment until approved by the Board of Supervisors of the County before or on August 19, 2024.*

Source: The Assessor of the County.

BOND INSURANCE

[Bond insurer disclosure to come.]

RISK FACTORS RELATED TO BOND INSURANCE

[Bond insurer disclosure to come.]

ESTIMATED DEBT SERVICE REQUIREMENTS

The following table illustrates the estimated annual debt service on the Bonds.

TABLE 8 (a)

Fiscal Year	The Bonds*		Total Estimated Annual Debt Service Requirements*
	Principal	Interest (b)	
2024/25	\$ -	\$ 245,779 (c)	\$ 245,779
2025/26	-	241,750	241,750
2026/27	115,000	241,750	356,750
2027/28	125,000	236,000	361,000
2028/29	130,000	229,750	359,750
2029/30	135,000	223,250	358,250
2030/31	140,000	216,500	356,500
2031/32	150,000	209,500	359,500
2032/33	155,000	202,000	357,000
2033/34	165,000	194,250	359,250
2034/35	170,000	186,000	356,000
2035/36	180,000	177,500	357,500
2036/37	190,000	168,500	358,500
2037/38	200,000	159,000	359,000
2038/39	210,000	149,000	359,000
2039/40	220,000	138,500	358,500
2040/41	230,000	127,500	357,500
2041/42	245,000	116,000	361,000
2042/43	255,000	103,750	358,750
2043/44	270,000	91,000	361,000
2044/45	280,000	77,500	357,500
2045/46	295,000	63,500	358,500
2046/47	310,000	48,750	358,750
2047/48	325,000	33,250	358,250
2048/49	340,000	17,000	357,000
	\$ 4,835,000		

(a) Prepared by Stifel, Nicolaus & Company, Incorporated (the "Underwriter").

(b) Interest is estimated.

(c) The first interest payment on the Bonds will be due on January 15, 2025*. Thereafter, interest payments will be made semiannually on July 15 and January 15 until maturity or prior redemption. A portion of the proceeds of the Bonds will be applied to pay a portion of the interest due on the Bonds through January 15, 2026.

* Subject to change.

**OVERLAPPING, ADDITIONAL AND ADDITIONAL
OVERLAPPING INDEBTEDNESS**

TABLE 9

Overlapping General Obligation Bonded Indebtedness

Overlapping general obligation bonded indebtedness is shown below including a breakdown of each overlapping jurisdiction’s applicable general obligation bonded indebtedness, Net Limited Assessed Property Value and combined tax rate per \$100 of Net Limited Assessed Property Value. Outstanding bonded indebtedness is comprised of general obligation bonds outstanding and general obligation bonds scheduled for sale. The applicable percentage of each jurisdiction’s Net Limited Assessed Property Value which lies within the District’s boundaries was derived from information obtained from the Assessor of the County. See “**RISK FACTORS – Direct and Overlapping Indebtedness and Taxes.**”

Direct and Overlapping Jurisdiction	2023/24	General	Proportion Applicable		2023/24
	Net Limited Assessed Property Value	Obligation Bonded Debt Outstanding (a)	Approximate Percent	Net Debt Amount	Combined Primary and Secondary Tax Rates Per \$100 Net Limited Assessed Property Value
State of Arizona	\$ 83,026,514,349	None	0.01%	None	None
Maricopa County (b)	54,722,310,149	None	0.02	None	\$1.2044
Maricopa County Community College District	54,722,310,149	\$ 87,230,000	0.02	\$ 17,280	1.1388
Maricopa County Special Health Care District	54,722,310,149	574,205,000	0.02	113,750	0.2716
Western Maricopa Education Center District No. 402	20,736,045,182	114,930,000	0.05	60,084	0.1807
Peoria Unified School District No. 11	2,465,685,724	148,395,000	0.44	652,426	5.5219
City of Peoria	2,014,370,856	156,295,000	0.54	841,115	1.4400
Vistancia Community Facilities District	239,248,009	11,890,000	100.00	11,889,901	1.8900
The District (c)	10,840,511	4,835,000*	100.00	4,835,000*	0.7600
Total Net Direct and Overlapping General Obligation Bonded Debt				<u>\$ 18,409,557*</u>	

* Subject to change.

(a) Proportion applicable to the District is computed on the ratio of Net Limited Assessed Property Value for Fiscal Year 2023/24.

Includes total stated principal amount of general obligation bonds outstanding. Does not include outstanding principal amount of certificates of participation, revenue obligations or loan obligations outstanding for the jurisdictions listed above. Does not include outstanding principal amounts of various special assessment bonds, as those bonds are presently being paid from special assessments against property for such purpose.

Does not include presently authorized but unissued general obligation bonds of such jurisdictions which may be issued in the future as indicated in the following table. Authorized but unissued amounts in the following table may be subject to additional reductions based on net premium amounts but such reductions are not reflected in the table. Additional bonds may also be authorized by voters within overlapping jurisdictions pursuant to future elections.

<u>Overlapping Jurisdiction</u>	<u>General Obligation Bonds Authorized but Unissued</u>
The City	\$25,158,336
The District (d)	_____*

* Subject to change.

Also does not include the obligation of the Central Arizona Water Conservation District (“CAWCD”) to the United States Department of the Interior (the “Department of the Interior”), for repayment of certain capital costs for construction of the Central Arizona Project (“CAP”). CAP is a 336-mile long system of aqueducts, tunnels, pumping plants and pipelines which delivers water from the Colorado River to Maricopa, Pinal and Pima Counties in Arizona (including the City). The obligation to CAP is evidenced by a master contract between CAWCD and the Department of the Interior. In April 2003, the United States and CAWCD agreed to settle litigation over the amount of the construction cost repayment obligation, the amount of the respective obligations for payment of the operation, maintenance and replacement costs and the application of certain revenues and credits against such obligations and costs. Under the agreement, CAWCD’s obligation for substantially all of the CAP features that have been constructed so far will be set at \$1.646 billion, which amount assumes (but does not mandate) that the United States will acquire a total of 667,724 acre feet of CAP water for federal purposes. The United States will complete unfinished CAP construction work related to the water supply system and regulatory storage stages of CAP at no additional cost to CAWCD. Of the \$1.646 billion repayment obligation, 73% will be interest bearing and the remaining 27% will be non-interest bearing. These percentages are fixed for the entire 50-year repayment period, which commenced October 1, 1993. CAWCD is a multi-county water conservation district having boundaries coterminous with the exterior boundaries of Maricopa, Pima and Pinal Counties. It was formed for the express purpose of paying administrative costs and expenses of the CAP and to assist in the repayment to the United States of the CAP capital costs. Repayment will be made from a combination of power revenues, subcontract revenues (i.e., agreements with municipal, industrial and agricultural water users for delivery of CAP water) and a tax levy against all taxable property within CAWCD’s boundaries. At the date of this Official Statement, the tax levy is limited to 14 cents per \$100 of Net Limited Assessed Property Value, of which 14 cents is being levied. (See Sections 48-3715 and 48-3715.02, Arizona Revised Statutes.) There can be no assurance that such levy limit will not be increased or removed at any time during the life of the contract.

- (b) The County’s tax rate includes the \$0.1400 tax rate of CAWCD, the \$0.1536 tax rate of the Maricopa County Flood Control District, the \$0.0488 tax rate of the Maricopa County Free Library District and the \$0.0081 tax rate of the Maricopa County Fire District contribution. It should be noted that the County Flood Control District does not levy taxes on personal property.
- (c) Includes the Bonds.
- (d) Reflects reduction in authorization from the Election in connection with the issuance of the Bonds.

Source: The various entities, *Property Tax Rates and Assessed Values*, Arizona Tax Research Association, *State and County Abstract of the Assessment Roll*, Arizona Department of Revenue and the Treasurer of the County.

Additional General Obligation Bonded Indebtedness of the District. In addition to the Bonds, the District retains the right to issue, in accordance with the procedures set forth in the Enabling Act, additional series of bonds payable from *ad valorem* property taxes levied on all taxable property in the District. See TABLE 7 – “Direct General Obligation Bonded Debt Outstanding and to be Outstanding.” See also “**RISK FACTORS – Direct and Overlapping Indebtedness and Taxes.**”

The Enabling Act provides that the total aggregate outstanding amount of bonds and any other indebtedness for which the full faith and credit of the District are pledged will not exceed 60 percent of the aggregate of the estimated market value of the real property and improvements in the District after the public infrastructure of the District is

completed plus the value of the public infrastructure owned or to be acquired by the District with the proceeds of the bonds. (Based solely on the Full Cash Value of the District as reported by the County Assessor, the Board has determined that issuance of the Bonds will meet the test set forth above. See “SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS – *Ad Valorem* Property Taxation in the District – Full Cash Value.”)

Pursuant to the Election, the District was authorized to incur general obligation bonded indebtedness in an amount not to exceed \$50,000,000 and will have \$_____ * of such amount remaining after issuance of the Bonds in order to finance, among other things, the costs of public infrastructure purposes within the District, including incidental costs. Such remaining authorized but unissued amount is subject to further reduction based on the amount of net premium on the general obligation bonds of the District. Additional general obligation indebtedness could be authorized for the District in the future pursuant to other elections.

Additional Overlapping General Obligation Bonded Indebtedness. The District has no control over the amount of additional indebtedness payable from *ad valorem* property taxes on all or a portion of the property within the District that may be issued in the future by other political subdivisions, including but not limited to, the City, the County, Peoria Unified School District No. 11 of Maricopa County, Arizona (“PUSD”), Maricopa County Community College District, Maricopa County Special Health Care District or other entities having jurisdiction over all or a portion of the land within the District. Additional indebtedness could be authorized for such overlapping jurisdictions in the future. See “**RISK FACTORS – Direct and Overlapping Indebtedness and Taxes.**”

Other Debt of the District. The District does not have any other outstanding obligations.

LAND DEVELOPMENT

*The information contained in this section relates to and has been obtained from the Owner and none of the District, the Underwriter or the Financial Advisor assumes any responsibility for the accuracy or completeness thereof. None of the District, the Underwriter or the Financial Advisor makes any representation regarding projected development plans within the District, the financial soundness of the Owner or other property owners and developers or the managerial ability of such persons and entities to complete development as planned. The Owner makes no representation regarding projected development plans within the District (except for those of the Owner), the financial soundness of the other property owners and developers (excluding the Owner) or the managerial ability of such persons and entities to complete development as planned. The development of the District Land (as defined herein) may be affected by factors, such as governmental policies with respect to land development, the availability of utilities, energy, and water; construction costs; interest rates; competition from other developments; and other political, legal and economic conditions beyond the control of the District, the Owner, or other property owners and developers. Further, the District Land may be subject to encumbrances as security for obligations payable to various parties, the default of which could adversely affect construction activity. See “**RISK FACTORS.**”*

Land Development

General. The District encompasses approximately 3,450 acres (the “District Land”) located in the City. The City is located in the County. See APPENDIX A – “CITY OF PEORIA, ARIZONA,” which includes certain information about the City and surrounding area, and, generally, the maps and aerial on pages (vi), (vii) and (viii).

The City formed the District pursuant to a resolution adopted on June 16, 2020. The District is a special purpose, tax levying public improvement district for certain constitutional purposes and a municipal corporation for certain other statutory purposes. The District has the power to implement the District’s general plan for public infrastructure primarily through the issuance of general obligation, assessment or revenue bonds. The District has no current plans to issue assessment or revenue bonds. The District’s current plan consists of financing only the acquisition or construction of certain public infrastructure through the issuance of general obligation bonds.

The project (“Project”) is the development of Vistancia North. Vistancia North began construction in 2019 and it is expected that the Project will include the construction and sale of approximately 3,200 homes along with associated amenities, a K-8 School, and neighborhood retail development. Approximately 400 homes have been closed and

* *Subject to change.*

208 homes are under construction in the District. Homes in the District range from 1,685 square feet to 3,554 square feet, having current base home prices that range from \$459,900 to \$809,990.

Although the number of acres devoted to each particular land use may ultimately vary, the Project is currently expected to include the following land uses:

TABLE 10

Expected Land Uses Within the District

<u>Type of Development</u>	<u>Acres of District Land</u>
Residential	2,090.9
Commercial	19.7
Open space, rec center, parks, school	<u>1,339.4</u>
Total	3,450.0

Development of Vistancia North. Development has been underway on the Project for 5 years and has been partially funded through the issuance of general obligation bonds.

Construction of the Project began in 2019, consisting of the first phase of development within the District, which is a continuation of the Vistancia community. The first phase encompasses over 150 acres for the development of 440 residential dwelling units, plus an amenity center. The amenity center canvases 10-acres with a 4,000-5,000 square foot clubhouse, multiple lawns, resort style pool, basketball court, shaded seating areas throughout and playground for children of all ages. The first phase of residential dwelling units is nearly sold out, with less than 50 lots yet to be closed.

The second phase of parcels were sold to builders in late 2021, contributing nearly 470 units in addition to the 440 units from the first phase. Subsequently, Shea Homes purchased the first 125 lots in a 414 single family active adult neighborhood in July of 2023, Castlerock Homes purchased land planned to include approximately 479 units in January of 2024, and 164 lots were sold to Richmond American in February of 2024. The remainder of the land within the District will develop over several future phases of varying sizes.

As the future phases are developed, additional roadways, trails, parks, amenities, and convenience commercial will be constructed when and where they are needed. It is estimated that the District will build-out with approximately 3,200 residential dwelling units.

Homebuilders. Nearly 1,600 home sites have been sold to builders or investors since construction began in 2019, of which, 400 home sites have been closed. Of the remaining 1,200 home sites owned by homebuilders, nearly 480 home sites are under planning and design, approximately 280 are undergoing lot development work, and the remaining 500 are now completed lots, allowing active selling and home construction. The 1,600 home sites contribute a total of 52% towards project buildout, leaving roughly 48% or 1,500 home sites under ownership of the Owner. The following table reflects the homebuilders that are currently active in either vertical or horizontal development or lots that are still under planning and design. For homebuilders that are performing vertical development and able to sell homes within these areas, the number of lots, described in the table below, represent remaining lot inventory and average price range as of April 2024.

TABLE 11

Vistancia North Builders

Builder	Product Type	Number of Lots	Status	Average Price Range
Pulte	Conventional	162	Vertical Development	\$459,900 - \$675,000
Beazer	Conventional	58	Vertical Development	\$480,900 - \$565,900
David Weekley	Conventional	107	Vertical Development	\$729,990 - \$809,990
Shea Homes	Active Adult	125	Horizontal Development	--
Castelrock Homes	Conventional	479	Planning & Design	--
Richmond American	Conventional	164	Horizontal Development	--

1. Lots that are “Vertical Development” means that the lots have been sold to the homebuilding companies, the site improvements are completed, and the homebuilder is actively building and selling homes within these areas.

2. Lots under “Horizontal Development” means that the lots have been sold to the homebuilding companies and the site improvements are still underway for the utility and street improvements. Homes are not yet being built within these areas.

3. Lots under “Planning & Design” means that these lots have been sold to the homebuilder, but the planning and design is still underway prior to site improvements.

Historic Absorption Rates. Below are the absorption rates for the Project since development began in 2019 through April 2024.

TABLE 12

Vistancia North Historic Absorption Rate Schedule

Calendar Year Ending	Single Family Units	Single Family Cumulative
2021	43	43
2022	221	264
2023	106	370
2024 (through May 2024)	41	411

The Public Infrastructure. The Bond Resolution approved a feasibility report relating to, among other things, the financing from the proceeds of the sale of the Bonds of the cost of constructing and acquiring the following infrastructure (the “Public Infrastructure”) within the District necessary for the continued development of the Project to thereafter be transferred to the City.

TABLE 13

Remaining Public Infrastructure Paid for From Bond Proceeds

	Description	Estimated Costs (a)	Estimated Completion Date (b)
1	Westland Reservoir	\$829,139	2020
2	Vistancia Blvd Lift Station	1,667,277	2021
3	Zone 6/7 Pump Station Modifications	1,512,066	2022
4	Jomax Water Treatment Facility Expansion Ph 2B	17,051,714	2024
5	Water Zone 7/8/9 Reservoir and Pump Station	18,901,918	2026
6	Water Zone 9 Reservoir (located w/in Saddleback)	2,250,000	2027
7	Water In-Line Pressure Zone PRVs	312,365	2027
8	Water Line Zone 8/9 Connection	400,000	2027
9	H-15 Lift Station & CAP Crossing	5,038,307	2024
10	CFD Master Planning/Program Mgt	350,000	2027

(a) Costs for the Public Infrastructure are estimated and once under contract are subject to change due to change orders and unforeseen events. Some projects have or will be constructed pursuant to joint development agreements with the city and/or other developers. The above figure reflects the Project's proportionate share under those agreements. There are risk factors associated with the agreements such as delay and/or increased costs in the event that the other parties to the agreements do not perform.

(b) Completion dates for the Public Infrastructure are estimated and, once contracted for, subject to change orders and unforeseen events and other potential delays.

Other Project Infrastructure. In addition to the Public Infrastructure, the Project will include construction of certain other infrastructure (the "Project Infrastructure"). None of the Project Infrastructure will be financed with proceeds from the sale of bonds by the District, but instead will be financed by the Owner through a combination of equity (the sources of which will be additional equity contributions by the members in the Owner entity and/or proceeds of land sales within the Project), impact fee reimbursements from the City, and debt. The Project is served by PUSD. Pursuant to a Developer Assistance Agreement between the Owner and PUSD, the Owner has agreed to donate to PUSD up to three K-8 school sites within the Vistancia community. The first two K-8 school sites have been donated to PUSD by the Owner; the first of these schools opened in Spring 2006 and the second school opened in 2009. The final donation site will be located within the District, serving the residents of the Project and surrounding communities.

All municipal services within the Project, including police, fire, water, and sewer, are provided to residents in the normal course of operations by the City.

Cable television and telecommunications services are currently provided to the Project by Coxcom, Inc., a Delaware corporation d/b/a Cox Communications Phoenix. In addition, Wyyerd Group provides telecommunications services to the Project.

Environmental, Cultural, and Biological. As part of the due diligence process associated with the acquisition of the land in the First District, outside consultants were employed to evaluate environmental, cultural, and biological impediments of the development site. Such consultant's reports indicated no recognized environmental concerns, with the exception of one major recognized environmental concern concentrated on previous mining activities, which indicated the following: (i) there have been intermittent mining activities performed within the District Land

over approximately the last 50 to 60 years, and (ii) of these activities, two significant areas have been observed: (A) the Mystic Mine, an approximately 12.44 acre site located in the far eastern portion of the District Land, which has been determined to be exempt from Arizona Department of Environmental Quality (“ADEQ”) regulations and for which no further action presently appears necessary, but further characterization and potential remediation may be required prior to developing the site, and (B) the Clementine Mine, an approximately 2.39 acre site located in the center of the District Land, for which the Owner entered this site into the “Voluntary Remediation Program” with ADEQ and received a “No Further Action” (NFA) determination in 2009. There was miscellaneous surface debris left over from the previous mining operations for the Clementine Mine area which was removed over the past few years. The Owner intends to develop this area for non-residential use, such as a City park.

Biological studies have been performed on the District Land. These investigations included evaluation of endangered species (none observed) and plants, as well as habitat areas. Other studies performed on the District Land include native plant inventories, noxious weeds evaluation (none found), and definition of Jurisdictional Waters of the United States. The Owner has successfully procured the necessary permit pursuant to Section 404 of the Clean Water Act, 33 U.S.C 1344 (which was issued in July 2004 and covers all of the District) from the Army Corps of Engineers for authorization to impact delineated Jurisdictional Waters of the United States.

Potable Water. The water for the District Land is to be supplied by a combination of potable water wells (#’s 1-10) and the Lone Mountain Road Water Transmission Line. All ten potable water wells are capable of supplying 76% of the annual potable water demands projected for the Vistancia community. The Lone Mountain Road Water Transmission Line serves water primarily from the Pyramid Peak Water Treatment Plant, which treats water from the Central Arizona Project (“CAP”) canal. The Water Transmission Line is capable of supplying 100% of the annual potable water demands projected for the Vistancia community. Both the Pyramid Peak Water Treatment Plant and the existing potable water wells are producing water that meets all current water quality standards from the Environmental Protection Agency, ADEQ, and the Maricopa County Environmental Services Department. The City has a Designation of Assured Water Supply (DWR Decision and Order No. 86-400679.0001) pursuant to applicable Arizona law (A.R.S. §45-576 *et seq.*; A.A.C. R12-15-710 *et seq.*) and presently serves potable and non-potable water to the Vistancia community. An Assured Water Supply means that sufficient water of adequate quality will be continuously available to satisfy the water needs of the proposed use for at least 100 years, that any projected groundwater use is consistent with the regional water management plan approved by the Arizona Department of Water Resources (“ADWR”) and achievement of the management goal for the area, and the financial capability to construct the delivery system and any necessary treatment works has been demonstrated to ADWR. A Designation of Assured Water Supply, which can be terminated or modified by ADWR should circumstances warrant, is a necessary condition to the ability of the Developer to plat, construct, and sell homes within the Project. See, however, **“RISK FACTORS – Availability of Water.”**

Jomax Water Reclamation Facility. A portion of bonds issued by the First District in 2002 and 2006 were used to finance construction of the first and second phases of the Jomax Water Reclamation Facility (the “Jomax WRF”). The phase 2B expansion is currently in process and will be eligible for reimbursement through future bond issuances by the District. Maricopa Association of Governments (“MAG”) has authority for regional planning of water reclamation facilities within the Phoenix metropolitan area. The Jomax WRF is included in the MAG 208 Update and has an estimated capacity of 9 million gallons per day (“MGD”) at build-out. The portion of the ultimate capacity of the Jomax WRF that will be used by the Project is approximately 2.7 MGD. The Jomax WRF is currently constructed to a capacity of 2.25 MGD, with 1.5 MGD of that capacity dedicated to the Project. The phase 2B expansion will add another 0.75 MGD of capacity for the Project. The City’s Water Services Department has been included in all phases of the Jomax WRF design.

Existing Indebtedness. The Owner obtained a loan in April of 2021 of approximately \$41,000,000 for its business purposes. The loan is secured by a first-lien deed of trust on all real property within the District owned or controlled by the Owner, together with certain real property outside the District. In February of 2022 a Second Modification Agreement was agreed upon to increase the total loan balance to \$63,800,000 secured by the first-lien deed of trust on all real property remaining in the District. The secured loan is scheduled to mature in 2025, but may be extended (upon satisfaction of certain conditions and payment of certain fees) to finance future phases of development.

The Owner

Vistancia Development LLC is the Owner and the successor in interest to Vistancia Master Holdings, LLC, who was the prior developer of the District Land and the sole member of Vistancia Residential LLC. Vistancia Development LLC is a Delaware limited liability company formed in April of 2021, whose Developer Member is Vistancia Investors, LLC and Equity Member is VP Vistancia Holdings LLC.

Vistancia Investors, LLC is managed by IHP Capital Partners. IHP Capital Partners was founded in 1992. IHP Capital Partners partners with investors and developers by providing equity for residential projects throughout the country, with a focus on the western U.S. IHP has developed over 300 communities, often with long-term sustained partnerships with well-known institutional investors and a wide range of the industry's most notable builders and developers.

VP Vistancia Holdings LLC is managed by Värde Partners. Värde Partners is a global alternative investment firm specializing in credit and credit-related assets. Founded in 1993, the firm has invested more than \$100 billion across the credit quality and liquidity spectrum in both public and private markets. Värde currently manages approximately \$13 billion in assets with teams in North America, Europe, and Asia Pacific focused on Corporate & Traded Credit, Real Estate, and Financial Services & Diversified Private Credit.

RISK FACTORS

Investment in the Bonds involves a significant degree of risk and is speculative in nature. The relatively high interest rates borne by the Bonds are intended to compensate the investor for such risks. The Bonds will be secured solely by ad valorem property taxes to be levied on all taxable property within the boundaries of the District. Anyone considering investing in the Bonds should carefully examine this Official Statement, including the appendices hereto. INVESTMENT IN THE BONDS SHOULD BE UNDERTAKEN ONLY BY PERSONS WHOSE FINANCIAL RESOURCES ARE SUFFICIENT TO ENABLE THEM TO ASSUME SUCH RISK. THIS SECTION SETS FORTH A BRIEF SUMMARY OF SOME OF THE PRINCIPAL RISK FACTORS. PROSPECTIVE INVESTORS SHOULD FULLY UNDERSTAND AND EVALUATE THESE RISKS, IN ADDITION TO THE OTHER FACTORS SET FORTH IN THIS OFFICIAL STATEMENT, BEFORE MAKING AN INVESTMENT DECISION. This discussion of risk factors is not, and is not intended to be, exhaustive, and such risk factors are not necessarily presented in the order of their magnitude.

General Risks of Real Estate Investment and Development; Certain Factors Which May Adversely Affect Development; Consequences

Investments in developing real estate such as undeveloped areas in the District are generally considered to be speculative in nature and to involve a high degree of risk. Owners of land in the District will be subject to the risks generally incidental to real estate investments and development including those described hereinbelow.

Construction of houses on the lots within the District may be affected by changes in the income tax treatment of real property ownership; changes in national, regional and local market and economic conditions; changes in long and short term interest rates; changes in the climate for real estate purchases; changes in demand for or supply of competing properties; unanticipated development costs, market preferences and architectural trends; unforeseen environmental risks and controls, including, without limitation, drought mitigation and other governmental actions taken to address certain water resource allocations; the adverse use of adjacent and neighboring real estate; changes in interest rates and the availability of mortgage funds and homeowners insurance to buyers of the homes to be built in the District, which may render the sale of such homes difficult or unattractive; acts of war, terrorism or other political instability; delays or inability to obtain governmental approvals; pandemics or epidemics; changes in laws; moratorium; force majeure (which may result in uninsured losses); strikes; labor shortages; energy shortages; material shortages; inflation; climate change; adverse weather conditions; subcontractor defaults; and other unknown contingencies and factors beyond the control of the owners of such land. Land development within the District also could be affected adversely by changes in governmental policies, including, but not limited to, governmental policies to restrict or control development. (Any approvals needed in the future for the development must come from the City, over which the District has no control.)

Homebuilders throughout the Phoenix metropolitan area are experiencing supply chain issues currently affecting the national economy, specifically the timely availability of materials necessary to build new homes. While advantage is being taken of all available alternatives, completion of homes has been slowed. This circumstance is expected to continue for the near term and to affect home closings. Such supply chain factors will affect other owners of property within the District, such as owners constructing communities for rentals.

The residential development business, particularly with respect to communities such as that within the boundaries of the District, is highly competitive in the Phoenix metropolitan area. The business of merchant builders building in the District will face competition from a number of competitors in the City (including owners building for sale and for rent) and other developments throughout the Phoenix metropolitan area, many of which offer or intend to offer lots and parcels in similar communities to a similar target market.

Decreased absorption rates associated with future economic slowdown could adversely affect land values and reduce the ability or desire of the property owners to pay *ad valorem* property taxes. In that event, there could be a default in the payment of principal of and interest on the Bonds.

An inability to develop the remaining land within the District will likely reduce the diversity of ownership of land within the District, making the holders of the Bonds more dependent upon timely payment of the *ad valorem* property taxes levied on the vacant lots.

Development requires obtaining a variety of governmental approvals and permits. Such approvals and permits are necessary to initiate construction and to allow the sale, leasing or other occupancy of homes and to satisfy conditions included in the approvals and permits. There can be no assurance that all of these permits and approvals can be obtained or that the conditions to the approvals and permits can be fulfilled. The failure to obtain any of the required approvals or fulfill any one of the conditions could cause materially adverse financial results.

Concentration of Ownership; Subsequent Transfer

There can be no assurance that the Owner has the financial capability to complete development within the District. Because there can be no assurance that the members of the limited liability limited partnership that form the Owner will provide additional funds to the Owner, nor that bank loans will be available to the Owner sufficient to pay all costs attributable to the District, the Owner may have to depend on revenues from sales of lots and parcels to generate cash flow and otherwise make funds available to pay all costs associated with the ownership, operation and development of the District. If the Owner has to depend on sales of lots and parcels to generate cash flow, there can be no assurance that sufficient funds will be available to the Owner to pay all of its obligations and liabilities, including, without limitation, property taxes (including those relating to property then owned by the Owner to be applied to pay the Bonds), as such obligations and liabilities become due and payable.

See “LAND DEVELOPMENT – Land Development” and TABLE 4A and TABLE 4B with regard to the concentration of ownership of property in, and obligation for payment of property taxes of, the District in certain entities, including the Owner.

In addition, the Owner has transferred and intends to continue to transfer ownership of parcels (or portions thereof) designated for residential development within the District to homebuilders prior to completion of development therein. There are no restrictions on the ability of the Owner to sell parcels (or portions thereof). There can be no assurance that any builder will ultimately acquire and develop all of the lots, nor any assurance that any builder will be able to obtain the projected sales prices for any houses to be constructed on the lots.

Failure or Inability to Complete Proposed Project

The continuing development and successful completion of the development by the Owner is contingent upon construction or acquisition of major public improvements such as arterial streets, water distribution facilities, sewage collection and transmission facilities, drainage facilities, telephone and electrical facilities, recreational facilities and street lighting, as well as local in-tract improvements, including site grading. If the Owner is unable to complete these additional improvements, the ability of the Owner to sell land would be affected adversely.

There are no assurances the Owner can obtain the necessary financing to pay for the required development costs. Cash generated from the sale of land within the District by the Owner is expected to fund a substantial portion of the costs of the development. The cost of these additional improvements plus the public and private in-tract, on-site and off-site improvements may increase the public and private debt for which the land within the District is security. The burden of additional debt would be placed on the land within the District to complete the necessary improvements. In the event the Owner is unable to repay the debt, and as a result, a lender forecloses all or a portion of the property owned by the Owner, there can be no guarantee the foreclosing lender or successor owner will continue to develop the District Land. See **“RISK FACTORS – Direct and Overlapping Indebtedness and Taxes”** below.

The District Land may be affected by changes in general economic conditions, fluctuations in the real estate market and interest rates, changes in the income tax treatment of real property ownership, unexpected increases in development costs and other similar factors as well as availability of utilities and the development of environmental problems with such land. While the Owner is a party to the City Development Agreement addressing, among other things, the vesting of zoning approvals necessary to develop the Project, land development within the District could nevertheless be affected by changes in governmental policies and laws, including, but not limited to, governmental policies and laws to restrict or control development. (Any approvals needed in the future for the development of the Project must come from the City, over which the District has no control.) Land development within the District also could be affected by competition from other residential developments in surrounding areas. See **“RISK FACTORS – Availability of Standby Contribution Agreement and Depository Agreement Amounts”** below. A slowdown of the development process and the related absorption rate within the Project because of any or all of the foregoing could affect adversely land values and impair the Owner’s ability to finance the costs of development. ANY OR ALL OF THE FOREGOING COULD REDUCE THE WILLINGNESS AND THE ABILITY OF THE OWNER TO PAY *AD VALOREM* PROPERTY TAXES AND COULD GREATLY REDUCE THE VALUE OF SUCH PROPERTY IN THE EVENT IT HAS TO BE FORECLOSED UPON.

As noted above, portions of the land in the District remain undeveloped and, if any or all of the foregoing occurs, would continue as such. Vacant land provides less security to the holders of the Bonds should it be necessary for the District to foreclose due to non-payment of *ad valorem* property taxes. An inability to develop the remaining land within the District will likely reduce the diversity of ownership on land within the District, making the owners of the Bonds more dependent upon timely payment of the *ad valorem* property taxes levied on the vacant property.

Completion of the Public Infrastructure and the Other Infrastructure

The assessed valuation of the taxable property in the District may increase if and as the development of the District continues. However, less than expected increases or decreases in the future assessed valuation of the taxable property in the District may reduce the willingness of landowners to pay the *ad valorem* property taxes securing the Bonds or adversely affect the interest of potential buyers of such property at any foreclosure sale for purposes of paying such taxes. See also **“SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS – *Ad Valorem* Property Taxation in the District.”**

The construction of infrastructure for development of the land in the District is not yet complete. See **“LAND DEVELOPMENT.”** The cost and time for completion of all of such improvements is uncertain and may be affected by changes like those described hereinabove. If cost overruns result in delay of construction, or if other delays are experienced, the sale of lots and construction of homes may be delayed. Failure or inability to complete proposed development including development of necessary utilities could affect adversely development of the land in the District.

Availability of Utilities

Water and sewer service to the District will be provided by the City as described under the subheading **“LAND DEVELOPMENT – Land Development.”** Failure or inability to complete proposed development including development of necessary utilities could affect adversely development of the land in the District. See **“RISK FACTORS – Failure or Inability to Complete Proposed Project.”**

Effect of Valuation of Property

Information is provided herein with respect to the valuation of land within the District. See “SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS – *Ad Valorem* Property Taxation in the District.” Such valuation, and particularly decreases therein, may reduce the willingness of landowners to pay the *ad valorem* taxes securing the Bonds, as well as adversely affect the interest of potential buyers of such property at any foreclosure sale for purposes of paying such taxes.

Direct and Overlapping Indebtedness and Taxes

The ability of an owner of land within the District to pay the *ad valorem* property taxes of the District could be affected by the existence of other taxes and assessments imposed upon the property. The District and other public entities whose boundaries overlap those of the District could, without the consent of the District and, in certain cases, without the consent of the owners of the land within the District, impose additional *ad valorem* property taxes or assessment liens on the property within the District in order to finance public improvements to be located inside or outside of the District. The lien created on the property within the District through the levy of *ad valorem* property taxes would be on a parity with the *ad valorem* property taxes securing the Bonds. The imposition of additional parity liens, or subordinate liens in the case of future special assessments, or for that matter for private financing, may reduce the ability or willingness of the landowners to pay the *ad valorem* property taxes securing the Bonds as well as, in the case of failure of payment thereof, the existence of buyers of such property at any foreclosure sale for purposes of paying such taxes. See “SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS – *Ad Valorem* Property Taxation in the District.”

Bankruptcy and Foreclosure Delays

It should be noted that in the event of bankruptcy of a taxpayer pursuant to the Bankruptcy Code the law is currently unsettled as to whether a lien can be attached against the taxpayer’s property for property taxes levied during the pendency of bankruptcy. Such taxes might constitute an unsecured and possibly noninterest bearing administrative expense payable only to the extent that the secured creditors of a taxpayer are over-secured, and then possibly only on the prorated basis with other allowed administrative claims. It cannot be determined, therefore, what adverse impact bankruptcy might have on the ability to collect *ad valorem* taxes on a property of a taxpayer within the District. Proceeds to pay such taxes come only from the taxpayer or from a sale of the tax lien on the property.

When a debtor files or is forced into bankruptcy, any act to obtain possession of the debtor’s estate, any act to create or perfect any lien against the property of the debtor or any act to collect, assess or recover a claim against the debtor that arose before the commencement of the bankruptcy would be stayed pursuant to the Bankruptcy Code. While the stay of a bankruptcy court may not prevent the sale of tax liens against the real property of a bankrupt taxpayer, the judicial or administrative foreclosure of a tax lien against the real property of a debtor would be subject to the stay of a bankruptcy court. It is reasonable to conclude that “tax sale investors” may be reluctant to purchase tax liens under such circumstances, and, therefore, the timeliness of post-bankruptcy petition tax collections becomes uncertain.

In the event the District is expressly enjoined or prohibited by law from collecting taxes due from any taxpayer, such as may result from the bankruptcy of a taxpayer, any resulting deficiency could be collected in subsequent tax years by adjusting the District’s tax rate charged to non-bankrupt taxpayers during such subsequent tax years.

It cannot be determined what impact any deterioration of the financial condition of any taxpayer, whether or not protection under the Bankruptcy Code is sought, may have on payment of or the secondary market for the Bonds. None of the District, the Underwriter, the Owner (except with respect to itself), the Financial Advisor or their respective agents or consultants has undertaken any independent investigation of the operations and financial condition of any taxpayer, nor have they assumed responsibility for the same.

The various legal opinions to be delivered concurrently with the delivery of the Bonds (including the approving legal opinion of Bond Counsel (as defined herein)) will be qualified, as to the enforceability of the various legal instruments, by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally.

Availability of Standby Contribution Agreement and Depository Agreement Amounts

If amounts to be available pursuant to the Standby Contribution Agreement or the Depository Agreement are not available for any reason (including financial difficulties or bankruptcy of the Owner or exhaustion of funds available under the Depository Agreement), the Bonds will be payable only from District *ad valorem* property taxes, resulting in increased District tax rates and increased reliance upon District tax revenues collected within the District to pay Debt Service.

The District's ability to retire the indebtedness evidenced by the Bonds solely from *ad valorem* property taxes is dependent upon the development and maintenance of an adequate tax base from which the District may collect revenues. The District's ability to achieve a tax base adequate to generate *ad valorem* property tax revenues for timely payment of the Bonds will depend upon the continued and successful development of the District. The District faces competition from other residential developments in surrounding areas within the Phoenix metropolitan area. Such competition may adversely affect the rate of development within the District. Many unpredictable factors could influence the actual rate of construction within the District, including the prevailing interest rates, availability of funds, market and economic conditions generally, supply of housing in the greater Phoenix metropolitan area, construction costs, labor conditions, access to building supplies, availability of water and water taps, availability and costs of fuel and transportation costs, among other things.

Amendment of Documents Referenced

The reports, inspections and other documents described in this Official Statement may be modified, updated or amended (as new reports and/or inspections may be obtained), and such modifications may materially and adversely affect the development of the property (e.g., updating of environmental reports).

The development of the property within the District is described under the heading "LAND DEVELOPMENT." There is currently additional development activity within the District. Circumstances could change as the development process continues and other issues are raised or new developers or owners become involved. Accordingly, the Owner anticipates that there may be significant changes to the agreements and contracts summarized in this Official Statement to address any such issues. Because the existing contracts and agreements are subject to change, the summaries of any contracts or agreements contained hereinabove may not accurately reflect the future conditions relating to the development of the District; however, the Owner does not presently anticipate that any modifications of the current contracts or agreements would materially affect the repayment of the Bonds.

Environmental Matters

The District will be subject to risks arising out of environmental, archaeological and biological considerations generally associated with the ownership of real estate and the construction of improvements located thereon. Such risks include, in general, potential liability arising as a result of any contamination later discovered on the site and the possibility of a decline in property values in the District resulting from any contamination on the site or from the proximity of the site to other contaminated areas; or discovery of archaeological artifacts located on the site or in the vicinity of the site; discovery of endangered species of animals, plants or other habitat for endangered species and a determination of the waterways of the United States against dredging or fill. In addition, liability may arise under a variety of federal, state or local environmental laws and regulations, including, but not limited to, the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), the Resource Conservation and Recovery Act (RCRA), the Endangered Species Act and the National Historical Preservation Act.

Projections

Included in this Official Statement are various forecasts and projections. The forecasts and projections are forward looking statements based on assumptions concerning future events and should be viewed with an abundance of caution. Circumstances that may not yet be ascertainable, which the party making the forecasts or projections believes to be significant and which such party cannot control may also exist. There are usually differences between projections and results because events frequently do not occur as expected, and those differences may be material.

There can be no assurances that the various forecasts and projections set forth in this Official Statement can be achieved.

No Review of Filings

As described in footnote (a) to TABLE 4A and TABLE 4B, none of the District, the Underwriter, the Owner, the Financial Advisor, Bond Counsel, counsel to the Underwriter or counsel to the Owner have examined the information set forth in the Filings for accuracy or completeness, or examined similar information for entities or their parent companies that are not subject to same or similar informational requirements.

Risk of Internal Revenue Service Audit

The Internal Revenue Service (the “Service”) has announced a program of auditing tax-exempt bonds which can include those issued by special purpose governmental units, such as the District, for the purpose of determining whether the Service agrees (a) with the determination of bond counsel that interest on the Bonds is tax-exempt for federal income tax purposes or (b) that the District is in or remains in compliance with Service regulations and rulings applicable to governmental bonds such as the Bonds. The commencement of an audit of the Bonds could adversely affect the market value and liquidity of the Bonds, regardless of the final outcome. An adverse determination by the Service with respect to the tax-exempt status of interest on the Bonds could be expected to adversely impact the secondary market, if any, for the Bonds, and, if a secondary market exists, would also be expected to adversely impact the price at which the Bonds can be sold. The Bond Resolution and the Indenture do not provide for any adjustment to the interest rates borne by the Bonds in the event of a change in the tax-exempt status of the Bonds. Owners of the Bonds should note that, if the Service audits the Bonds, under current audit procedures the Service will treat the District as the taxpayer during the initial stage of the audit, and the owners of the Bonds will have limited rights to participate in such procedures. There can be no assurance that the District will have revenues available to contest an adverse determination by the Service. No transaction participant, including the District, Bond Counsel, counsel to the Underwriter, or the Underwriter is obligated to pay or reimburse the owner of any of the Bonds for audit or litigation costs in connection with any legal action, by the Service or otherwise, relating to the Bonds.

There can be no assurance that an audit by the Service of the Bonds will not be commenced. However, the District has no reason to believe that any such audit will be commenced, or that if commenced, an audit would result in a conclusion of noncompliance with any applicable Service position, regulation or ruling. No rulings have been or will be sought from the Service with respect to any federal tax matters relating to the issuance, purchase, ownership, receipt or accrual of interest upon, or disposition of the Bonds. See also “TAX EXEMPTION” herein.

Availability of Water

The Owner’s ability to develop the land within the District and to subdivide the real property included within the District is dependent upon the land having a 100-year Assured Water Supply, as determined by ADWR and applicable State law. The Project is located within the City’s water service area, which is covered by an active 100-year Designation of Assured Water Supply. If the City were to lose its 100-year Designation of Assured Water Supply, however, the sale of subdivided land within the Project would be halted until the situation could be resolved. Since January 2022, Arizona’s apportionment of Colorado River water has been reduced under the 2019 multi-state Drought Contingency Plan. These reductions have not been large enough to impact the City’s allocation of Colorado River water delivered by the CAP canal. (See the final paragraph in footnote (a) to TABLE 9 for a description of CAP.) New rules governing the use of Colorado River water are expected beginning in 2027 and may result in reductions in availability of the City’s allocation of CAP water. The City has access to multiple sources of water to serve the District including Colorado River water delivered via the CAP canal, reclaimed/recycled water for non-potable uses, and both recharged and naturally occurring groundwater served via pumping wells. Assuming development of the Project proceeds as described under the heading “LAND DEVELOPMENT” herein, the City does not anticipate any near-term disruption to the provision of water to the Project by the City.

Cancellation of Contracts

The State, its political subdivisions, including the District, or any department or agency of either may, within three years after its execution, cancel any contract, without penalty or further obligation, if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the State, its political subdivisions, including the District or any of the departments or agencies of either is, while the contract or any extension thereof is in effect, an employee or agent of any other party to the contract in any capacity or a consultant to any other party of the contract with respect to the subject matter of the contract. Cancellation of contracts entered into by the District may adversely affect the Bonds.

No Financial Statements of the Owner

No financial statements of the Owner (audited or otherwise) are included in this Official Statement.

LITIGATION

The District

At the time of delivery and payment for the Bonds, appropriate representatives of the District will certify that there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory agency, public board or body, pending or, overtly threatened against the District affecting the existence of the District, or the titles of its officers to their respective offices, or seeking to restrain or to enjoin the sale or delivery of the Bonds, the application of the proceeds thereof in accordance with the Indenture and the Bond Resolution, or the collection or application of any revenues providing for the payment of the Bonds, or in any way contesting or affecting the validity or enforceability of the Bonds, the Bond Resolution, the Development Agreement, the Indenture, the Standby Contribution Agreement, the Depository Agreement, any action of the District contemplated by any of the said documents, or in any way contesting the completeness or accuracy of this Official Statement or any amendment or supplement thereto, or contesting the powers of the District or its authority with respect to the Bonds or any action of the District contemplated by any of said documents.

The Owner

At the time of delivery and payment for the Bonds, an authorized representative of the Owner will certify that no litigation or administrative action or proceeding is pending or, to the knowledge of such authorized representative, threatened, restraining or enjoining, or seeking to restrain or enjoin, the effectiveness of the actions authorizing the Owner to execute and deliver the documents executed by it in connection with issuance of the Bonds, or contesting or questioning the proceedings and authority under which such resolution or such documents have been authorized and are delivered and executed.

At the time of delivery and payment for the Bonds an authorized representative of the Owner will also certify that there are no legal proceedings to which the Owner is party or to which any of its properties are subject, other than routine litigation incident to its business which is covered by insurance or an indemnity or which are not expected to have a material adverse effect on the Owner. It is possible, however, that the Owner could incur claims currently unknown to the Owner or for which the Owner is not insured or that exceed the amount of its insurance coverage.

TAX EXEMPTION

In General

The Internal Revenue Code of 1986, as amended (the “Code”), includes requirements which the District must continue to meet after the issuance of the Bonds in order that the interest on the Bonds be and remain excludable from gross income for federal income tax purposes. The District’s failure to meet these requirements may cause the interest on the Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. The District and the Owner have covenanted in the Indenture and the Development Agreement, respectively, to take the actions required by the Code in order to maintain the exclusion from gross income for federal income tax purposes of interest on the Bonds.

In the opinion of Greenberg Traurig, LLP, Phoenix, Arizona, Bond Counsel (“Bond Counsel”), assuming the accuracy of certain representations and certifications of the District and continuing compliance by the District and the Owner with the tax covenants referred to above, under existing statutes, regulations, rulings and court decisions, the interest on the Bonds will be excludable from gross income of the owners thereof for federal income tax purposes. Interest on the Bonds will not be an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals, but in the case of the alternative minimum tax imposed by Section 55(b)(2) of the Code on applicable corporations (as defined in Section 59(k) of the Code), interest on the Bonds is not excluded from the determination of adjusted financial statement income. Bond Counsel is further of the opinion that the interest on the Bonds will be exempt from income taxation under the laws of the State. Bond Counsel will express no opinion as to any other tax consequences regarding the Bonds. Prospective purchasers of the Bonds should consult with their own tax advisors as to the status of interest on the Bonds under the tax laws of any state other than the State.

The above opinion on federal tax matters with respect to the Bonds will be based on and will assume the accuracy of certain representations and certifications of the District, and compliance with certain covenants of the District and the Owner to be contained in the transcript of proceedings and that are intended to evidence and assure the foregoing, including that the Bonds will be and will remain obligations the interest on which is excludable from gross income for federal income tax purposes. Bond Counsel will not independently verify the accuracy of those certifications and representations. Bond Counsel will express no opinion as to any other consequences regarding the Bonds.

Except as described above, Bond Counsel will express no opinion regarding the federal income tax consequences resulting from the receipt or accrual of the interest on the Bonds, or the ownership or disposition of the Bonds. Prospective purchasers of Bonds should be aware that the ownership of Bonds may result in other collateral federal tax consequences, including (i) the denial of a deduction for interest on indebtedness incurred or continued to purchase or carry the Bonds, (ii) the reduction of the loss reserve deduction for property and casualty insurance companies by the applicable statutory percentage of certain items, including the interest on the Bonds, (iii) the inclusion of the interest on the Bonds in the earnings of certain foreign corporations doing business in the United States for purposes of a branch profits tax, (iv) the inclusion of the interest on the Bonds in the passive income subject to federal income taxation of certain Subchapter S corporations with Subchapter C earnings and profits at the close of the taxable year, (v) the inclusion of interest on the Bonds in the determination of the taxability of certain Social Security and Railroad Retirement benefits to certain recipients of such benefits, (vi) net gain realized upon the sale or other disposition of property such as the Bonds generally must be taken into account when computing the Medicare tax with respect to net investment income or undistributed net investment income, as applicable, imposed on certain high income individuals and specified trusts and estates, and (vii) receipt of certain investment income, including interest on the Bonds, is considered when determining qualification limits for obtaining the earned income credit provided by Section 32(a) of the Code. The nature and extent of the other tax consequences described above will depend on the particular tax status and situation of each owner of the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors as to the impact of these other tax consequences.

Bond Counsel’s opinions are based on existing law, which is subject to change. Such opinions are further based on factual representations made to Bond Counsel as of the date thereof. Bond Counsel assumes no duty to update or supplement its opinions to reflect any facts or circumstances that may thereafter come to Bond Counsel’s attention, or to reflect any changes in law that may thereafter occur or become effective. Moreover, Bond Counsel’s opinions are not a guarantee of a particular result, and are not binding on the Service or the courts; rather, such opinions

represent Bond Counsel's professional judgment based on its review of existing law, and in reliance on the representations and covenants that it deems relevant to such opinion.

Original Issue Discount and Original Issue Premium

Certain of the Bonds ("Discount Bonds") may be offered and sold to the public at an original issue discount ("OID"). OID is the excess of the stated redemption price at maturity (the principal amount) over the "issue price" of a Discount Bond determined under Code Section 1273 or 1274 (i.e., for obligations issued for money in a public offering, the initial offering price to the public (other than to bond houses and brokers) at which a substantial amount of the obligation of the same maturity is sold pursuant to that offering). For federal income tax purposes, OID accrues to the owner of a Discount Bond over the period to maturity based on the constant yield method, compounded semiannually (or over a shorter permitted compounding interval selected by the owner). The portion of OID that accrues during the period of ownership of a Discount Bond (i) is interest excludable from the owner's gross income for federal income tax purposes to the same extent, and subject to the same considerations discussed above, as other interest on the Bonds, and (ii) is added to the owner's tax basis for purposes of determining gain or loss on the maturity, redemption, prior sale or other disposition of that Discount Bond.

Certain of the Bonds ("Premium Bonds") may be offered and sold to the public at a price in excess of their stated redemption price (the principal amount) at maturity (or earlier for certain Premium Bonds callable prior to maturity). That excess constitutes bond premium. For federal income tax purposes, bond premium is amortized over the period to maturity of a Premium Bond, based on the yield to maturity of that Premium Bond (or, in the case of a Premium Bond callable prior to its stated maturity, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on that Premium Bond), compounded semiannually (or over a shorter permitted compounding interval selected by the owner). No portion of that bond premium is deductible by the owner of a Premium Bond. For purposes of determining the owner's gain or loss on the sale, redemption (including redemption at maturity) or other disposition of a Premium Bond, the owner's tax basis in the Premium Bond is reduced by the amount of bond premium that accrues during the period of ownership. As a result, an owner may realize taxable gain for federal income tax purposes from the sale or other disposition of a Premium Bond for an amount equal to or less than the amount paid by the owner for that Premium Bond.

Owners of Discount Bonds and Premium Bonds should consult their own tax advisors as to the determination for federal income tax purposes of the amount of OID or bond premium properly accruable or amortizable in any period with respect to the Discount Bonds or Premium Bonds and as to other federal tax consequences, and the treatment of OID and bond premium for purposes of state and local taxes on, or based on, income.

Changes in Federal and State Tax Law

From time to time, there are legislative proposals suggested, debated, introduced or pending in Congress or in the State legislature that, if enacted into law, could alter or amend one or more of the federal tax matters, or State tax matters, respectively, described above including, without limitation, the excludability from gross income of interest on the Bonds, adversely affect the market price or marketability of the Bonds, or otherwise prevent the holders from realizing the full current benefit of the status of the interest thereon. It cannot be predicted whether or in what form any such proposal may be enacted, or whether, if enacted, any such proposal would affect the Bonds. Prospective purchasers of the Bonds should consult their tax advisors as to the impact of any proposed or pending legislation.

On August 16, 2022, President Biden signed the Inflation Reduction Act of 2022 (H.R. 5376) into law. For tax years beginning after 2022, this legislation will impose a minimum tax of 15 percent on the adjusted financial statement income of applicable corporations as defined in Section 59(k) of the Code (which is primarily designed to impose a minimum tax on certain large corporations). For this purpose, adjusted financial statement income is not reduced for interest earned on tax-exempt obligations. Prospective purchasers that could be subject to this minimum tax should consult with their own tax advisors regarding the potential consequences of owning the Bonds.

Information Reporting and Backup Withholding

Interest paid on tax-exempt bonds such as the Bonds is subject to information reporting to the Service in a manner similar to interest paid on taxable obligations. This reporting requirement does not affect the excludability of interest on the Bonds from gross income for federal income tax purposes. However, in conjunction with that information reporting requirement, the Code subjects certain non-corporate owners of the Bonds, under certain circumstances, to “backup withholding” at the rates set forth in the Code, with respect to payments on the Bonds and proceeds from the sale of the Bonds. Any amount so withheld would be refunded or allowed as a credit against the federal income tax of such owner of the Bonds. This withholding generally applies if the owner of the Bonds (i) fails to furnish the payor such owner’s social security number or other taxpayer identification number (“TIN”), (ii) furnished the payor an incorrect TIN, (iii) fails to properly report interest, dividends, or other “reportable payments” as defined in the Code, or (iv) under certain circumstances, fails to provide the payor or such owner’s securities broker with a certified statement, signed under penalty of perjury, that the TIN provided is correct and that such owner is not subject to backup withholding. Prospective purchasers of the Bonds may also wish to consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

QUALIFIED TAX-EXEMPT OBLIGATIONS

The Bonds will be designated as “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Code as the Board reasonably anticipates that the aggregate amount of qualified tax-exempt obligations (as defined in Section 265(b)(3) of the Code) which will be issued for or by the District in calendar year 2024 will not exceed \$10,000,000.

RATING

[S&P is expected to assign the rating of “__” to the Bonds with the understanding that the Policy will be delivered by the Bond Insurer simultaneously with the issuance of the Bonds.] Such rating reflects only the view of S&P. An explanation of the significance of a rating assigned by S&P may be obtained at One California Street, 31st Floor, San Francisco, CA 94111. Such rating may be revised or withdrawn entirely at any time by S&P if, in its judgment, circumstances so warrant. Any downward revision or withdrawal of such rating may have an adverse effect on the market price or marketability of the Bonds. The District will covenant in its continuing disclosure undertaking with respect to the Bonds that it will file notice of any formal change in any rating relating to the Bonds. See “CONTINUING DISCLOSURE” and APPENDIX D – “FORM OF CONTINUING DISCLOSURE UNDERTAKING” hereto.

FINANCIAL STATEMENTS

The financial statements of the District as of June 30, 2023, and for its Fiscal Year then ended, which are included as APPENDIX F to this Official Statement, have been audited by CliftonLarsonAllen LLP as stated in its opinion which appears in APPENDIX F – “AUDITED FINANCIAL STATEMENTS OF THE DISTRICT FOR FISCAL YEAR ENDED JUNE 30, 2023.” The District neither requested nor obtained the consent of CliftonLarsonAllen LLP to include its report and CliftonLarsonAllen LLP has performed no procedures subsequent to rendering its opinion on the financial statements. In addition, as a “blended component unit” of the City, certain information regarding the District is contained in the City’s annual comprehensive financial reports. The City’s annual comprehensive financial report for the Fiscal Year ended June 30, 2023, is publicly available and is available upon request from the District Chief Financial Officer.

LEGAL MATTERS

Legal matters incident to the issuance of the Bonds and with regard to the tax-exempt status of the interest thereon are subject to the legal opinion of Bond Counsel. (See “TAX EXEMPTION” herein.) Signed copies of the opinion, dated and speaking only as of the date of delivery of the Bonds, will be delivered upon the initial delivery of the Bonds in substantially the form of APPENDIX B hereto. Certain legal matters will be passed upon for the District

by the District Counsel, for the Underwriter by its counsel, Ballard Spahr LLP, Phoenix, Arizona, and for the Owner by its counsel, Berens Blonstein PLC, Scottsdale, Arizona. See “RELATIONSHIPS AMONG PARTIES.”

The various legal opinions to be delivered concurrently with the delivery of the Bonds express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or of the future performance of parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

UNDERWRITING

The Bonds will be purchased by the Underwriter at an aggregate purchase price of \$ _____, pursuant to a bond purchase agreement (the “Bond Purchase Agreement”) entered into by and between the District and the Underwriter. If the Bonds are sold to produce the yields or prices shown on the inside front cover page hereof, the Underwriter’s compensation will be \$ _____. The Bond Purchase Agreement provides that the Underwriter will purchase all of the Bonds so offered if any are purchased. The Underwriter may offer and sell the Bonds to certain dealers (including dealers depositing the Bonds into unit investment trusts) and others at prices higher or yields lower than the public offering prices or yields state on the inside front cover page hereof. The initial offering prices or yields set forth on the inside front cover page hereof may be changed, from time to time, by the Underwriter without amendment of the Official Statement.

CONTINUING DISCLOSURE

The District has covenanted for the benefit of the owners of the Bonds to provide certain financial information and operating data relating to the District by not later than February 1 of each year commencing on February 1, 2025 (the “Annual Reports”), and to provide notices of the occurrence of certain enumerated events (the “Notices of Listed Events”). The Annual Reports and the Notices of Listed Events will be filed by the District with the MSRB through the EMMA system. The specific nature of the information to be contained in the Annual Reports and in the Notices of Listed Events is set forth in APPENDIX D – “FORM OF CONTINUING DISCLOSURE UNDERTAKING,” which includes the form of continuing disclosure undertaking which will be executed by the District with respect to the Bonds (the “Undertaking”).

These covenants will be made in order to assist the Underwriter in complying with the Commission Rule 15c2-12 (the “Rule”). The form of the Undertaking necessary pursuant to the Rule is included as APPENDIX D hereto. A failure by the District to comply with these covenants must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Also pursuant to Arizona law, the ability of the District to comply with such covenants is subject to annual appropriation of funds sufficient to provide for the costs of compliance with such covenants. Should the District not comply with such covenants due to a failure to appropriate for such purposes, the District has covenanted to provide notice of such fact in the same fashion it provides the Notices of Listed Events. Absence of continuing disclosure could adversely affect the Bonds and specifically their market price and transferability.

The District has implemented procedures to facilitate compliance with the Undertaking and future, similar undertakings.

FINANCIAL ADVISOR

The Financial Advisor’s fee for services rendered with respect to the sale of the Bonds is contingent upon the issuance and delivery of the Bonds. The Financial Advisor is not obligated to undertake, and has not undertaken to make, an independent verification, or to assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement.

RELATIONSHIPS AMONG PARTIES

Bond Counsel has acted as counsel to the underwriter in other transactions underwritten by the Underwriter and as bond counsel in other transactions underwritten by the Underwriter. Ballard Spahr LLP, Phoenix, Arizona, counsel to the Underwriter, has acted as bond counsel in other transactions underwritten by the Underwriter. Bond Counsel has also acted as bond counsel and/or counsel to the underwriter with respect to bonds issued by the City and other overlapping political subdivisions.

The Underwriter and the Financial Advisor have underwritten or acted as financial advisor with respect to bonds issued by the City and other overlapping political subdivisions. The Underwriter and the Financial Advisor have underwritten or acted as financial advisor on other transactions together and expect to do so in the future.

CONCLUDING STATEMENT

To the extent that any statements made in this Official Statement involve matters of opinion or estimates, whether or not expressly stated to be such, they are made as such and not as representations of fact or certainty and no representation is made that any of these opinions or estimates have been or will be realized. Information in this Official Statement has been derived by the District from official and other sources and is believed by the District to be accurate and reliable. Information other than that obtained from official records of the District has not been independently confirmed or verified by the District and its accuracy is not guaranteed.

Neither this Official Statement nor any statement that may have been or that may be made orally or in writing is to be construed as part of a contract with the original purchasers or subsequent owners of the Bonds.

This Official Statement has been approved, executed and delivered by the District.

VISTANCIA NORTH COMMUNITY FACILITIES
DISTRICT

By.....
District Chief Financial Officer

CITY OF PEORIA, ARIZONA

The following information regarding the City is provided for background information only. No attempt has been made to determine what part, if any, of the data presented is applicable to the District; consequently no representation is made as to the relevance of the data to the District or the Bonds. THE BONDS WILL NOT BE OBLIGATIONS OF THE CITY. The Bonds will be direct obligations of the District, payable solely from ad valorem property taxes levied against all taxable property in the District as described under the heading “SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS.”

General

The City, located in the northwestern portion of the Phoenix metropolitan area, the State’s economic, political and population center, is the ninth largest city in the State based on population and currently encompasses an area of approximately 179 square miles. The City is situated in the northern portion of the County and a minor portion of the City extends north into southern Yavapai County, Arizona.

The City was settled in 1886 by former residents of Peoria, Illinois, who over the years purchased water rights from the Arizona Canal Company, which in 1885 had constructed a canal to provide irrigation water. The City was incorporated in 1954.

The table below sets forth the population figures for the City for the years indicated.

**POPULATION STATISTICS
City of Peoria, Arizona**

<u>Year</u>	<u>Population</u>
2023 Estimate (a)	202,183
2020 Census	190,985
2010 Census	154,065
2000 Census	108,364
1990 Census	50,675
1980 Census	12,171

(a) Estimate as of July 2023 (data released in December 2023).

Source: Arizona Office of Economic Opportunity and the U.S. Census Bureau.

Municipal Government

The City operates under the Council-Manager form of government. Its original Charter was adopted in 1954 and has been subsequently amended from time to time. Legislative authority is vested in a six member Council and the Mayor. In 1989, the voters amended the City Charter to change the method of electing the City Council members from an at-large system to a district system. The names of the districts are Willow, Pine, Ironwood, Acacia, Mesquite and Palo Verde. On March 11, 1997, the City Charter was amended to provide for a four-year term for the Mayor commencing in 1999. The Council members are elected for four year terms on a staggered basis.

The Council fixes the duties and compensation of City officials and employees and enacts ordinances and resolutions relating to City services, tax levies, appropriating and borrowing moneys, licensing and regulating business and trades and other municipal purposes. The Council appoints the City Manager.

The City Manager is responsible for executing Council policies and administering City operations. The City government is responsible for furnishing basic municipal services. Primary services are delivered by the 17 departments and approximately 1,355 fulltime equivalent employees, and include police, municipal courts, fire

medical, recreation and community services, planning and development services, public transportation and utility services and general administration. These services are provided in Fiscal Year 2024 through an adopted budget of \$950 million. Of this, the general fund and special revenue fund budgets total \$328 million (not including operating transfers), which is for general municipal services and excludes enterprise activities such as water, sewers and sanitation.

Employment

The City Economic Development Department facilitates new business and industry moving to the City. Along with a number of new commercial and retail developments, high quality “Class A” office buildings have recently opened and more are under construction. Most employers in the City are in the government, commercial, healthcare and service sectors. Many residents also commute to nearby jobs in the greater Phoenix metropolitan area.

The following is a partial list of major employers in the City.

**MAJOR EMPLOYERS
City of Peoria, Arizona**

<u>Employer</u>	<u>Description</u>	<u>Approximate Number of Employees</u>
Peoria Unified School District No. 11	Education	2,660
City of Peoria	Government	1,360
Walmart Inc.	Retail	1,030
Fry’s Food Stores	Retail	880
Target	Retail	450
Home Depot	Retail	410
Taronis Fuels	Business Services	400
Brookdale Senior Living	Health Care	320
Oak Craft Inc.	Consumer Goods Manufacturing	320
Safeway	Retail	310

Source: 2021 Arizona COG/MPO Employer Database (accessed April 20, 2023).

The table below sets forth unemployment statistics for the City.

**UNEMPLOYMENT RATE AVERAGES
City of Peoria, Arizona**

<u>Calendar Year</u>	<u>City of Peoria (a)</u>
2024 (b)	2.9%
2023	3.2
2022	3.2
2021	4.5
2020	7.2

(a) Each year, historical estimates from the Local Area Unemployment Statistics (LAUS) program are revised to reflect new population controls from the Census Bureau, updated input data, and re-estimation. The data for model-based areas also incorporate new seasonal adjustment, and the unadjusted estimates are controlled to new census division and U.S. totals. Sub-state area data subsequently are revised to incorporate updated inputs, re-estimation, and controlling to new statewide totals.

(b) Data through March 2024.

Source: U.S. Bureau of Labor Statistics.

Construction

The following tables set forth the value of building permits for residential and non-residential construction and new housing starts for the City, in each case for the years indicated.

**VALUE OF BUILDING PERMITS
City of Peoria, Arizona**

<u>Fiscal Year</u>	<u>Residential</u>	<u>Commercial and Industrial</u>	<u>Other</u>	<u>Total</u>
2023				\$164,300,000
2022	213,963,051	32,201,847	66,842,883	313,007,781
2021	248,875,576	16,894,609	32,563,175	298,333,360
2020	232,315,527	25,387,396	50,000,709	307,703,632
2019	280,782,721	50,147,785	51,203,487	382,133,993

**NEW HOUSING STARTS (a)
City of Peoria, Arizona**

<u>Fiscal Year</u>	<u>City</u>	<u>Phoenix Metropolitan Area</u>
2023		
2022	1,857	51,554
2021	1,576	51,241
2020	1,372	48,219
2019	1,857	35,873

(a) Includes both single family and multi-family.

Commerce

Commerce is a growing segment of the City’s economy. The City serves as a trade center for the neighboring retirement communities of Sun City, Sun City West and Youngtown, as well as the cities of El Mirage and Surprise and Luke Air Force Base, located a few miles west of the City.

The City Sales Tax is 1.8% on most taxable activities within the City, utilities are taxed at 3.3%, restaurants and bars and amusements are taxed at 2.8%, and hotels and motels are taxed at 5.6%. Pursuant to the City Charter, increases in the City’s sales tax rates are subject to voter approval. In September 2005 voters approved a 0.3% transportation sales tax to fund transportation improvements. The 0.3% transportation sales tax is included in the city’s sales tax rate of 1.8%.

The table below sets forth the City’s sales tax revenue for the years indicated.

**SALES TAX REVENUE
City of Peoria, Arizona
(\$’s in 000’s)**

<u>Fiscal Year</u>	<u>Amount</u>
2023	\$131,030
2022	125,522
2021	113,853
2020	99,748
2019	93,183

Tourism

Tourism contributes to the economy of the City with scenic attractions such as Lake Pleasant Regional Park. Lake Pleasant, which is located within Lake Pleasant Regional Park, is a 24,500-acre lake (Arizona's second largest lake) and is used for boating, fishing, swimming and water skiing. Lake Pleasant is served by two full-service marinas. Another significant contributor to tourism within the City is the Peoria Sports Complex, which is home to the Seattle Mariners and San Diego Padres during Major League Baseball's spring training season. Recent media attention has also brought increased tourism. In 2020, Rent.com ranked Peoria number 7 in the country for cities with the most open space. The 2021 edition of Ranking Arizona listed Peoria as the number 1 city to live, work and play in Arizona.

Education

Residents of the City are served by two unified school districts and one elementary school district, operating more than 95 elementary and secondary schools throughout the City's metropolitan area. Education is also provided by private and parochial schools located throughout the metropolitan area. The Maricopa County Community College District serves the educational needs of the Phoenix metropolitan area through seven institutions. Glendale Community College is located within four miles of the City and has an approximate enrollment of 30,000. Arizona State University West (ASU West), a branch of the Arizona State University campus is located in northwest Glendale, and is within five miles of the City. The City is also relatively close to a number of other private colleges and technical institutions.

Transportation

The City is served by main lines of the Union Pacific and Santa Fe Railroads, two transcontinental bus lines (Greyhound and Continental Trailways), and 10 transcontinental, 34 interstate, and 39 intrastate truck lines. U.S. Highway 60 parallels the railroad through the City, connecting the Phoenix metropolitan area with points in northwestern Arizona and Las Vegas, Nevada. State Route 101, or Loop 101, is a semi-beltway encompassing much of the Phoenix metropolitan area, connecting the City with several suburbs of Phoenix, including Tolleson, Glendale, Scottsdale, Mesa, Tempe and Chandler. State Route 303, or Loop 303, connects Interstate 10 with Interstate 17. Long-term plans call for the extension of Loop 303 south of the interchange with I-10 in Goodyear to the planned I-10 'Reliever Route' Freeway, SR 30, and continuing south through Goodyear to connect with the planned alignment of future Interstate 11. If completed, Loop 303 will serve as a Phoenix bypass route for the southwestern suburbs of Goodyear, Avondale, and Buckeye as well as an alternate Phoenix bypass route for I-10 traffic headed westbound to the Greater Los Angeles Area and northbound via I-17 to Flagstaff, Arizona. Phoenix Sky Harbor Airport is located approximately 25 miles from the City's downtown center and provides local, regional, and transcontinental air service through a number of major airlines.

FORM OF LEGAL OPINION OF BOND COUNSEL

[LETTERHEAD OF GREENBERG TRAUIG, LLP]

[Closing Date]

Board of Directors
Vistancia North Community Facilities District
c/o City of Peoria, Arizona
8401 West Monroe Street
Peoria, Arizona 85345

Re: Vistancia North Community Facilities District (Peoria, Arizona) General Obligation Bonds, Series 2024

We have acted as Bond Counsel in connection with the issuance by Vistancia North Community Facilities District (hereinafter referred to as the “Issuer”) of the captioned bonds, dated the date hereof (hereinafter referred to as the “Bonds”).

We have examined, and in rendering the opinions herein have relied upon, original or certified copies of the proceedings had in connection with issuance of the Bonds; certifications executed by officers of the Issuer relating to, among other things, the expected use of proceeds of the sale of the Bonds and certain other funds of the Issuer and to certain other facts within the knowledge and control of the Issuer; representations made by the officers of Vistancia Development LLC (hereinafter referred to as the “Owner”), as to plans to develop and sell land owned within the boundaries of the Issuer and such other material and matters of law as we deem relevant to the matters discussed hereinbelow. In such examination, we have assumed the authenticity of all documents submitted to us as originals, the conformity to original copies of all documents submitted to us as certified or photostatic copies and the accuracy of the statements contained in such certifications and representations. As to any facts material to our opinion, we have, when relevant facts were not independently established, relied upon the aforesaid proceedings, certifications, representations, material and matters.

We are of the opinion, based upon such examination and subject to the reliances, assumptions and exceptions hereinabove and hereinafter set forth, that, under applicable law of the State of Arizona and federal law of the United States of America in force and effect on the date hereof:

1. The Bonds are valid and legally binding obligations of the Issuer payable from the sources, and enforceable in accordance with the terms and conditions, described therein and are secured by a Series 2024 Indenture of Trust and Security Agreement, dated as of July 1, 2024* (hereinafter referred to as the “Indenture”), from the Issuer to U.S. Bank Trust Company, National Association, as trustee (hereinafter referred to as the “Trustee”), except to the extent that the enforceability thereof and such provision of the security therefor may be affected by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights or the exercise of judicial discretion in accordance with general principles of equity.

2. The Issuer is to annually levy and cause an *ad valorem* property tax to be collected, at the same time and in the same manner as other taxes are levied and collected on all taxable property within the

* *Subject to change.*

boundaries of the Issuer, sufficient, together with any moneys from the sources described in Section 48-717, Arizona Revised Statutes, including amounts from a Series 2024 Standby Contribution Agreement, dated as of July 1, 2024*, by and among the Issuer, the Trustee, and the Owner and a Series 2024 Letter of Credit Depository Agreement, dated as of July 1, 2024*, by and between the Issuer and U.S. Bank Trust Company, National Association, as depository, if any, to pay debt service on the Bonds when due. All of the taxable property within the Issuer is subject to the levy of a tax, without limitation as to rate or amount, to pay the principal of and interest on the Bonds.

3. Under existing statutes, regulations, rulings and court decisions, subject to the reliance and assumption stated in the last sentence of this paragraph, interest on the Bonds is excludable from the gross income of the owners thereof for federal income tax purposes. Furthermore, interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. In the case of the alternative minimum tax imposed by Section 55(b)(2) of the Internal Revenue Code of 1986, as amended (hereinafter referred to as the “Code”) on applicable corporations (as defined in Section 59(k) of the Code), interest on the Bonds is not excluded from the determination of adjusted financial statement income. (We express no opinion regarding other federal tax consequences resulting from the ownership, receipt or accrual of interest on, or disposition of, the Bonds.) The Code includes requirements which the Issuer and the Owner must continue to meet after the issuance of the Bonds in order that interest on the Bonds not be included in gross income for federal income tax purposes. The failure of the Issuer or the Owner to meet these requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactive to their date of issuance. The Issuer and the Owner have either indicated their compliance with, or covenanted to take the actions required by, applicable provisions of the Code in order to maintain the exclusion from gross income for federal income tax purposes of interest on the Bonds. In rendering the opinion expressed above, we have relied on certifications of the Issuer with respect to certain matters necessary for, and have assumed continuing compliance with certain covenants by the Issuer and the Owner included in, respectively, the Indenture and a District Development, Financing Participation and Intergovernmental Agreement (Vistancia North Community Facilities District), dated as of September 1, 2020, as amended, by and among the Issuer, the City of Peoria, Arizona and the Owner (which are, as to their enforceability, subject to the same exceptions described in paragraph 1 hereinabove) that must be met after the issuance of the Bonds in order that, interest on the Bonds not be included in gross income for federal tax purposes.

4. The interest on the Bonds is exempt from income taxation under the laws of the State of Arizona. (We express no opinion regarding other State tax consequences resulting from the ownership, receipt or accrual of interest on, or disposition of, the Bonds.)

This opinion represents our legal judgment based upon our review of the law and the facts we deem relevant to render such opinion and is not a guarantee of a result. This opinion is given as of the date hereof, and we assume no obligation to review or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Respectfully submitted,

* *Subject to change.*

BOOK-ENTRY-ONLY SYSTEM

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC or held by the Trustee for 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 Securities 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” and together with the Direct Participants, the “Participants”). DTC has 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 the 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 affect 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 the 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 the 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 Trustee 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 an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

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).

Payment of principal of and interest on the Bonds and the redemption price of any Bond 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 principal of and interest on the Bonds and the redemption price of any Bonds will be made to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or 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.

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, 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, certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but none the District, the Owner, Bond Counsel, the Financial Advisor, the Underwriter or counsel to any of them takes no responsibility for the accuracy thereof.

FORM OF CONTINUING DISCLOSURE UNDERTAKING

CONTINUING DISCLOSURE UNDERTAKING

\$4,835,000*

VISTANCIA NORTH COMMUNITY FACILITIES DISTRICT
(PEORIA, ARIZONA)
GENERAL OBLIGATION BONDS, SERIES 2024

(CUSIP BASE NUMBER _____)

This Continuing Disclosure Undertaking (this “Undertaking”) is executed and delivered by Vistancia North Community Facilities District (the “Issuer”), in connection with the issuance of the captioned municipal securities (the “Securities”) for the benefit of the owners of the Securities, being the registered owners thereof or any person which has the power, directly or indirectly, to vote or consent with respect to, or to dispose of, any of the Securities (including persons holding the Securities through nominees, depositories or other intermediaries), or any person that is treated as the owner of any of the Securities for federal income tax purposes.

Section 1. Definitions.

“Annual Report” shall mean any annual report provided by the Issuer pursuant to, and as described in, Section 2.

“Authorizing Document” shall mean the resolution or resolutions authorizing the issuance of the Securities.

“Dissemination Agent” shall mean any agent which has executed a dissemination agent agreement with the Issuer and such successors and assigns of such agent.

“EMMA” shall mean the Electronic Municipal Market Access system of the Municipal Securities Rulemaking Board. Information regarding submissions to EMMA is available at <http://emma.msrb.org>.

“Financial Obligation” shall mean 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) a 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 Municipal Securities Rulemaking Board consistent with the Rule.

“Listed Events” shall mean any of the events listed in Section 3(a).

“Notice of Listed Event” shall mean any notice provided by the Issuer pursuant to, and as described in, Section 3 herein.

“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.

Section 2. Contents and Provision of Annual Reports.

(a) (i) ***SUBJECT TO ANNUAL APPROPRIATION TO COVER THE COSTS OF PREPARATION AND MAILING THEREOF, THE ISSUER SHALL, OR SHALL CAUSE THE DISSEMINATION AGENT TO, NOT LATER THAN FEBRUARY 1 OF EACH YEAR, COMMENCING***

* Subject to change.

FEBRUARY 1, 2025, PROVIDE THROUGH EMMA AN ANNUAL REPORT WHICH IS CONSISTENT WITH THE REQUIREMENTS OF SUBSECTION (b) OF THIS SECTION.

(ii) IF THE ISSUER IS UNABLE OR FOR ANY OTHER REASON FAILS TO PROVIDE AN ANNUAL REPORT OR ANY PART THEREOF BY THE DATE REQUIRED IN SUBSECTION (a)(i) OF THIS SECTION, THE ISSUER SHALL, OR SHALL CAUSE THE DISSEMINATION AGENT TO, SEND A NOTICE TO THAT EFFECT NOT LATER THAN SUCH DATE THROUGH EMMA ALONG WITH THE OTHER PARTS, IF ANY, OF THE ANNUAL REPORT.

(b) (i) The Annual Reports shall contain or incorporate by reference the following:

(A) Information of the type in TABLES 2, 3 and 4A of the Official Statement, dated June __, 2024, with respect to the Securities for the preceding tax year of the Issuer.

(B) Audited financial statements for the preceding fiscal year, such statements to be prepared on the basis of generally accepted accounting principles as applied to governmental units. **IF THE FISCAL YEAR OF THE ISSUER CHANGES, THE ISSUER SHALL, OR SHALL CAUSE THE DISSEMINATION AGENT TO, FILE A NOTICE OF SUCH CHANGE IN THE SAME MANNER AS FOR A NOTICE OF LISTED EVENT.**

(ii) The Annual Report may be submitted as a single document or as separate documents comprising a package and may incorporate by reference from other documents other information, including final offering documents of debt issues of the Issuer or related public entities which have been submitted to the Municipal Securities Rulemaking Board. If the document incorporated by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board. The Issuer shall clearly identify each such other document so incorporated by reference.

(iii) **If audited financial statements are to be included in an Annual Report but are not available in time to satisfy the requirements of Subsection (a)(i) of this Section, unaudited financial statements must be provided at the requisite time as part of the Annual Report and as soon as possible (but not later than thirty (30) days) after such audited financial statements become available, the audited financial statements shall be provided through EMMA.**

Section 3. Reporting of Listed Events.

(a) This Section shall govern the giving of notices of the occurrence of any of the following events (the "Listed Events") with respect to the Securities:

(i) Principal and interest payment delinquencies.

(ii) Non-payment related defaults, if material.

(iii) Unscheduled draws on debt service reserves reflecting financial difficulties.

(iv) Unscheduled draws on credit enhancements reflecting financial difficulties.

(v) Substitution of credit or liquidity providers, or their failure to perform.

(vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security.

(vii) Modifications to rights of security holders, if material.

(viii) Bond calls, if material, and tender offers.

(ix) Defeasances.

(x) Release, substitution or sale of property securing repayment of the securities, if material.

(xi) Rating changes.

(xii) Bankruptcy, insolvency, receivership or similar events of the obligated person, being if 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 governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

(xiii) The consummation of a merger, consolidation or acquisition involving the obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.

(xiv) Appointment of a successor or additional trustee or the change of the name of the trustee, if material.

(xv) Incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material.

(xvi) 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.

(xvii) Notice of a failure of the obligated person to provide required annual financial information on or before the date specified in Section 2 above, including any non-appropriation to cover applicable costs.

(b) Whether events subject to the standard “material” would be material shall be determined under applicable federal securities laws.

(c) ***SUBJECT TO ANNUAL APPROPRIATION TO COVER THE COSTS OF PREPARATION AND MAILING THEREOF, THE ISSUER SHALL, OR SHALL CAUSE THE DISSEMINATION AGENT TO, PROMPTLY, BUT NOT MORE THAN TEN (10) BUSINESS DAYS THEREAFTER, FILE A NOTICE OF LISTED EVENT OF EACH SUCH OCCURRENCE (LISTED IN SECTION 3(a) ABOVE) THROUGH EMMA.***

Section 4. Termination of Reporting Obligation. The obligations of the Issuer pursuant to this Undertaking shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Securities. ***SUBJECT TO ANNUAL APPROPRIATION TO COVER THE COSTS OF PREPARATION AND MAILING THEREOF, THE ISSUER SHALL, OR SHALL CAUSE THE DISSEMINATION AGENT TO, GIVE NOTICE OF SUCH TERMINATION THROUGH EMMA AS SOON AS PRACTICABLE, BUT NOT LATER THAN THE DATE AN ANNUAL REPORT WOULD OTHERWISE HAVE BEEN DUE.***

Section 5. Amendment or Waiver.

(a) Notwithstanding any other provision of this Undertaking, the Issuer may amend this Undertaking, and any provision of this Undertaking may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws, to the effect that (i) such amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law or change in the identity, nature or status of the Issuer or type of business conducted; (ii) this Undertaking, as amended or affected by such waiver, would have complied with the requirements of the Rule at the time of the primary offering of the Securities, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances and (iii) such amendment or waiver does not materially impair the interests of the owners of the Securities, as determined either by parties (such as bond counsel) unaffiliated with the Issuer or by an approving vote of the registered owners of the Securities pursuant to the terms of the Authorizing Document at the time of the amendments.

(b) The Annual Report containing amended operating data or financial information resulting from such amendment or waiver, if any, shall explain, in narrative form, the reasons for the amendment or waiver and the impact of the change in the type of operating data or financial information being provided. If an amendment or waiver is made specifying the accounting principles to be followed in preparing financial statements, 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 qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information in order to enable investors to evaluate the ability of the Issuer to meet its obligations. To the extent reasonably feasible, such comparison also shall be quantitative. ***IF THE ACCOUNTING PRINCIPLES OF THE ISSUER CHANGE, THE ISSUER SHALL, OR SHALL CAUSE THE DISSEMINATION AGENT TO, FILE A NOTICE OF SUCH CHANGE IN THE SAME MANNER AS FOR A NOTICE OF LISTED EVENT.***

Section 6. Additional Information. Nothing in this Undertaking shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Undertaking or any other means of communication, or including any other information in any Annual Report or Notice of Listed Event, in addition to that which is required by this Undertaking. If the Issuer chooses to include any information in any Annual Report or Notice of Listed Event in addition to that which is specifically required by this Undertaking, the Issuer shall have no obligation under this Undertaking to update such information or include it in any future Annual Report or Notice of Listed Event.

Section 7. Default. In the event of a failure of the Issuer to comply with any provision of this Undertaking, any owner of a Security for the benefit of which this Undertaking is being provided may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer to comply with its obligations under this Undertaking. A default under this Undertaking shall not be deemed an event of default for other purposes of the Authorizing Document, and the sole remedy under this Undertaking in the event of any failure of the Issuer to comply with this Undertaking shall be an action to compel performance pursuant to the terms of this Undertaking.

Section 8. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist the Issuer in satisfying the obligations of the Issuer hereunder and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

Section 9. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Undertaking and the applicable, related agency agreement, and, to the extent permitted by applicable law, the Issuer shall indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless for, from and against any loss, expense and liabilities which the Dissemination Agent may incur arising out of or in the exercise or performance of the powers and duties of the Dissemination Agent pursuant to this Undertaking and the applicable, related agency agreement, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the gross negligence or willful misconduct of the Dissemination Agent. The obligations of the Issuer under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Securities.

Dated: [Closing Date]

VISTANCIA NORTH COMMUNITY FACILITIES
DISTRICT

By.....
District Chief Financial Officer

ATTEST:

.....
District Clerk

APPROVED AS TO FORM:

.....
District Counsel

APPENDIX E

SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

The following is a summary of certain provisions of the Indenture to which reference is hereby made for a more complete description of its terms.

Definitions of Certain Terms

The following are certain terms defined in the Indenture and used in this Official Statement.

“*Alternate Letter of Credit*” means an irrevocable, single-draw standby letter of credit authorizing a draw thereunder by the Depository issued by a bank, a trust company or other financial institution with a Minimum Tier 1 Leverage Ratio and which has a term of not less than one year from the date of its issuance, which Alternate Letter of Credit shall be the same in all other material respects (except as to expiration date) as the Letter of Credit.

“*Annual Debt Service Requirement*” means, for any tax year, the amount to be paid in such tax year with respect to the Bonds and any other outstanding general obligation bonds or general obligation refunding bonds of the District heretofore or hereafter issued for payment of principal of and interest on the Bonds and such other bonds during such tax year.

“*Bond Fund*” means the fund with that name established pursuant to the Indenture.

“*Business Day*” means any day on which payments can be effected on the Fedwire System other than a Saturday; a Sunday; or a legal holiday or equivalent (other than a moratorium) for banking institutions generally in the place of payment or in the municipality where the principal corporate trust office of the Trustee or the office of the account bank of the Letter of Credit Bank is located. (If the specified date for any payment, submission, certification, determination or other action pursuant to the Indenture shall be other than a Business Day, then such payment, submission, certification, determination or other action may be made or done on the next succeeding day which is a Business Day without, in the case of any payment, additional interest (except in the event of a moratorium) and with the same force and effect as if made or done on the specified date.)

“*Debt Service*” means, collectively, (i) the principal of and interest and premium, if any, on the Bonds when due, (ii) expenses and costs of the District arising from the activities of the District (such activities being the financing of certain public infrastructure purposes including the issuance of the Bonds) including particularly, but not by way of limitation, expenses and costs for agents or third parties required to administer the Bonds, levy and collect taxes for payment of the Bonds, prepare annual audits, budgets and materials with respect to continuing disclosure and provide for any purposes otherwise related to such activities of the District, and (iii) amounts due with regard to Rebate.

“*Fiscal Year*” means a period of twelve (12) consecutive months commencing on July 1 and ending on June 30 or any other consecutive 12-month period which may be established hereinafter as the fiscal year of the District for budgeting and appropriate purposes.

“*Governmental Obligations*” means (1) direct obligations of, or obligations the timely payment of principal of which is fully and unconditionally guaranteed by, the United States of America, (2) obligations described in Section 103(a) of the Internal Revenue Code of 1954 or the Code, provision for the payment of the principal of and premium, if any, and interest on which shall have been made by the irrevocable deposit with a bank or trust company acting as a trustee or escrow agent for holders of such obligations of securities described in Clause (1) the maturing principal of and interest on which, when due and payable, will provide sufficient moneys to pay when due the principal of and premium, if any, and interest on such obligations, and which securities described in Clause (1) are not available to satisfy any other claim, including any claim of the trustee or escrow agent, or any claim of one to whom the trustee or escrow agent may be obligated which, at the time of deposit pursuant to the Indenture, have been assigned ratings in the highest rating category of S&P, but in the case of both Clause (1) and Clause (2) of this paragraph, for purposes of the Indenture, only if such obligations are non-callable prior to the Maturity of the Bonds

or (3) obligations, representing interest on obligations of the Resolution Funding Corporation, the payment of such interest, if other revenues are insufficient, is required to be paid from the United States Treasury, which interest obligations are stripped by the Federal Reserve Bank of New York. Governmental Obligations also includes for purposes other than as specified in the Indenture, a “no load,” open-end management investment company or trust (mutual fund), registered with the federal Securities and Exchange Commission (SEC), meeting the requirements of Rule 2a-7 under the Investment Company Act of 1940, and which money market fund invests in short term United States Treasury obligations, agencies guaranteed by the United States, and repurchase agreements secured by the same and which money market fund is rated by S&P at least “AAAm-G;” “AAAm” or “AAm” and by Moody’s at least “VMIG-1.”

“*Holder*” when used with respect to any Bond means the person in whose name such Bond is registered in the bond register maintained by the Trustee.

“*Initial Letter of Credit*” means the irrevocable, single-draw, stand-by letter of credit issued by the Letter of Credit Bank and delivered to the Depository on the same date as the initial delivery of the Bonds, being an irrevocable obligation to make payment to the Depository of \$_____.*.

“*Letter of Credit*” means (a) the Initial Letter of Credit and (b) upon the issuance and effectiveness thereof, any Alternate Letter of Credit.

“*Letter of Credit Bank*” means _____, a[n] _____, in its capacity as issuer of the Initial Letter of Credit, and its successors and assigns. Upon issuance and effectiveness of any Alternate Letter of Credit, “*Letter of Credit Bank*” shall mean the issuer thereof and its successors and assigns.

“*Letter of Credit Termination Date*” means the earlier of sixty (60) days after the Letter of Credit Bank providing the Letter of Credit no longer has a Minimum Tier 1 Leverage Ratio and the stated expiration date of the Letter of Credit, as extended by any applicable provisions thereof.

“*Maturity*” when used with respect to any Bond means the date on which the principal of such Bond becomes due and payable as therein or herein provided, whether at the Stated Maturity thereof or by call for redemption or otherwise.

“*Maximum Annual Debt Service*” means, at the time of computation, the greatest Annual Debt Service Requirement for the then current or any succeeding Fiscal Year.

“*Minimum Tier 1 Leverage Ratio*” means, for the entity supplying the Letter of Credit, a Tier 1 Leverage Ratio of eight percent (8%).

“*Moody’s*” means Moody’s Investors Service, Inc., or any entity succeeding to the duties and obligations thereof.

“*Opinion of Counsel*” means a written opinion of counsel who may (except as otherwise expressly provided in the Indenture) be counsel for the District and shall be acceptable to the Trustee and, when given with respect to the status of interest on any Bond under federal income tax law, shall be counsel of nationally recognized standing in the field of municipal bond law and when given with respect to the status of any matter relating to the laws on bankruptcy, shall be counsel of nationally recognized standing in the field of bankruptcy law.

“*Outstanding*” when used with respect to Bonds means, as of the date of determination, all Bonds theretofore authenticated and delivered under the Indenture, except, without duplication:

1. Bonds theretofore canceled by the Trustee or delivered to the Trustee for cancellation;

* *Subject to change.*

2. Bonds for the payment or redemption of which money in the necessary amount is on deposit with the Trustee or any paying agent for the Holders of such Bonds at the Maturity thereof; provided, however, that if such Bonds are to be redeemed, notice of such redemption has been duly given pursuant to the Indenture, or waived, or provision therefor satisfactory to the Trustee has been made;

3. Bonds in exchange for or in lieu of which other Bonds have been authenticated and delivered under the Indenture;

4. Bonds alleged to have been destroyed, lost, or stolen which have been paid as provided in the Indenture; and

5. Bonds for the payment of the principal of and interest on which money or Governmental Obligations or both are held by the Trustee or an escrow agent with the effect specified in under the heading "Defeasance" below.

"*Permitted Investments*" means certain investments described in the Indenture.

"*Rebate*" means the payment system established by Section 148 of the Code with respect to certain arbitrage earnings by a political subdivision on amounts treated as the proceeds of certain obligations of such political subdivision and shall include all costs and expenses incurred in connection with, and allocable to, determining the amount due pursuant to such system.

"*Redemption Date*" when used with respect to any Bond to be redeemed means the date fixed for such redemption pursuant to the terms thereof and the Indenture.

"*Redemption Price*" when used with respect to any Bond to be redeemed means the price at which it is to be redeemed pursuant to the Indenture, excluding installments of interest whose Stated Maturity is on or before the Redemption Date.

"*Stated Maturity*" when used with respect to any Bond or any installment of interest on any Bond means the date specified in such Bond as the fixed date on which the principal or such installment of interest on any such Bond is due and payable.

"*Tier 1 Leverage Ratio*" means the ratio of that name established by the Federal Reserve Board in 12 Code of Federal Regulations Part 225, Appendix D, and any replacement thereof acceptable to the District Chief Financial Officer in his sole and absolute discretion.

Trust Estate Under the Indenture

The District has granted a security interest to the Trustee in all money and investments held for the credit of the "Tax Account" of the Bond Fund and the District's interest in the Standby Contribution Agreement and the Depository Agreement. The Trustee is required to hold all such property in trust for the benefit of all of the Holders of the Bonds.

Bond Fund

The money deposited to the Bond Fund is required to be held by the Trustee in trust and applied solely as provided in the Indenture. The District is required to deposit to the Tax Account of the Bond Fund, among other amounts, (i) amounts collected by or remitted to the District as *ad valorem* property taxes to the extent provided in the Indenture, and (ii) amounts paid for deposit therein pursuant to the Standby Contribution Agreement and the Depository Agreement. The Tax Account of the Bond Fund is required to be applied by the Trustee solely to pay Debt Service in any form and in the order described below under "Application of Moneys Collected: Second."

Remedies under the Trust Indenture

The Trustee in its discretion, subject to the other provisions of the Indenture, may proceed to protect and enforce its rights and the rights of the Holders of the Bonds under the Indenture by a suit, action, or proceeding in equity or at law or otherwise, whether for the specific performance of any covenant or agreement contained in the Indenture, the Standby Contribution Agreement or the Depository Agreement or in aid of the execution of any power granted in the Indenture, the Standby Contribution Agreement, or the Depository Agreement or for the enforcement of any other legal, equitable, or other remedy, as the Trustee, being advised by counsel, deems most effectual to protect and enforce any of the rights of the Trustee or the Holders of the Bonds. The Indenture provides that, in addition to all rights and remedies of any Holder of a Bond provided therein, in the event the District defaults in the payment of the principal of or premium, if any, or interest on any of the Bonds when due, or defaults in the observance or performance or the causing of the observance or performance of any of the covenants, conditions, or obligations set forth in the Bond Resolution, the Indenture, the Standby Contribution Agreement or the Depository Agreement, the Trustee will be entitled, to the extent available pursuant to applicable law, to a writ of mandamus issued by a court of proper jurisdiction compelling and requiring the members of the Board and other officers of the District to make such payment or to observe and perform or cause the observation or performance of any covenant, obligation, or condition prescribed in the Bond Resolution, the Indenture, the Standby Contribution Agreement or the Depository Agreement. (Notwithstanding the foregoing, if the Trustee is unwilling or unable to perform any of the foregoing with respect to the Standby Contribution Agreement or the Depository Agreement and the result will be an increase of the levy of property taxes for the next Fiscal Year, the Issuer may, independently, take whatever action is necessary in the judgment of the Board to mitigate the effect in future Fiscal Years). The Indenture contains no provision for acceleration of maturity of principal of the Bonds in the event of default. The remedy of mandamus described above would have to be exercised upon each separate default and may, therefore, prove costly, time consuming, and difficult to enforce. The rights and remedies of Holders of the Bonds and the enforceability of the Bonds may also be limited by bankruptcy, reorganization, and other similar laws affecting the enforcement of creditors' rights generally. See **"RISK FACTORS."**

If

1. default occurs in the payment of any interest on any Bond when such interest becomes due and payable, or
2. default occurs in the payment of the principal of (or premium, if any, on) any Bond at its Maturity,

then upon demand of the Trustee, the District will pay or cause to be paid to the Trustee for the benefit on the Holders of such Bonds the amount so due and payable on the Bonds for principal (and premium, if any), but not any such amounts due in the future, and interest and, in addition thereto, such further amount as will be sufficient to cover the costs and expenses of administration and collection, including the reason-able compensation, expenses, disbursements, and advances of the Trustee and its agents and counsel. If the District fails to pay or cause to be paid such amounts forthwith upon such demand, the Trustee, in its own name and as trustee of an express trust, will be entitled to sue for and recover judgment against the District for the amount then so due and unpaid.

The Trustee will be entitled to sue and recover judgment as aforesaid either before, after, or during the pendency of any proceedings for the enforcement of the lien of the Indenture, and in case of a sale of the trust estate established pursuant to the Indenture and the application of the proceeds of sale as aforesaid, the Trustee, in its own name and as trustee of an express trust, will be entitled to enforce payment of, and to receive, all amounts then remaining due and unpaid upon the Outstanding Bonds, for the benefit of the Holders thereof, and will be entitled to recover judgment for any portion of the same remaining unpaid, with interest as aforesaid. No recovery of any such judgment upon any property of the District will affect or impair the lien on the Indenture upon the trust estate or any rights, powers, or remedies of the Trustee thereunder, or any rights, powers, or remedies of the Holders of the Bonds.

Application of Money Collected

Any money collected by the Trustee pursuant to the "Remedies under the Trust Indenture" above, together with any other sums then held by the Trustee as part of the trust estate established pursuant to the Indenture, will be

applied in the following order, at the date or dates fixed by the Trustee and, in case of the distribution of such money on account of principal (or premium, if any) or interest upon presentation of the Bonds and the notation thereon of the payment if only partially paid and upon surrender thereof if fully paid:

- A. First: To the payment of all unpaid amounts due the Trustee under the applicable provisions of the Indenture;
- B. Second: To the payment of any amounts due for Rebate and then the whole amount then due and unpaid upon the Outstanding Bonds, for principal of and premium, if any, and interest on the Bonds and (to the extent that such interest has been collected by the Trustee or a sum sufficient therefor has been so collected and payment thereof is legally enforceable at the respective rate or rates prescribed therefor in the Bonds) on overdue principal (and premium, if any), and in case such proceeds will be sufficient to pay in full the whole amount so due and unpaid upon such Bonds, then to the payment of such principal and interest without any preference or priority, ratably according to the aggregate amount so due and
- C. Third: To the payment of the remainder, if any, to the District, or to whosoever may be lawfully entitled to receive the same, or as a court of competent jurisdiction may direct.

Control by Holders of the Bonds

The Holders of a majority in principal amount of the Outstanding Bonds affected thereby will have the right (subject to providing indemnity to the Trustee as described below):

- 1. to require the Trustee to proceed to enforce the Indenture, either by judicial proceedings for the enforcement of the payment of the Bonds and the foreclosure of the Indenture, the sale of the trust estate established pursuant to the Indenture, or otherwise; and
- 2. to direct 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 the Indenture, provided that
 - a. such direction will not be in conflict with any rule of law or the Indenture,
 - b. the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction,
 - c. the Trustee has not determined that the action so directed would be unjustly prejudicial to the Holders not taking part in such direction, and
 - d. if the remedy requires the consent of a certain number of the Holders, such consent has been provided.

Before taking action pursuant to the Indenture, the Trustee may require that a satisfactory indemnity bond be furnished to it for the reimbursement of all expenses which it may incur and to protect it against all liability by reason of any action so taken, except liability which is adjudicated to have resulted from its negligence or willful misconduct. The Trustee may take action without that indemnity, and in that case, the District will reimburse the Trustee for all of the expenses of the Trustee pursuant to the Indenture.

Each Holder of any Bond by his acceptance thereof will be deemed to have agreed that any court may in its discretion require, in any suit for the enforcement of any right or remedy under the Indenture, or in any suit against the Trustee for any action taken or omitted by it as Trustee, the filing by any party litigant in such suit of an undertaking to pay the costs of such suit, and that such court may in its discretion assess reasonable costs against any party litigant in such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant. However, the provisions of the Indenture will not apply to any suit instituted by or against the

Trustee, to any suit instituted by any Holder of a Bond or group of Holders of the Bonds affected thereby, holding in aggregate more than ten percent in principal amount of the Outstanding Bonds, or to any suit instituted by any Holder of a Bond for the enforcement of the payment of the principal of or interest on any Bond on or after the Stated Maturity expressed in such Bond (or, in the case of redemption, on or after the Redemption Date).

Supplemental Indentures and Amendments to Certain Documents

Without the consent of the Holders of any Bonds but, if it is not in default with respect to its obligations under the Standby Contribution Agreement, with the consent of the Owner, under certain circumstances described in the Indenture, the District and the Trustee may from time to time enter into indentures supplemental to the Indenture or adopt a resolution amending the Bond Resolution or amend the Standby Contribution Agreement or the Depository Agreement (i) to correct or amplify the description of any property subject to the lien of the Indenture, or better to assure, convey, and confirm unto the Trustee any property subject or required to be subjected to the lien of the Indenture, or to subject to the lien of the Indenture additional property; (ii) to add to the conditions, limitations and restrictions on the authorized amount, terms, or purposes of issue, authentication and delivery of Bonds any additional conditions, limitations and restrictions thereafter to be observed; (iii) to evidence the succession of another entity to the District and the assumption by any such successor of the covenants of the District in the Bonds, the Indenture, the Bond Resolution, the Standby Contribution Agreement or the Depository Agreement; (iv) to add to the covenants of the District for the benefit of the Holders of all the Bonds; (v) to allow the replacement of the Letter of Credit with an amount of cash equal to the face amount thereof upon terms and conditions the Issuer Representative, in his sole and absolute discretion, deems appropriate including requirements for opinions of counsel on subjects he deems necessary; or (vi) to cure any ambiguity, to correct or supplement any provision in the Indenture, the Bond Resolution, the Standby Contribution Agreement or the Depository Agreement which may be inconsistent with any other provisions thereof, or to make any other provisions with respect to matters or questions arising thereunder which will not be inconsistent with the provisions thereof, if such actions will not adversely affect the interests of the Holders of the Bonds.

With the consent of the Holders of not less than a majority in principal amount of the Bonds affected by such supplemental Indenture or amendment to the Bond Resolution, the Standby Contribution Agreement or the Depository Agreement and, under certain circumstances described in the Indenture and, if it is not in default with respect to its obligations under the Standby Contribution Agreement, the consent of the Owner, the District and the Trustee may also enter into indentures supplemental to the Indenture or amendments to the Bond Resolution, the Standby Contribution Agreement or the Depository Agreement for the purpose of adding any other provisions to or changing in any other manner or eliminating any of the provisions of the Indenture, the Standby Contribution Agreement or the Depository Agreement or of modifying in another manner the rights of the Holders of the Bonds under the Indenture, the Bond Resolution, the Standby Contribution Agreement or the Depository Agreement. However, no supplemental indenture or amendment, without the consent of the Holder of each Outstanding Bond affected thereby, is permitted by the Indenture to (i) change the Stated Maturity of the principal of, or any installment of interest on, any Bond, or reduce the principal amount of or the interest on, any Bond, or change any place of payment where, or the coin or currency in which, any Bond or the interest on any Bond is payable, or impair the right to institute suit for the enforcement of any such payment on or after the stated maturity thereof (or, in the case of redemption, on or after the Redemption Date); (ii) reduce the percentage in principal amount of the Outstanding Bonds the consent of the Holders of which is required for any supplemental indenture or amendment to the Bond Resolution, the Standby Contribution Agreement or the Depository Agreement, or the consent of Holders of which is required for any waiver provided for in the Indenture of compliance with certain provisions of the Indenture or certain defaults under the Indenture and their consequences; (iii) modify or alter the provisions of the proviso to the definition of the term "Outstanding" in the Indenture; or (iv) modify any of the provisions of the Indenture concerning approval of supplemental indentures or amendments to the Bond Resolution, the Standby Contribution Agreement or the Depository Agreement except to increase any percentage of the Holders of Bonds necessary for approval or to provide that certain provisions of the Indenture cannot be modified or waived without the consent of the Holder of each Bond affected thereby. The Trustee may in its discretion determine whether or not any Bonds would be affected by any supplemental indenture or amendment to the Bond Resolution, the Standby Contribution Agreement or the Depository Agreement and any such determination will be conclusive upon each Holder of the Bonds, whether theretofore or thereafter authenticated and delivered under the Trust Indenture. The Trustee will not be liable for any such determination made in good faith.

Concerning the Trustee

The Trustee has undertaken to perform such duties and only such duties as are specifically set forth in the Indenture, and no implied covenants or obligations should be read into the Indenture against the Trustee. In the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of the Indenture. However, in the case of any such certificates or opinions which by any provision of the Indenture are specifically required to be furnished to the Trustee, the Trustee will be under a duty to examine the same to determine whether or not they conform on their face to the requirements of the Indenture.

No provision of the Indenture will be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that

1. this paragraph will not be construed to limit the effect of the preceding paragraph;
2. the Trustee will not be liable for any error of judgment made in good faith by a responsible officer of the Trustee, unless it shall be proved that the Trustee was negligent;
3. the Trustee will not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Holders of a majority in principal amount of the Outstanding Bonds or 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 the Indenture, the Standby Contribution Agreement or the Depository Agreement; and
4. no provision of the Indenture will require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties under the Indenture, or in the exercise of any of its rights or powers, unless it is provided indemnity in connection therewith as provided in the Indenture.

Except as otherwise provided in the Indenture:

1. the Trustee may rely and will be protected in acting or refraining from acting upon:
 - a. any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, telex or other paper, document, or communication reasonably believed by it to be genuine and to have been signed or presented by the proper persons; and
 - b. failure of the Trustee to receive any such paper, document, or communication, if prior receipt thereof is required by the Indenture before the Trustee is to take or refrain from taking any action;
2. any request or direction of the District mentioned in the Indenture will be sufficiently evidenced by a request of the District, and any order or resolution of the District may be sufficiently evidenced by a resolution of the board of the District;
3. whenever in the administration of the Indenture the Trustee will deem it desirable that a matter be proved or established prior to taking, suffering, or omitting any action described hereunder, the Trustee (unless other evidence be herein specifically prescribed) may, in the absence of bad faith on its part, rely upon a certificate of an officer of the District;
4. the Trustee may consult with legal counsel and the written advice of such counsel will be full and complete authorization and protection in respect of any action taken, suffered, or omitted by the Trustee under the Indenture in good faith and in reliance thereon;

5. the Trustee will be under no obligation to exercise any of the rights or powers vested in it by the Indenture, the Bond Resolution, the Standby Contribution Agreement or the Depository Agreement at the request or direction of any of the Holders of the Bonds pursuant to the Indenture, unless such Holders of the Bonds shall have offered to the Trustee security or indemnity satisfactory to the Trustee against the costs, expenses, and liabilities which might be incurred by it in compliance with such request or direction;
6. the Trustee will not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, or other paper or document, but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Trustee determines to make such further inquiry or investigation, it will be entitled to examine the books, records, and premises of the District, personally or by agent or attorney;
7. the Trustee may execute any of the trusts or powers hereunder or perform any duties under the Indenture either directly or by or through agents or attorneys, and the Trustee will not be responsible for any misconduct or negligence on the part of any agent or attorney appointed, with due care by it;
8. the Trustee shall not be required to take notice or to be deemed to have notice of any default under the Indenture, except for the defaults with respect to payment of principal of, and interest on, the Bonds, unless the Trustee is notified of such default in writing by the District or by the Holders of a majority in aggregate principal amount of the Bonds then Outstanding and, in the absence of such notices so delivered, the Trustee may conclusively assume there is no default except as aforesaid;
9. the Trustee has no obligation to perform any duties of the District with respect to maintaining federal tax exemption or arbitrage rebate requirements, and the Trustee is not bound to ascertain or inquire as to the performance or observance of any covenants or conditions on the part of the District with respect thereto. The Trustee will not be responsible for any determination or calculation concerning arbitrage rebate with respect to the Bonds, or for monitoring yields on investments held under the Indenture or determining whether the yield on any investments made in accordance with the Indenture would cause, or whether any other facts exist which would cause, any of the Bonds to become arbitrage bonds under section 148 of the Code; and
10. the Trustee will have the right to accept and act upon instructions or directions, including funds transfer instructions, pursuant to the Indenture sent by electronic means (under the circumstances described in the Indenture).

There will at all times be a trustee under the Indenture which will be a bank or trust company organized and doing business under the laws of the United States or of any state, authorized under such laws to exercise corporate trust powers, having a combined capital and surplus of at least \$50,000,000, and subject to supervision or examination by federal or state authority. If such corporation publishes reports of condition at least annually, pursuant to law or to, the requirements of such supervising or examining authority, then for the purposes of the Indenture the combined capital and surplus of such corporation will be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time the Trustee ceases to be eligible in accordance with the provisions of the Indenture, it will resign immediately in the manner and with the effect specified in the Indenture.

The Trustee may resign at any time by giving written notice thereof to the District. If an instrument of acceptance by a successor Trustee will not have been delivered to the Trustee within 30 days after the giving of such notice of resignation, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee.

The Trustee may be removed immediately with cause or after thirty days without cause, in either case by, if no event at default shall have occurred and be continuing, an act of the District or an act of the Holders of a majority in principal amount of the Outstanding Bonds, as applicable, delivered to the Holders, the Trustee and the District.

If at any time:

1. the Trustee ceases to be eligible under the Indenture and fails to resign after written request therefor by the District or any such Holder of a Bond, or
2. the Trustee becomes incapable of acting or adjudged insolvent or a receiver of the Trustee or of its property is appointed or any public officer takes charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation, or liquidation,

then, in either such case, the District may remove the Trustee or subject to the provisions of the Indenture, any Holder of a Bond who has been a *bona fide* Holder of a Bond for at least six months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee.

If the Trustee resigns, is removed, or becomes incapable of acting, the District will promptly appoint a successor Trustee. In case all or substantially all of the trust estate held pursuant to the Indenture will be in the possession of a receiver or trustee lawfully appointed, such receiver or trustee, by written instrument, may similarly appoint a successor to fill such vacancy until a new Trustee is appointed by the Holders of the Bonds. If, within one year after such resignation, removal, or incapability, or the occurrence of such vacancy, a successor Trustee is appointed by act of the Holders of a majority in principal amount of the Outstanding Bonds and delivered to the District and the retiring Trustee, then the successor Trustee so appointed will, forthwith upon its acceptance of such appointment, become the successor Trustee and supersede the successor Trustee appointed by the District or by such receiver or trustee. If no successor Trustee is so appointed by the District or the Holders of the Bonds and has accepted appointment in the manner hereinafter provided, any Holder of a Bond who has been a *bona fide* Holder of a Bond for at least six months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the appointment of a successor Trustee.

Defeasance

The Indenture, and the lien, rights, and interests created thereby, will terminate, at the request of the District, when the following conditions exist:

1. all Bonds previously authenticated and delivered under the Indenture have been canceled by the Trustee or delivered to the Trustee for cancellation, excluding however:
 - a. Bonds for the payment of which money has been deposited with the Trustee or a paying agent, as provided by the provisions of the Indenture relating to redemption of the Bonds;
 - b. Bonds alleged to have been destroyed, lost, or stolen which have been replaced or paid as provided in the Indenture, except for any such Bond which prior to the satisfaction and discharge of the Indenture has been presented to the Trustee with a claim of ownership and enforceability by the Holder thereof and where enforceability has not been determined adversely against such Holder by a court of competent jurisdiction;
 - c. Bonds, other than those referred to in the foregoing clauses, for the payment or redemption of which there has been deposited with the Trustee in accordance with the provisions of the Indenture in trust for such purpose an amount sufficient to pay and discharge the entire indebtedness on such Bonds for principal and interest to the Stated Maturity or Redemption Date of such Bonds, as the case may be; and

- d. Bonds deemed no longer outstanding as a result of the deposit or escrow or money or Governmental Obligations as described below; and
2. the District has paid or caused to be paid all other sums payable by the District under the Indenture.

Any Bond will be deemed to be no longer Outstanding when payment of the principal of such Bond, plus interest thereon to its Maturity (whether such Maturity is by reason of the Stated Maturity or by call for redemption, if notice of such call has been given or waived or irrevocable arrangements for such notice satisfactory to the Trustee have been made) has been provided by depositing (i) money sufficient to make such payment or (ii) money and Governmental Obligations certified by an independent accountant of national reputation to mature as to principal and interest in such amounts and at such times as will, without further investment or reinvestment of either the principal amount thereof or the interest earnings therefrom, be sufficient to make such payment, provided that all necessary and proper fees, compensation and expenses of the Trustee and paying agents pertaining to the Bonds with respect to which such deposit is made have been paid or the payment thereof has been provided for to the satisfaction of the Trustee. Any deposit described above must be made either with the Trustee or, if notice of such deposit is given to the Trustee, or with a state or nationally chartered bank with a minimum combined capital surplus or \$50,000,000 as escrow agent, with irrevocable instructions to transfer the amounts so deposited and investment income therefrom to the Trustee or to the paying agents in the amounts and at the times required to pay principal of and interest on the Bonds with respect to which such deposit is made at the maturity thereof and of such interest or the Stated Maturity, as the case may be. In the event such deposit is made with respect to some but not all of the Bonds then outstanding, the Trustee is required to select the Outstanding Bonds with respect to which such deposit is made in the same manner as provided in the Trust Indenture for the selection of Bonds to be redeemed.

No such deposit will have the effect specified above, however, (i) if made during the existence of a default under the Trust Indenture, unless made with respect to all of the Bonds then Outstanding, and (ii) unless there is delivered to the Trustee an opinion of counsel to the effect that such deposit will not adversely affect any exemption from federal income taxation of interest on any Bond. Any money and Governmental Obligations deposited with the Trustee for such purpose is required to be held by the Trustee in a segregated account in trust for the Holders of the Bonds with respect to which such deposit is made and, together with any investment income therefrom, is required to be disbursed solely to pay the principal of and interest on such Bonds when due. No money or Governmental Obligations so deposited pursuant to this Section will be invested or reinvested unless in Governmental Obligations and unless such money not invested, such Governmental Obligations not reinvested, and such new investments are together certified by an independent accountant of national reputation to be of such amounts, maturities, and interest payment dates and to bear such interest as will, without further investment or reinvestment of either the principal amount thereof or the interest earnings therefrom, be sufficient to make such payment. At such times as a Bond shall be deemed to be so paid, it will no longer be secured by or entitled to the benefits of the Indenture, except for purposes of any such payment from such money or Governmental Obligations.

[Bond Insurer Rights

Wherever the Indenture requires the consent of the Holders, the Bond Insurer's consent shall also be required. In addition, any amendment, supplement or modification to the Indenture that adversely affects the rights or interests of the Bond Insurer shall be subject to the prior written consent of the Bond Insurer. Anything in the Indenture to the contrary notwithstanding, upon the occurrence and continuance of a default or an event of default with respect to payment of the Bonds, the Bond Insurer shall be deemed to be the sole holder of the Bonds for all purposes and shall be entitled to control and direct the enforcement of all rights and remedies granted to the Holders for the benefit of such Holders under the Indenture. The Trustee may not waive any default or event of default or accelerate the Bonds without the Bond Insurer's written consent. The Bond Insurer is explicitly recognized as and shall be deemed to be a third-party beneficiary of the Indenture and may enforce any right, remedy or claim conferred, given or granted thereunder upon the occurrence and continuance of a default or an event of default with respect to payment of the Bonds.]

APPENDIX F

**AUDITED FINANCIAL STATEMENTS OF THE DISTRICT
FOR FISCAL YEAR ENDED JUNE 30, 2023**

APPENDIX G

SPECIMEN MUNICIPAL BOND INSURANCE POLICY